Orange County Transportation Authority

Finance and Administration Committee Agenda
Wednesday, May 24, 2023 at 10:30 a.m.

Board Room, 550 South Main Street, Orange, California

Committee Members

Michael Hennessey, Chairman
Patrick Harper, Vice Chairman
Andrew Do
Jamey Federico
Brian Goodell
Steve Jones
Vicente Sarmiento

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the Orange County Transportation Authority (OCTA) Clerk of the Board's office at (714) 560-5676, no less than two business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

Agenda Descriptions

Agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Committee may take any action which it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

Public Availability of Agenda Materials

All documents relative to the items referenced in this agenda are available for public inspection at www.octa.net or through the Clerk of the Board's office at the OCTA Headquarters, 600 South Main Street, Orange, California.

Meeting Access and Public Comments on Agenda Items

Members of the public can either attend in-person or listen to audio live streaming of the Board and Committee meetings by clicking this link: https://octa.legistar.com/Calendar.aspx

In-Person Comment

Members of the public may attend in-person and address the Board regarding any item. Please complete a speaker's card and submit it to the Clerk of the Board or notify the Clerk of the Board the item number on which you wish to speak. Speakers will be recognized by the Chairman at the time the agenda item is to be considered. Comments shall be limited to three minutes.

Written Comment

Written public comments may also be submitted by emailing them to ClerkOffice@octa.net, and must be sent by 5:00 p.m. the day prior to the meeting. If you wish to comment on a specific agenda Item, please identify the Item number in your email. All public comments that are timely received will be part of the public record and distributed to the Board. Public comments will be made available to the public upon request.

Call to Order

Pledge of Allegiance

Director Goodell

Special Calendar

There are no Special Calendar matters.

Consent Calendar (Items 1 through 10)

All items on the Consent Calendar are to be approved in one motion unless a Committee Member or a member of the public requests separate action or discussion on a specific item.

1. Approval of Minutes

Recommendation

Approve the May 10, 2023 minutes of the Finance and Administration Committee meeting.

Attachments:

Minutes

2. Measure M2 Comprehensive Transportation Funding Programs Project Audits

Gabriel Tang/Janet Sutter

Overview

Audits have been completed of 11 projects funded through the Measure M2 Comprehensive Transportation Funding Programs. Based on audit procedures performed of projects by the cities of Anaheim, Buena Park, Irvine, Mission Viejo, Laguna Hills, and Orange, the cities complied with Comprehensive Transportation Funding Programs guidelines and costs charged to the projects were reasonable, allocable, and adequately supported. The Internal Audit Department made recommendations to improve controls in relation to audits performed of projects by the County of Orange, and the cities of Costa Mesa, Laguna Beach, and San Clemente.

Recommendations

A. Direct staff to implement one recommendation provided in the audit of the County of Orange, Regional Capacity Program, La Pata Avenue Phase II, Project No. 13 ORCO-ACE-3655, Construction Phase.

B. Direct staff to perform follow up with the County of Orange and the cities of Costa Mesa, Laguna Beach, and San Clemente on actions taken to address recommendations made.

Attachments:

Staff Report
Attachment A
Attachment B
Attachment C
Attachment D
Attachment E
Attachment F
Attachment G
Attachment H
Attachment I
Attachment J
Attachment K
Attachment L

3. **Amendment to the 91 Express Lanes Riverside County Transportation Commission / Orange County Transportation Authority Facility Agreement**
Kirk Avila

Overview
The 91 Express Lanes Riverside County Transportation Commission/Orange County Transportation Authority Facility Agreement prescribes the funding transfers between the two agencies for costs incurred for the rent and any shared operational expenses in relation to the 91 Express Lanes. An amendment is needed to account for the reimbursement of shared operating costs incurred by the Riverside County Transportation Commission for the period July 1, 2023 through June 30, 2024.

Recommendation
Authorize the Chief Executive Officer to negotiate and execute Amendment No. 8 to Agreement No. C-5-3828 between the Orange County Transportation Authority and Riverside County Transportation Commission, in the amount of $1,452,388, for the reimbursement of shared operational expenses through June 30, 2024.

Attachments:

Staff Report
Attachment A
Attachment B

4. **Fiscal Year 2022-23 Third Quarter Grant Reimbursement Status Report**
Sam Kaur/Andrew Oftelie

Overview
The Quarterly Grant Reimbursement Status Report summarizes grant activities for the Orange County Transportation Authority Board of Directors. This report focuses on activity for the third quarter of fiscal year 2022-23, covering January through March 2023.

Recommendation
Receive and file as an information item.

Attachments:

Staff Report
Attachment A
Attachment B
Attachment C
Attachment D

5. **Resolution to Establish the Orange County Transportation Authority General Fund Appropriations Limit for Fiscal Year 2023-24**
Sam Kaur/Andrew Oftelie

Overview
The State Constitution requires that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year pursuant to Article XIIIB.

Recommendation
Adopt Orange County Transportation Authority Resolution No. 2023-026 to establish the Orange County Transportation Authority General Fund appropriations limit at $14,628,424, for fiscal year 2023-24.

Attachments:

Staff Report
Attachment A
Attachment B

6. **Orange County Transportation Authority Investment and Debt Programs Report - March 2023**
Robert Davis/Andrew Oftelie

Overview
The Orange County Transportation Authority has a comprehensive investment and debt program to fund its immediate and long-term cash flow demands. Each month, the Treasurer submits a report detailing investment allocation, performance, compliance, outstanding debt balances, and credit ratings for the Orange County Transportation Authority's debt program. This report is for the month ending March 31, 2023.

Recommendation
Receive and file as an information item.

Attachments:

Staff Report

Attachment A

Attachment B

7. Resolution to Establish the Orange County Local Transportation Authority/Measure M2 Appropriations Limit for Fiscal Year 2023-24
Sam Kaur/Andrew Oftelie

Overview
The State Constitution requires that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year pursuant to Article XIIIB.

Recommendation
Adopt Orange County Local Transportation Authority/Measure M2 Resolution No. 2023-025 to establish the Orange County Local Transportation Authority/Measure M2 appropriations limit at $2,210,761,786, for fiscal year 2023-24.

Attachments:

Staff Report

Attachment A

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8. Amendment to Cooperative Agreement with the City of Laguna Beach for Public Transit Services
Sam Kaur/Andrew Oftelie

Overview
On June 11, 2018, the Orange County Transportation Authority Board of Directors approved a cooperative agreement with the City of Laguna Beach for the continued operation of public transit services. Board of Directors' approval is requested to amend the cooperative agreement to provide the City of Laguna Beach with additional Federal Transit Administration, State Transit Assistance, and SB 1 (Chapter 5, Statutes of 2017) State of Good Repair funds.

Recommendation
Authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Cooperative Agreement No. C-8-1679 between the Orange County Transportation Authority and the City of Laguna Beach, in the amount of $778,530, for the pass through of additional Federal Transit Administration, State Transit Assistance, and SB 1 State of Good Repair funding and to extend the expiration date for an additional six months through December 31, 2023. This will increase the maximum obligation of the cooperative agreement to a total contract value of $4,569,306.

Attachments:

Staff Report

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9. Purchase Order for Disk Storage Arrays

Josh Duke/Andrew Oftelie

Overview

On March 15, 2023, the Orange County Transportation Authority issued an invitation for bids for disk storage arrays and accessories. The disk storage arrays are required to operate all business software applications. Bids were received in accordance with the Orange County Transportation Authority's procurement procedures. The Board of Directors' approval is requested to execute a purchase order for disk storage arrays.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. A53853 between the Orange County Transportation Authority and vCloud Tech, Inc., in the amount of $376,739, for disk storage arrays.

Attachments:

Staff Report

10. Third Quarter Fiscal Year 2022-23 Procurement Status Report

Pia Veesapen/Andrew Oftelie

Overview

The third quarter procurement status report summarizes the procurement activities for informational purposes to the Orange County Transportation Authority Board of Directors. This report focuses on procurement activity from January 1, 2023 through March 31, 2023, that was approved by the Board of Directors during this period. The third quarter procurement status report also projects future procurement activity for the fourth quarter as identified in the fiscal year 2022-23 budget.

Recommendation

Receive and file as an information item.

Attachments:

Staff Report

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Attachment E

Attachment F

Regular Calendar

11. 91 Express Lanes Financing Documents
Robert Davis/Andrew Oftelie

Overview
On April 24, 2023, the Orange County Transportation Authority Board of Directors directed staff to move forward with refinancing the $71.42 million of outstanding bonds secured by revenues generated by the 91 Express Lanes. Final approval for the refinancing of the outstanding 91 Express Lanes Bonds and the form of the financing documents for the proposed transaction is presented for review and approval.

Recommendation
Adopt Resolution No. 2023-027, authorizing the issuance of Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2023, in an aggregate principal amount not to exceed $71.42 million, and the execution and delivery of related financing documents. The related financing documents include forms of the Second Supplemental Indenture, Purchase Contract, Preliminary Official Statement, and the form of the Continuing Disclosure Certificate, and taking all other actions necessary in connection with the proposed transaction.

Attachments:

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12. Preview to the Public Hearing on Orange County Transportation Authority's Fiscal Year 2023-24 Budget and Personnel and Salary Resolution
Victor Velasquez/Andrew Oftelie

Overview
The Orange County Transportation Authority Fiscal Year 2023-24 Budget presents a balanced plan of sources and uses of funds while providing for the current and future transportation needs of Orange County. The Board of Directors may approve the Orange County Transportation Authority Fiscal Year 2023-24 Budget following the public hearing to be held at the Board of Directors' meeting on June 12, 2023, at the following Board of Directors' meeting on June 26, 2023, or in a special meeting convened at their discretion, on or before June 30, 2023. The Board of Directors are also asked to approve the Personnel and Salary Resolution as part of the budget approval process.

Recommendations
A. Approve by Resolution the Orange County Transportation Authority's Fiscal Year 2023-24 Budget.

B. Approve the Personnel and Salary Resolution for fiscal year 2023-24.

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 fiscal year 2023-24 Orange County Transportation Authority member agency contribution to the Southern California Regional Rail Authority, operating subsidy, in an amount up to $50,750,849, including authorization of federal funding to be drawn down directly by the Southern California Regional Rail Authority, in an amount up to $9,534,777. 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 $4,129,290 and $25,543,785 for rehabilitation. Also, authorize a working capital reserve contribution of up to $7,150,000 to facilitate the funding of capital expenditures and lessen the necessity of using operating funds to front capital expenditures.

Attachments:

Staff Report

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Presentation

Handout

Discussion Items

13. Public Comments

14. Chief Executive Officer's Report

15. Committee Members' Reports

16. Closed Session

There are no Closed Session items scheduled.

17. **Adjournment**

The next regularly scheduled meeting of this Committee will be held:

10:30 a.m. on Wednesday, June 14, 2023

OCTA Headquarters
Board Room
550 South Main Street
Orange, California

Committee Members Present	**Staff Present**
Michael Hennessey, Chairman	Jennifer L. Bergener, Deputy Chief Executive Officer
Patrick Harper, Vice Chairman	Sahara Meisenheimer, Clerk of the Board Specialist
Jamey Federico	Allison Cheshire, Clerk of the Board Specialist, Senior
Brian Goodell	Cassie Trapesonian, Assistant General Counsel
Steve Jones	OCTA Staff
Vicente Sarmiento	

Committee Members Absent	**Via Teleconference**
Andrew Do	Darrell E. Johnson, Chief Executive Officer

Call to Order

The May 10, 2023 regular Finance and Administration Committee meeting was called to order by Committee Chairman Hennessey at 10:30 a.m.

Special Calendar

1. Taxable Sales Forecast

Andy Oftelie, Chief Financial Officer, provided opening comments and introduced Tom Adams, Client Success Manager from Avenue Insights & Analytics, who provided a PowerPoint on the annual forecast, pandemic impacts, and recovery projections.

Following a discussion, no action was taken on this item.

Consent Calendar (Items 2 and 3)

2. Approval of Minutes

A motion was made by Director Jones, seconded by Director Goodell, and declared passed by those present to approve the minutes of the April 26, 2023 minutes of the Finance and Administration Committee meeting.

Director Sarmiento was not present to vote on this item.

3. Annual Update to Invest Policy

A motion was made by Director Jones, seconded by Director Goodell, and declared passed by those present, to:

A. Adopt the Proposed Fiscal Year 2023-24 Investment Policy July 1, 2023.

B. Authorize the Treasurer, to invest, reinvest, purchase, exchange, sell, and manage Orange County Transportation Authority funds during fiscal year 2023-24.

Director Sarmiento was not present to vote on this item.

Regular Calendar

4. Agreement for Information Technology Contract Technical Staffing

Lloyd Suillivan, Chief Information Officer, provided a report on this item.

A discussison ensued regarding the cost and length of the contract.

A motion was made by Director Sarmiento, seconded by Director Federico, and declared passed by those present, to:

A. Approve the selection of Intratek Computer, Inc., as the firm to provide contract staffing services for Information Technology technical positions.

B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-2-2746 between the Orange County Transportation Authority and Intratek Computer, Inc., in the amount of $23,621,941, for a five-year term effective July 1, 2023 through June 30, 2028, to provide contract technical staffing services for Information Technology technical positions.

Discussion Items

5. Fiscal Year 2023-24 Budget Workshop Follow-Up

Sean Murdock, Director of Finance and Administration, referenced the handout and stated that the document will be updated if there any new questions. Staff will be available to answer questions, at any of the future Committee meetings prior to the June 12, 2023 Board Meeting.

6. Public Comments

No public comments were received.

7. Chief Executive Officer's Report

Jennifer L. Bergener, Deputy Chief Executive Officer, reported that the Orange County Transportation Authority's Teen Council is returning and recruitment is underway.

8. Committee Members' Reports

There were no Committee Member's reports.

9 Closed Session

A closed session was not scheduled.

10. Adjournment

The meeting adjourned at 11:27 a.m.

The next regularly scheduled meeting of this Committee will be held:
10:30 a.m. on Wednesday, May 24, 2023
OCTA Headquarters
550 South Main Street
Orange, California

ATTEST:

____

Sahara Meisenheimer
Clerk of the Board Specialist

OCTA

May 24, 2023

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: Measure M2 Comprehensive Transportation Funding Programs Project Audits

Overview

Audits have been completed of 11 projects funded through the Measure M2 Comprehensive Transportation Funding Programs. Based on audit procedures performed of projects by the cities of Anaheim, Buena Park, Irvine, Mission Viejo, Laguna Hills, and Orange, the cities complied with Comprehensive Transportation Funding Programs guidelines and costs charged to the projects were reasonable, allocable, and adequately supported. The Internal Audit Department made recommendations to improve controls in relation to audits performed of projects by the County of Orange, and the cities of Costa Mesa, Laguna Beach, and San Clemente.

Recommendations

A. Direct staff to implement one recommendation provided in the audit of the County of Orange, Regional Capacity Program, La Pata Avenue Phase II, Project No. 13 ORCO-ACE-3655, Construction Phase.

B. Direct staff to perform follow up with the County of Orange and the cities of Costa Mesa, Laguna Beach, and San Clemente on actions taken to address recommendations made.

Background

Measure M2 includes a number of competitive grant programs that provide funding for improvements to the local streets and roads network, expansion of various transit services, and cleanup of roadway storm water runoff. These programs allocate funds through a competitive process and each program has a specific focus and evaluation criteria as outlined in the Comprehensive Transportation Funding Programs (CTFP) guidelines. The guidelines serve as the mechanism the Orange County Local Transportation Authority (OCLTA) uses to administer transit, environmental cleanup, as well as local streets and roads funding programs.

The Fiscal Year 2021-22 Internal Audit Plan included audits of selected CTFP projects. The Internal Audit Department (Internal Audit) conducted audits of 11 projects closed during the period July 1, 2020, through June 30, 2022.

Discussion

Internal Audit obtained a listing of all projects closed from July 1, 2020, through June 30, 2022, under the Regional Capacity Program (Project O), Regional Traffic Signal Synchronization Program (Project P), Transit Program (Projects S, T, and W), and the Environmental Cleanup Program (Project X). From this population, Internal Audit selected eight projects for audit. Internal Audit also selected three out of ten Community-Based Transit/Circulators projects (Project V) with reimbursements paid from July 1, 2020, through June 30, 2022, for audit.

The objectives of the audits were to determine whether projects were completed in accordance with CTFP guidelines, applications, and agreements; costs charged to the project were eligible, reasonable, and allocable; records and documentation were adequately maintained; jurisdictions complied with competitive contracting requirements; and adequate accounting and cash management procedures were employed.

<u>Results</u>

No findings resulted from audits of selected projects by the cities of Anaheim, Buena Park, Irvine, Laguna Hills, Mission Viejo, and Orange.

Internal Audit identified discrepancies and/or overbillings related to three audited projects, failure to comply with competitive contracting requirements by one agency, and failure to comply with Americans with Disabilities Act requirements by one agency. Internal Audit also made recommendations to OCLTA management related to project mitigation costs that were incurred and reimbursed to one agency after the project completion date and beyond the Board of Directors (Board)-approved extended funding deadline.

A summary of all findings and management responses can be found in Attachment A, and the detailed reports, along with written management letters, can be found in Attachments B through L.

Summary

Audits have been completed of 11 projects funded through the CTFP. Internal Audit made recommendations to improve controls in relation to audits performed of projects by the County of Orange, and the cities of Costa Mesa, Laguna Beach, and San Clemente.

Attachments

A. Summary of Findings and Management Responses Orange County Local Transportation Authority Measure M2 Comprehensive Transportation Funding Programs Project Audits
B. Comprehensive Transportation Funding Programs, City of Anaheim, Regional Capacity Program, State College Boulevard and La Palma Avenue Intersection Project, Project No. 14-ANAH-ICE-3712, Right-of-Way Phase
C. Comprehensive Transportation Funding Programs, City of Buena Park, Regional Capacity Program, State Route 91/Beach Boulevard Westbound Exit Ramp Project, Project No. 13-BPRK-FST-3651, Construction Phase
D. Comprehensive Transportation Funding Programs, City of Costa Mesa, Regional Capacity Program, Hyland Avenue at MacArthur Boulevard Intersection Improvements Project, Project No. 17-CMSA-ICE-3861, Construction Phase
E. Comprehensive Transportation Funding Programs, City of Irvine, Regional Traffic Signal Synchronization Program, Irvine Center Drive/Edinger Avenue Signal Synchronization Project, Project No. 16-IRVN-TSP-3791
F. Comprehensive Transportation Funding Programs, City of Laguna Beach, Community Based Transit/Circulators Program, Off-Season Weekend Shuttle, Project No. 14-LBCH-CBT-3747, Operations and Maintenance
G. Comprehensive Transportation Funding Programs, City of Laguna Hills, Environmental Cleanup Program, Laguna Hills CPS-Mod & ARS-CL Screen Project Phase IX Project, Project No. 20-LHLL-ECP-3983
H. Comprehensive Transportation Funding Programs, City of Mission Viejo, Regional Traffic Signal Synchronization Program, Marguerite Parkway Corridor Signal Synchronization Project, Project No. 16-MVJO-TSP-3793

I. Comprehensive Transportation Funding Programs, City of Orange, Environmental Cleanup Program, Debris Separating Baffle Box and Connector Pipe Screens Installation Project, Project No. 19-ORNG-ECP-3951
J. Comprehensive Transportation Funding Programs, City of San Clemente, Community-Based Transit/Circulators Program, San Clemente Rideshare Services, Project No. 16-SCLM-CBT-3841, Operations and Maintenance
K. Comprehensive Transportation Funding Programs, County of Orange, Regional Capacity Program, La Pata Avenue Phase II, Project No. 13-ORCO-ACE-3655, Construction Phase
L. Comprehensive Transportation Funding Programs, County of Orange, Community-Based Transit/Circulators Program, Orange County Ranch Ride, Project No. 16-ORCO-CBT-3822, Operations and Maintenance

Prepared by:

Gabriel Tang
Principal Internal Auditor, Internal Audit
714-560-5746

Approved by:

Janet Sutter
Executive Director, Internal Audit
714-560-5591

ATTACHMENT A

SUMMARY OF FINDINGS AND MANAGEMENT RESPONSES
Orange County Local Transportation Authority
Measure M2 Comprehensive Transportation Funding Programs Project Audits

City / Project	Finding and Recommendation	Management Response
City of Anaheim Project No. 14-ANAH-ICE-3712	None	None
City of Buena Park Project No. 13-BPRK-FST-3651	None	None
City of Costa Mesa (Costa Mesa) Project No. 17-CMSA-ICE-3861	Testing identified three instances in which the pay rates charged for two employees did not agree with the actual employee pay rates. One pay rate was overstated by $2.55 per hour, resulting in staff costs being overstated by $66. Two pay rates were understated by $1.74 and $6.91 per hour, resulting in staff costs being understated by $454. As a result of these variances, net Project costs were understated by $388. Costa Mesa should implement controls to ensure that current employee pay rates are used in the calculation of staff costs.	Costa Mesa will change internal processes to ensure confirmation of the accuracy of employee pay rates used to calculate staff costs.
City of Irvine Project No. 16-IRVN-TSP-379	None	None
City of Laguna Beach (Laguna Beach) Project No. 14-LBCH-CBT-3747	Fuel costs of $9,053 and a materials and supplies charge of $46 were submitted twice for reimbursement. In addition, an error in the allocation of fuel costs was identified, resulting in submission of $17,605 in excess fuel charges. The combined overcharges totaled $26,704, of which the Orange County Local Transportation Authority (OCLTA) reimbursed $21,363. The Internal Audit Department (Internal Audit) recommends Laguna Beach reimburse OCLTA for the overcharges and implement controls to ensure the accuracy of charges prior to submission.	Laguna Beach has implemented additional controls to ensure that duplicate charges are not submitted for reimbursement and staff has changed the methodology used to allocate fuel expenses to improve accuracy. Laguna Beach will work with OCLTA to provide reimbursement for any past overcharges.
	Laguna Beach claimed labor charges of $35,893 that had previously been submitted for reimbursement and claimed labor charges totaling $17,201 that were incurred beyond the approved 42-week service limit. Combined overcharges for labor costs totaled $53,094, of which OCLTA reimbursed $42,475. In addition, Laguna Beach could not identify the methodology used to allocate indirect labor charges for a transit supervisor. Labor charges allocated totaled $69,558, of which OCLTA reimbursed $55,646. Internal Audit recommends Laguna Beach refund OCLTA $42,475 for the overcharges and work with OCLTA staff to identify and apply a reasonable methodology for recalculating indirect labor charges. If a reasonable methodology and recalculation is not applied, Laguna Beach should refund the full $55,646 to OCLTA. If recalculated indirect labor charges are less than the amount originally submitted, the amount of OCLTA reimbursement exceeding the recalculated amount should be refunded to OCLTA. Laguna Beach should also implement controls to ensure the accuracy of charges prior to submission and retain evidence of the allocation methodology used for deriving indirect charges.	Laguna Beach has implemented additional controls to ensure that duplicate charges are not submitted for reimbursement and staff has changed the methodology for calculating indirect labor charges. Laguna Beach will work with OCLTA to provide reimbursement for any past overcharges and recalculate indirect labor costs using the revised methodology.
City of Laguna Hills Project No. 20-LHLL-ECP-3983	None	None
City of Mission Viejo Project No. 16-MVJO-TSP-3793	None	None
City of Orange Project No. 19-ORNG-ECP-3951	None	None
City of San Clemente (San Clemente) Project No. 16-SCLM-CBT-3841	The San Clemente rideshare program did not comply with Americans with Disabilities Act (ADA) requirements during the period January 2017 through March 2018. Internal Audit recommends San Clemente implement controls to ensure ongoing compliance with ADA requirements for current and future projects.	San Clemente corrected the initial issue to comply with the ADA requirements, and will review future contracts to ensure ADA complliance in accordance with any grant requirements.

SUMMARY OF FINDINGS AND MANAGEMENT RESPONSES
Orange County Local Transportation Authority
Measure M2 Comprehensive Transportation Funding Programs Project Audits

City / Project	Finding and Recommendation	Management Response
County of Orange (County) Project No. 13-ORCO-ACE-3655	The County selected Orange County Waste and Recycling (OCWR) for project work totaling $960,170 without utilizing a competitive procurement process, as required by Comprehensive Transportation Funding Programs (CTFP) guidelines. The OCLTA reimbursed $288,051 towards these costs. Internal Audit recommends the County implement controls to ensure compliance with CTFP guidelines for competitive procurement of consultants.	The County agrees and will impelement controls to ensure all contractors are competitively procured.
	The County submitted project mitigation costs totaling $468,644.83 that were incurred after the project completion date and after the five-year extended funding period approved by the OCLTA Board of Directors. OCLTA staff approved reimbursement of 30 percent of these costs, totaling $140,593.45. Internal Audit recommended that OCLTA management enforce timely use of funds requirements or obtain Board of Director (Board) approval for exceptions to the CTFP guidelines.	OCLTA management agrees and staff will consider ways to avoid future occurrences of allowing multiple contracts within a single project to be tracked according to their timeline needs by either clarifying the CTFP guidelines or seeking a Board action on a case-by-case basis. The next set of CTFP guidelines revisions is planned to go to the Board in the summer of 2023, where adjustments will be made to clarify the timely use of funds requirements.
County of Orange (County) Project No. 16-ORCO-CBT-3822	Testing identified $9,930 in overbillings by the contracted transportation service provider, Lux Bus America Co. Due to funding caps in the agreement between OCLTA and the County, the overcharges did not impact CTFP-funded amounts except in the third quarter of fiscal year 2020-21, when OCLTA over-reimbursed the County $90. Internal Audit recommended the County implement controls to ensure the contracted transportation service provider charges rates consistent with the contract.	The County agrees with the comment and recommendation.

ATTACHMENT B

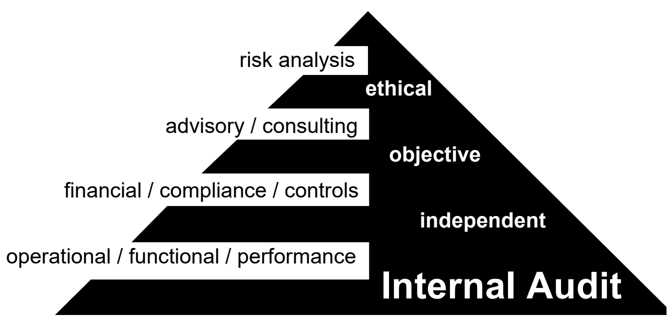
ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT

OCTA

Comprehensive Transportation Funding Programs

City of Anaheim
Regional Capacity Program
State College Boulevard and La Palma Avenue
Intersection Project
Project No. 14-ANAH-ICE-3712
Right-of-Way Phase

May 8, 2023



Performed by: Gabriel Tang, CPA, Principal Internal Auditor
Janet Sutter, CIA, Executive Director

Distributed to: Kia Mortazavi, Executive Director, Planning
Kurt Brotcke, Adriann Cardoso, Charvalen Alacar

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Comprehensive Transportation Funding Programs
City of Anaheim
May 8, 2023

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ORANGE COUNTY TRANSPORTATION AUTHORITY
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Conclusion

The Internal Audit Department (Internal Audit) has completed an audit of the State College Boulevard and La Palma Avenue Intersection Project – Right-of-Way (ROW) Phase (Project) of the City of Anaheim (City), Project Number 14-ANAH-ICE-3712, awarded by the Orange County Local Transportation Authority (OCLTA) under the Comprehensive Transportation Funding Programs (CTFP) Regional Capacity Program.

Based on the audit:

- Costs charged to the Project were reasonable, allocable, and adequately supported.
- The City's accounting and cash management procedures were adequate to ensure that Project funds were used only for costs chargeable to the Project.
- The City established and maintained a separate cost center for the Project.
- The Project was encumbered and completed within the timeframes dictated by CTFP guidelines and extensions were approved in accordance with CTFP guidelines. The City submitted the final report to OCLTA within 180 days of the Project completion date, as required by CTFP guidelines.

Background

<u>Regional Capacity Program</u>

The OCLTA provided funding totaling $345,666 for ROW under the Regional Capacity Program, Project No. 14-ANAH-ICE-3712. The Project was to widen State College Boulevard and La Palma Avenue and provide a second northbound and southbound left-turn lane, a second eastbound and westbound left-turn lane respectively, and a westbound shared through/right-turn lane. Costs incurred for the Project totaled $1,024,899, of which $345,666 was funded by the CTFP and $679,233 was funded by the City. The ROW Phase of the Project began on April 22, 2015, and was completed on December 16, 2019.

Objectives, Scope, and Methodology

The objectives were to determine whether:

1. Costs charged to the Project were reasonable, allocable, eligible, and adequately supported.
2. The City complied with competitive contracting requirements.
3. The City's accounting and cash management procedures were adequate to ensure that Project funds were used only for costs chargeable to the Project and were tracked separately within the accounting system.
4. The Project was encumbered, completed, and the final report submitted, within the timeframes dictated by CTFP guidelines; any extensions were approved in accordance with CTFP guidelines.
5. Records and documentation related to the Project were adequately maintained.

The scope was limited to the Project. The methodology included the following procedures:

1. We reviewed the Project agreement to obtain an understanding of the Project and CTFP requirements.
2. We obtained and reviewed Project contract files to verify evidence of competitive bid procedures.
3. We inquired of management and identified fund accounting procedures used by the City to account for Measure M2 revenues and expenditures.
4. We reviewed Project financial records to determine that proper accounting and cash management procedures were followed.
5. We obtained a detailed listing of Project expenditures and selected a haphazard sample of five out of nine ROW expenditures for review. For the expenditures tested, we determined whether the expenditures were properly supported, approved, recorded, and consistent with the approved timeframe and in accordance with the contract and/or CTFP requirements. Since the sample was non-statistical, conclusions are limited to the sample items tested.
6. For construction phase work performed by local agency forces, we determined if the decision that local agency forces could perform the work more cost effectively or timely than a contractor, was documented in accordance with CTFP guidelines.
7. For ROW acquisition costs, we reviewed supporting documentation to ensure that excess parcels acquired with Program funds were properly accounted for and any net proceeds from disposal of these parcels were returned to OCLTA in proportion to the amount of Measure M2 funds used in the purchase.

8. We reviewed the Project start date and completion date to determine whether the Project was encumbered prior to the end of the programmed fiscal year and completed within the three-year timeframe required by CTFP guidelines, or whether there was evidence of approval for an extension to the timeframe. We also reviewed the final report date to determine that the City submitted the final report to OCLTA within 180 days of Project completion, as required by CTFP guidelines.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Detailed Results

Our audit disclosed the following:

Compliance with Competitive Contracting Requirements

The audit included only ROW acquisition costs of the Project, and no contractor costs were included. As a result, compliance with competitive contracting requirements was not tested.

Separate Project Fund

The City recorded costs of the Project under Unit Code K902 in the Measure M2 Competitive Fund (Fund 274).

Accounting and Cash Management Procedures

The City established adequate controls to ensure that Project funds were used only for approved Project costs. ROW costs charged to the Project were reviewed by the project manager and approved by the public works director and city council. Payments from OCLTA were tracked separately within the accounting system.

Project Costs and City Documentation

The City incurred ROW costs totaling $1,024,899 for the Project. The Project funding consisted of CTFP funds of $345,666, and $679,233 in matching funds from the City. The City's required match was met. We tested expenditures totaling $933,571, and determined the expenditures were properly supported, approved, recorded and in accordance with the contract and/or CTFP requirements.

Use of Local Agency Forces

No construction phase work was performed.

Right-of-Way Acquisition

Per inquiry with the city engineer, no excess parcels were acquired for the Project. Internal Audit obtained and reviewed the Certification of Phase Completion Report Form 10-7 and noted that the city engineer certified that the ROW Phase acquired six partial ROW parcels totaling approximately 6,358 square feet (0.15 acre). The CTFP Engineer Review Form also indicated there was no excess ROW acquired.

Project Completion

The ROW phase of the Project was programmed for funding in fiscal year 2014-15, and the first ROW offer letter was sent on April 22, 2015, which was prior to the end of the programmed fiscal year. The Project was completed on December 16, 2019, which was within the three-year timeframe plus the two-year extension approved by the OCLTA Board of Directors. The final report was submitted to OCLTA on April 25, 2020, which was within 180 days after Project completion, in accordance with CTFP guidelines.

ATTACHMENT C

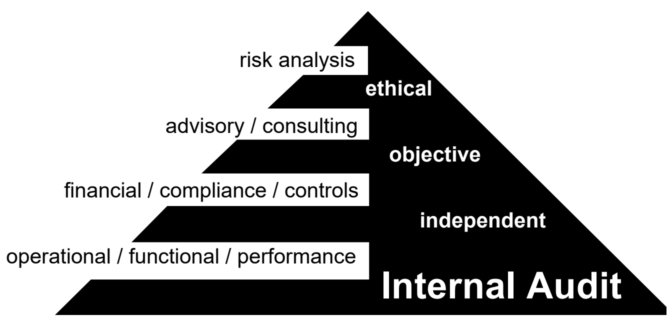
ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT

OCTA

Comprehensive Transportation Funding Programs

City of Buena Park
Regional Capacity Program
State Route 91/Beach Boulevard Westbound
Exit Ramp Project
Project No. 13-BPRK-FST-3651
Construction Phase

May 8, 2023



Performed by: Gabriel Tang, CPA, Principal Internal Auditor
Janet Sutter, CIA, Executive Director

Distributed to: Kia Mortazavi, Executive Director, Planning
Kurt Brotcke, Adriann Cardoso, Charvalen Alacar

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Comprehensive Transportation Funding Programs
City of Buena Park
May 8, 2023

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Conclusion

The Internal Audit Department (Internal Audit) has completed an audit of the State Route 91/Beach Boulevard Westbound Exit Ramp Project - Construction Phase (Project) of the City of Buena Park (City), Project Number 13-BPRK-FST-3651, awarded by the Orange County Local Transportation Authority (OCLTA), under the Comprehensive Transportation Funding Programs (CTFP) Regional Capacity Program.

Based on the audit:

- Costs charged to the Project were reasonable, allocable, and adequately supported.
- The City adhered to competitive bidding requirements for the selection of contractors under the Project.
- The City's accounting and cash management procedures were adequate to ensure that Project funds were used only for costs chargeable to the Project.
- The City established and maintained a separate cost center for the Project.
- The Project was encumbered and completed within the timeframes dictated by CTFP guidelines, and extensions were approved in accordance with CTFP guidelines. The City submitted the final report to OCLTA within 180 days of the Project completion date as required by CTFP guidelines.

Background

Regional Capacity Program

The OCLTA provided funding totaling $1,468,455, for construction under the Regional Capacity Program, Project No. 13-BPRK-FST-3651. The Project was to widen the State Route 91 westbound off-ramp at Beach Boulevard from two lanes to four lanes and perform necessary traffic signal modifications. Costs incurred for the Project totaled $2,227,469, of which $1,468,455 was funded by the CTFP and $759,014 was funded by the City. The construction phase of the Project began on September 13, 2016, and was completed on October 10, 2018.

Objectives, Scope, and Methodology

The objectives were to determine whether:

1. Costs charged to the Project were reasonable, allocable, eligible, and adequately supported.
2. The City complied with competitive contracting requirements.
3. The City's accounting and cash management procedures were adequate to ensure that Project funds were used only for costs chargeable to the Project and were tracked separately within the accounting system.
4. The Project was encumbered, completed, and the final report submitted within the timeframes dictated by CTFP guidelines; any extensions were approved in accordance with CTFP guidelines.
5. Records and documentation related to the Project were adequately maintained.

The scope was limited to the Project. The methodology included the following procedures:

1. We reviewed the Project agreement to obtain an understanding of the Project and CTFP requirements.
2. We obtained and reviewed Project contract files to verify evidence of competitive bid procedures.
3. We inquired of management and identified fund accounting procedures used by the City to account for Measure M2 revenues and expenditures.
4. We reviewed Project financial records to determine that proper accounting and cash management procedures were followed.
5. We obtained a detailed listing of Project expenditures and selected a haphazard sample of eight out of 15 contractor expenditures for review. For the expenditures tested, we determined whether the expenditures were properly supported, approved, recorded, and consistent with the approved timeframe and in accordance with the contract and/or CTFP requirements. Since the sample was non-statistical, conclusions are limited to the sample items tested.
6. For construction phase work performed by local agency forces, we determined if the decision that local agency forces could perform the work more cost effectively or timely than a contractor was documented in accordance with CTFP guidelines.
7. For right-of-way acquisition costs, we reviewed supporting documentation to ensure that excess parcels acquired with Program funds were properly accounted for and any net proceeds from disposal of these parcels were returned to OCLTA in proportion to the amount of Measure M2 funds used in the purchase.

8. We reviewed the Project start date and completion date to determine whether the Project was encumbered prior to the end of the programmed fiscal year (FY) and completed within the three-year timeframe required by CTFP guidelines; or, whether there was evidence of approval for an extension to the timeframe. We also reviewed the final report date to determine that the City submitted the final report to OCLTA within 180 days of Project completion, as required by CTFP guidelines.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Detailed Results

Our audit disclosed the following:

Compliance with Competitive Contracting Requirements

We reviewed documentation evidencing that competitive contracting requirements were complied with.

Separate Project Fund

The City recorded costs of the Project under Activity Code 590121 in the State Gas Tax Fund (Fund 24).

Accounting and Cash Management Procedures

The City established adequate controls to ensure that Project funds were used only for approved Project costs. Costs charged to the Project were reviewed and approved by the project manager. Payments from OCLTA were tracked separately within the accounting system.

Project Costs and City Documentation

The City incurred costs totaling $2,227,469 for the Project. The Project funding consisted of CTFP funds of $1,468,455 and $759,014, from the City. The City's required match was met. We tested expenditures totaling $1,927,399, and determined the expenditures were properly supported, approved, recorded, and in accordance with the contract and/or CTFP requirements.

Use of Local Agency Forces

No construction phase work was performed by local agency personnel.

Right-of-Way Acquisition

There was no right-of-way acquired during the construction phase of this project.

Project Completion

The construction phase of the Project was programmed for funding in FY 2015-16, and OCLTA staff approved a six-month administrative delay to extend the programming deadline from June 30, 2016 to December 31, 2016. Contract work was awarded on September 13, 2016, which was prior to the extended programming deadline. The Project was completed on October 10, 2018, which was within the three-year timeframe dictated by CTFP guidelines. The final report was submitted to OCLTA on March 25, 2019, which was within 180 days after Project completion, in accordance with CTFP guidelines.

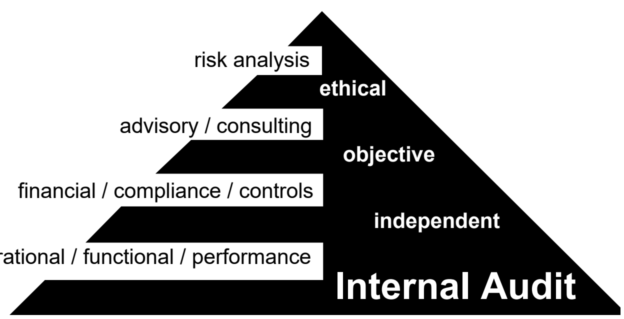
ATTACHMENT D

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT

Comprehensive Transportation Funding Programs

City of Costa Mesa
Regional Capacity Program
Hyland Avenue at MacArthur Boulevard
Intersection Improvements Project
Project No. 17-CMSA-ICE-3861
Construction Phase

May 8, 2023



Performed by: Gabriel Tang, CPA, Principal Internal Auditor
Janet Sutter, CIA, Executive Director

Distributed to: Kia Mortazavi, Executive Director, Planning
Kurt Brotcke, Adriann Cardoso, Charvalen Alacar

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Comprehensive Transportation Funding Programs
City of Costa Mesa
May 8, 2023

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ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Comprehensive Transportation Funding Programs
City of Costa Mesa
May 8, 2023

Conclusion

The Internal Audit Department (Internal Audit) has completed an audit of the Hyland Avenue at MacArthur Boulevard Intersection Improvement Project - Construction Phase (Project) of the City of Costa Mesa (City), Project Number 17-CMSA-ICE-3861 awarded by the Orange County Local Transportation Authority (OCLTA) under the Comprehensive Transportation Funding Programs (CTFP) Regional Capacity Program.

Based on the audit:

- Costs charged to the Project were reasonable, allocable, and adequately supported, except for minor variances in employee pay rates charged to the Project. As a result of the identified variances, total project costs were understated by $388.
- The City adhered to competitive bidding requirements for the selection of contractors under the Project.
- The City's accounting and cash management procedures were adequate to ensure that Project funds were used only for costs chargeable to the Project.
- The City established and maintained a separate cost center for the Project.
- The Project was encumbered and completed within the timeframes dictated by CTFP guidelines, and extensions were approved in accordance with CTFP guidelines. The City submitted the final report to OCLTA within 180 days of the Project completion date as required by CTFP guidelines.

Background

<u>Regional Capacity Program</u>

The OCLTA provided funding totaling $251,285 for construction under the Regional Capacity Program, Project No. 17-CMSA-ICE-3861. The Project included construction of a new, dedicated northbound right-turn lane along Hyland Avenue at the MacArthur Boulevard intersection, and restriping of the northbound lanes on Hyland Avenue to provide two left-turn lanes, one optional through/left-turn lane, an improved bike lane, and a new dedicated right turn lane. The construction also included traffic signal improvements modifying the existing traffic signals in the intersection. New traffic signal poles were also installed at the southeast corner of the intersection. Costs incurred for the Project totaled $335,047, of which $251,285 was funded by the CTFP and $83,762 was funded by the City. The construction phase of the Project began on April 2, 2019, and was completed on April 3, 2020.

Objectives, Scope, and Methodology

The objectives were to determine whether:

1. Costs charged to the Project were reasonable, allocable, eligible, and adequately supported.
2. The City complied with competitive contracting requirements.
3. The City's accounting and cash management procedures were adequate to ensure that Project funds were used only for costs chargeable to the Project and were tracked separately within the accounting system.
4. The Project was encumbered, completed, and the final report submitted within the timeframes dictated by CTFP guidelines and any extensions were approved in accordance with CTFP guidelines.
5. Records and documentation related to the Project were adequately maintained.

The scope was limited to the Project. The methodology included the following procedures:

1. We reviewed the Project agreement to obtain an understanding of the Project and CTFP requirements.
2. We obtained and reviewed Project contract files to verify evidence of competitive bid procedures.
3. We inquired of management and identified fund accounting procedures used by the City to account for Measure M2 revenues and expenditures.
4. We reviewed Project financial records to determine that proper accounting and cash management procedures were followed.
5. We obtained a detailed listing of Project expenditures and selected all contractor expenditures and a haphazard sample of 42 out of 87 hours of in-house management payroll expenditures for testing. For the expenditures tested, we determined whether the expenditures were properly supported, approved, recorded, and consistent with the approved timeframe and in accordance with the contract and/or CTFP requirements.
6. For construction phase work performed by local agency forces, we determined if the decision that local agency forces could perform the work more cost effectively or timely than a contractor was documented in accordance with CTFP guidelines.
7. For right-of-way acquisition costs, we reviewed supporting documentation to ensure that excess parcels acquired with Program funds were properly accounted for and any net proceeds from disposal of these parcels were returned to OCLTA in proportion to the amount of Measure M2 funds used in the purchase.

8. We reviewed the Project start date and completion date to determine whether the Project was encumbered prior to the end of the programmed fiscal year and completed within the three-year timeframe required by CTFP guidelines; or, whether there was evidence of approval for an extension to the timeframe. We also reviewed the final report date to determine that the City submitted the final report to OCLTA within 180 days of Project completion, as required by CTFP guidelines.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Detailed Results

Our audit disclosed the following:

Compliance with Competitive Contracting Requirements

We reviewed documentation evidencing that competitive contracting requirements were complied with.

Separate Project Fund

The City recorded costs of the Project under Project Code 300160 in the Measure M2 Fund (Fund 415) and Traffic Impact Fees Fund (Fund 214).

Accounting and Cash Management Procedures

The City established adequate controls to ensure that Project funds were used only for approved Project costs. Costs charged to the Project were reviewed and approved by the project manager. Payments from OCLTA were tracked separately within the accounting system.

Project Costs and City Documentation

The City incurred costs totaling $335,047 for the Project. The Project funding consisted of CTFP funds of $251,285, and $83,762 from the City. The City's required match was met. We tested expenditures totaling $330,876, and determined the expenditures were properly supported, approved, recorded, and in accordance with the contract and/or CTFP requirements, except for three minor variances noted in the pay rates charged for two employees. As a result, we recalculated staff costs for the Project using current pay rates and noted a total Project net understatement of $388.

Use of Local Agency Forces

No construction phase work was performed by local agency personnel.

Right-of-Way Acquisition

There was no right-of-way acquired during the construction phase of this project.

Project Completion

The construction phase of the Project was programmed for funding in fiscal year 2018-19. Contract work was awarded on April 2, 2019, which was prior to the extended programming deadline. The Project was completed on April 3, 2020, which was within the three-year timeframe dictated by CTFP guidelines. The final report was submitted to OCLTA on September 30, 2020, which was within 180 days after Project completion, in accordance with CTFP guidelines.

Audit Comment, Recommendation, and Management Response

In-House Staff Costs Not Supported by Current Pay Rate

Testing identified three instances in which the pay rates charged for two in-house management employees did not agree with the actual employee pay rates. One pay rate was overstated by $2.55 per hour, resulting in staff costs being overstated by $66. Two pay rates were understated by $1.74 and $6.91 per hour, resulting in staff costs being understated by $454. As a result of these variances, net Project costs were understated by $388.

Recommendation 1:

Internal Audit recommends the City implement controls to ensure that current employee pay rates are used in the calculation of staff costs.

Management Response:

This is a very minor discrepancy. Moving forward, the Public Works Department will request employee pay rate data from the payroll office directly, and not from the corresponding Budget Analyst within the Finance Department. Payroll staff will provide employee pay rate information to the department directly. The assistant finance director will independently confirm the pay rate before providing the information to the Public Works Department. This will ensure accurate employee pay rates are used to calculate staff costs.

ATTACHMENT E

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT

OCTA

Comprehensive Transportation Funding Programs

City of Irvine
Regional Traffic Signal Synchronization Program
Irvine Center Drive/Edinger Avenue Signal Synchronization Project
Project No. 16-IRVN-TSP-3791

May 8, 2023

Performed by: Gabriel Tang, CPA, Principal Internal Auditor
Janet Sutter, CIA, Executive Director

Distributed to: Kia Mortazavi, Executive Director, Planning
Kurt Brotcke, Adriann Cardoso, Charvalen Alacar

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Comprehensive Transportation Funding Programs
City of Irvine
May 8, 2023

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ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Comprehensive Transportation Funding Programs
City of Irvine
May 8, 2023

Conclusion

The Internal Audit Department (Internal Audit) has completed an audit of the Irvine Center Drive / Edinger Avenue Signal Synchronization Project (Project) of the City of Irvine (City), Project Number 16-IRVN-TSP-3791, awarded by the Orange County Local Transportation Authority (OCLTA), under the Comprehensive Transportation Funding Programs (CTFP) Regional Traffic Signal Synchronization Program.

Based on the audit:

- Costs charged to the Project were reasonable, allocable, and adequately supported.
- The City adhered to competitive bidding requirements for the selection of contractors under the Project.
- The City's accounting and cash management procedures were adequate to ensure that Project funds were used only for costs chargeable to the Project.
- The City established and maintained a separate cost center for the Project.
- The Project was encumbered and completed within the timeframes dictated by CTFP guidelines. The City submitted the final report to OCLTA within 180 days of the Project completion date as required by CTFP guidelines.

Background

Regional Traffic Signal Synchronization Program

The OCLTA provided funding totaling $1,436,506, for construction under the Regional Traffic Signal Synchronization Program, Project No. 16-IRVN-TSP-3791. The Project was to develop traffic signal improvement plans and implement signal synchronization timing for Irvine Center Drive / Edinger Avenue from Newport Avenue to Lake Forest Drive. Costs incurred for the Project totaled $1,795,633, of which $1,436,506 was funded by the CTFP and $359,127 was funded by the City. The Project began on April 24, 2017, and was completed on June 23, 2020.

Objectives, Scope, and Methodology

The objectives were to determine whether:

1. Costs charged to the Project were reasonable, allocable, eligible, and adequately supported.
2. The City complied with competitive contracting requirements.
3. The City's accounting and cash management procedures were adequate to ensure that Project funds were used only for costs chargeable to the Project and were tracked separately within the accounting system.
4. The Project was encumbered, completed, and the final report submitted, within the timeframes dictated by CTFP guidelines; any extensions were approved in accordance with CTFP guidelines.
5. Records and documentation related to the Project were adequately maintained.

The scope was limited to the Project. The methodology included the following procedures:

1. We reviewed the Project agreement to obtain an understanding of the Project and CTFP requirements.
2. We obtained and reviewed Project contract files to verify evidence of competitive bid procedures.
3. We inquired of management and identified fund accounting procedures used by the City to account for Measure M2 revenues and expenditures.
4. We reviewed Project financial records to determine that proper accounting and cash management procedures were followed.
5. We obtained a detailed listing of Project expenditures from the general ledger and selected a haphazard sample of 22 out of 46 contractor expenditures, and a haphazard sample of 255.5 hours out of 802 hours of payroll expenditures for testing. For the expenditures tested, we determined whether the expenditures were properly supported, approved, recorded, and consistent with the approved timeframe and in accordance with the contract and/or CTFP requirements. Since the sample was non-statistical, conclusions are limited to the sample items tested.
6. For construction phase work performed by local agency forces, we determined if the decision that local agency forces could perform the work more cost effectively or timely than a contractor was documented in accordance with CTFP guidelines.
7. For right-of-way acquisition costs, we reviewed supporting documentation to ensure that excess parcels acquired with Program funds were properly accounted for and any net proceeds from disposal of these parcels were returned to OCLTA in proportion to the amount of Measure M2 funds used in the purchase.

8. We reviewed the Project start date and completion date to determine whether the Project was encumbered prior to the end of the programmed fiscal year and completed within the three-year timeframe required by CTFP guidelines, or whether there was evidence of approval for an extension to the timeframe. We also reviewed the final report date to determine that the City submitted the final report to OCLTA within 180 days of Project completion, as required by CTFP guidelines.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Detailed Results

Our audit disclosed the following:

Compliance with Competitive Contracting Requirements

We reviewed documentation evidencing that competitive contracting requirements were complied with.

Separate Project Fund

The City recorded project costs under Project Code 331702 in the Traffic Signal Synchronization Program Fund (Fund 250 – CTFP), and System Develop Charge Fund (Fund 271 – Local Match).

Accounting and Cash Management Procedures

The City established adequate controls to ensure that Project funds were used only for approved Project costs. Costs charged to the Project were reviewed and approved by the project manager. Payments from OCLTA were tracked separately within the accounting system.

Project Costs and City Documentation

The City incurred costs totaling $1,795,633 for the Project. The Project funding consisted of CTFP funds of $1,436,506 and $359,127, from the City. The City's required match was met. We tested expenditures totaling $1,530,136, and determined the expenditures were properly supported, approved, recorded and in accordance with the contract and/or CTFP requirements.

Use of Local Agency Forces

No construction phase work was performed by local agency personnel.

Right-of-Way Acquisition

No right-of-way was acquired for the Project.

Project Completion

The Project was programmed for funding in fiscal year 2016-17, and contract work was awarded on April 24, 2017, which was prior to the end of the programmed fiscal year. The Project was completed on June 23, 2020, which was within the three-year timeframe plus the two-year extension approved by the OCLTA Board of Directors. The final report was submitted to OCLTA on September 15, 2020, which was within 180 days after Project completion, in accordance with CTFP guidelines.

ATTACHMENT F

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT

Comprehensive Transportation Funding Programs

City of Laguna Beach
Community-Based Transit/Circulators Program
Off-Season Weekend Shuttle
Project No. 14-LBCH-CBT-3747
Operations and Maintenance

May 8, 2023

Performed by: Gabriel Tang, CPA, Principal Internal Auditor
Janet Sutter, CIA, Executive Director

Distributed to: Kia Mortazavi, Executive Director, Planning
Kurt Brotcke, Adriann Cardoso, Charvalen Alacar

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Comprehensive Transportation Funding Programs
City of Laguna Beach
May 8, 2023

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Conclusion

The Internal Audit Department (Internal Audit) has completed an audit of the operating subsidy provided under Project Number 14-LBCH-CBT-3747, City of Laguna Beach (City) Off-Season Weekend Shuttle (Project), awarded by the Orange County Local Transportation Authority (OCLTA) under the Comprehensive Transportation Funding Programs (CTFP) Community-Based Transit/Circulators Program.

Based on the audit:

- Materials and supplies charged to the Project were reasonable, allocable, and adequately supported.
- Fuel costs charged to the Project for Fiscal Year (FY) 2018-19 and FY 2019-20 were reasonable, allocable, and adequately supported. However, for FY 2017-18, the City submitted fuel costs of $9,053 that had previously been submitted for reimbursement and submitted a duplicated materials and supplies charge of $46 for reimbursement. In addition, an error in the allocation of monthly fuel costs for the period January through June 2018, resulted in submission of $17,605 in excess fuel charges. The combined overcharges for fuel and materials and supplies costs incurred during the third and fourth quarters of FY 2017-2018 totaled $26,704, of which OCLTA reimbursed $21,363.
- The City submitted labor charges of $35,893 that had previously been submitted for reimbursement and submitted labor charges totaling $17,201, that were incurred beyond the approved 42-weeks of service per year limit. The combined overcharges for labor costs totaled $53,094, of which OCLTA reimbursed $42,475.
- The City could not identify the methodology used to allocate indirect labor charges for a transit supervisor. During the testing period, labor charges allocated totaled $69,558, of which OCLTA reimbursed $55,646.
- The City's accounting and cash management procedures were adequate to ensure that Project funds were used only for costs chargeable to the Project.
- The City established and maintained separate cost centers for the Project.
- The City submitted quarterly ridership reports to OCLTA within three months of year end, as required by the CTFP guidelines.
- The City utilized Americans with Disabilities Act (ADA)-accessible vehicles and provided transportation services to those with disabilities.

Background

Community-Based Transit/Circulators Program (Project V)

On May 26, 2014, the OCLTA entered into Cooperative Agreement No. C-3-1846 (agreement) with the City to provide capital funding for three new trolleys and operating funds to subsidize off-season weekend trolley service and expanded summer trolley service, in an amount not to exceed $3,612,360, for up to seven years. Under the agreement, the operating subsidy for years two through seven is no more than $8.00 per boarding or 80 percent of annual operations and maintenance costs up to $514,560, whichever is less. For the same period, the City agreed to provide at least 20 percent in matching funds and to cover any excess costs over the annual cap.

Costs submitted for reimbursement for operations in January 2018 through June 2020, totaled $1,185,887, of which $948,710 was funded by the CTFP and $237,177 was funded by the City.

Objectives, Scope, and Methodology

The objectives were to determine whether:

1. Costs charged to the Project were reasonable, allocable, eligible, and adequately supported.
2. The Project complied with competitive contracting requirements.
3. The accounting and cash management procedures were adequate to ensure that Project funds were used only for costs chargeable to the Project and were tracked separately within the accounting system.
4. Quarterly ridership reports were submitted to OCLTA within three months of year end as required by CTFP guidelines, and the Project met the minimum standard of boardings per revenue vehicle hour, in accordance with the agreement.
5. Records and documentation related to the Project were adequately maintained.

The scope was limited to the funding provided for Project costs incurred during the period January 2018 through June 2020. The methodology included the following procedures:

1. We reviewed the agreement with the City to obtain an understanding of the Project and CTFP requirements.
1. We obtained and reviewed contracted operator procurement files to verify evidence of competitive bid procedures.
2. We inquired of management and identified fund accounting procedures used by the City to account for Measure M2 revenues and expenditures.
3. We reviewed Project financial records to determine that proper accounting and cash management procedures were followed by the City.
4. We obtained a detailed listing of Project expenditures and haphazardly sampled 60 out of 254 invoices for materials and supplies expenditures, 10 out of 23 monthly journal entries for fuel expenditures, 7 out of 55 pay periods of trolley operation labor charges, and 7 out of 23 monthly journal entries of salary redistribution charges for review. We determined whether the expenditures were properly supported, approved, recorded, and consistent with the approved timeframe and in accordance with the agreement and CTFP requirements. Since the sample was non-statistical, conclusions are limited to the sample items tested.
5. We reviewed the quarterly ridership reports to determine whether the reports were properly supported and submitted to OCLTA within three months of year end, as required by CTFP guidelines, and met the minimum standard of boardings per revenue vehicle hour in accordance with the agreement.
6. We reviewed documentation supplied by the City evidencing that ADA-accessible vehicles are utilized and reviewed trip sheets evidencing that services are being provided to those with disabilities.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Detailed Results

Our audit disclosed the following:

Compliance with Competitive Contracting Requirements

The City provided these transportation services, rather than utilizing a contractor.

Separate Project Fund

The City recorded operating costs of the Project in the Transit Fund (Fund 310) under Division Code 3405 and maintained manual schedules detailing fuel charges and eligible materials and supplies.

Accounting and Cash Management Procedures

The City established adequate controls to ensure that Project funds were used only for approved Project costs. Costs charged to the Project were reviewed and approved by the project manager. Payments from OCLTA were tracked separately within the accounting system.

Project Costs and City Documentation

Costs submitted for reimbursement from January 2018 through June 2020, totaled $1,185,887, of which $948,710 was funded by the CTFP and $237,177 was funded by the City. Internal Audit haphazardly sampled 60 out of 254 invoices of materials and supplies expenditures, 10 out of 23 monthly journal entries of fuel expenditures, 7 out of 55 pay periods of trolley operation labor charges, and 7 out of 23 monthly journal entries of salary redistribution charges for review totaling $327,109, and determined the following:

- Materials and supplies invoices charged to the Project were reasonable, allocable, and adequately supported.
- Fuel costs charged to the Project were reasonable, allocable, and adequately supported for FY 2018-19 and FY 2019-20. However, the City submitted fuel costs of $9,053 that had previously been submitted for reimbursement and submitted a duplicated materials and supplies charge of $46 for reimbursement. In addition, an error in the allocation of monthly fuel costs for the period January through June 2018, resulted in submission of $17,605 in excess fuel charges. The combined overcharges for fuel and materials and supplies costs incurred during the third and fourth quarters of FY 2017-18 totaled $26,704, of which OCLTA reimbursed $21,363.

- Labor costs charged to the Project were not always reasonable nor allocable. The City submitted labor charges of $35,893 that had previously been submitted for reimbursement during the third and fourth quarters of FY 2017-18. The City also submitted labor charges totaling $10,968 for FY 2018-19 and $6,233 for FY 2019-20, that were incurred beyond the approved 42-weeks of service per year limit, as per the agreement. The combined overcharges for labor costs totaled $53,094, of which OCLTA reimbursed $42,475.
- The City could not identify the methodology used to allocate indirect labor charges for a transit supervisor. During the testing period, labor charges allocated totaled $69,558, of which OCLTA reimbursed $55,646.

<u>Quarterly Ridership Report</u>

We reviewed four quarterly ridership reports and determined that reports were properly supported, submitted to OCLTA within three months of year end as required by CTFP guidelines, and reflected that the minimum standard of boardings per revenue vehicle hour was met, in accordance with the agreement.

<u>ADA Compliance</u>

We reviewed documentation evidencing that ADA-accessible vehicles are utilized, and transportation services are provided to those with disabilities.

Audit Comments, Recommendations, and Management Responses

Fuel Overcharges

The City submitted fuel costs of $9,053 that had previously been submitted for reimbursement and submitted a duplicated materials and supplies charge of $46 for reimbursement. In addition, an error in the allocation of monthly fuel costs for the period January through June 2018, resulted in submission of $17,605 in excess fuel charges. The combined overcharges for fuel and materials and supplies costs incurred during the third and fourth quarters of FY 2017-18 totaled $26,704, of which OCLTA reimbursed $21,363.

Recommendation 1:

Internal Audit recommends the City refund OCLTA $21,363 for the overcharges and implement controls to ensure the accuracy of charges prior to submission.

Management Response:

Concur. The City has already implemented additional controls to ensure that duplicate charges are not submitted for reimbursement moving forward. Staff now completes a detailed written checklist prior to submitting invoices to OCLTA to ensure all data is correct and in compliance with the terms of the agreement. In addition, staff changed the methodology used to allocate fuel expenses to improve accuracy. Fuel reimbursements are now requested based on average fuel cost and actual vehicle miles traveled. The City will work with OCLTA to provide reimbursement for any past overcharges.

Labor Overcharges

The City submitted labor charges of $35,893 that had previously been submitted for reimbursement during the third and fourth quarters of FY 2017-18. The City also submitted labor charges totaling $10,968 for FY 2018-19 and $6,233 for FY 2019-20, that were incurred beyond the approved 42-weeks of service per year limit, as per the agreement. The combined overcharges for labor costs totaled $53,094, of which OCLTA reimbursed $42,475.

Lastly, the City could not identify the methodology used to allocate indirect labor charges for a transit supervisor. During the testing period, labor charges allocated totaled $69,558, of which OCLTA reimbursed $55,646.

Recommendation 2:

Internal Audit recommends the City refund OCLTA $42,475 for the overcharges and work with OCLTA staff to identify and apply a reasonable methodology for recalculating indirect labor charges. If a reasonable methodology and recalculation is not applied, the City should refund the full $55,646 to OCLTA. If recalculated indirect labor charges are less than the amount originally submitted, the amount of OCLTA reimbursement exceeding the recalculated amount should be refunded to OCLTA.

Going forward, the City should implement controls to ensure the accuracy of charges prior to submission and should retain evidence of the allocation methodology used for deriving indirect costs.

Management Response:

Concur. The City has already implemented additional controls to ensure that duplicate charges are not submitted for reimbursement moving forward, as described above. The City will work with OCLTA to provide reimbursement for any past overcharges. The City also changed the methodology for calculating indirect labor charges in the Transit division to ensure greater accuracy. The City's "salaries redistributed" calculation is now based on the relative percentage of vehicle service hours for the Project V-funded trolley service vs. the City's total transit service hours. City staff will work with OCLTA to recalculate indirect labor costs using the revised methodology.

ATTACHMENT G

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT

OCTA

Comprehensive Transportation Funding Programs

City of Laguna Hills
Environmental Cleanup Program
Laguna Hills CPS-Mod™ & ARS-CL™ Screen Project
Phase IX Project
Project No. 20-LHLL-ECP-3983

May 8, 2023

Performed by: Gabriel Tang, CPA, Principal Internal Auditor
Janet Sutter, CIA, Executive Director

Distributed to: Kia Mortazavi, Executive Director, Planning
Kurt Brotcke, Adriann Cardoso, Charvalen Alacar

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Comprehensive Transportation Funding Programs
City of Laguna Hills
May 8, 2023

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ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Comprehensive Transportation Funding Programs
City of Laguna Hills
May 8, 2023

Conclusion

The Internal Audit Department (Internal Audit) has completed an audit of the Laguna Hills CPS-Mod™ & ARS-CL™ Screen Project Phase IX Project (Project) of the City of Laguna Hills (City), Project Number 20-LHLL-ECP-3983, awarded by the Orange County Local Transportation Authority (OCLTA), under the Comprehensive Transportation Funding Programs (CTFP) Environmental Cleanup Program.

Based on the audit:

- Costs charged to the Project were reasonable, allocable, and adequately supported.
- The City utilized a contractor from the list of approved vendors provided by the County of Orange, and allowed for use by OCLTA, to fulfill competitive contracting requirements.
- The City's accounting and cash management procedures were adequate to ensure that Project funds were used only for costs chargeable to the Project.
- The City established and maintained a separate cost center for the Project.
- The Project was encumbered and completed within the timeframes dictated by CTFP guidelines. The City submitted the final report to OCLTA within 180 days of the Project completion date, as required by CTFP guidelines.

Background

<u>Environmental Cleanup Program</u>

The OCLTA provided funding totaling $200,000 for construction under the Environmental Cleanup Program, Project No. 20-LHLL-ECP-3983. The Project was to manufacture and install catch basin debris gates at multiple locations throughout the City. Costs incurred for the Project totaled $250,000, of which $200,000 was funded by the CTFP, and $50,000 was funded by the City. The Project began on January 28, 2021, and was completed on May 6, 2021.

Objectives, Scope, and Methodology

The objectives were to determine whether:

1. Costs charged to the Project were reasonable, allocable, eligible, and adequately supported.
2. The City complied with competitive contracting requirements.
3. The City's accounting and cash management procedures were adequate to ensure that Project funds were used only for costs chargeable to the Project and were tracked separately within the accounting system.
4. The Project was encumbered, completed, and the final report submitted, within the timeframes dictated by CTFP guidelines; any extensions were approved in accordance with CTFP guidelines.
5. Records and documentation related to the Project were adequately maintained.

The scope was limited to the Project. The methodology included the following procedures:

1. We reviewed the Project agreement to obtain an understanding of the Project and CTFP requirements.
2. We obtained and reviewed Project contract files to verify evidence of competitive bid procedures.
3. We inquired of management and identified fund accounting procedures used by the City to account for Measure M2 revenues and expenditures.
4. We reviewed Project financial records to determine that proper accounting and cash management procedures were followed.
5. We obtained a detailed listing of Project expenditures and selected all contractor expenditures for review. For the expenditures tested, we determined whether the expenditures were properly supported, approved, recorded, and consistent with the approved timeframe and in accordance with the contract and/or CTFP requirements.
6. For construction phase work performed by local agency forces, we determined if the decision that local agency forces could perform the work more cost effectively or timely than a contractor was documented, in accordance with CTFP guidelines.
7. For right-of-way acquisition costs, we reviewed supporting documentation to ensure that excess parcels acquired with Program funds were properly accounted for, and any net proceeds from disposal of these parcels were returned to OCLTA in proportion to the amount of Measure M2 funds used in the purchase.

8. We reviewed the Project start date and completion date to determine whether the Project was encumbered prior to the end of the programmed fiscal year and completed within the three-year timeframe required by CTFP guidelines, or whether there was evidence of approval for an extension to the timeframe. We also reviewed the final report date to determine that the City submitted the final report to OCLTA within 180 days of Project completion, as required by CTFP guidelines.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Detailed Results

Our audit disclosed the following:

Compliance with Competitive Contracting Requirements

The City utilized a contractor from the list of approved vendors provided by the County of Orange to fulfill competitive contracting requirements. The County established agreements with vendors with fixed prices for the purchase and installation of devices to remove litter, debris, and other water quality pollutants, and OCLTA has allowed use of these vendors in lieu of cities having to conduct their own procurement.

Separate Project Fund

The City recorded costs of the Project in the Capital Improvement Project Fund (Fund 600).

Accounting and Cash Management Procedures

The City established adequate controls to ensure that Project funds were used only for approved Project costs. Costs charged to the Project were reviewed and approved by the project manager. Payments from OCLTA were tracked separately within the accounting system.

Project Costs and City Documentation

The City incurred costs totaling $250,000 for the Project. The Project funding consisted of CTFP funds of $200,000 and $50,000 from the City. The City's required match was met. We tested expenditures totaling $250,000, and determined the expenditures were properly supported, approved, recorded, and in accordance with the contract and/or CTFP requirements.

Use of Local Agency Forces

No construction phase work was performed by local agency personnel.

Right-of-Way Acquisition

No right-of-way was acquired for the Project.

<u>Project Completion</u>

The Project was programmed for funding in fiscal year 2020-21, and a Notice to Proceed was approved on January 28, 2021, which was prior to the end of the programmed fiscal year. The Project was completed on May 6, 2021, which was within the three-year timeframe dictated by CTFP guidelines. The final report was submitted to OCLTA on July 27, 2021, which was within 180 days after Project completion, in accordance with CTFP guidelines.

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT

OCTA

Comprehensive Transportation Funding Programs

City of Mission Viejo
Regional Traffic Signal Synchronization Program
Marguerite Parkway Corridor Signal Synchronization Project
Project No. 16-MVJO-TSP-3793

May 8, 2023

Performed by: Gabriel Tang, CPA, Principal Internal Auditor
Janet Sutter, CIA, Executive Director

Distributed to: Kia Mortazavi, Executive Director, Planning
Kurt Brotcke, Adriann Cardoso, Charvalen Alacar

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Comprehensive Transportation Funding Programs
City of Mission Viejo
May 8, 2023

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ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Comprehensive Transportation Funding Programs
City of Mission Viejo
May 8, 2023

Conclusion

The Internal Audit Department (Internal Audit) has completed an audit of the Marguerite Parkway Corridor Signal Synchronization Project (Project) of the City of Mission Viejo (City), Project Number 16-MVJO-TSP-3793, awarded by the Orange County Local Transportation Authority (OCLTA), under the Comprehensive Transportation Funding Programs (CTFP) Regional Traffic Signal Synchronization Program.

Based on the audit:

- Costs charged to the Project were reasonable, allocable, and adequately supported.
- The City adhered to competitive bidding requirements for the selection of contractors under the Project.
- The City's accounting and cash management procedures were adequate to ensure that Project funds were used only for costs chargeable to the Project.
- The City established and maintained a separate cost center for the Project.
- The Project was encumbered and completed within the timeframes dictated by CTFP guidelines. The City submitted the final report to OCLTA within 180 days of the Project completion date as required by CTFP guidelines.

Background

Regional Traffic Signal Synchronization Program

The OCLTA provided funding totaling $710,272, for construction under the Regional Traffic Signal Synchronization Program, Project No. 16-MVJO-TSP-3793. The Project was to develop traffic signal improvement plans and implement signal synchronization timing along Marguerite Parkway from El Toro Road to Auto Mall. Costs incurred for the Project totaled $887,840 of which $710,272 was funded by the CTFP, and $177,568 was funded by the City. The Project began on April 11, 2017, and was completed on March 13, 2020.

Objectives, Scope, and Methodology

The objectives were to determine whether:

1. Costs charged to the Project were reasonable, allocable, eligible, and adequately supported.
2. The City complied with competitive contracting requirements.
3. The City's accounting and cash management procedures were adequate to ensure that Project funds were used only for costs chargeable to the Project and were tracked separately within the accounting system.
4. The Project was encumbered, completed, and the final report submitted, within the timeframes dictated by CTFP guidelines; any extensions were approved in accordance with CTFP guidelines.
5. Records and documentation related to the Project were adequately maintained.

The scope was limited to the Project. The methodology included the following procedures:

1. We reviewed the Project agreement to obtain an understanding of the Project and CTFP requirements.
2. We obtained and reviewed Project contract files to verify evidence of competitive bid procedures.
3. We inquired of management and identified fund accounting procedures used by the City to account for Measure M2 revenues and expenditures.
4. We reviewed Project financial records to determine that proper accounting and cash management procedures were followed.
5. We obtained a detailed listing of Project expenditures and selected a haphazard sample of eight out of 26 contractor expenditures, and a haphazard sample of 123.5 hours out of 451.5 hours of payroll expenditures for testing. For the expenditures tested, we determined whether the expenditures were properly supported, approved, recorded, and consistent with the approved timeframe and in accordance with the contract and/or CTFP requirements. Since the sample was non-statistical, conclusions are limited to the sample items tested.
6. For construction phase work performed by local agency forces, we determined if the decision that local agency forces could perform the work more cost effectively or timely than a contractor, was documented in accordance with CTFP guidelines.
7. For right-of-way acquisition costs, we reviewed supporting documentation to ensure that excess parcels acquired with Program funds were properly accounted for and any net proceeds from disposal of these parcels were returned to OCLTA in proportion to the amount of Measure M2 funds used in the purchase.

8. We reviewed the Project start date and completion date to determine whether the Project was encumbered prior to the end of the programmed fiscal year and completed within the three-year timeframe required by CTFP guidelines, or whether there was evidence of approval for an extension to the timeframe. We also reviewed the final report date to determine that the City submitted the final report to OCLTA within 180 days of Project completion, as required by CTFP guidelines.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Detailed Results

Our audit disclosed the following:

Compliance with Competitive Contracting Requirements

We reviewed documentation evidencing that competitive contracting requirements were complied with.

Separate Project Fund

The City recorded construction costs of the Project under Project Code 17230 in the Measure M2 Project P Fund (Fund 221 – CTFP), Gas Tax Fund (Fund 211 – Local Match) and Air Quality Improvement Trust Fund (Fund 219 – Local Match) within the general ledger and maintained manual schedules detailing agency labor costs and contracted inspection costs charged to the Gas Tax Fund (Fund 211) and identified to Project Code 17230.

Accounting and Cash Management Procedures

The City established adequate controls to ensure that Project funds were used only for approved Project costs. Costs charged to the Project were reviewed and approved by the project manager. Payments from OCLTA were tracked separately within the accounting system.

Project Costs and City Documentation

The City incurred costs totaling $887,840 for the Project. The Project funding consisted of CTFP funds of $710,272 and $177,568, from the City. The City's required match was met. We tested expenditures totaling $559,307, and determined the expenditures were properly supported, approved, recorded and in accordance with the contract and/or CTFP requirements.

Use of Local Agency Forces

No construction phase work was performed by local agency personnel.

Right-of-Way Acquisition

No right-of-way was acquired for the Project.

Project Completion

The Project was programmed for funding in fiscal year 2016-17, and contract work was awarded on April 11, 2017, which was prior to the end of the programmed fiscal year. The Project was completed on March 13, 2020, which was within the three-year timeframe dictated by CTFP guidelines. The final report was submitted to OCLTA on April 30, 2020, which was within 180 days after Project completion, in accordance with CTFP guidelines.

ATTACHMENT I

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT

OCTA

Comprehensive Transportation Funding Programs

City of Orange
Environmental Cleanup Program
Debris Separating Baffle Box and Connector Pipe Screens Installation Project
Project No. 19-ORNG-ECP-3951

May 8, 2023

Performed by: Gabriel Tang, CPA, Principal Internal Auditor
Janet Sutter, CIA, Executive Director

Distributed to: Kia Mortazavi, Executive Director, Planning
Kurt Brotcke, Adriann Cardoso, Charvalen Alacar

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Comprehensive Transportation Funding Programs
City of Orange
May 8, 2023

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ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Comprehensive Transportation Funding Programs
City of Orange
May 8, 2023

Conclusion

The Internal Audit Department (Internal Audit) has completed an audit of the Debris Separating Baffle Box and Connector Pipe Screens Installation Project (Project) of the City of Orange (City), Project Number 19-ORNG-ECP-3951, awarded by the Orange County Local Transportation Authority (OCLTA), under the Comprehensive Transportation Funding Programs (CTFP) Environmental Cleanup Program.

Based on the audit:

- Costs charged to the Project were reasonable, allocable, and adequately supported.
- The City adhered to competitive bidding requirements for the selection of contractors under the Project.
- The City's accounting and cash management procedures were adequate to ensure that Project funds were used only for costs chargeable to the Project.
- The City established and maintained a separate cost center for the Project.
- The Project was encumbered and completed within the timeframes dictated by CTFP guidelines. The City submitted the final report to OCLTA within 180 days of the Project completion date, as required by CTFP guidelines.

Background

Environmental Cleanup Program

The OCLTA provided funding totaling $206,857, for construction under the Environmental Cleanup Program, Project No. 19-ORNG-ECP-3951. The Project was to install debris separating baffle box and connector pipe screens at Collins Avenue and Tustin Street. Costs incurred for the Project totaled $258,571, of which $206,857 was funded by the CTFP, and $51,714 was funded by the City. The Project began on June 9, 2020, and was completed on January 21, 2021.

Objectives, Scope, and Methodology

The objectives were to determine whether:

1. Costs charged to the Project were reasonable, allocable, eligible, and adequately supported.
2. The City complied with competitive contracting requirements.
3. The City's accounting and cash management procedures were adequate to ensure that Project funds were used only for costs chargeable to the Project and were tracked separately within the accounting system.
4. The Project was encumbered, completed, and the final report submitted within the timeframes dictated by CTFP guidelines; any extensions were approved in accordance with CTFP guidelines.
5. Records and documentation related to the Project were adequately maintained.

The scope was limited to the Project. The methodology included the following procedures:

1. We reviewed the Project agreement to obtain an understanding of the Project and CTFP requirements.
2. We obtained and reviewed Project contract files to verify evidence of competitive bid procedures.
3. We inquired of management and identified fund accounting procedures used by the City to account for Measure M2 revenues and expenditures.
4. We reviewed Project financial records to determine that proper accounting and cash management procedures were followed.
5. We obtained a detailed listing of Project expenditures and selected all construction expenditures and advertising expenditures, and a haphazard sample of eight out of 29 payroll expenditures for review. For the expenditures tested, we determined whether the expenditures were properly supported, approved, recorded, and consistent with the approved timeframe and in accordance with the contract and/or CTFP requirements. Since the sample was non-statistical, conclusions are limited to the sample items tested.
6. For construction phase work performed by local agency forces, we determined if the decision that local agency forces could perform the work more cost effectively or timely than a contractor, was documented in accordance with CTFP guidelines.
7. For right-of-way acquisition costs, we reviewed supporting documentation to ensure that excess parcels acquired with Program funds were properly accounted for, and any net proceeds from disposal of these parcels were returned to OCLTA in proportion to the amount of Measure M2 funds used in the purchase.

8. We reviewed the Project start date and completion date to determine whether the Project was encumbered prior to the end of the programmed fiscal year and completed within the three-year timeframe required by CTFP guidelines, or whether there was evidence of approval for an extension to the timeframe. We also reviewed the final report date to determine that the City submitted the final report to OCLTA within 180 days of Project completion, as required by CTFP guidelines.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Detailed Results

Our audit disclosed the following:

Compliance with Competitive Contracting Requirements

We reviewed documentation evidencing that competitive contracting requirements were complied with.

Separate Project Fund

The City recorded costs of the Project under Project Code 30108 in the Reimbursable Capital Projects Fund (Fund 550 - CTFP) and the Sanitation & Sewer Fund (Fund 220 – Local Match).

Accounting and Cash Management Procedures

The City established adequate controls to ensure that Project funds were used only for approved Project costs. Costs charged to the Project were reviewed and approved by the project manager. Payments from OCLTA were tracked separately within the accounting system.

Project Costs and City Documentation

The City incurred costs totaling $258,571 for the Project. The Project funding consisted of CTFP funds of $206,857 and $51,714 from the City. The City's required match was met. We tested expenditures totaling $245,097, and determined the expenditures were properly supported, approved, recorded, and in accordance with the contract and/or CTFP requirements.

Use of Local Agency Forces

No construction phase work was performed by local agency personnel.

Right-of-Way Acquisition

No right-of-way was acquired for the Project.

Project Completion

The Project was programmed for funding in fiscal year 2019-20, and contract work was awarded on June 9, 2020, which was prior to the end of the programmed fiscal year. The Project was completed on January 21, 2021, which was within the three-year timeframe dictated by CTFP guidelines. The final report was submitted to OCLTA on March 31, 2021, which was within 180 days after Project completion, in accordance with CTFP guidelines.

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT

OCTA

Comprehensive Transportation Funding Programs

City of San Clemente
Community-Based Transit/Circulators Program
San Clemente Rideshare Services
Project No. 16-SCLM-CBT-3841
Operations and Maintenance

May 8, 2023

Performed by: Gabriel Tang, CPA, Principal Internal Auditor
Janet Sutter, CIA, Executive Director

Distributed to: Kia Mortazavi, Executive Director, Planning
Kurt Brotcke, Adriann Cardoso, Charvalen Alacar

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Comprehensive Transportation Funding Programs
City of San Clemente
May 8, 2023

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ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Comprehensive Transportation Funding Programs
City of San Clemente
May 8, 2023

Conclusion

The Internal Audit Department (Internal Audit) has completed an audit of the operating subsidy provided under Project Number 16-SCLM-CBT-3841, City of San Clemente (City) San Clemente Rideshare Services (Project), awarded by the Orange County Local Transportation Authority (OCLTA) under the Comprehensive Transportation Funding Programs (CTFP) Community-Based Transit/Circulators Program.

Based on the audit:

- Costs charged to the Project were reasonable, allocable, and adequately supported.
- The City's accounting and cash management procedures were adequate to ensure that Project funds were used only for costs chargeable to the Project.
- The City established and maintained separate cost centers for the Project.
- The City submitted quarterly ridership reports to OCLTA within three months of year end, as required by the CTFP guidelines.
- The City did not provide required Americans with Disabilities Act (ADA) qualified services from Project inception in January 2017 through March 2018. Effective April 1, 2018, the City procured a contract with Butterfli Technologies, Incorporated (Butterfli), to provide rides utilizing wheelchair-accessible vehicles. OCLTA awarded additional Project V grant funds under Cooperative Agreement No. C-9-1723 (agreement), for funding of these services.

Background

Community-Based Transit/Circulators Program (Project V)

On November 16, 2016, the OCLTA entered into an agreement with the City to provide an operating subsidy to support San Clemente Rideshare Services, in an amount not to exceed $914,400 for up to seven years. The Project provides a community-based transit service to enable the existing users of bus routes 191 and 193 to maintain their existing mobility capabilities through a ridesharing transit service. Under the agreement, the operating subsidy is no more than $9 per boarding or 90 percent of operations and maintenance costs up to $130,629, whichever is less. The City agreed to provide at least ten percent in matching funds and any excess cost over the annual cap. Transportation services are provided by Lyft, Inc., under an agreement with the City.

Costs submitted for reimbursement from January 2018 through September 2020 totaled $402,395, of which $362,156 was funded by the CTFP and $40,239 was funded by the City. During the same period, the City incurred an additional $374,307.82 in costs that exceeded the annual boarding funding cap of $130,629.

Objectives, Scope, and Methodology

The objectives were to determine whether:

1. Costs charged to the Project were reasonable, allocable, eligible, and adequately supported.
2. The Project complied with competitive contracting requirements.
3. The accounting and cash management procedures were adequate to ensure that Project funds were used only for costs chargeable to the Project and were tracked separately within the accounting system.
4. Quarterly ridership reports were submitted to OCLTA within three months of year end as required by the CTFP guidelines and the Project met the minimum standard of boardings per revenue vehicle hour, in accordance with the agreement.
5. Records and documentation related to the Project were adequately maintained.

The scope was limited to funding provided from January 2018 through September 2020, for the Project. The methodology included the following procedures:

1. We reviewed the agreement with the City to obtain an understanding of the Project and CTFP requirements.
2. We obtained and reviewed contracted operator procurement files to verify evidence of competitive bid procedures.
3. We inquired of management and identified fund accounting procedures used by the City to account for Measure M2 revenues and expenditures.
4. We reviewed Project financial records to determine that proper accounting and cash management procedures were followed by the City.
5. We obtained a detailed listing of Project expenditures and haphazardly sampled 12 invoices out of 33 invoices for review. We determined whether the expenditures were properly supported, approved, recorded, and consistent with the approved timeframe and in accordance with the agreement and CTFP requirements. Since the sample was non-statistical, conclusions are limited to the sample items tested.
6. We reviewed the quarterly ridership reports to determine whether the reports were properly supported and submitted to OCLTA within three months of year end, as required by the CTFP guidelines and met the minimum standard of boardings per revenue vehicle hour in accordance with the agreement.
7. We reviewed documentation supplied by the transportation service provider evidencing that ADA-accessible vehicles are utilized and reviewed trip sheet documents evidencing that services are being provided to those with disabilities.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Detailed Results

Our audit disclosed the following:

Compliance with Competitive Contracting Requirements

We reviewed documentation evidencing that competitive contracting requirements were complied with.

Separate Project Fund

The City recorded operating costs of the Project in the General Fund under the vendor code 027327 for Lyft, Inc., and maintained manual schedules detailing monthly charges.

Accounting and Cash Management Procedures

The City established adequate controls to ensure that Project funds were used only for approved Project costs. Costs charged to the Project were reviewed and approved by the project manager. Payments from OCLTA were tracked separately within the accounting system.

Project Costs and City Documentation

Costs submitted for reimbursement from January 2018 through September 2020 totaled $402,395, of which $362,156 was funded by the CTFP and $40,239 was funded by the City. During the same period, the City incurred an additional $374,308 in costs that exceeded the funding cap. Internal Audit haphazardly sampled and tested 12 out of 33 invoices during the period totaling $272,987 and determined that expenditures charged to the Project were reasonable, allocable, and adequately supported.

Quarterly Ridership Report

We reviewed four quarterly ridership reports and determined that reports were properly supported and submitted to OCLTA annually, within three months of year-end, as required by CTFP guidelines. The program did not meet the ridership requirement of ten boardings per revenue vehicle hour from January 2019 through September 2019. Recognizing the uniqueness of the City's rideshare program, the OCLTA Board of Directors approved changes to the agreement that removed the ridership performance standard effective September 1, 2019.

ADA Compliance

The City did not provide required ADA qualified services from Project inception in January 2017 through March 2018. Effective April 1, 2018, the City procured a contract with Butterfli to provide wheelchair-accessible on demand services and OCLTA awarded additional Project V grant funds, under an agreement for funding of these services.

Audit Comment, Recommendation, and Management Response

Non-Compliance with ADA Requirements

The City rideshare program did not comply with ADA requirements during the period January 2017 through March 2018. CTFP guidelines require agencies to comply with ADA requirements as a condition of funding.

The City received another Project V grant from OCLTA in December 2018 to provide funding for ADA equivalent services. Starting April 1, 2018, the City contracted with a third-party provider to provide rides utilizing wheelchair-accessible vehicles. OCLTA staff withheld payments to fund the rideshare program until June 2019.

Recommendation 1:

Internal Audit recommends the City implement controls to ensure compliance with ADA requirements for current and future CTFP projects.

Management Response:

The City corrected the initial issue to comply with the ADA requirements. Staff will review future contracts to ensure ADA compliance in accordance with any grant requirements.

ATTACHMENT K

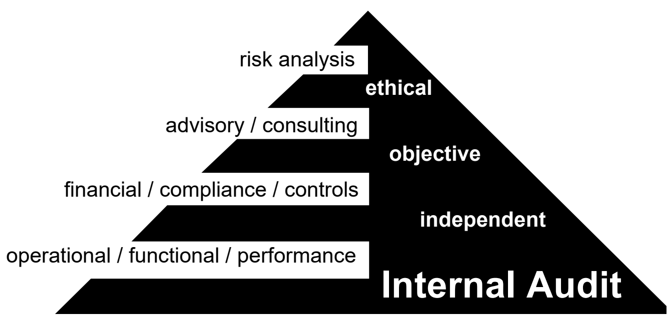
ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT

OCTA

Comprehensive Transportation Funding Programs

County of Orange
Regional Capacity Program
La Pata Avenue Phase II
Project No. 13-ORCO-ACE-3655
Construction Phase

May 8, 2023



Performed by: Gabriel Tang, CPA, Principal Internal Auditor
Janet Sutter, CIA, Executive Director

Distributed to: Kia Mortazavi, Executive Director, Planning
Kurt Brotcke, Adriann Cardoso, Charvalen Alacar

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Comprehensive Transportation Funding Programs
County of Orange
May 8, 2023

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ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
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Conclusion

The Internal Audit Department (Internal Audit) has completed an audit of La Pata Avenue Phase II - Construction Phase (Project) of the County of Orange (County), Project Number 13-ORCO-ACE-3655, awarded by the Orange County Local Transportation Authority (OCLTA) under the Comprehensive Transportation Funding Programs (CTFP) Regional Capacity Program.

Based on the audit:

- Costs charged to the Project were reasonable, allocable, and adequately supported, except for $468,644.83 in contractor mitigation costs incurred after project completion on December 4, 2018, as reported by the County, and beyond the five-year approved funding deadline. OCLTA reimbursed the County $140,593.45 towards these costs.
- The County did not adhere to competitive bidding requirements when selecting Orange County Waste and Recycling (OCWR) for Project mitigation work.
- The County's accounting and cash management procedures were adequate to ensure that Project funds were used only for costs chargeable to the Project.
- The County established and maintained a separate cost center for the Project.
- The Project was encumbered and completed within the timeframes dictated by CTFP guidelines and extensions were approved in accordance with CTFP guidelines. The County submitted the final report to OCLTA within 180 days of the Project completion date as required by CTFP guidelines. However, as noted above, mitigation expenditures totaling $468,644.83 were incurred, and $140,593.40 was funded by the CTFP, after project completion, per the County's final report, and beyond the five-year funding deadline approved by the OCLTA Board of Directors (Board).

Background

Regional Capacity Program

The OCLTA provided funding totaling $18,773,866 for construction under the Regional Capacity Program, Project No.13-ORCO-ACE-3655. The project was for the construction of La Pata Avenue gap closure between Ortega Highway and north boundary of Prima Deshecha landfill. Costs incurred for the Project totaled $62,579,553 of which $18,773,866 was funded by the CTFP and $43,805,687 was funded by the County. The Project was funded and programmed for fiscal year (FY) 2013-14. The Project began on December 10, 2013. On December 14, 2015, the OCLTA Board approved a scope change to consolidate Phase One and Phase Two for construction of the Project, with a combined County matching rate of 70 percent. On June 13, 2016, the OCLTA Board approved a 24-month extension to Project funding. The County reported that the Project was completed on December 4, 2018.

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INTERNAL AUDIT DEPARTMENT
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Objectives, Scope, and Methodology

The objectives were to determine whether:

1. Costs charged to the Project were reasonable, allocable, eligible, and adequately supported.
2. The County complied with competitive contracting requirements.
3. The County's accounting and cash management procedures were adequate to ensure that Project funds were used only for costs chargeable to the Project and were tracked separately within the accounting system.
4. The Project was encumbered, completed, and the final report submitted, within the timeframes dictated by CTFP guidelines; any extensions were approved in accordance with CTFP guidelines.
5. Records and documentation related to the Project were adequately maintained.

The scope was limited to the Project. The methodology included the following procedures:

1. We reviewed the Project agreement to obtain an understanding of the Project and CTFP requirements.
2. We obtained and reviewed Project contract files to verify evidence of competitive bid procedures.
3. We inquired of management and identified fund accounting procedures used by the County to account for Measure M2 revenues and expenditures.
4. We reviewed Project financial records to determine that proper accounting and cash management procedures were followed.
5. We obtained a detailed listing of Project expenditures and selected a haphazard sample of 70 out of 216 contractor expenditures and a haphazard sample of 2,004 hours out of 128,929 hours of payroll expenditures for testing. For the expenditures tested, we determined whether the expenditures were properly supported, approved, recorded, and consistent with the approved timeframe and in accordance with the contract and/or CTFP requirements. In addition, we tested expenditures to determine compliance with CTFP limitations on contract change order, labor overhead, project management, and mitigation costs. Since the sample was non-statistical, conclusions are limited to the sample items tested.
6. For construction phase work performed by local agency forces, we determined if the decision that local agency forces could perform the work more cost effectively or timely than a contractor was documented in accordance with CTFP guidelines.
7. For right-of-way acquisition costs, we reviewed supporting documentation to ensure that excess parcels acquired with Program funds were properly accounted for and any net proceeds from disposal of these parcels were returned to OCLTA in proportion to the amount of Measure M2 funds used in the purchase.

8. We reviewed the Project start date and completion date to determine whether the Project was encumbered prior to the end of the programmed FY and completed within the three-year timeframe required by CTFP guidelines; or, whether there was evidence of approval for an extension to the timeframe. We also reviewed the final report date to determine that the County submitted the final report to OCLTA within 180 days of Project completion, as required by CTFP guidelines.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Detailed Results

Our audit disclosed the following:

Compliance with Competitive Contracting Requirements

We reviewed documentation evidencing that the County complied with competitive contracting requirements except when selecting OCWR for Project mitigation work totaling $960,170.

Separate Project Fund

The County recorded costs of the Project under Activity Codes ER09018 and ER16012 in the Road Fund (Fund 115).

Accounting and Cash Management Procedures

The County established adequate controls to ensure that Project funds were used only for approved Project costs. Costs charged to the Project were reviewed and approved by the project manager. Payments from OCLTA were tracked separately within the accounting system.

Project Costs and County Documentation

The County incurred costs totaling $62,579,553 for the Project. The Project funding consisted of CTFP funds of $18,773,866 and $43,805,687 from the County. The County's required 30 percent match was met, funding for construction change orders did not exceed ten percent of the total construction costs, funding for project management costs did not exceed 15 percent of total construction costs, and funding for project management overhead costs did not exceed 30 percent of project management labor charges, as outlined in CTFP guidelines. In addition, total mitigation costs did not exceed 50 percent of total construction costs.

Internal Audit tested expenditures totaling $16,603,665 and determined the expenditures were properly supported, approved, recorded, and in accordance with the contract and/or CTFP requirements, except for mitigation costs that were incurred after the allowable five-year funding period and after project completion, as reported in the County's final report. A total of $468,644.83 in mitigation costs were incurred after project completion and after the five-year funding deadline approved by the OCLTA Board. Despite this, OCLTA staff approved reimbursement toward these costs in the amount of $140,593.45, on June 9, 2022.

Use of Local Agency Forces

No construction phase work was performed by local agency personnel.

Right-of-Way Acquisition

There was no right-of-way acquired during the construction phase of this project.

Project Completion

The construction phase of the Project was programmed for funding in FY 2013-14. Contract work was awarded on December 10, 2013, which was prior to the programming deadline. The Project was completed on December 4, 2018, per the County's final report, which was within the three-year timeframe, plus the two-year extension, approved by the OCLTA Board. The final report was submitted to OCLTA on May 28, 2019, which was within 180 days after Project completion, in accordance with CTFP guidelines. However, Internal Audit noted that contractor mitigation expenditures totaling $468,644.83 were incurred after both Project completion and the five-year funding period deadline.

Audit Comments, Recommendations, and Management Responses

Non-Compliance with Competitive Bidding Requirements

The County selected OCWR for Project work totaling $960,170 without utilizing a competitive procurement process, as required by CTFP guidelines. The OCLTA reimbursed $288,051 towards these costs.

CTFP guidelines state that, "Agencies should select consultants based upon established contract management and applicable public contracting practices….as well as competitive bidding environments for construction contracts."

Recommendation 1:

Internal Audit recommends the County implement controls to ensure all contractors are competitively procured, in accordance with CTFP guidelines.

Management Response (County):

The County agrees with the comment and recommendation provided by Internal Audit. Controls will be implemented to ensure all contractors are competitively procured, in accordance with CTFP guidelines.

Mitigation Expenditures Past Allowable Funding Period

The County submitted Project mitigation costs totaling $468,644.83 that were incurred after the project completion date and after the five-year extended funding period approved by the OCLTA Board. OCLTA staff approved reimbursement of 30 percent of these costs, totaling $140,593.45.

CTFP guidelines require funds to be used within three years of contract award, with a provision for the Board to approve a one-time delay of up to 24 months. In June 2016, the OCLTA Board approved an extension to the Project funding period for 24 months through December 2018. The County submitted a final report dated May 28, 2019, indicating a project completion date of December 4, 2018. CTFP guidelines define project completion as "the date all final invoices have been paid and any pending litigation has been adjudicated for either the engineering phase or for the right-of-way phase, and all liens/claims have been settled for the construction phase". However, subsequently, the County submitted costs for reimbursement that were incurred under additional contracts for mitigation after December 2018 and beyond the five-year Board-approved funding period.

OCLTA staff indicated that, in this circumstance, rather than using the date of the construction contract award (for measuring the three-year, plus two-year approved extension period), staff considered the dates of subsequent contract awards made for mitigation services and, for those contract expenditures, considered a new three-year period from the date of the subsequent contract awards. This interpretation, and extended funding period, was not brought to the OCLTA Board for approval.

Recommendation 2 (OCLTA Management):

Internal Audit recommends management enforce timely use of funds requirements or obtain Board approval for exceptions to the CTFP guidelines.

Management Response (OCLTA Management):

Management agrees with the audit findings, and staff will consider ways to avoid future occurrences of allowing multiple contracts within a single project to be tracked according to their timeline needs by either clarifying the CTFP Guidelines or seeking a Board action on a case-by-case basis. The next set of CTFP Guidelines revisions is planned to go to the Board in the summer of 2023, where adjustments will be made to clarify the timely use of funds requirements.

As background, this Project presented notable distinctions from conventional CTFP construction undertakings, chiefly characterized by using multiple contracts to deliver a $63 million project. This contrasts with typical CTFP projects where only one primary contract must be tracked. The Project featured a broader scale of implementation elements, evidenced by its new roadway construction through an area with utility and geological challenges. Finally, the Project's overall timeline was protracted compared to the usual duration of CTFP projects. For example, this Project required mitigation efforts and a monitoring period beyond the five years allowed under CTFP rules.

These complexities were not sufficiently understood at the onset when the OCLTA Board considered the project for funding.

It should also be noted that OCLTA carefully reviewed all expenditures to confirm the eligibility of all the costs for this $63 million project. As a result of that careful review and confirmation of eligible versus ineligible costs, OCLTA could only support reimbursing the County for $8,553,865.88 out of the original $10,000,000 award. Thus, the additional time beyond a five-year period was only used to conclude the mitigation work necessary to deliver the Project per its regulatory approval requirements.

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT

OCTA

Comprehensive Transportation Funding Programs

County of Orange
Community-Based Transit/Circulators Program
Orange County Ranch Ride
Project No. 16-ORCO-CBT-3822
Operations and Maintenance

May 8, 2023

Performed by: Gabriel Tang, CPA, Principal Internal Auditor
Janet Sutter, CIA, Executive Director

Gang

Distributed to: Kia Mortazavi, Executive Director, Planning
Kurt Brotcke, Adriann Cardoso, Charvalen Alacar

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Conclusion

The Internal Audit Department (Internal Audit) has completed an audit of the operating subsidy provided under Project Number 16-ORCO-CBT-3822, Orange County (County) Ranch Ride (Project), awarded by the Orange County Local Transportation Authority (OCLTA) under the Comprehensive Transportation Funding Programs (CTFP) Community-Based Transit/Circulators Program. The County executed a subrecipient agreement with Rancho TMA, Inc. (RTMA), to administer, maintain, and manage the Project.

Based on the audit:

- Costs charged to the Project were reasonable, allocable, and adequately supported, except for amounts overcharged to RTMA by their contracted transportation service provider and used in reimbursement claims to the County. As a result of these overcharges, OCTA over-reimbursed the County $90 for the third quarter of Fiscal Year 2020-21 (FY) 2020-21.
- The County's accounting and cash management procedures were adequate to ensure that Project funds were used only for costs chargeable to the Project.
- The County established and maintained separate cost centers for the Project.
- The County submitted quarterly ridership reports to OCLTA within two months of quarter end, as required by the cooperative agreement.
- RTMA's contracted transportation service provider, Lux Bus America Co. (Lux), utilizes Americans with Disabilities Act (ADA)-accessible vehicles and provides transportation services to those with disabilities.

Background

<u>Community-Based Transit/Circulators Program (Project V)</u>

On February 6, 2017, the OCLTA entered into Cooperative Agreement No. C-6-1309 (agreement) with the County to provide an operating subsidy to support the Orange County Ranch Ride shuttle service, in an amount not to exceed $2,041,547, for up to seven years. The Project provides transit services to the communities of Ladera Ranch, Rancho Mission Viejo, and South County. Under the agreement, the operating subsidy is no more than $9.00 per boarding or ninety percent of operations and maintenance costs, whichever is less. The County agreed to provide at least ten percent in matching funds. The County entered into a subrecipient agreement with RTMA for administration of the Project. Transportation services are provided by Lux under a contract with RTMA.

Costs submitted for reimbursement during FY 2019-20 and FY 2020-21 totaled $38,450, of which $34,605 was funded by the CTFP and $3,835 was funded by RTMA. During the same period, RTMA incurred an additional $14,088 in costs that exceeded the $9.00 per boarding funding cap.

Objectives, Scope, and Methodology

The objectives were to determine whether:

1. Costs charged to the Project were reasonable, allocable, eligible, and adequately supported.
2. The Project complied with competitive contracting requirements,
3. The accounting and cash management procedures were adequate to ensure that Project funds were used only for costs chargeable to the Project and were tracked separately within the accounting system,
4. Quarterly ridership reports were submitted to OCLTA within two months of the quarter end and the Project met the minimum standard of ten boardings per revenue vehicle hour, in accordance with the agreement,
5. Records and documentation related to the Project were adequately maintained.

The scope was limited to funding provided during FY 2019-20 and FY 2020-21 for the Project.

The methodology included the following procedures:

1. We reviewed the agreement and the County's subrecipient agreement with RTMA to obtain an understanding of the Project and CTFP requirements.
2. We obtained and reviewed contracted operator procurement files to verify evidence of competitive bid procedures.
3. We inquired of management and identified fund accounting procedures used by the County to account for Measure M2 revenues and expenditures.
4. We reviewed Project financial records to determine that proper accounting and cash management procedures were followed by the County.
5. We obtained a detailed listing of Project expenditures and selected all invoices for review. We determined whether the expenditures were properly supported, approved, recorded, and consistent with the approved timeframe and in accordance with the agreement and CTFP requirements.
6. We reviewed the quarterly ridership reports to determine whether the reports were properly supported and submitted to OCLTA within two months of the quarter end and met the minimum standard of ten boardings per revenue vehicle hour in accordance with the agreement.

7. We reviewed evidence supplied by the transportation service provider evidencing that ADA-accessible vehicles are utilized and reviewed trip sheet documents evidencing that services are being provided to those with disabilities.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Detailed Results

Our audit disclosed the following:

Compliance with Competitive Contracting Requirements

We reviewed documentation evidencing that competitive contracting requirements were complied with.

Separate Project Fund

The County recorded operating costs of the Project in the Orange County Ranch Ride, Project V Fund (Fund 174). The RTMA recorded operating costs of the Project in their General Fund.

Accounting and Cash Management Procedures

The County established adequate controls to ensure that Project funds were used only for approved Project costs. Costs charged to the Project were reviewed and approved by the County project manager. Payments from OCLTA were tracked separately within the accounting system.

Project Costs and City Documentation

Costs submitted for reimbursement during FY 2019-20 and FY 2020-21 totaled \$38,450, of which \$34,605 was funded by the CTFP and \$3,835 was funded by RTMA. During the same period, RTMA incurred an additional \$14,088 in costs that exceeded the funding cap. Internal Audit tested all invoices during the period totaling \$52,538 and determined that expenditures charged to the Project were reasonable, allocable, and adequately supported, except for \$9,930 in overcharges by the contracted service provider. Lux, the contracted service provider, invoiced RTMA at rates higher than the rates agreed to by contract. These overcharges were then used as the basis for reimbursement claims to the County, and, ultimately, to OCLTA. Due to the funding caps outlined by the agreement, these overcharges did not impact the CTFP-funded amount except in the third quarter of FY 2020-21, by \$90.

Quarterly Ridership Report

We reviewed three quarterly ridership reports and determined that reports were properly supported, submitted to OCLTA within two months of quarter end, and reflected that the minimum standard of ten boardings per revenue vehicle hour was met, in accordance with the agreement.

ADA Compliance

- We reviewed documentation evidencing that ADA-accessible vehicles are utilized and transportation services are provided to those with disabilities.

Audit Comment, Recommendation, and Management Response

Overbillings by the Transportation Service Provider

Testing identified $9,930 in overbillings by the contracted transportation service provider, Lux. Under the contract between RTMA and Lux the rate for a 22-seat mini-bus for five hours of service is $550, with an additional hourly rate of $95 per hour. However, review of 25 invoices for the period FY 2019-20 and FY 2020-21, noted that invoiced rates for the 22-seat mini-bus ranged from $575 to $1,200, with an additional hourly rate of $115.

Due to funding caps in the agreement between OCTA and the County, the overcharges did not impact CTFP-funded amounts except in the third quarter of FY 2020-21, when OCLTA over-reimbursed the County $90.

Recommendation 1:

Internal Audit recommends the County implement controls to ensure RTMA's contracted service provider is charging rates consistent with the contract.

Management Response:

The County agrees with the comment and recommendation.

OCTA

May 24, 2023

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Amendment to the 91 Express Lanes Riverside County Transportation Commission / Orange County Transportation Authority Facility Agreement

Overview

The 91 Express Lanes Riverside County Transportation Commission/ Orange County Transportation Authority Facility Agreement prescribes the funding transfers between the two agencies for costs incurred for the rent and any shared operational expenses in relation to the 91 Express Lanes. An amendment is needed to account for the reimbursement of shared operating costs incurred by the Riverside County Transportation Commission for the period July 1, 2023 through June 30, 2024.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 8 to Agreement No. C-5-3828 between the Orange County Transportation Authority and Riverside County Transportation Commission, in the amount of $1,452,388, for the reimbursement of shared operational expenses through June 30, 2024.

Discussion

In order to facilitate the exchange of funds between the two agencies, the 91 Express Lanes Riverside County Transportation Commission (RCTC)/ Orange County Transportation Authority (OCTA) Facility Agreement (ROFA) was executed in November 2015. This agreement prescribes the funding transfers between the two agencies for costs incurred for the rent and any shared operational expenses in relation to the 91 Express Lanes. As an example, RCTC contracts with a vendor for the procurement of transponders which are to be provided to the 91 Express Lanes' accountholders. Under the ROFA arrangement, OCTA will reimburse RCTC for half of the purchase cost. On the other hand, since

OCTA is the lessee of the 91 Express Lanes administrative office in Anaheim, RCTC will reimburse OCTA for half of the rent.

Under the terms of ROFA, both agencies are to establish an annual fiscal year amount for the funding and payment of joint operating costs each year. Staff has identified the shared operational expenses and has assigned responsibility for the administration and payment of these expenses. An amendment to the ROFA is required in the amount of $1,452,388 to reimburse RCTC for joint operating costs incurred through June 30, 2024, by RCTC.

Funding for Amendment No. 8 to Agreement No. C-5-3828 is included in OCTA's proposed Fiscal Year 2023-24 Budget, 91 Express Lanes Account.

Summary

Staff recommends the Board of Directors authorize the Chief Executive Officer to negotiate and execute Amendment No. 8 to Agreement No. C-5-3828 between the Orange County Transportation Authority and Riverside County Transportation Commission, in the amount of $1,452,388, for the reimbursement of shared operational expenses through June 30, 2024.

Attachments

A. Riverside County Transportation Commission – Orange County Transportation Authority Facility Agreement No. C-5-3828 Fact Sheet
B. Draft Amendment No. 8 to 91 Express Lanes RCTC-OCTA Facility Agreement ("ROFA")

Prepared by:

Kirk Avila
General Manager
Express Lanes Programs
(714) 560-5674

Pia Veesapen
Director, Contracts Administration and Materials Management
(714) 560-5619

ATTACHMENT A

Riverside County Transportation Commission –
Orange County Transportation Authority Facility
Agreement No. C-5-3828 Fact Sheet

1. September 28, 2015, Agreement No. C-5-3828, $515,793, approved by Board of Directors (Board).

   - Authorized payment to the Riverside County Transportation Commission (RCTC) for reimbursement of tenant improvements for the 91 Express Lanes Anaheim Office.
   - Authorized Facility Agreement with RCTC pertaining to funding exchanges for rent, leasehold improvements, and any shared improvements implemented by the Orange County Transportation Authority and RCTC.

2. October 26, 2016, Amendment No. 1 to Agreement No. C-5-3828, $0.00, approved by Contracts Administration and Materials Management.

   - Amendment set forth terms pertaining to the construction of tenant improvements to, and the payment of rent for, the Customer Service Center in conjunction with operation of the RCTC 91 Express Lanes.

3. March 27, 2017, Amendment No. 2 to Agreement No. C-5-3828, $431,308, approved by the Board.

   - Amendment for the reimbursement of shared operational expenses for the 91 Express Lanes through June 30, 2018.

4. June 25, 2018, Amendment No. 3 to Agreement No. C-5-3828, $2,078,750, approved by the Board.

   - Amendment for the reimbursement of shared operational expenses for the 91 Express Lanes through June 30, 2019.

5. May 24, 2019, Amendment No. 4 to Agreement No. C-5-3828, $917,000, approved by the Board.

   - Amendment for the reimbursement of shared operational expenses for the 91 Express Lanes through June 30, 2020.

6. May 22, 2020, Amendment No. 5 to Agreement No. C-5-3828, $1,130,500, approved by the Board.

   - Amendment for the reimbursement of shared operational expenses for the 91 Express Lanes through June 30, 2021.

7. April 28, 2021, Amendment No. 6 to Agreement No. C-5-3828, $931,300, approved by the Board.

   - Amendment for the reimbursement of shared operational expenses for the 91 Express Lanes through June 30, 2022.

8. May 23, 2022, Amendment No. 7 to Agreement No. C-5-3828, $827,388, approved by the Board.

   - Amendment for the reimbursement of shared operational expenses for the 91 Express Lanes through June 30, 2023.

9. June 12, 2023, Amendment No. 8 to Agreement No. C-5-3828, $1,452,388, pending Board approval.

   - Amendment for the reimbursement of shared operational expenses for the 91 Express Lanes through June 30, 2024.

Total committed to Agreement No. C-5-3828: $8,284,427.

AMENDMENT NO. 8
TO 91 EXPRESS LANES
RCTC- OCTA FACILITY AGREEMENT
("ROFA")

This Amendment No. 8 to 91 Express Lanes RCTC-OCTA Facility Agreement (Identified as RCTC Agreement No. 16-31-025-00 and OCTA Agreement No. C-5-3828) ("Amendment No. 8") is made and entered into this _____ day of _________ 2023, by and between the Riverside County Transportation Commission ("RCTC") and the Orange County Transportation Authority ("OCTA"). RCTC and OCTA are sometimes referred to herein individually as "Party", and collectively as the "Parties".

Recitals

A. The Parties previously entered into that certain Cooperative Agreement for State Route 91 Express Lanes and Corridor Improvements, dated December 16, 2011 ("Cooperative Agreement"), which, among other things, anticipated the sharing of certain joint operating costs incurred in conjunction with the coordinated operation of the OCTA 91 Express Lanes and the RCTC 91 Express Lanes.

B. The Parties previously entered into that certain RCTC-OCTA Facility Agreement ("ROFA"), dated November 4, 2015, for implementation of certain portions of the Cooperative Agreement pertaining to the lease, expansion, and joint use of the Toll Related Facilities. The ROFA sets forth the rights and obligations of the Parties related to the lease, expansion, and joint use of the Toll Operations Center, as that term is defined in the ROFA. Section 5 of the ROFA addresses the payment of rent and other costs for the Toll Operations Center. Section 8 of the ROFA provides that the terms for implementation of the Cooperative Agreement with respect to Third Party Vendor Agreements (as that term is defined in the ROFA) and payments will be addressed in an amendment to the ROFA to be entered into at such time as the Parties have sufficient information to negotiate such terms, as those terms are defined in the ROFA.

C. Pursuant to Section 8, the Parties previously entered into that Amendment No. 1 to the ROFA, dated October 26, 2016, which added Exhibit "B" entitled "ROFA Addendum for CSC Build-Out" to address the build-out of the Customer Service Center and CSC lease payments.

D. Pursuant to Section 8, the Parties previously entered into that Amendment No. 2 to the ROFA, dated April 11, 2017, which added Addendum 1 entitled "ROFA Addendum for Funding and Payment of Certain Joint Operating Costs" (i) to identify certain third party vendor agreements entered into by OCTA or RCTC, respectively, related to operation of the 91 Express Lanes ("Third Party Vendor Agreements"), (ii) to identify certain purchases administered by one Party and to be jointly funded by the other Party, (iii) to provide for the allocation of funding by each Party to reimburse the other Party for its share of costs incurred under such Third Party Vendor Agreements and for such purchases, and (iv) for OCTA to allocate funding to reimburse RCTC for payment of certain future costs related to third party contracts and purchases administered by Cofiroute, USA LLC ("Cofiroute") and not funded under that certain three party operating agreement entered into by OCTA, RCTC and Cofiroute, dated as of May 24, 2013, as amended ("ORCOA"). Addendum 1 as added by Amendment No. 2 to the ROFA only addressed the funding and payment of joint operating costs and third party contract costs incurred through June 30, 2018.

E. Pursuant to Section 8, the Parties previously entered into that Amendment No. 3 to the ROFA, dated August 13, 2018, which updated Addendum 1 to set forth terms pertaining to the allocation of funding and payment by each Party for costs incurred by the other Party under Third Party Vendor Agreements and for Rent associated with the Toll Operations Center and Customer Service Center, and for certain costs incurred by RCTC for third party contracts and purchases administered by Cofiroute for operation of the 91 Express Lanes, and not funded under the ORCOA, for the period from July 1, 2018 through June 30, 2019. At the time the Parties entered into Amendment No. 3, the Parties contemplated relocating the Customer Service Center to a new location, and Addendum 1 attached to Amendment No. 3 only set forth the estimated Rent under the CSC Lease, as provided pursuant to Exhibit "B" to the ROFA, through March 31, 2019.

F. The Customer Service Center was subsequently relocated from a building leased by OCTA located at 2275 Sampson Avenue in Corona, California, to a building owned by RCTC located at 301 Corporate Terrace in Corona, California, and the payment of rent and other expenses for the Customer Service Center is now governed by that certain "Standard Multi-Tenant Office Lease – Gross" between RCTC and OCTA, dated January 1, 2018. Therefore, the ROFA no longer governs the rights and obligations of the Parties with respect to the Customer Service Center.

G. Pursuant to Section 8, the Parties previously entered into that Amendment No. 4, dated October 9, 2019, which eliminated references to the Customer Service Center, repealed Exhibit "B", and updated Addendum 1 to set forth terms pertaining to the allocation of funding and payment by each Party for costs incurred by the other Party under Third Party Vendor Agreements and for Rent associated with the Toll Operations Center, and for certain costs incurred by RCTC for third party contracts and purchases administered by Cofiroute for operation of the 91 Express Lanes, and not funded under the ORCOA, for the period from July 1, 2019 through June 30, 2020.

H. Pursuant to Section 8, the Parties previously entered into that Amendment No. 5, dated August 11, 2020, which updated Addendum 1, pursuant to an attachment identified as Addendum 2, to set forth terms pertaining to the allocation of funding and payment by each Party for costs incurred by the other Party under Third Party Vendor Agreements and for Rent and other costs associated with the Toll Operations Center, and for certain costs incurred by RCTC for third party contracts and purchases administered by Cofiroute for operation of the 91 Express Lanes, and not funded under the ORCOA, for the period from July 1, 2020 through June 30, 2021.

I. Pursuant to Section 8, the Parties previously entered into that Amendment No. 6, dated July 1, 2021, which updated Addendum 2, pursuant to an attachment identified as Addendum 3, to set forth terms pertaining to the allocation of funding and payment by each Party for costs incurred by the other Party under Third Party Vendor Agreements and for Rent and other costs associated with the Toll Operations Center, and for certain costs incurred by RCTC for third party contracts and purchases administered by Cofiroute for operation of the 91 Express Lanes, and not funded under the ORCOA, for the period from July 1, 2021 through June 30, 2022.

J. Pursuant to Section 8, the Parties previously entered into that Amendment No. 7, dated July 12, 2022, which updated Addendum 3, pursuant to an attachment identified as Addendum 4, to set forth terms pertaining to the allocation of funding and payment by each Party for costs incurred by the other Party under Third Party Vendor Agreements and for Rent and other costs associated with the Toll Operations Center, for the period from July 1, 2022 through June 30, 2023. At the time of Amendment No. 7, the ORCOA was no longer in effect and had been replaced by a new agreement, and it was no longer necessary for OCTA to allocate funding to reimburse RCTC for payment of future costs related to third party contracts and purchases administered by Cofiroute for operation of the 91 Express Lanes and not funded under the ORCOA.

K. The Parties now desire to enter into this Amendment No. 8 in order to update Addendum 4 to set forth terms pertaining to the allocation of funding and payment by each Party for costs incurred by the other Party under Third Party Vendor Agreements and for Rent and other costs associated with the Toll Operations Center, for the period from July 1, 2023 through June 30, 2024.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, it is mutually understood and agreed as follows:

1. **Amendment Replacing Addendum 4**. Effective July 1, 2023, ROFA Addendum 4 entitled "ROFA Addendum for Funding and Payment of Certain Joint Operating Costs" is hereby replaced in its entirety with the Addendum 5 attached hereto, which is incorporated herein by reference, setting forth terms pertaining to the allocation of funding and payment by each Party for costs incurred by the other Party under Third Party Vendor Agreements and for Rent associated with the Toll Operations Center, for the period from July 1, 2023 through June 30, 2024. The attached Addendum 5 replaces the document attached to Amendment No. 7 as Addendum 4.

2. **Continuing Effect of Agreement.** Except as amended by this Amendment No. 8, all provisions of the ROFA, as previously amended, shall remain unchanged and in full force and effect. Except as otherwise expressly stated, the incorporation of costs pertaining to Rent and other costs pertaining to the Toll Operations Center into Addendum 5 is not intended to amend or supersede other applicable provisions of the ROFA, as previously amended, pertaining to the rights and obligations of the Parties with respect to payment of such costs.

3. **Counterparts.** This Amendment No. 8 may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute but one and the same instrument.

SIGNATURES ON FOLLOWING PAGE

SIGNATURES TO
AMENDMENT NO. 8 TO
91 EXPRESS LANES RCTC-OCTA FACILITY AGREEMENT ("ROFA")
BETWEEN RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AND
ORANGE COUNTY TRANSPORTATION AUTHORITY

RIVERSIDE COUNTY
TRANSPORTATION COMMISSION

By: ____________________________

Its: ____________________________

ORANGE COUNTY
TRANSPORTATION AUTHORITY

By: ____________________________

Its: ____________________________

APPROVED AS TO FORM:
BEST BEST & KRIEGER LLP

By: ________________________________
Counsel to the Riverside
County Transportation Commission

APPROVED AS TO FORM:
WOODRUFF & SMART,
APC

By: ___________________________
General Counsel to the Orange
County Transportation
Authority

1761417.2

Addendum 5

ROFA Addendum for Funding and Payment of Certain Joint Operating Costs

This ROFA Addendum for Funding and Payment of Certain Joint Operating Costs (hereafter "Addendum") sets forth the respective rights and obligations of RCTC and OCTA, respectively, pertaining to the payment and reimbursement of certain costs incurred by the other Party under the identified Third Party Vendor Agreements and of certain purchases made by one Party to be jointly funded by the other Party. For budgeting and funding allocation purposes only, this Addendum 5 also incorporates the estimated costs for Rent under the TOC Lease and other costs for the TOC to be shared by the Parties pursuant to Section 5 of the ROFA.

1. **Defined Terms.** Capitalized terms used in this Addendum, including in the recitals to Amendment No. 8, and not otherwise defined herein shall have the meanings set forth in the Cooperative Agreement.

2. **Funding and Payment for Certain Joint Operating Costs**.

The Parties agree that there are certain joint operating costs for the Toll Related Facilities, as identified in Section 2.8.5 of the Cooperative Agreement, that will be incurred by one Party on behalf of the other Party. Each Party agrees to reimburse the other Party for its share of the joint operating costs incurred from **July 1, 2023 through June 30, 2024** (the "Current Fiscal Year") according to the Percentage Cost Split as follows:

A. **RCTC Payments to OCTA for Third Party Vendor Agreements or Purchases and for Leases Administered by OCTA**. RCTC hereby allocates $541,250 for its share of joint operating costs incurred by OCTA during the Current Fiscal Year. The initial list of Third Party Vendor Agreements or purchases to be administered by OCTA, and jointly funded by RCTC, for the Current Fiscal Year is included in Exhibit "A" attached to this Addendum and incorporated herein by reference. OCTA agrees to obtain RCTC approval of any new or additional Third Party Vendor Agreements or purchases not listed in Exhibit "A", and subject to cost sharing as set forth herein. Additions and changes to Exhibit "A" may be approved in writing by RCTC's Executive Director, or designee, without an amendment to this Addendum provided that the total costs to be shared by RCTC do not exceed the amount set forth in this paragraph. OCTA shall invoice RCTC monthly for the joint operating costs identified in Exhibit "A", and RCTC shall reimburse all approved costs within 30 days of receipt of an invoice from OCTA. For budgeting and funding allocation purposes only, Exhibit "A" includes RCTC's estimated proportionate share of costs for Rent, furniture and improvements for the Current Fiscal Year under the TOC Lease. The Parties acknowledge and agree that this estimate is subject to change based on changes in the amount of estimated CAM Expenses and other unforeseen expenses, and that RCTC's obligations for payment of its proportionate share of Rent and related late fees and other costs under the TOC Lease shall remain subject to Section 5 of the ROFA.

B. **OCTA Payments to RCTC for Third Party Vendor Agreements or Purchases Administered by RCTC**. OCTA hereby allocates $1,452,388 for its share of joint operating costs incurred by RCTC during the Current Fiscal Year. The initial list of Third Party Vendor Agreements or purchases to be administered by RCTC, and jointly funded by OCTA, for the Current Fiscal Year is included in Exhibit "B" attached to this Addendum and incorporated herein by reference. RCTC agrees to obtain OCTA approval of any new or additional Third Party Vendor Agreements or purchases not listed in Exhibit "B", and subject to cost sharing as set forth herein. Additions and changes to Exhibit "B" may be approved in writing by OCTA's Chief Executive Officer, or designee, without an amendment to this Addendum provided that the total costs to be shared by OCTA do not exceed the amount set forth in this paragraph. RCTC shall invoice OCTA monthly for the joint operating costs identified in Exhibit "B", and OCTA shall reimburse all approved costs within 30 days of receipt of an invoice from RCTC.

2. **Annual Cost Allocation.** The Parties agree to establish the annual fiscal year amounts for the funding and payment of joint operating costs as described herein by January 15 of each year.

3. **Processing of Funding and Payment of Joint Operating Costs.** The Parties agree to work together to establish administrative procedures for the processing of joint operating costs as described in this Addendum.

EXHIBIT A

CONTRACTS/PURCHASES ADMINISTERED BY OCTA

OCTA Administered Costs
July 1, 2023 to June 30, 2024

Description	**Total Shared Costs**	**Shared Amount (RCTC Share)**
Trademark Counsel	2,500	1,250
Printing of Customer Notification Materials	80,000	40,000
Bank Service Charge	25,000	12,500
Other Miscellaneous Expenses	5,000	2,500
Marketing	100,000	50,000
SR-91 Implementation Plan	50,000	25,000
Lease[1]	460,000	230,000
Lease Utilities	60,000	30,000
Toll Operations Consulting Services	150,000	75,000
Roadway Closures	30,000	30,000
Collection Services	10,000	5,000
Leasehold Improvement	50,000	25,000
Escrow Fees	30,000	15,000
Total	**1,052,500**	**541,250**

[1] Represents estimated Rent under TOC Lease through June 30. This estimate is subject to change based on changes in the amount of estimated CAM Expenses and other unforeseen expenses. Section 5 of the ROFA governs RCTC's obligations for payment of its proportionate share of Rent and related late fees under the TOC Lease.

EXHIBIT B

CONTRACTS/PURCHASES ADMINISTERED BY RCTC

RCTC Administered Costs
July 1, 2023 to June 30, 2024

Description	**Total Shared Costs**	**Shared Amount (OCTA Share)**
Traffic Operations Center System Maintenance	325,000	262,500
Variable Message Signs Support and Maintenance	29,775	14,888
Toll Operations Consulting Services	1,000,000	500,000
Transponders	50,000	25,000
Utilities	40,000	20,000
Roadway Closures	30,000	30,000
Furniture, Fixtures, Equipment	50,000	25,000
Leasehold Improvements	50,000	25,000
Marketing	100,000	50,000
Traffic Operations Center Contract Implementation	1,000,000	500,000
Total	**2,674,775**	**1,452,388**

May 24, 2023

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Fiscal Year 2022-23 Third Quarter Grant Reimbursement Status Report

Overview

The Quarterly Grant Reimbursement Status Report summarizes grant activities for the Orange County Transportation Authority Board of Directors. This report focuses on activity for the third quarter of fiscal year 2022-23, covering January through March 2023.

Recommendation

Receive and file as an information item.

Discussion

The Orange County Transportation Authority (OCTA) has secured grant funding from federal and state grant agencies to deliver programs, projects, and services to improve mobility in Orange County. The use of these funds is consistent with the capital programming policies approved by the Board of Directors. The Quarterly Grant Reimbursement Status Report summarizes current and closed grant agreements.

Current Grant Agreements:

OCTA has 12 Federal Transit Administration (FTA) formula grant agreements and three FTA discretionary grant agreements.

The 12 FTA formula grant agreements have a total federal amount of $492.8 million. A total of $310 million has been reimbursed, leaving a balance of approximately $182.8 million. The balance of these FTA formula grant agreements will primarily fund bus operations, the OC Streetcar Project, and rail rehabilitation projects.

The three FTA discretionary grant agreements have a total federal amount of $151.1 million. This includes the full funding grant agreement award of

$148.9 million. A total of $122.8 million has been reimbursed, leaving a balance of $28.3 million. The balance of these FTA discretionary grant agreements will primarily fund the OC Streetcar Project and slope stabilization improvements on the railroad right-of-way from the City of Laguna Niguel to the City of Lake Forest.

The total FTA formula and discretionary grant agreements amount to $644 million. The total amount reimbursed through the third quarter under these grant agreements is $432.8 million, leaving a balance of $211.1 million. These grant agreements are summarized in Attachment A.

OCTA has 27 active State and Federal Highway Administration formula grant agreements that total $84.7 million. The total amount reimbursed through the third quarter under these agreements is $23.2 million, leaving a balance of $61.5 million. These grant agreements are summarized in Attachment B.

In addition, OCTA has 14 active state discretionary grant agreements totaling approximately $47.3 million. The total amount reimbursed through the third quarter under these other agreements is $20.1 million, leaving a balance of $27.2 million. These grant agreements are summarized in Attachment C.

This report activity is as of March 31, 2023, and any grants with a deadline between the quarter end and the date this report is published, will be reimbursed and closed out. This activity will be reflected in next quarter’s report. Additionally, for these grants, staff anticipates each of the remaining balances to be fully reimbursed prior to the grant agreement expiration date.

Closed Grant Agreements:

There was one grant agreement totaling $14 million that was closed out in the third quarter of fiscal year (FY) 2022-23. The total amount reimbursed was $13.2 million. The remaining balance of the grant was not able to be used on a different OCTA project because FTA Section 5316 funding was discontinued and the remaining balance was de-obligated.

These grant agreements are summarized in Attachment D.

Summary

This report provides an update of the grant agreement-funded activities for the third quarter of FY 2022-23, January through March 2023. Staff recommends this report be received and filed as an information item.

Attachments

A. Third Quarter Grant Reimbursement Status Report, January through March 2023, Federal Transit Administration (FTA) Formula and Discretionary Grant Agreements
B. Third Quarter Grant Reimbursement Status Report, January through March 2023, State and Federal Highway Administration Formula Grant Agreements
C. Third Quarter Grant Reimbursement Status Report, January through March 2023, State Discretionary Grant Agreements
D. Third Quarter Grant Reimbursement Status Report, January through March 2023, Closed Grant Agreements

Prepared by:	**Approved by:**
Sam Kaur	Andrew Oftelie
Department Manager,	Chief Financial Officer,
Revenue Administration	Finance and Administration
714-560-5889	714-560-5649

Third Quarter Grant Reimbursement Status Report

January through March 2023

ATTACHMENT A

Federal Transit Administration (FTA) Formula and Discretionary Grant Agreements						
	FEDERAL FISCAL YEAR	**GRANT NUMBER**	**FEDERAL AMOUNT**	**FEDERAL AMOUNT REIMBURSED**	**REMAINING BALANCE**	**ANTICIPATED CLOSE-OUT**
Formula Grants						
FTA Section 5307 - Federal Stimulus Funds						
1	2021	CA-2021-153	$ 163,993,248	$ 153,920,103	$ 10,073,145	December 2023
FTA Section 5307 Stimulus Grant Subtotal			**$ 163,993,248**	**$ 153,920,103**	**$ 10,073,145**	
FTA Section 5307 - FTA Urbanized Area Formula Grant Program						
2	2021	CA-2021-187	$ 60,143,314	$ 48,990,089	$ 11,153,225	September 2023
FTA Section 5307 Grant Subtotal			**$ 60,143,314**	**$ 48,990,089**	**$ 11,153,225**	
FTA Section 5307 - Federal Funds flexed from the Federal Highway Administration (FHWA)						
3	2014	CA-95-X286	$ 6,621,000	$ 6,207,481	$ 413,519	June 2023
4	2017	CA-2017-072	31,567,405	30,895,215	672,190	June 2023
5	2019	CA-2020-050	76,843,769	23,408,562	53,435,207	June 2026
6	2020	CA-2021-010	42,599,378	21,621,295	20,978,083	December 2023
7	2020	CA-2022-076	1,016,000	944,588	71,412	June 2023
8	2020	CA-2022-082	34,515,000	3,065,069	31,449,931	June 2025
9	2021	CA-2022-170	62,585,945	13,069,414	49,516,531	August 2026
FTA Section 5307 Flexed Grant Subtotal			**$ 255,748,497**	**$ 99,211,624**	**$ 156,536,873**	
FTA Section 5337 - State of Good Repair Grant Program						
10	2020	CA-2020-269	$ 3,470,454	$ 3,205,752	$ 264,702	September 2023
11	2021	CA-2021-227	3,274,762	2,974,762	300,000	December 2023
FTA Section 5337 Grant Subtotal			**$ 6,745,216**	**$ 6,180,514**	**$ 564,702**	
FTA Section 5339 - Buses and Bus Facilities Grant Program						
12	2021	CA-2022-137	$ 6,200,560	$ 1,725,102	$ 4,475,458	June 2024
FTA Section 5339 Grant Subtotal			**$ 6,200,560**	**$ 1,725,102**	**$ 4,475,458**	
FTA Formula Grants Total			**$ 492,830,835**	**$ 310,027,432**	**$ 182,803,403**	

Third Quarter Grant Reimbursement Status Report

January through March 2023

	FEDERAL FISCAL YEAR	GRANT NUMBER	FEDERAL AMOUNT	FEDERAL AMOUNT REIMBURSED	REMAINING BALANCE	ANTICIPATED CLOSE-OUT
Federal Transit Administration (FTA) Formula and Discretionary Grant Agreements						
Discretionary Grants						
FTA Section 5309 - Discretionary Capital Grant Program						
13	2018	CA-2020-281	$ 913,115	$ 152,936	$ 760,179	September 2025
FTA Section 5309 Grant Subtotal			**$ 913,115**	**$ 152,936**	**$ 760,179**	
FTA Section 5309 - Capital Investment Grants - Full Funding Grant Agreement (FFGA)						
14	2019	CA-2019-018	$ 148,955,409	$ 121,738,018	$ 27,217,391	October 2023
FTA Section 5309 FFGA Grant Subtotal			**$ 148,955,409**	**$ 121,738,018**	**$ 27,217,391**	
FTA Section 5339b - Bus and Bus Facilities						
15	2017	CA-2021-052	$ 1,206,518	$ 858,313	$ 348,205	October 2023
FTA 5339b Grant Subtotal			**$ 1,206,518**	**$ 858,313**	**$ 348,205**	
FTA Discretionary Grants Total			**$ 151,075,042**	**$ 122,749,267**	**$ 28,325,775**	
Total FTA Formula and Discretionary Grant Agreements			**$ 643,905,877**	**$ 432,776,699**	**$ 211,129,178**	

Funding Source Notes

FTA Section 5307 - Federal Stimulus Funds: Federal emergency relief funds in response to coronoavirus

FTA Section 5307 - Federal Transit Administration Urbanized Area Formula Grant Program: Funds are used to fund preventive maintenance, capital cost of contracting, and to purchase revenue vehicles, facility modifications, and bus-related equipment.

FTA Section 5307 - Federal Funds flexed from the FHWA: Funds are used to fund preventive maintenance, capital cost of contracting, and to purchase revenue vehicles, facility modifications, and bus-related equipment.

FTA Section 5337 - State of Good Repair Grant Program: A formula-based State of Good Repair Program dedicated to repairing and upgrading the nation's rail transit systems along with high-intensity motor bus systems that use high-occupancy lanes.

FTA Section 5339 - Buses and Bus Facilities Grant Program: A formula-based program dedicated to support capital projects such as the replacement, rehabilitation, and purchase of buses, vans, and related equipment.

FTA Section 5309 - Discretionary Capital Grant Program: Grants provide for projects that improve efficiency and coordination of transportation systems.

FTA Section 5309 - Capital Investment Grants - Full FFGA: Grants provide for projects that improve efficiency and coordination of transportation systems.

FTA Section 5339b - Bus and Bus Facilities: Grants provide support for capital projects such as the replacement, rehabilitation, and purchase of buses, vans, and related equipment.

Third Quarter Grant Reimbursement Status Report

January through March 2023

ATTACHMENT B

State and Federal Highway Administration Formula Grant Agreements						
	FISCAL YEAR (FY)	**PROJECT**	**GRANT AMOUNT**	**AMOUNT REIMBURSED**	**REMAINING BALANCE**	**ANTICIPATED CLOSE-OUT**
Federal Highway Administration Grant Program - State Transportation Block Grant (STBG)						
1	2016	Interstate-405, State Route-73 to Interstate-605 (CON)	$ 1,000	$ 0	$ 1,000	June 2023
2	2019	Interstate-5, Orange/San Diego County Line to Avenida Pico (PA/ED)	5,500,000	1,826,190	3,673,810	June 2025
3	2020	Interstate-5 Segment 1, State Route-73 to Oso Pkwy (CON)	3,984,000	3,598,535	385,465	June 2025
4	2020	Interstate-5, Yale to SR-55 (PS&E)	10,900,000	7,497,870	3,402,130	June 2025
5	2022	State Route-55, Interstate-405 to Interstate-5 (ROW)	9,056,000	2,911,045	6,144,955	June 2026
STBG Subtotal			**$ 29,441,000**	**$ 15,833,641**	**$ 13,607,359**	
Low Carbon Transit Operations Program (LCTOP) - California Department of Transportation (CALTRANS)						
6	2019	Travel Training	$ 685,000	$ 672,643	$ 12,357	June 2023
7	2020	Battery Electric Buses, Bus Depot Upgrade & Charging Infrastructure	7,537,886	863,079	6,674,807	December 2023
8	2020	Bravo! Route 529 Start-up & Operations	3,068,078	1,796,902	1,271,176	June 2023
9	2020	College Fare Program - Irvine Valley, Saddleback, Cypress, and Coastline	749,243	58,642	690,601	December 2023
10	2021	College Fare Program for Orange Coast College	716,152	55,048	661,104	August 2023
11	2021	Welcome Back Fare Reduction Program	3,538,747	558,571	2,980,176	August 2023
12	2022	Bravo! 553 Rapid Bus Service Operating Subsidy	1,553,772	0	1,553,772	August 2025
13	2022	Youth Ride Free Program	8,027,983	1,515,253	6,512,730	August 2024
LCTOP Subtotal			**$ 25,876,861**	**$ 5,520,138**	**$ 20,356,723**	
Highway Infrastructure Program (HIP)						
14	2022	State Route-57, Orangewood to Katella Ave (PS&E)	$ 2,790,000	$ 329,861	$ 2,460,139	June 2025
HIP Subtotal			**$ 2,790,000**	**$ 329,861**	**$ 2,460,139**	
State Transportation Improvement Plan (STIP) Programming, Planning & Monitoring (PPM)						
15	2021	PPM Program	$ 1,000,000	$ 246,621	$ 753,379	December 2023
16	2022	PPM Program	1,437,000	0	1,437,000	December 2024
17	2023	PPM Program	1,848,000	0	1,848,000	December 2025
STIP PPM Subtotal			**$ 4,285,000**	**$ 246,621**	**$ 4,038,379**	

Third Quarter Grant Reimbursement Status Report
January through March 2023

State and Federal Highway Administration Formula Grant Agreements						
	FISCAL YEAR (FY)	PROJECT	GRANT AMOUNT	AMOUNT REIMBURSED	REMAINING BALANCE	ANTICIPATED CLOSE-OUT
Senate Bill 1 (SB1)**: State of Good Repair (SGR)**						
18	2020	Transit Security Operation Center (CON)	$ 2,560,021	$ 0	$ 2,560,021	January 2027
19	2021	Bus Wash Drainage System Repairs at Anaheim Base	99,500	94,525	4,975	August 2023
20	2021	Electrical Service for Hydrogen Fueling Station at Santa Ana Bus Base	465,095	319,049	146,046	July 2024
21	2021	Fire Alarm Control Panel Replacement at Santa Ana Base	496,299	194,739	301,560	July 2024
22	2021	Replacement of Emergency Standby Generators	738,987	660,500	78,487	September 2023
23	2021	Security Gates	2,966,000	0	2,966,000	July 2025
24	2021	Transit Security Operation Center (CON)	2,011,278	0	2,011,278	January 2027
25	2022	Transit Security Operation Center (CON)	6,416,264	0	6,416,264	January 2027
26	2023	Heating-Ventilation Unit Replacements at Santa Ana Bus Base (CON)	1,150,000	0	1,150,000	February 2026
27	2023	Transit Security Operation Center (CON)	5,435,423	0	5,435,423	January 2027
SB1 SGR Subtotal			**$ 22,338,868**	**$ 1,268,813**	**$ 21,070,055**	
Total State and Federal Highway Administration Formula Grant Agreements			**$ 84,731,729**	**$ 23,199,073**	**$ 61,532,656**	

Project Phases:

- CON- Construction, Construction Management, Construction Engineering, or Force Account expenses.
- PA/ED- Project Approval and Environmental Design.
- PS&E- Agency Preliminary Engineering.
- PSR- Development Support and Project Study Report.
- ROW- Right-of-Way Services, Engineering, Administration, Acquisition, Utility Relocation or Relocation Assistance.

ATTACHMENT C

Third Quarter Grant Reimbursement Status Report

January through March 2023

State Discretionary Grant Agreements						
	FISCAL YEAR	**PROJECT**	**GRANT AMOUNT**	**AMOUNT REIMBURSED**	**REMAINING BALANCE**	**ANTICIPATED CLOSE-OUT**
Active Transportation Program (ATP)						
1	2020	Safe Travels Education Program (STEP) Campaign	$ 500,000	$ 276,061	$ 223,939	November 2023
ATP Subtotal			**$ 500,000**	**$ 276,061**	**$ 223,939**	
Air Quality Management District (AQMD) Grant Program and Mobile Source Air Pollution Reduction Review Committee (MSRC)						
2	2019	La Habra Union Pacific Rail Bikeway	$ 91,760	$ 0	$ 91,760	November 2023
MSRC Subtotal			**$ 91,760**	**$ 0**	**$ 91,760**	
Transit and Intercity Rail Capital Program (TIRCP)						
3	2020	Orange County Maintenance Facility (PA/ED)	$ 4,829,000	$ 3,526,244	$ 1,302,756	July 2023
CAP & TRADE TIRCP Subtotal			**$ 4,829,000**	**$ 3,526,244**	**$ 1,302,756**	
Transit Security Administration (TSA) National Explosives Detection Canine Team Program (NEDCTP) - Department of Homeland Security						
4	2020	TSA Canine	$ 151,500	$ 126,747	$ 24,753	May 2023
TSA Canine Subtotal			**$ 151,500**	**$ 126,747**	**$ 24,753**	
Senate Bill 1 (SB1)**: Local Partnership Program (LPP)**						
5	2018	Garden Grove Boulevard Signal Synchronization (CON)	$ 1,353,000	$ 1,077,763	$ 275,237	October 2023
6	2018	Katella Avenue Signal Synchronization (CON)	2,449,000	1,658,199	790,801	December 2023
7	2018	Los Alisos Boulevard Signal Synchronization (CON)	1,117,000	954,287	162,713	October 2023
8	2018	Main Street Signal Synchronization (CON)	1,926,000	1,701,250	224,750	December 2023
SB1 LPP Subtotal			**$ 6,845,000**	**$ 5,391,499**	**$ 1,453,501**	
Senate Bill 1: Solutions for Congested Corridors Program (SB 1 SCCP)						
9	2019	Edinger Avenue Signal Synchronization (CON)	$ 4,957,000	$ 1,058,591	$ 3,898,409	June 2024
10	2020	MacArthur Blvd. Signal Synchronization (CON)	2,951,200	499,250	2,451,950	June 2024
11	2020	Warner Avenue Signal Synchronization (CON)	4,092,000	389,419	3,702,581	June 2024
SB1 SCCP Subtotal			**$ 12,000,200**	**$ 1,947,260**	**$ 10,052,940**	
Senate Bill 1: Planning Grants (SB1 PL)						
12	2021	OC Bike Connectors Gap Closure Feasibility Study	$ 160,000	$ 96,817	$ 63,183	June 2023
SB1 PL Subtotal			**$ 160,000**	**$ 96,817**	**$ 63,183**	

Third Quarter Grant Reimbursement Status Report
January through March 2023

State Discretionary Grant Agreements						
State Highway Operation and Protection Program (SHOPP)						
13	2018	State Route-55, Interstate-405 to Interstate-5 (ROW Utility Relocation)	$ 6,304,461	$ 997,441	$ 5,307,020	June 2025
14	2018	State Route-55, Interstate-405 to Interstate-5 (ROW)	16,395,539	7,751,035	8,644,504	June 2025
SHOPP Subtotal			**$ 22,700,000**	**$ 8,748,476**	**$ 13,951,524**	
Total State Discretionary Grant Agreements			**$ 47,277,460**	**$ 20,113,104**	**$ 27,164,356**	

Project Phases:

CON- Construction, Construction Management, Construction Engineering or Force Account expenses.

PA/ED- Project Approval and Environmental Design.

PS&E- Agency Preliminary Engineering.

PSR- Development Support and Project Study Report.

ROW- Right-of-Way Services, Engineering, Administration, Acquisition, Utility Relocation or Relocation Assistance.

ATTACHMENT D

Third Quarter Grant Reimbursement Status Report

January through March 2023

Closed Grant Agreements						
	FISCAL YEAR (FY)	**FUNDING SOURCE**	**PROJECT**	**GRANT AMOUNT**	**AMOUNT REIMBURSED**	**REMAINING BALANCE**
1	2009	FTA Section 5316	FTA CA-37-X113	$ 13,962,491	$ 13,244,321	$ 718,170
Total Closed Grants				**$ 13,962,491**	**$ 13,244,321**	**$ 718,170**

Funding Source Notes
Federal Transit Administration (FTA) Section 5316 - Jobs Access and Reverse Commute Grant Program: funding has been discontinued and the remaining balance will not be available for any future projects.

OCTA

May 24, 2023

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Resolution to Establish the Orange County Transportation Authority General Fund Appropriations Limit for Fiscal Year 2023-24

Overview

The State Constitution requires that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year pursuant to Article XIIIB.

Recommendation

Adopt Orange County Transportation Authority Resolution No. 2023-026 to establish the Orange County Transportation Authority General Fund appropriations limit at $14,628,424, for fiscal year 2023-24.

Background

In November 1979, the voters of the State of California approved Proposition 4, commonly known as the Gann Initiative. The proposition created Article XIIIB of the California Constitution, which is also known as the Gann appropriations limit.

Both the Article XIIIB appropriations limit and its implementing legislation were modified by Proposition 111, approved by voters in 1990. The law specifies that the appropriations of revenues, "proceeds of taxes" by state and local governments, may only increase annually by a limit based on a factor comprised of the change in population and the change in California per capita personal income. The appropriation limit includes any interest earned from the investment of the proceeds of taxes and must be reviewed during the annual financial audit.

Orange County Transportation Authority
550 South Main Street / P.O. Box 14184 / Orange / California 92863-1584 / (714) 560-OCTA (6282)

Discussion

In accordance with the requirements of Article XIIIB, a resolution has been prepared and is attached for review and approval (Attachment A). The resolution establishes the Orange County Transportation Authority (OCTA) General Fund appropriations limit for fiscal year (FY) 2023-24 at $14,628,424, excluding federal grant funds and other funds to be received from sources not subject to the appropriations limit.

Attachment B shows the calculation of the FY 2023-24 OCTA General Fund appropriations limit. Appropriations subject to limits do not include appropriations for debt service, costs of complying with the mandates of the courts or the federal government, or capital outlay projects. The percentage change in population and change in California per capita personal income were obtained from the State of California, Department of Finance.

Summary

Staff recommends adoption of the Orange County Transportation Authority General Fund Resolution No. 2023-026, which will establish the fiscal year 2023-24 appropriation limit at $14,628,424.

Attachments

A. Resolution No. 2023-026 of the Orange County Transportation Authority - General Fund Establishing Appropriations Limit for Fiscal Year 2023-24
B. Orange County Transportation Authority - General Fund GANN Appropriations Limit Calculation for Fiscal Year 2023-24

Prepared by:

Sam Kaur
Department Manager,
Revenue Administration
(714) 560-5889

Approved by:

Andrew Oftelie
Chief Financial Officer,
Finance and Administration
(714) 560-5649

RESOLUTION No. 2023-026 OF THE ORANGE COUNTY TRANSPORTATION AUTHORITY - GENERAL FUND ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2023-24

WHEREAS, Article XIIIB of the California Constitution and Sections 7900 through 7913 of the California Government Code require the establishment of an appropriations limit; and

WHEREAS, appropriations limits are applicable to funds received from the proceeds of taxes and interest earned on such proceeds.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Orange County Transportation Authority - General Fund hereby determines that pursuant to Section 7902b of the California Government Code, the appropriations limit for the Orange County Transportation Authority - General Fund for fiscal year 2023-24 is $14,628,424.

2. The total amount authorized to be expended by the Orange County Transportation Authority - General Fund during fiscal year 2023-24 from the proceeds of taxes, including interest earned from the investment of the proceeds of taxes, is $7,102,539.

3. The appropriations limit for fiscal year 2023-24 exceeds proceeds of taxes for fiscal year 2023-24 by $7,525,885.

ADOPTED, SIGNED, AND APPROVED this 12th day of June 2023.

AYES:

NOES:

ABSENT:

ATTEST:

Andrew West Interim Clerk of the Board	Gene Hernandez, Chairman Orange County Transportation Authority

ATTACHMENT B

Orange County Transportation Authority - General Fund
GANN Appropriations Limit Calculation for
Fiscal Year 2023-24

GANN FACTOR

PER CAPITA CHANGE[1]	%		RATIO		GANN FACTOR
California per capita personal income change	4.44%		1.0444		
POPULATION CHANGE[2]					
County of Orange	-0.46%		0.9954		
GANN FACTOR	1.0444	x	0.9954	=	1.0396

Fiscal Year (FY) 2023-24 APPROPRIATION LIMIT

Prior Year Appropriations Limit		$	14,071,204
GANN Factor (Rounded)	x		1.0396
		$	**14,628,424**

ITEMS SUBJECT TO GANN LIMIT[3]

Line Item		***Amount***
Transfers in from the LTF (CTC Administration and Planning)	$	5,302,024
Interest Revenue	$	1,800,515
	$	**7,102,539**

FY 2023-24 APPROPRIATION LIMIT

		Amount
FY 2023-24 Appropriations Limit	$	14,628,424
Less Items Subject to GANN Limit	$	(7,102,539)
Appropriation Limit that Exceeds the Proceeds of Taxes:	**$**	**7,525,885**

Note:
LTF - Local Transportation Fund
CTC - County Transportation Commission
[1,2]Price Factor and Population Information provided by the Department of Finance.
[3]Items subject to GANN Limit provided from proposed FY 2023-24 budget

OCTA

May 24, 2023

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Orange County Transportation Authority Investment and Debt Programs Report – March 2023

Overview

The Orange County Transportation Authority has a comprehensive investment and debt program to fund its immediate and long-term cash flow demands. Each month, the Treasurer submits a report detailing investment allocation, performance, compliance, outstanding debt balances, and credit ratings for the Orange County Transportation Authority's debt program. This report is for the month ending March 31, 2023.

Recommendation

Receive and file as an information item.

Discussion

As of March 31, 2023, the Orange County Transportation Authority's (OCTA) outstanding investments totaled $2.4 billion. The portfolio is divided into three managed portfolios: the liquid portfolio for immediate cash needs, the short-term portfolio for future budgeted expenditures, and the bond proceeds portfolio to meet Measure M2 (M2) transportation program needs. In addition to these portfolios, OCTA has funds invested in debt service reserve funds for the 91 Express Lanes Program.

Portfolio Compliance and Liquidity Requirements for the Next Six Months: The portfolio is in full compliance with OCTA's Investment Policy and the State of California Government Code. Additionally, OCTA has reviewed the liquidity requirements for the next six months and anticipates that OCTA's liquidity will be sufficient to meet projected expenditures during the next six months.

The weighted average book yield for the OCTA portfolio is 2.3 percent. The book yield measures the exact income, or interest, on a bond without regard to market price change. The yield is the income return on an investment, such as the interest received from holding a particular security. The yield is usually expressed as an annual percentage rate based on the investment's cost and market value.

OCTA's month-end balance in the Local Agency Investment Fund was $21,370,930, with an average monthly effective yield of 2.83 percent. OCTA's month-end balance in the Orange County Investment Pool (OCIP) was $558,948. For the month of March, the monthly gross yield for the OCIP was 3.28 percent.

During the month of March, one security held within OCTA's investment portfolio was downgraded or placed on Negative Credit Watch. Please refer to A-8 (Rating Downgrades and Negative Credit Watch) of Attachment A for further details. As of March 31, 2023, the security reflected on A-8 still meets the minimum ratings requirements set forth by OCTA's Investment Policy.

OCTA's debt program is separate from its investment program and is comprised of M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, and 2021 Transportation Infrastructure Finance and Innovation Act Loan. The debt program currently has an outstanding principal balance of $1.3 billion as of March 31, 2023. Approximately 46.3 percent of the outstanding balance is comprised of M2 debt, 5.6 percent is associated with the 91 Express Lanes Program, and 48.1 percent is associated with the 405 Express Lanes.

Summary

The Treasurer is submitting a copy of the Orange County Transportation Authority Investment and Debt Programs report to the Finance and Administration Committee. The report is for the month ending March 31, 2023.

Attachments

A. Orange County Transportation Authority Investment and Debt Programs – For the Period Ending March 31, 2023
B. Orange County Transportation Authority Portfolio Listing as of March 31, 2023

Prepared by:

Robert Davis
Department Manager
Treasury/Public Finance
(714) 560-5675

Approved by:

Andrew Oftelie
Chief Financial Officer
Finance and Administration
(714) 560-5649

ATTACHMENT A

Treasury/Public Finance Department's
Report On

Orange County Transportation Authority
Investment and Debt Programs

Presented to the
Finance and Administration Committee

For The Period Ending
March 31, 2023

INVESTMENT PROGRAM

OCTA Investment Dashboard
3/31/2023

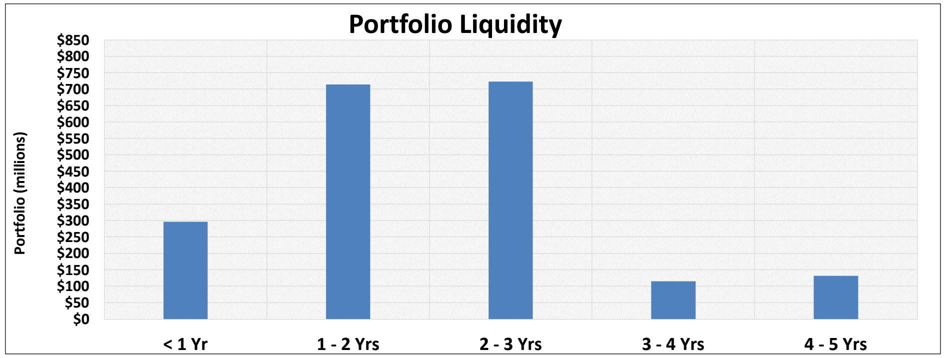
Safety of Principal

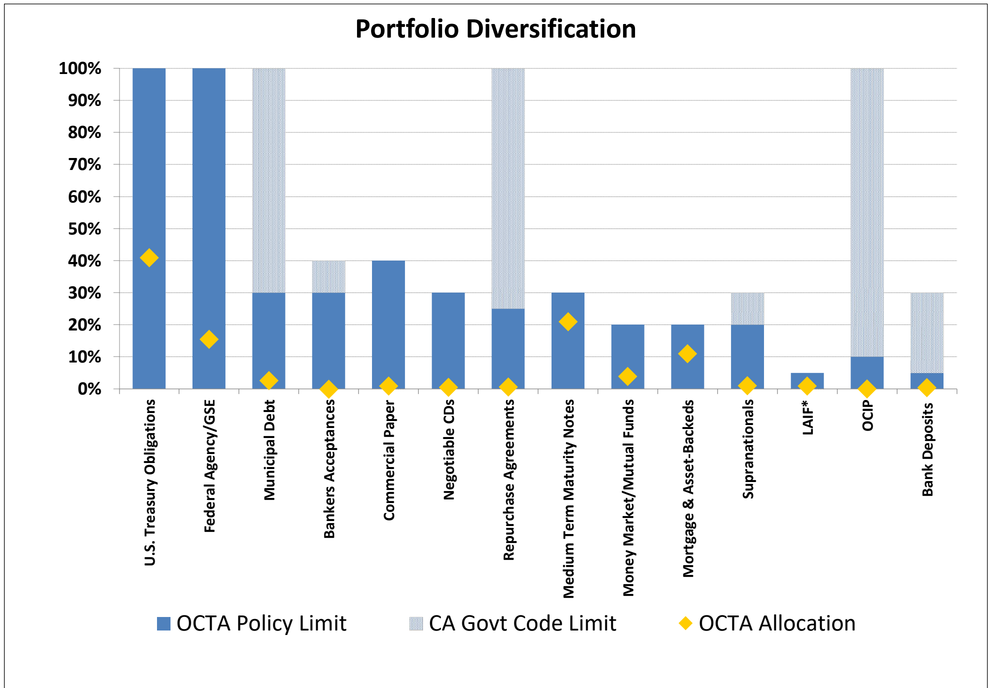
<u>Securities that fell below OCTA's minimum credit quality requirements during the month of March 2023:</u>
Not applicable.

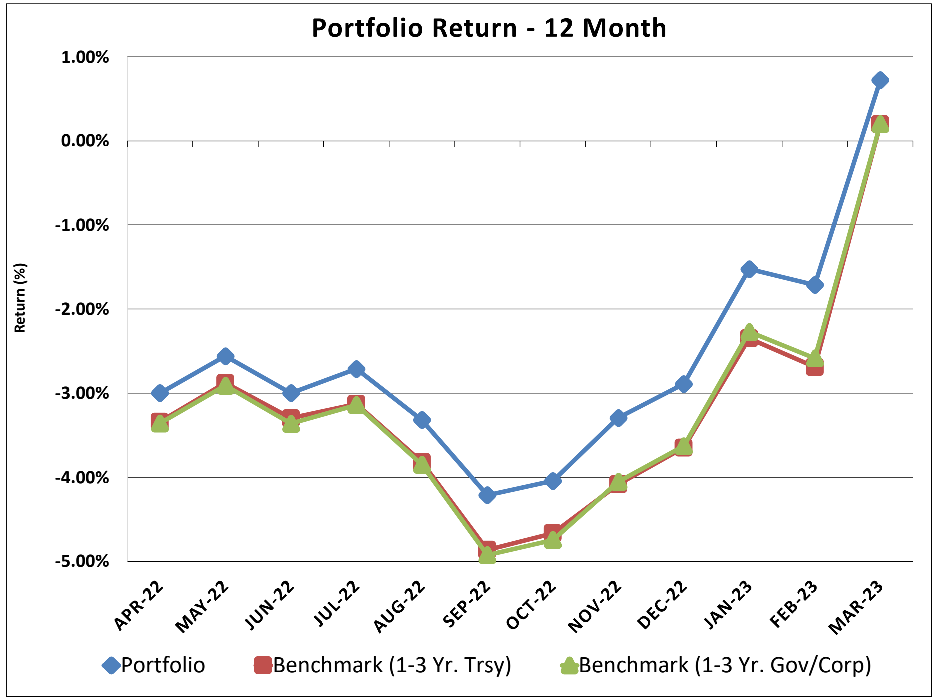
<u>Securities currently held within OCTA's portfolio that fell below OCTA's minimum credit quality requirements during prior reporting periods:</u>
Not applicable.

<u>Securities downgraded or placed on Negative Credit Watch during the month of March 2023, but remain in compliance with OCTA's Investment Policy:</u>
One security held within OCTA's investment portfolio was downgraded during the month.

For further details please refer to A-8 of this report.







* Per CA Government Code LAIF limit is $75 million

** Per OCTA's Investment Policy the limit is 30% for variable and floating rate securities. As of March 31, 2023, 7.1% of the portfolio was invested in variable & floating rate securities.

Investment Compliance

3/31/2023

Portfolio Subject to Investment Policy				
Short-Term/Liquid Portfolio[1]		**Dollar Amount Invested**	**Percent Of Portfolio**	**Investment Policy Max. Percentages**
U.S. Treasury Obligations	$	869,191,389	40.9%	100%
Federal Agency/GSE		330,060,571	15.5%	100%
Municipal Debt	$	55,867,608	2.6%	30%
Commercial Paper		20,399,085	1.0%	40%
Negotiable Certificates of Deposit	$	13,025,000	0.6%	30%
Repurchase Agreements		13,423,196	0.6%	25%
Medium Term Maturity Notes/Corporates	$	447,382,496	21.1%	30%
Money Market/Mutual Funds		84,163,582	4.0%	20%
Mortgage & Asset-Backed	$	235,468,749	11.1%	20%
Supranationals		22,014,316	1.0%	20%
Local Agency Investment Fund	$	21,370,930	1.0%	$ 75 Million
Orange County Investment Pool		558,948	0.0%	10%
Bank Deposits	$	10,000,000	0.5%	5%
Total Short-Term/Liquid Portfolio[2]	**$**	**2,122,925,869**		

1. Excludes portion of Liquid Portfolio subject to Indenture
2. Includes variable & floating rate securities invested in the amount of $150,810,192 (7.1% of total Short-Term/Liquid portfolio) and subject to 30% limit per OCTA's Investment Policy.

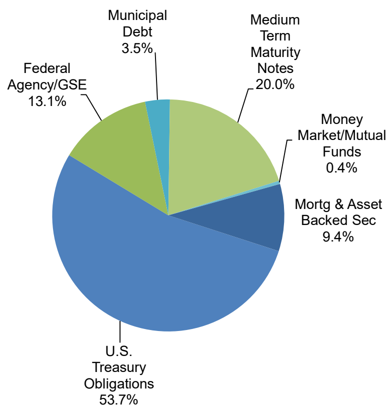
Portfolio Subject to Indenture						
			OCTA		**Indenture Requirements**	
Portfolio		**Dollar Amount Invested**	**Credit Quality**	**Term**	**Min. Credit Quality**	**Max. Term**
Liquid Portfolio*						
Government Obligations MMKT Fund		272,215,249	AAA	N/A	AAA	N/A
Natixis CP		10,799,339	"A-1"/"P-1"/"F1"	180	"A-1" or "P-1"	180 days
Total Liquid Portfolio	**$**	**283,014,588**				
Bond Proceeds Portfolio						
2021 Bond Anticipation Notes (BANs):						
Government Obligations MMKT Fund		51,972	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	"AAAm" or "AAAm-G"	N/A
Total Bond Proceeds Portfolio	**$**	**51,972**				
Reserve Funds Portfolio						
Government Obligations MMKT Fund		336,484	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	N/A	N/A
Barclays CP		10,263,400	"A-1"/"P-1"/"F1"	169	"A-1" or "P-1"	180 days
Barclays CP		3,030,147	"A-1"/"P-1"/"F1"	169	"A-1" or "P-1"	180 days
Bank Deposits		547,989	N/A	N/A	N/A	N/A
Bank Deposits		211,864	N/A	N/A	N/A	N/A
Government Obligations MMKT Fund**		5,180	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	N/A	N/A
Total Reserve Funds Portfolio	**$**	**14,395,063**				
Total Portfolio Subject to Indenture	**$**	**14,447,035**				
Portfolio Total	**$**	**2,420,387,492**				

*Reflects portion of Liquid Portfolio subject to Indenture (OCTA Sales Tax Revenue)
**91 EL Debt Service Fund

Investment Manager Diversification and Maturity Schedules

MetLife Investment Management
3/31/2023

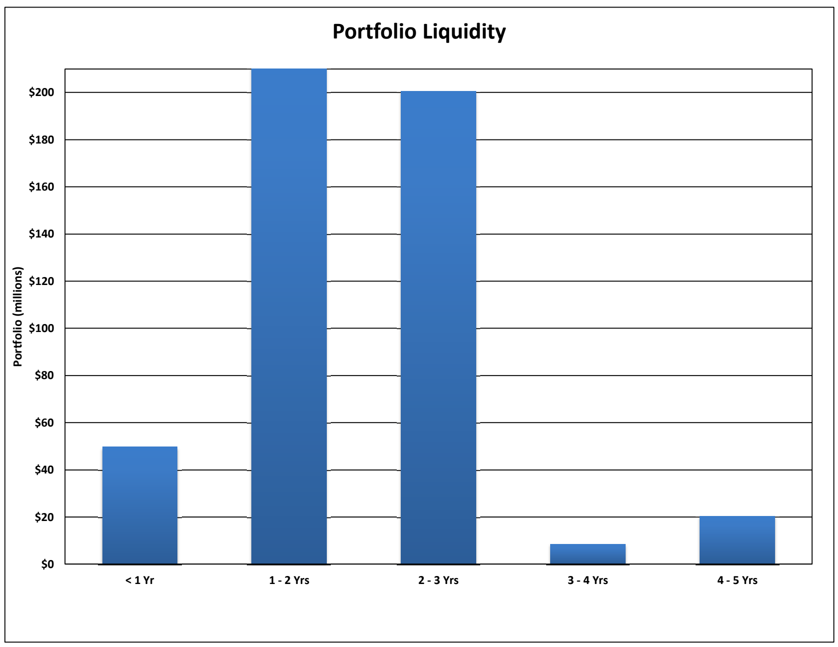
SHORT-TERM PORTFOLIO ($493.8M)



		Book Value		Market Value
U.S. Treasury Obligations	$	265,021,380	$	260,608,184
Federal Agency/GSE	$	64,703,177	$	61,351,691
Municipal Debt	$	17,062,397	$	16,402,995
Bankers Acceptances	$	-	$	-
Commercial Paper	$	-	$	-
Negotiable Certificates of Deposit	$	-	$	-
Repurchase Agreements	$	-	$	-
Medium Term Maturity Notes	$	98,585,296	$	95,173,302
Money Market/Mutual Funds	$	2,119,540	$	2,119,540
Mortg & Asset-Backed Securities	$	46,342,591	$	44,772,390
Supranationals	$	-	$	-
	$	493,834,381	$	480,428,101

Note: Variable & floating rate securities are comprised of $44,163,166 or 8.9% of total book value.

Wtd Avg Life	1.76 Yrs
Duration	1.60 Yrs
Monthly Yield	4.64%
TSY Benchmark	4.20%
Gov/Corp Benchmark	4.36%
Monthly Return	1.28%
TSY Benchmark	1.60%
Gov/Corp Benchmark	1.51%
Three Months Return	1.48%
TSY Benchmark	1.55%
Gov/Corp Benchmark	1.52%
Six Months Return	2.38%
TSY Benchmark	2.30%
Gov/Corp Benchmark	2.35%
12 Months Return	0.57%
TSY Benchmark	0.20%
Gov/Corp Benchmark	0.20%

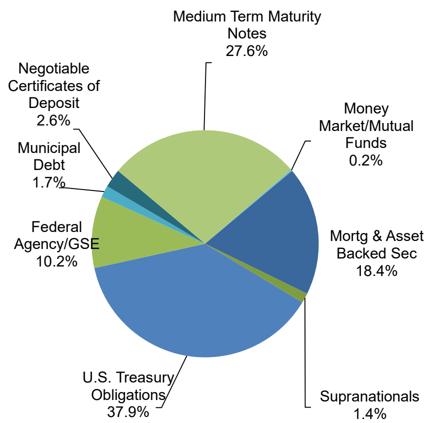


Investment Manager Diversification and Maturity Schedules

PFM

3/31/2023

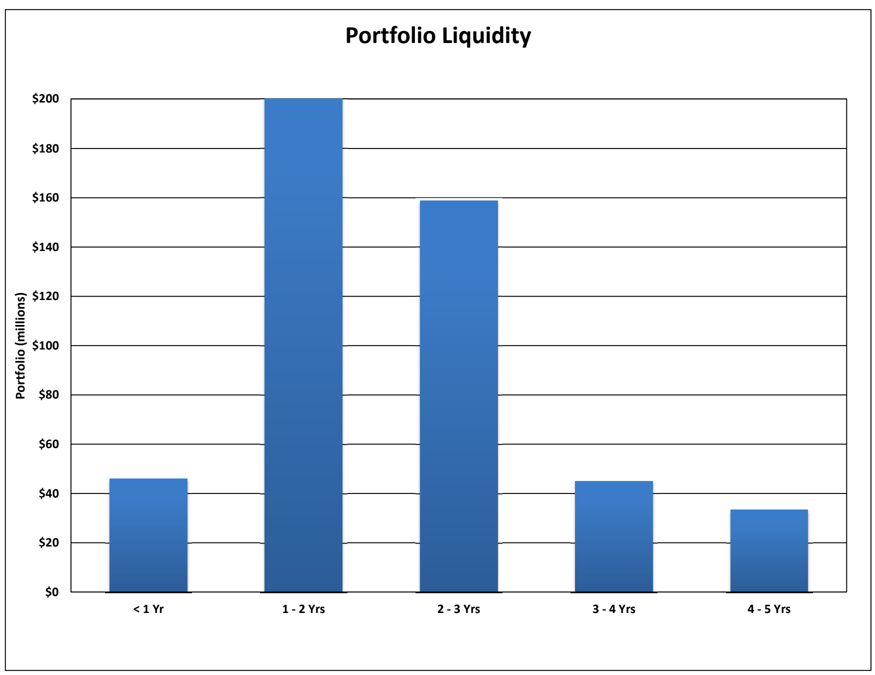
SHORT-TERM PORTFOLIO ($495.3M)



		Book Value		Market Value
U.S. Treasury Obligations	$	187,878,344	$	181,105,690
Federal Agency/GSE	$	50,747,666	$	49,912,917
Municipal Debt	$	8,240,000	$	7,938,365
Bankers Acceptances	$	-	$	-
Commercial Paper	$	-	$	-
Negotiable Certificates of Deposit	$	13,025,000	$	13,089,154
Repurchase Agreements	$	-	$	-
Medium Term Maturity Notes	$	136,678,169	$	133,036,539
Money Market/Mutual Funds	$	981,513	$	981,513
Mortg & Asset-Backed Securities	$	90,942,275	$	88,694,013
Supranationals	$	6,856,183	$	6,559,665
	$	495,349,150	$	481,317,855

Note: Variable & floating rate securities are comprised of $31,142,302 or 6.3% of total book value.

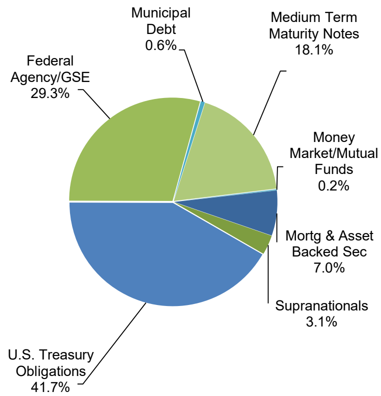
Wtd Avg Life	1.79 Yrs
Duration	1.64 Yrs
Monthly Yield	4.64%
TSY Benchmark	4.20%
Gov/Corp Benchmark	4.36%
Monthly Return	1.23%
TSY Benchmark	1.60%
Gov/Corp Benchmark	1.51%
Three Months Return	1.44%
TSY Benchmark	1.55%
Gov/Corp Benchmark	1.52%
Six Months Return	2.33%
TSY Benchmark	2.30%
Gov/Corp Benchmark	2.35%
12 Months Return	0.51%
TSY Benchmark	0.20%
Gov/Corp Benchmark	0.20%



Investment Manager Diversification and Maturity Schedules

Chandler Asset Management
3/31/2023

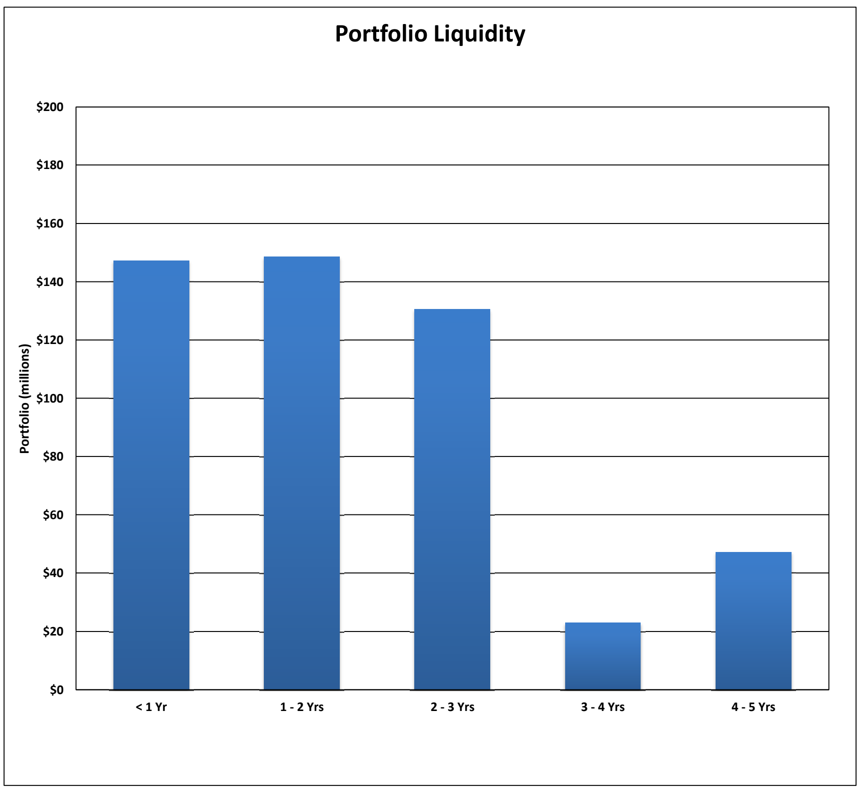
SHORT-TERM PORTFOLIO ($496.6M)



		Book Value		Market Value
U.S. Treasury Obligations	$	207,064,121	$	200,081,960
Federal Agency/GSE	$	145,418,505	$	142,004,388
Municipal Debt	$	3,000,000	$	2,926,110
Bankers Acceptances	$	-	$	-
Commercial Paper	$	-	$	-
Negotiable Certificates of Deposit	$	-	$	-
Repurchase Agreements	$	-	$	-
Medium Term Maturity Notes	$	90,078,292	$	86,454,728
Money Market/Mutual Funds	$	954,858	$	954,858
Mortg & Asset-Backed Securities	$	34,943,152	$	34,003,910
Supranationals	$	15,158,133	$	14,264,342
	$	496,617,060	$	480,690,295

Note: Variable & floating rate securities are comprised of $9,823,253 or 2.0% of total book value.

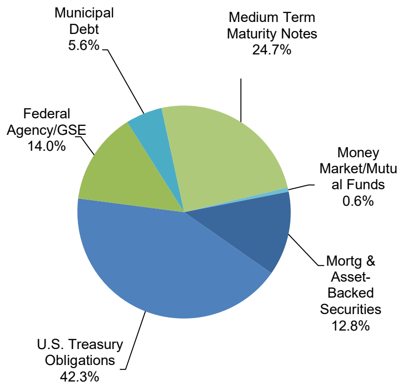
Wtd Avg Life	1.70 Yrs
Duration	1.60 Yrs
Monthly Yield	4.52%
TSY Benchmark	4.20%
Gov/Corp Benchmark	4.36%
Monthly Return	1.30%
TSY Benchmark	1.60%
Gov/Corp Benchmark	1.51%
Three Months Return	1.47%
TSY Benchmark	1.55%
Gov/Corp Benchmark	1.52%
Six Months Return	2.30%
TSY Benchmark	2.30%
Gov/Corp Benchmark	2.35%
12 Months Return	0.54%
TSY Benchmark	0.20%
Gov/Corp Benchmark	0.20%



Investment Manager Diversification and Maturity Schedules

Payden & Rygel
3/31/2023

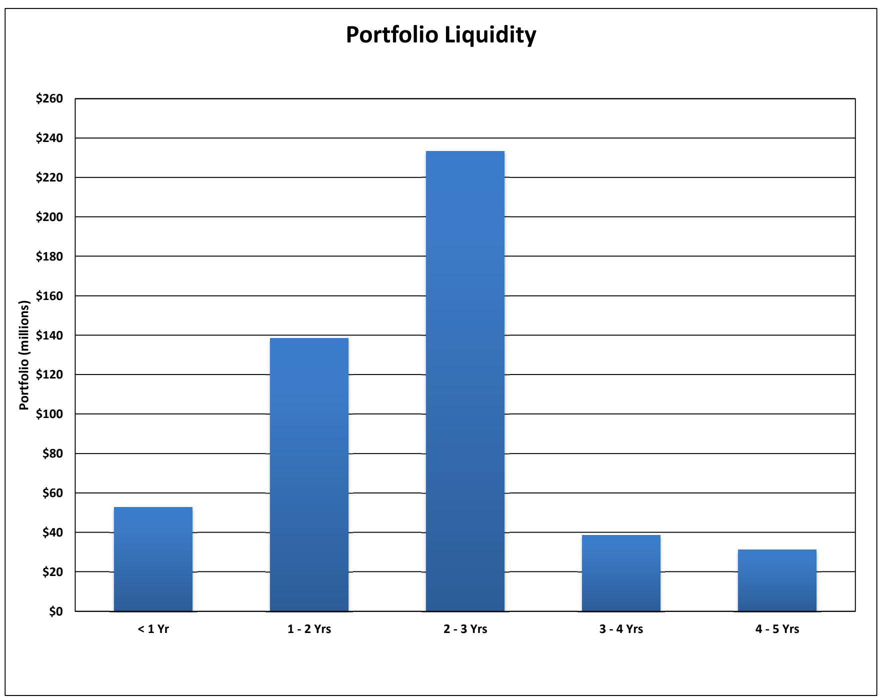
SHORT-TERM PORTFOLIO ($494.4M)



		Book Value		Market Value
U.S. Treasury Obligations	$	209,227,544	$	207,150,161
Federal Agency/GSE	$	69,191,222	$	67,641,467
Municipal Debt	$	27,565,210	$	26,658,429
Bankers Acceptances	$	-	$	-
Commercial Paper	$	-	$	-
Negotiable Certificates of Deposit	$	-	$	-
Repurchase Agreements	$	-	$	-
Medium Term Maturity Notes	$	122,040,740	$	117,344,272
Money Market/Mutual Funds	$	3,125,672	$	3,125,672
Mortg & Asset-Backed Securities	$	63,240,731	$	63,089,536
Supranationals	$	-	$	-
	$	494,391,119	$	485,009,537

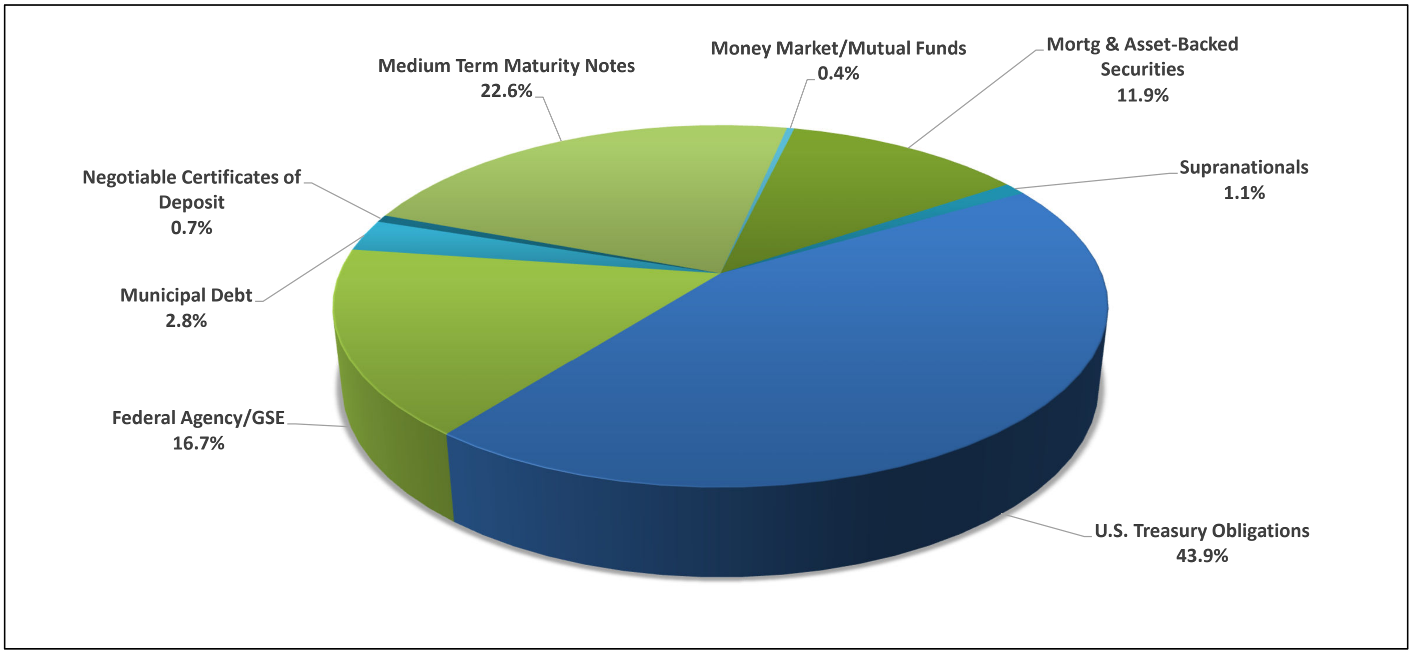
Note: Variable & floating rate securities are comprised of $65,681,470 or 13.3% of total book value.

Wtd Avg Life	2.06 Yrs
Duration	1.73 Yrs
Monthly Yield	4.68%
TSY Benchmark	4.20%
Gov/Corp Benchmark	4.36%
Monthly Return	1.38%
TSY Benchmark	1.60%
Gov/Corp Benchmark	1.51%
Three Months Return	1.60%
TSY Benchmark	1.55%
Gov/Corp Benchmark	1.52%
Six Months Return	2.58%
TSY Benchmark	2.30%
Gov/Corp Benchmark	2.35%
12 Months Return	1.30%
TSY Benchmark	0.20%
Gov/Corp Benchmark	0.20%

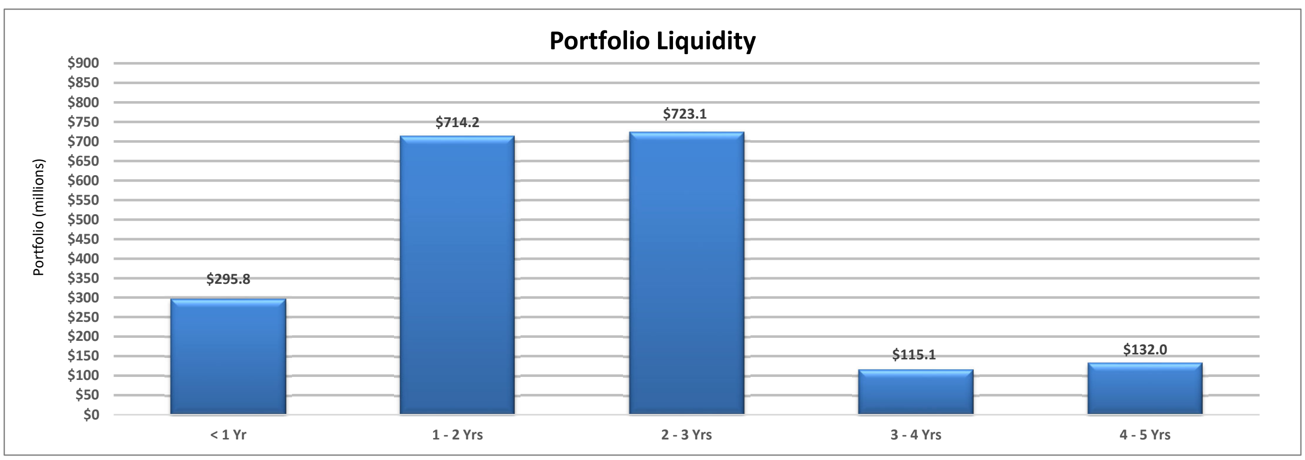


Short-Term Portfolio
3/31/2023

Portfolio Composition



Note: Variable & floating rate securities are comprised of 7.6% of total book value.



Rating Downgrades & Negative Credit Watch
3/31/2023

Investment Manager / Security	Par Amount	Maturity	S&P	Moody's	Fitch Ratings
Rating Downgrades:					
PFM & MetLife					
HORMEL FOODS CORP	$ 4,560,000	6/3/2024	A-	A1	N/R

During the third week of March 2023, Hormel Foods Corp was downgraded by S&P by one notch to A- from A. The downgrade reflects S&P's expectation that Hormel's leverage will remain elevated compared to historical levels and that its profitability will remain under pressure. The security complies with the requirements of the Investment Policy, and the investment managers maintain a recommendation to hold the position until maturity.

Negative Credit Watch:

N/A

DEBT PROGRAM

(M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, 2021 TIFIA Loan (I-405))

Outstanding Debt[1]

As of 3/31/2023

Orange County Local Transportation Authority (OCLTA-M2)

2010 Series A Taxable Build America Bonds - Sales Tax Revenue Bonds		
Issued:	$	293,540,000
Outstanding:		250,000,000
Debt Service FY 2023:		17,270,000
All in True Interest Cost:		4.33%
Pledged Revenue Source:		M2 Sales Tax Revenues
Ratings (Fitch/ Moody's/ S&P):		AA+/Aa2/AA+
Final Maturity:		2041
2019 M2 Sales Tax Bond		
Issued:	$	376,690,000
Outstanding:		340,235,000
Debt Service FY 2023:		37,613,650
All in True Interest Cost:		3.14%
Pledged Revenue Source:		M2 Sales Tax Revenues
Ratings (Fitch/ S&P):		AA+/AA+
Final Maturity:		2041
Sub-total M2 Outstanding Debt	**$**	**590,235,000**

91 Express Lanes

2013 OCTA 91 Express Lanes Refunding Bonds		
Issued:	$	124,415,000
Outstanding:		71,420,000
Debt Service FY 2023:		10,794,700
All in True Interest Cost:		3.83%
Pledged Revenue Source:		91 Toll Road Revenues
Ratings (Fitch/ Moody's/ S&P):		A+/A1/AA-
Final Maturity:		2030
Sub-total 91 Express Lanes Outstanding Debt	**$**	**71,420,000**

405 Express Lanes[2]

2021 TIFIA Loan		
Amount Available	$	628,930,000
Outstanding:		613,711,295
Accrued Interest:		-
Interest Rate:		1.95%
Pledged Revenue Source:		405 Toll Road Revenues
Ratings (Moody's/Kroll):		Baa2/BBB-
Final Maturity:		2058
Sub-total 405 Express Lanes Outstanding Debt	**$**	**613,711,295**
TOTAL OUTSTANDING DEBT:	**$**	**1,275,366,295**

1. Comprised of OCTA's debt obligations (M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, and 2021 TIFIA Loan (I-405) currently outstanding and irrespective of OCTA's investment program.

2. The 20221 Bond Anticipation Notes, issued on September 9, 2021, in a par amount of $662,820,000, were legally defeased on December 16, 2022.

ATTACHMENT B

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2023

LIQUID PORTFOLIO

NOTE	DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
	CASH EQUIVALENTS				
	BANK DEPOSITS	N/A	10,000,000	10,000,000	0.00
	REPURCHASE AGREEMENT	N/A	13,423,196	13,423,196	0.25
	NATIXIS CP	6/1/2023	20,399,085	20,820,383	4.44
	MONEY MARKET DEMAND ACCOUNT	N/A	76,982,000	76,982,000	3.32
	FIDELITY TREASURY OBLIGATIONS FUND	N/A	*264,586,334*	264,586,334	4.73
	FEDERATED TREASURY OBLIGATIONS FUND	N/A	7,628,915	7,628,915	4.67
	SUB-TOTAL		***393,019,530***	***393,440,828***	
	LOCAL AGENCY INVESTMENT FUND (LAIF)	N/A	**21,370,930**	**21,370,930**	2.83
	ORANGE COUNTY INVESTMENT POOL (OCIP)	N/A	**558,948**	**558,948**	3.28
	LIQUID PORTFOLIO - TOTAL		**$ 414,949,407**	**$ 415,370,706**	

SHORT-TERM PORTFOLIO

NOTE	DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
	Money Market Funds				
	FIRST AMER:GVT OBLG Z	3/31/2023	7,181,582	7,181,582	4.61
	SUB-TOTAL		***7,181,582***	***7,181,582***	
	NEGOTIABLE CERTIFICATES OF DEPOSIT				
	Credit Agricole Corporate And Investment Bank, New York Branch	8/16/2024	3,550,000	3,469,912	5.72
	Nordea ABP - New York Branch	11/3/2025	4,750,000	4,819,445	4.93
	Toronto-Dominion Bank - New York Branch	10/27/2025	4,725,000	4,799,797	4.80
	SUB-TOTAL		***13,025,000***	***13,089,154***	
	U.S. TREASURY OBLIGATIONS				
	UNITED STATES TREASURY	8/31/2027	7,737,813	7,825,040	3.67
	UNITED STATES TREASURY	7/31/2027	5,867,913	5,672,365	3.68
	UNITED STATES TREASURY	6/30/2027	17,424,887	17,394,321	3.69
	UNITED STATES TREASURY	4/30/2027	8,049,434	8,192,215	3.71
	UNITED STATES TREASURY	3/31/2027	6,686,992	6,924,330	3.72
	UNITED STATES TREASURY	2/15/2027	8,006,270	8,052,730	3.72
	UNITED STATES TREASURY	3/15/2026	147,747	148,307	3.80
	UNITED STATES TREASURY	2/28/2026	14,271,250	14,540,000	3.84
	UNITED STATES TREASURY	2/28/2026	22,395,022	22,889,891	3.83
	UNITED STATES TREASURY	2/15/2026	73,762,992	74,659,817	3.85
	UNITED STATES TREASURY	1/15/2026	10,113,863	10,153,147	3.86
	UNITED STATES TREASURY	12/15/2025	1,818,663	1,832,136	3.84
	UNITED STATES TREASURY	11/15/2025	36,450,577	36,647,404	3.90
	UNITED STATES TREASURY	11/15/2025	14,569,102	14,392,350	3.89
	UNITED STATES TREASURY	10/31/2025	8,032,813	7,824,080	3.90
	UNITED STATES TREASURY	10/15/2025	4,668,300	4,716,176	3.93
	UNITED STATES TREASURY	9/30/2025	3,496,138	3,559,958	3.84
	UNITED STATES TREASURY	9/30/2025	9,515,918	9,291,095	3.93
	UNITED STATES TREASURY	9/30/2025	17,059,486	17,515,397	3.84
	UNITED STATES TREASURY	9/15/2025	261,110	260,483	3.91
	UNITED STATES TREASURY	8/15/2025	15,070,808	14,948,734	3.96
	UNITED STATES TREASURY	7/31/2025	14,709,063	14,233,960	3.94
	UNITED STATES TREASURY	7/15/2025	3,993,281	3,914,240	3.99
	UNITED STATES TREASURY	6/30/2025	6,811,055	6,451,760	3.92
	UNITED STATES TREASURY	6/15/2025	14,950,490	14,636,386	4.00
	UNITED STATES TREASURY	5/31/2025	7,357,324	6,920,475	4.01
	UNITED STATES TREASURY	5/15/2025	30,759,200	29,957,419	4.05
	UNITED STATES TREASURY	5/15/2025	16,908,293	16,629,625	4.05
	UNITED STATES TREASURY	5/15/2025	6,230,727	6,224,612	4.04
	UNITED STATES TREASURY	4/30/2025	2,441,619	2,392,670	4.06
	UNITED STATES TREASURY	4/30/2025	7,440,527	6,956,250	4.04
	UNITED STATES TREASURY	4/15/2025	1,717,430	1,681,214	4.08
	UNITED STATES TREASURY	3/31/2025	10,137,754	10,024,375	4.05
	UNITED STATES TREASURY	3/31/2025	24,239,802	23,662,599	4.04
	UNITED STATES TREASURY	3/15/2025	333,041	325,203	4.09
	UNITED STATES TREASURY	2/15/2025	5,349,375	5,144,364	4.14
	UNITED STATES TREASURY	1/31/2025	8,313,750	7,613,440	4.13
	UNITED STATES TREASURY	12/31/2024	2,496,885	2,306,921	4.19
	UNITED STATES TREASURY	12/31/2024	22,589,278	20,890,500	4.18
	UNITED STATES TREASURY	12/31/2024	5,274,535	5,304,770	4.19
	UNITED STATES TREASURY	12/15/2024	16,601,615	15,730,492	4.21
	UNITED STATES TREASURY	11/30/2024	8,498,842	7,842,562	4.23
	UNITED STATES TREASURY	11/15/2024	17,620,260	16,685,428	4.27
	UNITED STATES TREASURY	10/31/2024	12,940,527	11,974,625	4.27
	UNITED STATES TREASURY	10/15/2024	5,552,688	5,272,724	4.30
	UNITED STATES TREASURY	9/15/2024	12,463,633	11,810,125	4.33
	UNITED STATES TREASURY	8/15/2024	22,145,359	21,073,198	4.37
	UNITED STATES TREASURY	7/15/2024	34,015,398	32,313,557	4.41
	UNITED STATES TREASURY	6/15/2024	50,725,898	48,431,374	4.46
	UNITED STATES TREASURY	6/15/2024	21,739,206	21,455,606	4.49
	UNITED STATES TREASURY	5/15/2024	38,325,054	36,622,624	4.53
	UNITED STATES TREASURY	4/30/2024	4,455,693	4,133,295	4.63
	UNITED STATES TREASURY	4/15/2024	29,025,559	28,049,281	4.64
	UNITED STATES TREASURY	4/15/2024	28,192,511	27,352,272	4.67
	UNITED STATES TREASURY	3/15/2024	7,829,764	7,531,369	4.64
	UNITED STATES TREASURY	2/29/2024	619,346	598,182	5.16

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	UNITED STATES TREASURY	2/29/2024	3,083,276	3,018,029	4.66
	UNITED STATES TREASURY	2/15/2024	1,533,323	1,479,971	4.71
	UNITED STATES TREASURY	1/31/2024	468,682	456,945	5.15
	UNITED STATES TREASURY	1/31/2024	19,545,690	19,311,343	4.77
	UNITED STATES TREASURY	12/31/2023	1,780,549	1,716,792	5.14
	UNITED STATES TREASURY	12/31/2023	8,525,999	8,275,559	4.76
	UNITED STATES TREASURY	12/15/2023	13,615,500	13,364,438	4.70
	UNITED STATES TREASURY	12/15/2023	24,419,307	23,876,730	4.68
	UNITED STATES TREASURY	10/31/2023	8,007,188	7,858,720	4.73
	SUB-TOTAL		***869,191,389***	***848,945,995***	
	FEDERAL AGENCY/GSE				
	FEDERAL FARM CREDIT BANKS FUNDING CORP	2/25/2025	4,956,270	4,771,350	4.28
	FEDERAL FARM CREDIT BANKS FUNDING CORP	10/2/2023	4,994,600	4,888,500	4.74
	FEDERAL FARM CREDIT BANKS FUNDING CORP	8/14/2023	7,983,280	7,861,600	4.97
	FEDERAL FARM CREDIT BANKS FUNDING CORP	8/14/2023	4,993,550	4,941,500	4.81
	FEDERAL FARM CREDIT BANKS FUNDING CORP	7/17/2023	5,060,200	4,967,800	5.06
	FEDERAL FARM CREDIT BANKS FUNDING CORP	6/26/2023	6,967,450	6,947,290	4.97
	FEDERAL HOME LOAN BANKS	3/10/2028	5,108,250	5,161,400	3.78
	FEDERAL HOME LOAN BANKS	12/10/2027	5,105,600	5,079,300	3.88
	FEDERAL HOME LOAN BANKS	2/12/2026	4,147,095	3,759,527	4.12
	FEDERAL HOME LOAN BANKS	2/28/2025	4,254,377	4,318,490	4.24
	FEDERAL HOME LOAN BANKS	2/28/2025	850,000	813,791	4.55
	FEDERAL HOME LOAN BANKS	2/28/2025	4,095,000	3,931,814	4.40
	FEDERAL HOME LOAN BANKS	12/20/2024	7,643,648	7,237,665	4.28
	FEDERAL HOME LOAN BANKS	12/6/2024	3,710,000	3,703,619	5.40
	FEDERAL HOME LOAN BANKS	10/3/2024	7,092,261	7,115,123	4.35
	FEDERAL HOME LOAN BANKS	7/8/2024	6,427,506	6,322,212	4.50
	FEDERAL HOME LOAN BANKS	3/8/2024	5,201,750	4,869,000	4.77
	FEDERAL HOME LOAN BANKS	12/8/2023	6,686,160	6,388,655	4.81
	FEDERAL HOME LOAN BANKS	9/8/2023	8,240,400	7,919,600	4.72
	FEDERAL HOME LOAN MORTGAGE CORP	2/24/2026	2,268,865	2,264,189	5.49
	FEDERAL HOME LOAN MORTGAGE CORP	1/27/2026	2,380,000	2,379,405	5.31
	FEDERAL HOME LOAN MORTGAGE CORP	1/27/2026	5,000,000	4,952,755	5.66
	FEDERAL HOME LOAN MORTGAGE CORP	9/30/2025	3,260,000	3,238,940	5.03
	FEDERAL HOME LOAN MORTGAGE CORP	8/28/2025	3,060,000	3,017,925	4.66
	FEDERAL HOME LOAN MORTGAGE CORP	8/28/2025	3,060,000	3,023,617	4.73
	FEDERAL HOME LOAN MORTGAGE CORP	8/12/2025	4,095,490	3,768,978	4.22
	FEDERAL HOME LOAN MORTGAGE CORP	7/21/2025	4,785,000	4,679,371	5.07
	FEDERAL HOME LOAN MORTGAGE CORP	2/28/2025	3,030,000	2,988,701	4.75
	FEDERAL HOME LOAN MORTGAGE CORP	1/27/2025	6,899,698	6,878,817	5.30
	FEDERAL HOME LOAN MORTGAGE CORP	1/27/2025	324,935	322,630	5.55
	FEDERAL HOME LOAN MORTGAGE CORP	1/24/2025	3,920,000	3,918,236	5.17
	FEDERAL HOME LOAN MORTGAGE CORP	12/30/2024	2,685,000	2,642,518	4.95
	FEDERAL HOME LOAN MORTGAGE CORP	11/25/2024	2,250,000	2,110,298	4.39
	FEDERAL HOME LOAN MORTGAGE CORP	12/4/2023	12,877,239	12,500,593	4.85
	FEDERAL HOME LOAN MORTGAGE CORP	11/6/2023	8,652,206	8,425,314	4.91
	FEDERAL HOME LOAN MORTGAGE CORP	10/16/2023	9,040,441	8,851,846	4.78
	FEDERAL HOME LOAN MORTGAGE CORP	9/8/2023	8,100,177	7,939,458	4.89
	FEDERAL HOME LOAN MORTGAGE CORP	8/24/2023	8,401,432	8,250,732	4.81
	FEDERAL HOME LOAN MORTGAGE CORP	6/26/2023	7,463,144	7,409,776	4.55
	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2/17/2026	2,610,000	2,597,681	5.38
	FEDERAL NATIONAL MORTGAGE ASSOCIATION	8/25/2025	7,771,280	7,324,320	4.11
	FEDERAL NATIONAL MORTGAGE ASSOCIATION	11/27/2023	1,797,948	1,748,016	4.78
	FEDERAL NATIONAL MORTGAGE ASSOCIATION	7/10/2023	8,203,399	8,115,257	4.50
(1)	FHMS K-031 A2	4/25/2023	1,912,612	1,788,992	5.05
(1)	FHMS K-032 A2	5/25/2023	3,338,044	3,265,975	5.33
(1)	FHMS K-033 A2	7/25/2023	3,415,980	3,235,434	5.12
(1)	FHMS K-035 A2	8/25/2023	468,126	448,578	5.23
	FHMS K-040 A2	9/25/2024	4,783,225	4,731,439	4.81
	FHMS K-041 A1	8/25/2024	179,224	170,457	5.24
	FHMS K-045 A2	1/25/2025	4,707,977	4,619,873	4.76
	FHMS K-046 A1	1/25/2025	178,811	168,841	5.30
	FHMS K-046 A2	3/25/2025	2,679,855	2,627,937	4.58
	FHMS K-047 A2	5/25/2025	3,597,902	3,486,412	4.53
(1)	FHMS K-048 A2	6/25/2025	180,617	160,736	4.52
	FHMS K-049 A2	7/25/2025	4,803,978	4,718,074	4.49
	FHMS K-050 A1	1/25/2025	1,477,583	1,375,968	4.86
	FHMS K-051 A2	9/25/2025	12,057,972	11,178,506	4.46
	FHMS K-052 A2	11/25/2025	1,219,955	1,099,486	4.43
	FHMS K-053 A2	12/25/2025	3,360,820	3,279,198	4.41
	FHMS K-054 A2	1/25/2026	6,278,145	6,342,378	4.39
	FHMS K-057 A2	7/25/2026	1,766,852	1,801,903	4.32
	FHMS K-062 A2	12/25/2026	492,458	476,029	4.28
(1)	FHMS K-063 A2	1/25/2027	8,615,836	8,454,247	4.28
	FHMS K-066 A2	6/25/2027	521,186	502,756	4.22
	FHMS K-726 A2	4/25/2024	3,639,886	3,569,675	5.04
	FHMS K-727 A2	7/25/2024	3,861,691	3,499,371	4.91
	FHMS K-728 A2	8/25/2024	4,590,604	4,476,367	4.90
(1)	FHMS K-730 AM	1/25/2025	3,800,660	3,370,581	4.82
(1)	FHMS K-733 A2	8/25/2025	1,864,343	1,891,033	4.48
	FHMS K-BX1 A1	9/25/2024	604,401	590,116	4.80
	FHMS K-BX1 A2	1/25/2026	744,258	724,155	4.60
	FHMS K-J30 A1	1/27/2025	147,298	145,935	4.92
	FHMS K-PLB A	5/25/2025	4,796,367	4,342,185	4.43

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	FHMS K-S07 A2	9/25/2025	489,922	481,405	4.27
	FHMS K-S08 A2	3/25/2027	1,350,764	1,342,348	4.41
(1)	FHMS Q-015 A	8/25/2024	590,867	590,010	5.20
	FHR 2756 KA	2/15/2024	25,609	24,422	6.57
	FHR 3778 L	12/15/2025	243,026	236,465	5.51
	FHR 3806 L	2/15/2026	1,143,622	1,103,599	5.29
	FHR 4285 BA	12/15/2023	130,030	125,202	5.99
	FN AM8730	7/1/2025	1,693,469	1,523,353	5.16
	FN AN0429	1/1/2025	948,277	851,121	5.19
	FN AN0992	2/1/2026	950,284	923,338	5.75
	FN BL5365	2/1/2027	301,365	303,788	4.33
(1)	FNA 2014-M13 A2	8/25/2024	330,882	323,153	4.97
(1)	FNA 2014-M8 A2	6/25/2024	904,626	818,687	6.65
	FNA 2016-M03 A2	2/25/2026	4,786,167	4,760,960	5.02
	FNR 0333J LB	5/25/2023	497	478	6.77
	FNR 0338C MP	5/25/2023	2,409	2,306	6.38
	FNR 0364L HQ	7/25/2023	4,268	4,113	6.21
	FNR 2011-74 UY	3/25/2026	624,173	605,472	5.94
	SUB-TOTAL		**330,060,571**	**320,910,463**	
	MEDIUM TERM NOTES				
	AMAZON.COM INC	4/13/2025	2,136,597	2,087,292	4.28
	AMAZON.COM INC	5/12/2024	6,200,933	5,951,788	4.31
(1)	AMERICAN EXPRESS CO	11/4/2026	3,310,000	3,244,462	6.10
	AMERICAN EXPRESS CO	8/1/2025	2,452,545	2,407,275	4.84
	AMERICAN EXPRESS CO	3/4/2025	1,087,483	1,038,203	4.86
	AMERICAN EXPRESS CO	7/30/2024	2,304,655	2,148,594	5.20
	AMERICAN HONDA FINANCE CORP	1/13/2025	1,224,032	1,158,850	4.69
	AMERICAN HONDA FINANCE CORP	8/9/2024	2,387,806	2,273,136	4.82
	AMERICAN HONDA FINANCE CORP	1/12/2024	1,585,215	1,482,195	5.11
	APPLE INC	2/23/2026	3,855,100	3,913,120	4.05
	ASTRAZENECA FINANCE LLC	5/28/2024	1,924,827	1,838,895	4.71
	AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD (NEW Y	12/8/2025	2,025,000	2,041,261	4.76
	BAKER HUGHES HOLDINGS LLC	12/15/2023	520,000	504,821	5.50
(1)	BANK OF AMERICA CORP	1/20/2027	1,425,000	1,420,583	5.20
(1)	BANK OF AMERICA CORP	7/22/2026	195,000	192,726	5.37
(1)	BANK OF AMERICA CORP	4/2/2026	550,000	527,318	5.59
(1)	BANK OF AMERICA CORP	12/6/2025	2,930,000	2,739,345	5.60
(1)	BANK OF AMERICA CORP	10/22/2025	2,185,494	1,975,296	5.72
(1)	BANK OF AMERICA CORP	4/22/2025	2,595,000	2,472,360	5.60
(1)	BANK OF AMERICA CORP	2/4/2025	5,645,000	5,476,723	5.51
(1)	BANK OF AMERICA CORP	10/24/2024	2,155,000	2,094,401	5.74
	BANK OF NEW YORK MELLON CORP	1/26/2027	3,695,080	3,608,440	4.89
(1)	BANK OF NEW YORK MELLON CORP	7/24/2026	3,510,000	3,462,650	5.04
(1)	BANK OF NEW YORK MELLON CORP	6/13/2025	3,410,000	3,330,001	5.46
	BANK OF NEW YORK MELLON CORP	4/25/2025	4,214,410	4,059,171	5.26
	BANK OF NEW YORK MELLON CORP	4/24/2025	1,279,625	1,161,838	5.25
	BANK OF NEW YORK MELLON CORP	10/25/2024	2,926,102	2,735,948	5.02
	BMW US CAPITAL LLC	4/1/2025	1,068,994	1,041,035	4.68
	BMW US CAPITAL LLC	8/12/2024	874,921	829,308	4.75
	BRIGHTHOUSE FINANCIAL GLOBAL FUNDING	1/13/2025	2,172,216	2,033,930	5.62
	BURLINGTON NORTHERN SANTA FE LLC	4/1/2025	753,641	680,008	4.51
(1)	CAPITAL ONE FINANCIAL CORP	12/6/2024	470,000	453,870	5.98
	CATERPILLAR FINANCIAL SERVICES CORP	1/6/2026	3,859,035	3,923,420	4.16
	CATERPILLAR FINANCIAL SERVICES CORP	9/13/2024	1,642,763	1,554,986	4.54
	CATERPILLAR FINANCIAL SERVICES CORP	5/17/2024	7,265,252	6,943,842	4.64
	CATERPILLAR FINANCIAL SERVICES CORP	1/10/2024	1,844,705	1,789,041	4.99
	CATERPILLAR FINANCIAL SERVICES CORP	7/7/2023	724,594	716,771	4.95
	CHARLES SCHWAB CORP	3/18/2024	7,374,035	7,015,429	5.96
	CINTAS NO 2 CORP	5/1/2025	1,184,739	1,156,228	4.69
	CITIGROUP GLOBAL MARKETS HOLDINGS INC	6/7/2024	2,000,000	1,879,680	6.10
(1)	CITIGROUP INC	1/25/2026	1,435,000	1,351,067	5.44
(1)	CITIGROUP INC	11/3/2025	420,221	392,314	5.57
(1)	CITIGROUP INC	5/1/2025	5,169,353	4,911,552	5.68
(1)	CITIGROUP INC	10/30/2024	4,565,000	4,437,637	5.62
(1)	CITIZENS BANK NA	10/24/2025	1,855,000	1,745,499	8.74
(1)	CITIZENS BANK NA	5/23/2025	625,000	590,031	7.97
	CNO GLOBAL FUNDING	1/6/2025	694,555	650,270	5.53
	COLGATE-PALMOLIVE CO	3/2/2026	1,243,556	1,272,004	4.00
	COLGATE-PALMOLIVE CO	8/15/2025	769,292	750,350	4.24
	COMCAST CORP	11/7/2025	1,239,665	1,267,007	4.35
	COMCAST CORP	10/15/2025	4,042,257	3,574,259	4.42
	COMMONWEALTH BANK OF AUSTRALIA (NEW YORK BRANCH)	3/13/2026	2,350,000	2,389,833	4.69
	COMMONWEALTH BANK OF AUSTRALIA (NEW YORK BRANCH)	1/10/2025	3,290,000	3,303,226	4.84
	COOPERATIEVE RABOBANK UA (NEW YORK BRANCH)	1/10/2025	2,043,727	1,925,750	4.98
	COOPERATIEVE RABOBANK UA (NEW YORK BRANCH)	8/22/2024	1,684,225	1,659,118	5.03
	COOPERATIEVE RABOBANK UA (NEW YORK BRANCH)	1/12/2024	4,332,009	4,166,108	5.54
	ELEVANCE HEALTH INC	2/8/2026	958,992	958,550	4.96
	ENTERGY LOUISIANA LLC	10/1/2024	1,203,193	1,135,098	5.01
	ENTERGY LOUISIANA LLC	11/17/2023	905,255	878,459	5.48
	EQUITABLE FINANCIAL LIFE GLOBAL FUNDING	8/12/2024	2,504,775	2,360,612	5.23
	EXXON MOBIL CORP	3/1/2026	3,559,696	3,591,146	4.12
	F&G GLOBAL FUNDING	9/20/2024	4,454,142	4,170,234	5.57
(1)	FIFTH THIRD BANK NA (OHIO)	10/27/2025	950,000	936,358	6.56
	GA GLOBAL FUNDING TRUST	9/13/2024	1,551,563	1,448,187	5.81
	GA GLOBAL FUNDING TRUST	4/8/2024	2,886,990	2,858,790	5.82
(1)	GOLDMAN SACHS GROUP INC	1/24/2025	2,575,000	2,492,137	5.72

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(1)	GOLDMAN SACHS GROUP INC	10/21/2024	5,050,237	4,913,650	5.57
	GOLDMAN SACHS GROUP INC	3/3/2024	440,856	394,340	5.59
	HOME DEPOT INC	9/15/2025	2,204,206	2,188,859	4.32
	HOME DEPOT INC	4/15/2025	369,353	357,764	4.41
	HOME DEPOT INC	2/15/2024	6,008,141	5,802,865	4.90
	HONEYWELL INTERNATIONAL INC	11/1/2024	2,094,644	2,108,743	4.41
	HORMEL FOODS CORP	6/3/2024	4,518,355	4,334,280	5.05
	HSBC USA INC	5/24/2024	3,544,858	3,456,481	6.03
(1)	HUNTINGTON NATIONAL BANK	11/18/2025	2,415,000	2,335,860	7.23
(1)	HUNTINGTON NATIONAL BANK	5/16/2025	3,410,000	3,265,518	7.13
	INTEL CORP	7/29/2025	1,713,075	1,725,238	4.34
	INTERCONTINENTAL EXCHANGE INC	5/23/2025	3,351,310	3,264,751	4.99
	INTERNATIONAL BUSINESS MACHINES CORP	7/27/2025	2,600,000	2,570,646	4.52
	INTERNATIONAL BUSINESS MACHINES CORP	2/12/2024	1,027,846	923,415	5.10
	JACKSON NATIONAL LIFE GLOBAL FUNDING	1/9/2026	1,601,549	1,622,735	5.06
	JACKSON NATIONAL LIFE GLOBAL FUNDING	1/12/2025	2,329,604	2,181,369	5.56
	JOHN DEERE CAPITAL CORP	1/9/2026	1,714,194	1,741,222	4.21
	JOHN DEERE CAPITAL CORP	6/6/2025	639,853	627,098	4.38
	JOHN DEERE CAPITAL CORP	3/7/2025	259,888	248,199	4.60
	JOHN DEERE CAPITAL CORP	1/10/2025	1,789,159	1,694,593	4.40
	JOHN DEERE CAPITAL CORP	9/10/2024	534,652	506,388	4.50
	JOHN DEERE CAPITAL CORP	1/17/2024	3,512,504	3,397,986	4.77
(1)	JPMORGAN CHASE & CO	4/26/2026	1,000,000	981,790	5.02
(1)	JPMORGAN CHASE & CO	2/24/2026	2,570,000	2,435,589	5.54
(1)	JPMORGAN CHASE & CO	12/10/2025	3,295,542	3,390,111	5.46
(1)	JPMORGAN CHASE & CO	8/9/2025	1,100,000	1,032,790	5.45
(1)	JPMORGAN CHASE & CO	6/1/2025	6,445,597	6,102,608	5.50
(1)	JPMORGAN CHASE & CO	2/16/2025	815,000	781,104	5.42
(1)	JPMORGAN CHASE & CO	12/5/2024	4,710,650	4,248,049	5.50
(1)	JPMORGAN CHASE & CO	9/16/2024	2,333,331	2,321,753	5.58
(1)	JPMORGAN CHASE & CO	6/1/2024	1,575,000	1,565,030	5.32
	KENVUE INC	3/22/2025	904,665	919,960	4.61
	KEYBANK NA	1/26/2026	354,705	340,686	6.28
	KEYBANK NA	8/8/2025	1,319,630	1,248,020	6.69
(1)	KEYBANK NA	6/14/2024	2,045,000	1,978,374	7.25
(1)	KEYCORP	5/23/2025	240,040	231,338	6.73
	LINDE INC	12/5/2025	3,516,198	3,538,198	4.49
	LOCKHEED MARTIN CORP	10/15/2025	782,763	797,309	4.27
	MANUFACTURERS AND TRADERS TRUST CO	1/27/2026	2,430,763	2,292,723	6.96
	MASSMUTUAL GLOBAL FUNDING II	8/26/2025	1,208,754	1,195,165	4.69
	MASSMUTUAL GLOBAL FUNDING II	6/9/2023	5,023,997	4,973,626	5.25
	MET TOWER GLOBAL FUNDING	6/13/2025	1,973,065	1,925,388	4.92
	METROPOLITAN LIFE GLOBAL FUNDING I	1/6/2026	2,380,000	2,393,971	4.77
	METROPOLITAN LIFE GLOBAL FUNDING I	3/21/2025	579,484	560,013	4.65
	METROPOLITAN LIFE GLOBAL FUNDING I	9/27/2024	5,137,921	4,844,260	5.02
	MONONGAHELA POWER CO	4/15/2024	271,528	265,310	5.85
(1)	MORGAN STANLEY	1/28/2027	754,985	752,894	5.15
(1)	MORGAN STANLEY	10/16/2026	1,165,000	1,187,135	5.33
(1)	MORGAN STANLEY	2/18/2026	2,970,000	2,818,649	5.52
(1)	MORGAN STANLEY	10/21/2025	615,000	570,425	5.73
(1)	MORGAN STANLEY	1/22/2025	3,032,519	2,929,138	5.51
(1)	MORGAN STANLEY	4/5/2024	950,000	949,725	3.33
(1)	MORGAN STANLEY	1/25/2024	1,085,000	1,081,658	5.73
	NATIONAL AUSTRALIA BANK LTD (NEW YORK BRANCH)	1/12/2026	2,960,000	2,987,084	4.61
	NATIONAL AUSTRALIA BANK LTD (NEW YORK BRANCH)	6/9/2025	2,280,000	2,207,405	5.05
	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	3/13/2026	2,488,648	2,490,409	4.51
	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	10/30/2025	758,982	774,037	4.68
	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	6/15/2025	3,164,145	3,081,571	4.72
	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2/7/2025	2,254,932	2,138,191	4.83
	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2/8/2024	809,441	776,069	5.44
	NATIONAL SECURITIES CLEARING CORP	11/21/2024	3,254,251	3,265,546	4.84
	NESTLE HOLDINGS INC	3/13/2026	819,729	841,418	4.30
	NESTLE HOLDINGS INC	9/12/2025	1,034,658	1,030,167	4.20
	NESTLE HOLDINGS INC	9/14/2024	3,120,000	2,948,681	4.55
	NEW YORK LIFE GLOBAL FUNDING	1/14/2025	5,948,569	5,625,748	4.71
	NEW YORK LIFE GLOBAL FUNDING	10/29/2024	2,162,186	2,040,729	4.72
	NEW YORK LIFE GLOBAL FUNDING	8/27/2024	2,171,977	2,049,111	4.91
	NEW YORK LIFE GLOBAL FUNDING	6/6/2024	5,135,837	5,047,943	4.72
(1)	NEXTERA ENERGY CAPITAL HOLDINGS INC	3/1/2025	2,175,425	2,185,105	5.67
(1)	NEXTERA ENERGY CAPITAL HOLDINGS INC	9/1/2024	300,762	297,186	4.95
	NIKE INC	3/27/2025	44,939	43,542	4.11
	NORTHERN TRUST CORP	5/10/2027	3,930,215	3,918,600	4.55
	NORTHWESTERN MUTUAL GLOBAL FUNDING	7/1/2025	5,003,298	4,931,677	4.69
	PACCAR FINANCIAL CORP	4/7/2025	10,162,357	9,813,393	4.67
	PACCAR FINANCIAL CORP	11/8/2024	1,544,907	1,457,847	4.59
	PACCAR FINANCIAL CORP	8/9/2024	2,068,882	1,953,128	4.85
	PACCAR FINANCIAL CORP	2/2/2024	1,618,121	1,556,269	5.22
	PACCAR FINANCIAL CORP	8/11/2023	449,411	442,148	5.27
	PACIFICORP	4/1/2024	3,344,749	3,267,794	5.08
	PAYPAL HOLDINGS INC	10/1/2024	1,759,687	1,646,824	4.58
	PEPSICO INC	2/13/2026	1,579,084	1,607,239	3.89
	PEPSICO INC	7/17/2025	1,649,663	1,676,013	4.15
	PNC BANK NA	4/10/2025	4,562,820	4,350,375	5.63
(1)	PNC FINANCIAL SERVICES GROUP INC	1/26/2027	1,630,000	1,609,853	5.23
(1)	PNC FINANCIAL SERVICES GROUP INC	10/28/2025	1,570,000	1,570,801	5.63
	PRICOA GLOBAL FUNDING I	8/28/2025	504,692	495,531	5.03

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	PRICOA GLOBAL FUNDING I	12/6/2024	4,565,293	4,309,419	4.72
	PRINCIPAL LIFE GLOBAL FUNDING II	1/10/2025	922,003	864,542	5.28
	PRINCIPAL LIFE GLOBAL FUNDING II	8/23/2024	1,124,303	1,058,366	5.21
	PROCTER & GAMBLE CO	1/26/2026	909,390	916,952	3.81
	ROCHE HOLDINGS INC	3/10/2025	6,220,000	5,935,622	4.62
	ROCKWELL AUTOMATION INC	8/15/2023	314,849	309,484	5.14
	ROYAL BANK OF CANADA	4/14/2025	2,524,066	2,450,361	4.92
	ROYAL BANK OF CANADA	11/1/2024	4,205,160	3,825,600	5.15
	SALESFORCE INC	7/15/2024	1,064,457	1,011,526	4.68
	SECURITY BENEFIT GLOBAL FUNDING	5/17/2024	3,128,811	2,968,242	6.06
	SOUTHERN CALIFORNIA EDISON CO	4/1/2024	4,014,000	3,844,920	5.13
	SOUTHERN CALIFORNIA GAS CO	9/15/2024	3,704,883	3,631,793	5.07
(1)	STATE STREET CORP	11/4/2026	685,000	698,077	4.95
(1)	STATE STREET CORP	3/30/2026	2,045,440	1,910,660	5.28
(1)	STATE STREET CORP	2/6/2026	3,765,000	3,534,808	5.26
(1)	STATE STREET CORP	1/26/2026	345,000	342,630	5.25
	TARGET CORP	7/1/2024	1,487,696	1,381,100	4.62
	TEXAS INSTRUMENTS INC	11/18/2024	509,771	514,524	4.13
	TORONTO-DOMINION BANK	6/12/2024	3,171,900	2,916,300	5.08
	TOYOTA MOTOR CREDIT CORP	1/13/2025	973,694	923,013	4.60
	TOYOTA MOTOR CREDIT CORP	6/18/2024	3,086,323	2,940,568	4.64
	TOYOTA MOTOR CREDIT CORP	1/11/2024	899,946	868,158	5.15
(1)	TRUIST BANK	8/2/2024	4,277,480	3,966,600	6.01
(1)	TRUIST FINANCIAL CORP	10/28/2026	1,650,000	1,644,918	6.03
(1)	TRUIST FINANCIAL CORP	7/28/2026	3,065,000	2,954,691	5.94
	TRUIST FINANCIAL CORP	8/1/2024	6,114,362	5,829,892	6.00
	UNILEVER CAPITAL CORP	8/12/2024	705,000	666,472	4.81
	UNITEDHEALTH GROUP INC	10/15/2025	539,951	550,184	4.36
	UNITEDHEALTH GROUP INC	5/15/2024	5,075,306	4,854,689	4.83
	US BANCORP	7/30/2024	2,662,075	2,403,175	5.45
	US BANCORP	2/5/2024	2,107,940	1,961,840	5.72
	USAA CAPITAL CORP	5/1/2025	1,903,754	1,844,143	5.14
	WALMART INC	9/9/2025	4,306,983	4,296,941	4.03
(1)	WELLS FARGO & CO	8/15/2026	1,360,000	1,334,922	5.38
(1)	WELLS FARGO & CO	4/25/2026	1,850,000	1,795,647	5.43
	WELLS FARGO & CO	4/22/2026	2,046,240.00	2,054,461.50	4.98
(1)	WELLS FARGO & CO	10/30/2025	6,660,523.30	6,542,540.10	5.74
(1)	WELLS FARGO & CO	5/19/2025	455,000.00	432,017.95	5.43
	WISCONSIN PUBLIC SERVICE CORP	11/10/2025	684,849.30	696,987.50	4.61
	SUB-TOTAL		***447,382,496***	***432,008,841***	
	MORTGAGE AND ASSET-BACK SECURITIES				
	ACAR 2021-4 B	2/13/2026	741,627	739,532	2.15
	ACAR 221 B	9/14/2026	2,049,954	2,019,701	3.20
	ALLYA 2022-1 A3	11/16/2026	2,659,485	2,600,496	4.84
	ALLYA 2022-2 A3	5/15/2027	2,374,971	2,368,778	4.94
	AMCAR 2021-3 A3	8/18/2026	949,884	911,088	6.03
	AMXCA 2022-2 A	5/17/2027	11,233,105	10,996,178	4.59
	BMWLT 2021-1 A3	1/25/2024	98,756	98,370	4.62
	BMWLT 2021-2 A3	12/26/2024	929,137	910,722	6.64
	BMWLT 2022-1 A3	3/25/2025	1,589,762	1,550,298	6.89
	BMWLT 2023-1 A3	11/25/2025	1,399,967	1,404,074	5.00
	BMWOT 2022-A A3	8/25/2026	3,049,841	2,980,277	4.76
	CAPITAL ONE MULTI TR A B S SER 2021 3 CL A 11/16/2	11/16/2026	2,774,618	2,611,830	4.86
	CARMX 2019-4 B	7/15/2025	1,758,871	1,658,400	4.06
	CARMX 2020-1 A3	12/16/2024	275,620	272,531	4.96
	CARMX 2020-1 A4	6/16/2025	4,262,480	3,986,340	4.94
	CARMX 2020-2 A4	5/15/2025	1,492,594	1,420,801	5.28
	CARMX 2020-3 A3	3/17/2025	207,547	204,722	5.08
	CARMX 2020-3 B	3/16/2026	858,341	805,571	4.41
	CARMX 2020-4 A3	8/15/2025	256,944	251,058	4.59
	CARMX 2021-1 A3	12/15/2025	402,195	388,898	5.23
	CARMX 2021-2 A3	2/17/2026	1,064,787	1,027,326	5.16
	CARMX 2021-3 A3	6/15/2026	2,492,122	2,386,649	5.09
	CARMX 2022-2 A3	2/16/2027	1,929,706	1,888,216	4.90
	CARMX 2022-3 A3	8/15/2025	2,529,940	2,481,348	5.02
	CARMX 2022-4 A3	8/16/2027	7,453,252	7,543,342	4.83
	COMET 2022-1 A	3/17/2025	7,399,825	7,191,908	4.73
	COMET 2022-2 A	5/15/2025	5,254,160	5,131,455	4.69
	COPAR 2021-1 A3	9/15/2026	1,239,977	1,175,780	5.04
	COPAR 2022-1 A3	4/15/2027	1,469,679	1,427,267	4.79
	COPAR 2022-2 A3	5/15/2027	1,459,895	1,425,865	4.83
	CRVNA 2021-P1 A3	12/10/2025	1,413,937	1,382,024	6.12
	DCENT 2021-1 A	9/16/2024	1,334,714	1,254,366	4.92
	DCENT 2022-2 A	5/17/2027	2,674,783	2,602,936	4.69
	DCENT 2022-3 A	7/15/2027	3,029,624	2,960,492	4.66
	DRIVE 2021-3 A3	10/15/2025	419,979	418,227	5.64
	DRIVE 2021-3 B	5/15/2026	1,249,989	1,222,425	6.01
	FCAT 231 A3	8/16/2027	1,599,884	1,589,072	5.39
	FORDF 2019-2 B	4/15/2024	1,831,370	1,665,950	5.87
	FORDF 2019-4 A	9/15/2024	5,716,489	5,413,470	5.24
	FORDO 2021-A A3	8/15/2025	1,246,234	1,212,638	4.74
	FORDO 2022-A A3	6/15/2026	769,909	737,375	4.95
	FORDO 2022-B	9/15/2026	844,954	830,365	4.90
	GALC 2021-2 A3	7/15/2025	3,199,590	3,044,576	8.50
	GALC 221 A3	5/15/2025	3,699,362	3,711,766	4.94
	GMALT 2021-1 A3	2/20/2024	107,224	106,910	5.79

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	GMALT 2021-2 A3	5/20/2024	696,324	689,407	6.17
	GMALT 2022-1 A3	3/20/2025	3,329,971	3,241,455	6.78
	GMALT 231 A3	4/20/2026	1,349,777	1,356,737	4.89
	GMCAR 2020-3 A3	4/16/2025	313,766	308,264	4.52
	GMCAR 2020-4 A3	8/18/2025	199,320	194,754	4.76
	GMCAR 2021-1 A3	10/16/2025	207,600	202,054	4.65
	GMCAR 2021-4 A3	9/16/2026	2,094,947	1,987,401	5.05
	GMCAR 2022-1 A3	11/16/2026	2,129,815	2,023,777	5.14
	GMCAR 2022-2 A3	2/16/2027	1,209,747	1,171,728	5.07
	GMCAR 2022-3 A3	4/16/2027	1,549,989	1,518,985	4.76
	GMCAR 2022-4 A3	8/16/2027	1,899,689	1,906,099	4.71
	HALST 2021-A A3	1/16/2024	25,874	25,823	4.78
	HALST 2022-A A3	1/15/2025	1,919,958	1,867,162	6.45
	HALST 2022-C A3	10/15/2025	1,999,937	1,981,080	5.31
	HALST 21C A3	8/15/2024	1,709,845	1,677,407	6.34
	HAROT 2020-1 A3	4/22/2024	347,090	345,433	4.59
	HAROT 2021-3 A3	11/18/2025	5,399,921	5,199,174	5.07
	HAROT 2021-4 A3	1/21/2026	2,824,404	2,698,158	5.07
	HAROT 2022-1 A3	5/15/2026	1,084,837	1,040,255	4.85
	HAROT 2022-2 A3	7/20/2026	1,614,904	1,585,413	4.84
	HART 2019-B C	6/15/2026	1,557,012	1,467,150	4.87
	HART 2021-A A3	9/15/2025	2,003,100	1,948,019	4.84
	HART 2021-B A3	1/15/2026	3,492,774	3,373,891	5.21
	HART 2021-C A3	5/15/2026	954,787	911,089	5.12
	HART 2022-A A3	10/15/2026	2,699,896	2,595,672	4.94
	HART 2022-B A3	11/16/2026	1,549,999	1,523,139	4.77
	HART 2022-C A3	6/15/2027	6,804,967	6,886,796	4.86
	HDMOT 2022-A A3	2/16/2027	2,534,578	2,470,941	4.79
	HDMOT 2023-A A3	12/15/2027	1,639,835	1,655,859	4.71
	JDOT 2020 A3	8/15/2024	217,570	216,639	4.39
	JDOT 2021 A3	9/15/2025	1,805,922	1,748,043	5.08
	JDOT 2022 A3	9/15/2026	1,994,559	1,928,227	4.85
	JDOT 2022-C A3	3/15/2027	3,899,697	3,931,668	4.74
	KCOT 2021-1 A3	8/15/2025	914,813	879,187	6.05
	KCOT 212 A3	11/17/2025	1,529,942	1,455,076	5.74
	KCOT 221 A2	4/15/2025	620,975	610,936	7.05
	KCOT 221 A3	10/15/2026	2,499,643	2,384,300	5.81
	KCOT 222 A3	12/15/2026	2,374,565	2,331,656	5.21
	KCOT 231 A3	6/15/2027	6,743,944	6,745,000	5.40
	MBALT 2021-B A3	11/15/2024	1,815,945	1,775,202	6.51
	MBART 2020-1 A3	2/18/2025	146,577	144,672	4.15
	MBART 2022-1 A3	8/16/2027	3,894,230	3,934,495	4.78
	MBART 2023-1 A3	2/15/2024	729,912	729,015	4.61
	MCCT 211 A	11/21/2025	4,741,016	4,744,100	5.21
	MMAF 2020-A A2	4/9/2024	206,963	205,693	5.35
	MMAF 22B A2	9/9/2025	3,399,561	3,399,932	5.69
	NAROT 2019-C A3	7/15/2024	94,627	94,499	4.60
	NAROT 2020-B A3	7/15/2024	124,295	123,627	4.10
	NAROT 2022-B A3	5/17/2027	1,504,689	1,494,691	4.83
	PFSFC 20E A	10/15/2025	1,309,578	1,268,631	5.59
	SDART 2021-3 B	12/15/2025	534,163	531,748	4.34
	SDART 2021-4 A3	8/15/2025	846	844	4.39
	SDART 2021-4 B	6/15/2026	249,972	246,018	5.35
	SDART 2022-6 A3	11/16/2026	1,999,946	1,980,840	5.42
	SRT 2022-A A3	7/21/2025	2,199,830	2,105,290	6.07
	TAOT 2020-D A3	1/15/2025	711,694	700,254	5.10
	TAOT 2021-A A3	5/15/2025	2,005,260	1,954,649	5.11
	TAOT 2021-D A3	4/15/2026	1,264,973	1,205,925	5.12
	TAOT 2022-B A3	9/15/2026	1,399,967	1,358,294	4.95
	TAOT 2022-C A3	4/15/2027	3,025,132	3,029,807	4.80
	TAOT 2022-D A3	9/15/2027	4,799,526	4,870,032	4.71
	TAOT 2023-A A3	9/15/2027	775,000	774,318	4.71
	TLOT 2021-A A3	4/22/2024	1,627,047	1,609,969	6.56
	TLOT 2022-A A3	2/20/2025	1,217,383	1,212,950	4.93
	TLOT 21B A3	10/21/2024	775,046	760,850	5.97
	UART 211 A3	6/16/2025	102,527	102,150	3.20
	VALET 2021-1 A3	6/22/2026	1,379,946	1,319,294	5.33
	VWALT 2022-A A3	7/21/2025	739,941	725,326	5.40
	VZMT 2022-5 A1A	7/20/2027	1,824,920	1,800,089	5.50
	VZOT 2020-A A1A	7/22/2024	29,947	29,895	5.12
	VZOT 2020-B A	2/20/2025	263,088	260,141	2.62
	WLAKE 223 A3	7/15/2026	4,799,655	4,791,552	5.67
	WLAKE 231 A3	1/18/2028	1,599,921	1,596,472	5.34
	WLAKE 232 A3	2/16/2027	3,799,858	3,825,422	4.95
	WOART 2020-B A3	5/15/2025	327,595	322,703	4.51
	WOART 2021-D A3	10/15/2026	1,504,795	1,435,198	5.01
	SUB-TOTAL		***235,468,749***	***230,559,848***	
	Municipal Debt				
	ALABAMA FED AID HWY FIN AUTH SPL OBLIG REV	9/1/2027	1,349,172	1,337,298	4.35
	BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2023	4,490,000	4,490,000	2.18
	CALIFORNIA EARTHQUAKE AUTH REV	7/1/2023	365,000	361,737	5.08
	CALIFORNIA EARTHQUAKE AUTH REV	7/1/2023	2,380,000	2,381,476	5.07
	CALIFORNIA ST	4/1/2024	3,239,373	3,031,321	4.80
	CALIFORNIA ST DEPT WTR RES CENT VY PROJ REV	12/1/2023	230,000	223,307	4.90
	CALIFORNIA ST UNIV REV	11/1/2023	2,090,000	2,037,102	4.93
	CONNECTICUT ST	6/15/2024	1,668,696	1,620,611	4.74

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2023

NOTE	DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
	CORONA	5/1/2024	1,510,000	1,439,181	5.22
	EL CAJON CALIF	4/1/2024	540,000	518,648	5.03
	EL DORADO CALIF IRR DIST REV	3/1/2024	720,000	695,750	4.88
	FLORIDA ST BRD ADMIN FIN CORP REV	7/1/2025	1,025,000	953,055	4.58
	GOLDEN ST TOB SECURITIZATION CORP CALIF TOB SETTLE	6/1/2025	2,120,000	1,965,388	4.99
	HAWAII ST ARPTS SYS CUSTOMER FAC CHARGE REV	7/1/2024	715,000	688,466	5.11
	LOS ALTOS CALIF SCH DIST	10/1/2024	1,826,514	1,704,420	4.71
	LOS ANGELES CALIF MUN IMPT CORP LEASE REV	11/1/2025	1,600,000	1,452,832	4.77
	MASSACHUSETTS (COMMONWEALTH OF)	1/15/2025	2,345,000	2,312,967	4.46
	MASSACHUSETTS (COMMONWEALTH OF)	7/15/2024	4,240,000	4,188,738	4.61
	NEW JERSEY ST TPK AUTH TPK REV	1/1/2025	850,000	793,212	4.93
	NEW YORK ST	2/15/2024	3,000,000	2,926,110	4.93
	NEW YORK ST URBAN DEV CORP REV	3/15/2024	2,790,000	2,681,134	4.85
	NEW YORK STATE DORMITORY AUTHORITY	3/15/2025	2,690,000	2,512,514	4.45
	NEW YORK STATE DORMITORY AUTHORITY	3/15/2024	3,570,000	3,488,069	4.80
	REDONDO BEACH CALIF CMNTY FING AUTH LEASE REV	5/1/2026	1,495,000	1,357,296	4.56
	RIVERSIDE CNTY CALIF INFRASTRUCTURE FING AUTH LEAS	11/1/2024	1,810,000	1,707,355	4.63
	SAN BERNARDINO CALIF CMNTY COLLEGE DIST	8/1/2024	890,000	849,505	4.50
	SAN DIEGO CNTY CALIF WTR AUTH WTR REV	5/1/2024	2,067,541	2,015,727	4.65
	VALLEJO CALIF WTR REV	5/1/2023	840,000	837,850	4.53
	VENTURA CNTY CALIF PUB FING AUTH LEASE REV	11/1/2023	2,171,311	2,115,202	4.69
	WISCONSIN ST GEN FD ANNUAL APPROPRIATION REV	5/1/2026	1,240,000	1,239,628	4.37
	SUB-TOTAL		***55,867,608***	***53,925,899***	
	Supranationals				
	INTER-AMERICAN DEVELOPMENT BANK	9/23/2024	10,976,871	10,385,109	4.36
	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	3/19/2024	5,349,700	4,900,550	4.63
	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	11/24/2023	5,687,745	5,538,348	4.75
	SUB-TOTAL		***22,014,316***	***20,824,007***	
	SHORT-TERM PORTFOLIO - TOTAL		**$ 1,980,191,710**	**$ 1,927,445,789**	

BOND PROCEEDS PORTFOLIO

NOTE	DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
	2021 Bond Anticipation Notes (BANs) - US Bank				
	FIRST AMERICAN GOVERNMENT OBLIGATIONS FUND	N/A	51,972	51,972	4.34
	BOND PROCEEDS PORTFOLIO-TOTAL		**$ 51,972**	**$ 51,972**	

DEBT SERVICE RESERVE FUNDS

NOTE	DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
	91 EXPRESS LANES 2013 BONDS (US Bank DSRF)				
	NATIXIS NY BRANCH CP	7/3/2023	10,799,339	10,924,208	5.02
	FIRST AMERICAN GOVERNMENT OBLIGATIONS FUND	N/A	341,663	341,663	4.34
	91 EXPRESS LANES 2013 BONDS - OPERATING & MAINTENANCE RESERVES				
	BANK DEPOSITS	N/A	759,853	*759,853*	0.00
	OPERATING RESERVE - BARCLAYS CP	6/28/2023	3,030,147	3,028,691	4.91
	MAINTENANCE RESERVE - BARCLAYS CP	6/28/2023	10,263,400	10,258,471	4.91
	DEBT SERVICE RESERVE FUNDS - TOTAL		**$ 25,194,402**	**$ 25,312,887**	

	Book Value	Market Value
TOTAL PORTFOLIO	**$ 2,420,387,492**	**$ 2,368,181,353**

NOTE: 1. Variable or floating rate securities.

OCTA

May 24, 2023

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Resolution to Establish the Orange County Local Transportation Authority/Measure M2 Appropriations Limit for Fiscal Year 2023-24

Overview

The State Constitution requires that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year pursuant to Article XIIIB.

Recommendation

Adopt Orange County Local Transportation Authority/Measure M2 Resolution No. 2023-025 to establish the Orange County Local Transportation Authority/Measure M2 appropriations limit at $2,210,761,786, for fiscal year 2023-24.

Background

In November 1979, the voters of the State of California approved Proposition 4, commonly known as the Gann Initiative. The proposition created Article XIIIB of the California Constitution, which is also known as the Gann Appropriations Limit.

Both the Article XIIIB appropriations limit and its implementing legislation were modified by Proposition 111, approved by voters in 1990. The law specifies that the appropriations of revenues, “proceeds of taxes” by state and local governments, may only increase annually by a limit based on a factor comprised of the change in population and the change in California per capita personal income. The appropriation limit includes any interest earned from the investment of the proceeds of taxes and must be reviewed during the annual financial audit.

Discussion

In accordance with the requirements of Article XIIIB, a resolution has been prepared and is attached for review and approval (Attachment A). The resolution establishes the Orange County Local Transportation Authority (LTA)/Measure M2 (M2) appropriations limit for fiscal year (FY) 2023-24 at $2,210,761,786, excluding federal grant funds and other funds to be received from sources not subject to the appropriations limit.

Attachment B shows the calculation of the FY 2023-24 Orange County LTA/M2 appropriations limit. Appropriations subject to limits do not include appropriations for debt service, costs of complying with the mandates of the courts, federal government, or capital outlay projects. The change in population and change in California per capita personal income rates were obtained from the State of California, Department of Finance.

Summary

Staff recommends adoption of the Orange County Local Transportation Authority/Measure M2 Resolution No. 2023-025, which will establish the fiscal year 2023-24 appropriation limit at $2,210,761,786, for the Orange County Local Transportation Authority.

Attachments

A. Resolution No. 2023-025 of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2023-24
B. Orange County Local Transportation Authority/Measure M2 GANN Appropriations Limit Calculation for Fiscal Year 2023-24

Prepared by:

Sam Kaur
Department Manager,
Revenue Administration
(714) 560-5889

Approved by:

Andrew Oftelie
Chief Financial Officer,
Finance and Administration
(714) 560-5649

<u>**ATTACHMENT A**</u>

RESOLUTION No. 2023-025 OF THE ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY/MEASURE M2 ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2023-24

WHEREAS, Article XIIIB of the California constitution and Sections 7900 through 7913 of the California Government Code require the establishment of an appropriations limit; and

WHEREAS, appropriations limits are applicable to funds received from the proceeds of taxes and interest earned on such proceeds.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Orange County Local Transportation Authority/Measure M2 hereby determines that pursuant to Section 7902b of the California Government Code, the appropriations limit for the Orange County Local Transportation Authority/Measure M2 for fiscal year 2023-24 is $2,210,761,786.

2. The total amount authorized to be expended by the Orange County Local Transportation Authority/Measure M2 during the fiscal year 2023-24 from the proceeds of taxes, including interest earned from the investment of the proceeds of taxes, is $493,182,875.

3. The appropriations limit for fiscal year 2023-24 exceeds proceeds of taxes for fiscal year 2023-24 by $1,717,578,911.

ADOPTED SIGNED AND APPROVED this 12th day of June 2023.

AYES:

NOES:

ABSENT:

ATTEST:

Andrea West Interim Clerk of the Board	Gene Hernandez, Chairman Orange County Local Transportation Authority

<u>ATTACHMENT B</u>

Orange County Local Transportation Authority/Measure M2
GANN Appropriations Limit Calculation for
Fiscal Year 2023-24
GANN FACTOR

PER CAPITA CHANGE[1]	**%**		**RATIO**		**GANN FACTOR**
California per capita personal income change	4.44%		1.0444		
POPULATION CHANGE[2]					
County of Orange	-0.46%		0.9954		
GANN FACTOR	1.0444	x	0.9954	=	1.0396

Fiscal Year (FY) 2023-24 APPROPRIATION LIMIT

Prior Year Appropriations Limit		$	2,126,550,391
GANN Factor (Rounded)	x		1.0396
		$	**2,210,761,786**

ITEMS SUBJECT TO GANN LIMIT[3]

Line Item		***Amount***
1/2 cent sales tax (Measure M2)	$	456,990,080
CDTFA Fees	$	4,569,901
Interest Revenue	$	31,622,894
	$	**493,182,875**

<u>FY 2023-24 APPROPRIATION LIMIT</u>

		Amount
FY 2023-24 Appropriations Limit	$	2,210,761,786
Less Items Subject to GANN Limit		(493,182,875)
Appropriation Limit that exceeds the proceeds of taxes:	**$**	**1,717,578,911**

<u>Note:</u>
CDTFA - California Department of Tax and Fee Administration
[1,2]Price Factor and Population Information provided by the Department of Finance.
[3]Items subject to GANN Limit provided from proposed FY 2023-24 budget

May 24, 2023

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Amendment to Cooperative Agreement with the City of Laguna Beach for Public Transit Services

Overview

On June 11, 2018, the Orange County Transportation Authority Board of Directors approved a cooperative agreement with the City of Laguna Beach for the continued operation of public transit services. Board of Directors' approval is requested to amend the cooperative agreement to provide the City of Laguna Beach with additional Federal Transit Administration, State Transit Assistance, and SB 1 (Chapter 5, Statutes of 2017) State of Good Repair funds.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Cooperative Agreement No. C-8-1679 between the Orange County Transportation Authority and the City of Laguna Beach, in the amount of $778,530, for the pass through of additional Federal Transit Administration, State Transit Assistance, and SB 1 State of Good Repair funding and to extend the expiration date for an additional six months through December 31, 2023. This will increase the maximum obligation of the cooperative agreement to a total contract value of $4,569,306.

Background

The City of Laguna Beach (City) and its municipally-owned Laguna Beach Municipal Transit Lines (LBMTL) are eligible to receive funding from the Federal Transit Administration (FTA) Section 5307 Urbanized Area Formula Program Funds, FTA Section 5339 Bus and Bus Facilities Program funds, State Transit Assistance (STA) funds, State of Good Repair (SGR) funds provided through SB 1, and Cap and Trade funds.

Based on the transportation services provided by LBMTL, additional federal grant funding is generated that can be utilized to support transportation services within Orange County. The Orange County Transportation Authority (OCTA), as the direct grant recipient, has the option to utilize the additional funds directly for OCTA-related transportation services or to provide the additional funds to the City to support the services provided by LBMTL.

OCTA has historically utilized federal and state funds for OCTA-related projects and provided an equivalent amount of local funds to the City to support the transportation services provided by the LBMTL. The amount of state funds can vary from year to year as funding program levels are determined by the state legislature as part of the annual state budget process. Federal funds are apportioned based on the service levels reported by the transit operators to the National Transit Database system and remain reasonably consistent with the funding levels identified in the long-term federal legislation.

On June 11, 2018, the Board of Directors (Board) approved a cooperative agreement for the pass through of funds to the City for fiscal year (FY) 2018-19 through FY 2022-23. The amounts identified for each funding source in the original contract were based on estimates. For FY 2022-23, OCTA has estimated that the City, as a subrecipient, is eligible to receive a total of $778,530 in additional FTA, STA, and SB 1 SGR funding beyond the maximum obligations identified in the contract.

Discussion

OCTA's current agreement with the City requires an amendment to accommodate the increased funding available from the FTA, STA, and SB 1 SGR.

Since the contract expires before the FY 2022-23 amounts are available, OCTA has calculated the additional amount of $328,499 in FTA, $438,546 in STA, and $11,485 in SGR funding available for the City totaling $778,530. The estimated FTA amount assumes a two percent increase from the prior year, and the estimated STA and SGR amounts are based on the latest FY 2022-23 estimates published by the State Controller's Office in August 2022, as well as population estimates published by the State of California, Department of Finance.

This request will increase the maximum cumulative obligation from $3,790,776 to $4,569,306, to accommodate the passthrough of additional funds. OCTA staff will re-calculate the City's share of state and federal funding for FY 2022-23 when the amounts are available and only pay their eligible share.

Staff also requests to extend the expiration date for an additional six months from July 1, 2023 to December 31, 2023. This will allow sufficient time to calculate the City's FY 2022-23 share based on actuals, and process payment to the City.

Fiscal Impact

There is no anticipated financial impact to OCTA. OCTA is the recipient and would pass through funds to the City.

Summary

Staff requests Board of Directors' approval to authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Cooperative Agreement No. C-8-1679 between the Orange County Transportation Authority and the City of Laguna Beach, in the amount of $778,530, for the pass through of additional Federal Transit Administration, State Transit Assistance and SB 1 State of Good Repair funding and to extend the expiration date for an additional six months through December 31, 2023. This will increase the maximum obligation of the cooperative agreement to a total contract value of $4,569,306.

Attachment

A. City of Laguna Beach Cooperative Agreement No. C-8-1679 Fact Sheet

Prepared by:

Sam Kaur
Department Manager,
Revenue Administration
(714) 560-5889

Approved by:

Andrew Oftelie
Chief Financial Officer,
Finance and Administration
(714) 560-5649

Pia Veesapen
Director, Contracts Administration and
Materials Management
(714) 560- 5619

ATTACHMENT A

City of Laguna Beach
Cooperative Agreement No. C-8-1679
Fact Sheet

1. June 11, 2018, Cooperative Agreement No. C-8-1679, $2,600,000, approved by the Board of Directors (Board).

    - Funding agreement for public transit services in the City of Laguna Beach funded with unrestricted local funds in exchange for state and federal funds effective November 8, 2018 through June 30, 2023.

2. May 22, 2020, Amendment No. 1 to Cooperative Agreement No. C-8-1679, $599,381, approved by the Board.

    - Amendment to provide for the pass through of unrestricted local dollars in the amount equal to the City of Laguna Beach's share of Coronavirus Aid, Relief, and Economic Security Act revenues.

3. May 10, 2021, Amendment No. 2 to Cooperative Agreement No. C-8-1679, $430,821, approved by the Board.

    - Amendment to provide for the pass through of unrestricted local dollars in the amount equal to the City of Laguna Beach's share of American Rescue Plan Act revenues.

4. December 7, 2022, Amendment No. 3 to Cooperative Agreement No. C-8-1679, $160,574, approved by Contracts Administration and Materials Management Department.

5. June 12, 2023, Amendment No. 4 to Cooperative Agreement No. C-8-1679, $778,530, pending approval by the Board.

    - Amendment to increase the maximum cumulative obligation to accommodate the pass through of additional funds and extend the expiration date by six months through December 31, 2023.

Total commitment to City of Laguna Beach under Agreement No. C-8-1679: $4,569,306.

May 24, 2023

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Purchase Order for Disk Storage Arrays

Overview

On March 15, 2023, the Orange County Transportation Authority issued an invitation for bids for disk storage arrays and accessories. The disk storage arrays are required to operate all business software applications. Bids were received in accordance with the Orange County Transportation Authority's procurement procedures. The Board of Directors' approval is requested to execute a purchase order for disk storage arrays.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. A53853 between the Orange County Transportation Authority and vCloud Tech, Inc., in the amount of $376,739, for disk storage arrays.

Discussion

A disk storage array is an appliance that has multiple disk drives. This appliance allows our servers to connect to it for storage of all our business applications and data. A disk storage array plays a critical role in supporting all areas of the Orange County Transportation Authority's (OCTA) business operations including systems for accounting, bus operations, finance, human resources, and payroll.

OCTA currently uses a Datrium DVX disk storage solution to store the systems that run OCTA's line of business applications. In July 2020, Datrium was acquired by VMware and announced that they would stop accepting new orders and end support for the Datrium DVX disk storage solution on October 31, 2023.

With VMware ending support for the Datrium DVX disk storage solution on October 31, 2023, an alternative storage solution with comparable capabilities is required.

Procurement Approach

The procurement was handled in accordance with OCTA's Board of Directors-approved procedures for fixed assets. These procedures, which conform to both state and federal requirements, apply when minimum requirements are clearly specified. Upon completion of the sealed bid process, the contract is awarded to the lowest, responsive, and responsible bidder.

Invitation for Bids (IFB) 3-2337 was released on March 15, 2023, through OCTA's CAMM NET system. The project was advertised in a newspaper of general circulation on March 15 and March 21, 2023. One addendum was issued to the IFB to provide responses to questions received. On April 6, 2023, seven bids were received and publicly opened.

Bids were reviewed by staff from the Contracts Administration and Materials Management and IS departments to ensure compliance with the contract terms and conditions, as well as technical specifications. The list of bidders and bid amounts is presented below:

Firm and Location	Bid Amount
vCloud Tech, Inc. Rolling Hills Estate, California	$376,739
Nth Generation Computing, Inc. San Diego, California	$381,605
Thomas Gallaway Corporation, doing business as Technologent Irvine, California	$383,719
CDW Government LLC Vernon Hills, Illinois	$403,181
vPrime Tech Houston, Texas	$422,260
Questivity, Inc. Santa Clara, California	$467,793
Zones LLC Auburn, Washington	$472,742

The OCTA project manager's independent cost estimate (ICE) for this project was $489,190. The recommended firm's bid is approximately 30 percent lower than the project manager's ICE and therefore considered to be fair and reasonable.

State law requires award to the lowest, responsive, and responsible bidder. As such, staff recommends an award to vCloud Tech, Inc., the lowest responsive, responsible bidder, in the amount of $376,739, for the purchase of disk storage arrays.

Fiscal Impact

The project was approved in OCTA's Fiscal Year 2022-23 Budget, Finance and Administration/Information Systems, Account No. 1284-7519-A5352-18I, and is funded through local funds.

Summary

Staff requests the Board of Directors authorize the Chief Executive Officer to negotiate and execute Purchase Order No. A53853 between the Orange County Transportation Authority and vCloud Tech, Inc., in the amount of $376,739, for disk storage arrays.

Attachment

None.

Prepared by:

Josh Duke
Senior Section Manager,
Information Systems
714-560-5095

Approved by:

Andrew Oftelie
Chief Financial Officer, Finance and Administration
714-560-5649

Pia Veesapen
Director, Contracts Administration and Materials Management
714-560-5619

OCTA

May 24, 2023

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Third Quarter Fiscal Year 2022-23 Procurement Status Report

Overview

The third quarter procurement status report summarizes the procurement activities for informational purposes to the Orange County Transportation Authority Board of Directors. This report focuses on procurement activity from January 1, 2023 through March 31, 2023, that was approved by the Board of Directors during this period. The third quarter procurement status report also projects future procurement activity for the fourth quarter as identified in the fiscal year 2022-23 budget.

Recommendation

Receive and file as an information item.

Background

The Board of Directors (Board) approved the Orange County Transportation Authority (OCTA) Fiscal Year (FY) 2022-23 Budget on June 13, 2022, which identifies the goods and services that will be purchased during the FY. A quarterly procurement report has been prepared detailing the procurement activity for line items that were approved by the Board during the third quarter of FY 2022-23. The report also provides a “look-ahead” of upcoming procurement activity by Board committee. The quarterly procurement report identifies contractual activity, not dollars spent.

Discussion

During the third quarter of FY 2022-23, the Contracts Administration and Materials Management Department handled 458 different contractual documents. Of the total, 238 contractual documents, valued at $48,740,182, were completed; the remaining procurements will be executed during the fourth quarter of FY 2022-23.

In the third quarter, the Board took action on 37 procurements. The procurements were split between 11 agreements valued at $376,114,244, seven amendments valued at $17,670,740, nine construction change orders valued at $4,392,476, one cooperative amendment valued at $23,660,000, two purchase orders valued at $1,356,105, and exercised seven option-term amendments valued at $3,642,712. Not all procurements are completed within the quarter in which they begin. Often, the procurements require cost and price reviews, and negotiations which can lengthen the procurement process. Procurements not completed within the third quarter of FY 2022-23 will be completed in the fourth quarter of FY 2022-23. Attachment A shows a list of Board-approved procurements during the third quarter.

There are several large procurements requiring Board committees' approval throughout the fourth quarter of FY 2022-23 (April 1, 2023 through June 30, 2023) including:

- Construction Management Support Services for the State Route 91 Improvement Project between State Route 55 and Lakeview Avenue
- Security Gates Installation at Anaheim, Garden Grove, and Santa Ana Bus Bases
- Construction Management Services for Transit Security Operations Center
- Information Technology Technical Staffing
- Ticket Validation for OC Streetcar
- Ridership Marketing and Customer Communication Consultant Services for the OC Streetcar

The estimated value of these fourth quarter procurements is $117,308,386. Attachments B through F identify procurement activity anticipated in the fourth quarter of FY 2022-23 by the committee that will review the items.

Summary

This report provides an update of the procurement activity for the third quarter of FY 2022-23, January 1, 2023 through March 31, 2023, as well as a look-ahead at anticipated procurement activity for the fourth quarter of FY 2022-23. Staff recommends that this report be received and filed as an information item.

Attachments

A. Board-Approved Contracts – Third Quarter FY 2022-2023
B. Regional Transportation Planning Committee – Fourth Quarter Outlook (April 1, 2023 through June 30, 2023)
C. Transit Committee – Fourth Quarter Outlook (April 1, 2023 through June 30, 2023)
D. Finance and Administration Committee – Fourth Quarter Outlook (April 1, 2023 through June 30, 2023)
E. Legislative and Communications Committee – Fourth Quarter Outlook (April 1, 2023 through June 30, 2023)
F. Executive Committee – Fourth Quarter Outlook (April 1, 2023 through June 30, 2023)

Prepared by:

Pia Veesapen
Director, Contracts Administration and Materials Management
(714) 560-5619

Approved by:

Andrew Oftelie
Chief Financial Officer,
Finance and Administration
(714) 560-5649

ATTACHMENT A

Board-Approved Contracts - Third Quarter Fiscal Year 2022-2023

NEW AGREEMENTS

Prime Vendor	Contract #	Contract Description	Eff Date	Exp Date	Amount
Infrastructure Management Services, LP	C22704	Pavement Management Services for the 91 Express Lanes	2/22/2023	2/29/2028	$349,950
Mott MacDonald Group, Inc.	C22855	Program Management Consultant Services for Capital Programs	8/24/2023	8/23/2028	$37,800,000
California Coach Orange, Inc.	C22918	FSP Services in Service Areas 2 and 9	12/2/2023	12/1/2029	$25,882,661
Cylinder Enterprises, Inc. dba Finish Line Towing and Transport	C32290	FSP Services for Service Area 4	12/2/2023	12/1/2029	$14,841,508
Beach Town Towing, LLC dba Orange County Motor Club	C32291	FSP Services for Service Area 7	12/2/2023	12/1/2029	$7,592,969
Keolis Transit Services, LLC	C22578	Management, Operation, and Maintenance of the Contracted Fixed-Route Bus Services	6/11/2023	6/10/2027	$286,286,201
Carpe Datum	C22575	Provide System Manager and Business Analyst Support Services	3/3/2023	3/31/2025	$591,600
Trillium USA Company, LLC dba Trillium	C22898	Provide CNG Fueling Facility Operations and Maintenance	3/1/2023	2/28/2026	$471,600
Stantec Consulting Services, Inc.	C23003	405 Express Lanes Traffic and Revenue Analysis	4/12/2023	3/31/2023	$300,000
Vicon Enterprise Incorporated	C32331	Installation of Temporary Shoring at Santa Ana Bus Base Bus Wash Building	4/3/2023	5/18/2024	$155,000
Costin Public Outreach Group, Inc.	C22796	Public Outreach Services for State Route 91 Improvement Project Between State Route 55 and State Route 57	4/15/2023	4/30/2029	$1,842,755
TOTAL NUMBER OF CONTRACTS					**11**
TOTAL DOLLAR VALUE					**$376,114,244**

AMENDMENTS TO EXISTING AGREEMENTS

Prime Vendor	Contract #	Contract Description	Eff Date	Exp Date	Amount
Intratek Computer, Inc.	C71949	Amendment No. 4 Continue Providing Contract Technical Staffing Services for Information Technology Technical Positions	4/1/2023	6/30/2023	$1,606,723
Stantec Architecture, Inc.	C90965	Amendment No. 7 Additional Design Services to Prepare the Plans, Specifications, and Estimates for the Transit Security and Operations Center	2/22/2023	12/31/2024	$556,702
P & H Enterprises, Inc. dba Anaheim Fullerton Towing	C91757	Amendment No. 1 Extend Bus Towing Services	4/1/2023	5/31/2023	$65,000
Aliso Viejo Towing and Recovery, Inc.	C02175	Amendment No. 1 Extend Bus Towing Services	4/1/2023	5/31/2023	$65,000
Anew Climate, LLC	C53636	Amendment No. 10 Continue Purchasing Natural Gas and Provide Consulting Services for the Management of the Low Carbon Fuel Standard Program	4/1/2023	3/31/2023	$10,000,000
WKE, Inc.	C71719	Amendment No. 10 Additional Design Support During Construction for the SR 55 Improvement Project between I-405 and I-5	3/13/2023	12/31/2024	$760,000
HDR Construction Control Corporation	C81418	Amendment No. 7 Additional Construction Support Services for the Project	3/13/2013	2/29/2024	$4,617,315
TOTAL NUMBER OF AMENDMENTS					**7**
TOTAL DOLLAR VALUE					**$17,670,740**

CONTRACT CHANGE ORDERS

Prime Vendor	Contract #	Contract Description	Eff Date	Exp Date	Amount
OC 405 Partners	C53843	Contract Change Order No. 145 Remove Existing Overlapping Soundwalls	12/15/2023	12/31/2025	$278,249
Abajian Enterprise Doing Business as SoCal Removal	C22147	Contract Change Order No. 2 Additional Demolition and Clearance Services for the I-5 Improvement Project from SR 73 to Oso Parkway	6/1/2023	12/31/2023	$114,227
Walsh Construction Company II, LLC	C71904	Contract Change Order No. 3.3 Removal and Disposal of Contaminated Material	6/1/2023	4/5/2024	$1,500,000
Walsh Construction Company II, LLC	C71904	Contract Change Order No. 16.3 Hand Digging of Overhead Contact System, Traffic Signal, and Streetlight Pole Foundations	6/1/2023	4/5/2024	$250,000
Walsh Construction Company II, LLC	C71904	Contract Change Order No. 18.2 Removal of Buried Man-Made Objects	6/1/2023	4/5/2024	$600,000

Walsh Construction Company II, LLC	C71904	Contract Change Order No. 56.2 Exploratory Potholing	6/1/2023	4/5/2024	$500,000
Walsh Construction Company II, LLC	C71904	Contract Change Order No. 191 Four-Fold and Coiling Doors at the Maintenance and Storage Facility	6/1/2023	4/5/2024	$400,000
Walsh Construction Company II, LLC	C71904	Contract Change Order No. 201 Intumescent Fireproof Coating on Structural Steel at the Maintenance and Storage Facility	6/1/2023	4/5/2024	$450,000
Walsh Construction Company II, LLC	C71904	Contract Change Order No. 86.1 Overhead Contact System and Platform Grounding Conduit	6/1/2023	4/5/2024	$300,000
TOTAL NUMBER OF CONTRACT CHANGE ORDERS					**9**
TOTAL DOLLAR VALUE					**$4,392,476**

AMENDMENTS TO COOPERATIVE AGREEMENTS

Prime Vendor	Contract #	Contract Description	Eff Date	Exp Date	Amount
Caltrans	C81426	Amendment No. 4 Additional Construction Capital and Construction Support Services for the Project	6/1/2023	8/31/2023	$23,660,000
TOTAL NUMBER OF COOPERATIVE AMENDMENTS					**1**
TOTAL DOLLAR VALUE					**$23,660,000**

PURCHASE ORDERS

Prime Vendor	Contract #	Contract Description	Eff Date	Exp Date	Amount
Marsh USA, Inc.	A53245	91 Express Lanes Property, Flood, and Earthquake Insurance	3/1/2023	6/30/2024	$824,000
Mythics, Inc.	A53311	Oracle Software Licenses	5/1/2023	4/30/2024	$532,105
TOTAL NUMBER OF PURCHASE ORDERS					**2**
TOTAL DOLLAR VALUE					**$1,356,105**

OPTION TERMS

Prime Vendor	Contract #	Contract Description	Eff Date	Exp Date	Amount
National Data & Surveying Services, Inc., doing business as Southland Car Counters	C81850	Amendment No. 2 Exercise the Second Option Term to Continue Providing Collection of Bus Ridership Information Through Schedule Checking Activities for Fixed-Route Schedule Services	2/1/2023	1/31/2024	$164,212
Chandler Asset Management	C71813	Amendment No. 1 to Exercise First Option Term for Continued Investment Management Services	4/1/2023	5/31/2025	$3,130,000** Aggregate
Logan Circle Partners, LP	C72062	Amendment No. 1 to Exercise First Option Term for Continued Investment Management Services	4/1/2023	5/31/2025	$3,130,000** Aggregate
Payden & Rygel	C72063	Amendment No. 1 to Exercise First Option Term for Continued Investment Management Services	4/1/2023	5/31/2025	$3,130,000** Aggregate
PFM Asset Management LLC	C72064	Amendment No. 1 to Exercise First Option Term for Continued Investment Management Services	4/1/2023	5/31/2025	$3,130,000** Aggregate
Init Innovations in Transportation, Inc.	C60942	Amendment No. 6 to Exercise the Third Option Term for Extended Warranty Coverage and Annual Maintenance of the Fare Collection Mobile Ticketing Validators	5/1/2023	4/30/2024	$154,947
Clarity Partners, LLC	C91083	Amendment No. 3 to Exercise the First Option Term to Provide License Renewals for Budget and Forecasting Software	3/19/2023	3/18/2025	$193,553
TOTAL NUMBER OF AMENDMENTS					**7**
TOTAL DOLLAR VALUE					**$3,642,712**

** Maximum Obligation Amount is Shared Among the Four On-call Consultants

ATTACHMENT B

REGIONAL TRANSPORTATION PLANNING COMMITTEE - Fourth Quarter Outlook (April 1, 2023 through June 30, 2023)

Committee Date	Item Description	Estimated Value	Division
April 3, 2023	Cooperative Agreement with the California Department of Transportation for the Interstate 605 (I-605)/Katella Avenue Interchange Improvement Project	$27,120,000	Capital Programs
	Amendment to Agreement with WKE, Inc., for State Route 91 (SR-91) Improvement Project Between La Palma Avenue and State Route 55 (SR-55)	$1,200,000	Capital Programs
	Amendment to Agreement for Additional Design Services for the I-605/Katella Avenue Interchange Project	$400,000	Capital Programs
May 1, 2023	Consultant Selection for the Construction Management Support Services for the SR-91 Improvement Project Between SR-55 and Lakeview Avenue	$7,500,000	Capital Programs
	Cooperative Agreement with the California Department of Transportation for the SR-55 Improvement Project Between Interstate 5 and SR-91 Right-of-Way Services	$5,363,000	Capital Programs
	Consultant Selection with Center for Demographic Research at California State University, Fullerton	$405,743	Planning
June 5, 2023	None.		

ATTACHMENT C

TRANSIT COMMITTEE - Fourth Quarter Outlook (April 1, 2023 through June 30, 2023)

Committee Date	Item Description	Estimated Value	Division
April 13, 2023	OC Streetcar Revised Funding Plan and Amendments to Supporting Agreements	$16,355,000	Capital Programs
	Consultant Selection for Concrete Repairs at Fullerton Park and Ride	$72,888	Capital Programs
	Consultant Selection to Enable Ticket Validation for OC Streetcar	$14,472,028	Finance and Administration
	Amendment to Agreement for the OC ACCESS Eligibility Determination Services	$2,038,620	Operations
	Consultant Selection for the Purchase of a Hi-Rail Bucket Truck with Articulating Lift for Use on the OC Streetcar System	$459,980	Operations
	Consultant Selection for the 2024 Orange County Transit Vision Master Plan	$349,995	Planning
May 11, 2023	Amendment to Cooperative Agreements with Non-Profit Agencies to Provide Senior Mobility Program Services	$299,585	Operations
	Amendments to Cooperative Agreements with Special Agencies for the Provision of Transportation Services	$4,377,456	Operations
	Consultant Selection for Security Gates Installation at Anaheim, Garden Grove and Santa Ana Bus Bases	$3,385,000	Capital Programs
	Construction Management Services for Transit Security Operations Center	$5,000,000	Capital Programs

TRANSIT COMMITTEE - Fourth Quarter Outlook (April 1, 2023 through June 30, 2023)

Committee Date	Item Description	Estimated Value	Division
	Amendment to Agreement for Infor Enterprise Asset Management System Implementation	$738,920	Finance and Administration
June 8, 2023	None		

ATTACHMENT D

FINANCE AND ADMINISTRATION COMMITTEE - Fourth Quarter Outlook (April 1, 2023 through June 30, 2023)

Committee Date	Item Description	Estimated Value	Division
April 12, 2023	None		
April 26, 2023	Consultant Selection for Information Technology Technical Staffing	$23,621,941	Finance and Administration
	Amendment to Agreement for Health Insurance Brokerage Services	$580,000	People and Community Engagement
May 10, 2023	None		
May 24, 2023	None		
June 14, 2023	None		
June 28, 2023	None		

ATTACHMENT E

LEGISLATIVE AND COMMUNICATIONS COMMITTEE - Fourth Quarter Outlook (April 1, 2023 through June 30, 2023)

Committee Date	Item Description	Estimated Value	Division
April 20, 2023	Exercise Option-Term For Design and Production Services for the Bus Service Change Materials	$50,000	People and Community Engagement
	Consultant Selection for Public Outreach for Environmental Phase of Interstate 5 El Toro Road Interchange Project	$349,850	People and Community Engagement
	Consultant Selection for On-Call Planning Studies Public Outreach Consultant Services	$300,000	People and Community Engagement
	Exercising Option-Term for Rideshare Average Vehicle Ridship Calculation Services	$189,380	People and Community Engagement
	Amendment to Agreement for Public Outreach Consultant Services for Rail Capital Improvement Projects	$387,000	People and Community Engagement
May 18, 2023	Consultant Selection for Public Outreach Consultant Services for the Interstate 605/Katella Avenue Interchange Project	$400,000	People and Community Engagement
June 15, 2023	Consultant Selection for Ridership Marketing and Customer Communication Consultant Services for the OC Streetcar	$800,000	People and Community Engagement

ATTACHMENT F

EXECUTIVE COMMITTEE - Fourth Quarter Outlook (April 1, 2023 through June 30, 2023)

Committee Date	Item Description	Estimated Value	Division
April 3, 2023	None		
May 1, 2023	Consultant Selection for Security Officer Services	$1,092,000	Chief Executive Officer
June 5, 2023	None		
June 29, 2023	None		

May 24, 2023

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: 91 Express Lanes Financing Documents

Overview

On April 24, 2023, the Orange County Transportation Authority Board of Directors directed staff to move forward with refinancing the $71.42 million of outstanding bonds secured by revenues generated by the 91 Express Lanes. Final approval for the refinancing of the outstanding 91 Express Lanes Bonds and the form of the financing documents for the proposed transaction is presented for review and approval.

Recommendation

Adopt Resolution No. 2023-027, authorizing the issuance of Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2023, in an aggregate principal amount not to exceed $71.42 million, and the execution and delivery of related financing documents. The related financing documents include forms of the Second Supplemental Indenture, Purchase Contract, Preliminary Official Statement, and the form of the Continuing Disclosure Certificate, and taking all other actions necessary in connection with the proposed transaction.

Background

On April 24, 2023, the Orange County Transportation Authority (OCTA) Board of Directors (Board) directed staff to move forward with the issuance of Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2023 (Series 2023 Bonds), in order to refund the outstanding $71.42 million of 91 Express Lanes Bonds issued in July 2013 (Series 2013 Bonds).

The Series 2013 Bonds are callable on August 15, 2023, and can be refunded with tax-exempt bonds. OCTA's debt policy requires that any potential refinancing produces a minimum of three percent net present value (NPV) savings.

Based on market conditions as of May 10, 2023, OCTA can conduct an economic refunding of the Series 2013 Bonds to lock in lower interest rates and achieve NPV savings of approximately $5.6 million, or 8.7 percent, which is consistent to the savings level presented in the staff report when the Board provided authorization to pursue the refinancing on April 24, 2023.

Discussion

Since the Board directed staff to pursue the refinancing on April 24 2023, staff has been working with the financing team to develop the documents for the transaction. These documents are included as attachments to this staff report. The financing documents for the 2023 Bonds have been submitted to the rating agencies for their review and ratings. OCTA staff met with the rating agencies the week of May 15, 2023, to discuss the operating history of the 91 Express Lanes and the proposed financing transaction. It is anticipated that ratings from Moody's Investors Service, S&P Global, and Fitch Ratings will be released by June 9, 2023.

Under the current financing plan, a portion of the indenture required reserves for the Series 2013 Bonds will be released and used to reduce the principal amount of the 2023 Bonds.

Legal Documents

To proceed with the issuance and sale of the 2023 Bonds, OCTA is required to execute several financing documents with other parties to the financing. A listing of the documents is provided below with an accompanying description.

Resolution - The Resolution (Attachment A) is the legal document which authorizes the issuance and sale of the 2023 Bonds, in an amount not to exceed $71.42 million and a true interest cost not to exceed 3.25 percent per annum. The Resolution also approves and delegates to authorized OCTA officers the execution and delivery of certain financing documents in order to accomplish the issuance of the proposed 2023 Bonds, including:

Second Supplemental Indenture - The Second Supplemental Indenture (Attachment B) is the written agreement with the trustee on behalf of the bondholders that specifies the terms and conditions for issuing the 2023 Bonds and also sets forth certain amendments to the 2013 Master Indenture. The Second Supplemental (along with the Master Indenture) describes the bonds being offered, the maturity of the program, the protective covenants, the legal obligations of OCTA, the powers of the trustee, and other terms. The trustee has the responsibility for ensuring that interest and principal payments are made to registered holders of the 2023 Bonds.

Purchase Contract – The Purchase Contract (Attachment C) is the agreement between OCTA and the underwriters that specifies the purchase price of the 2023 Bonds to be paid by the underwriters, the interest rates, maturity dates and principal amounts of the 2023 Bonds, the date, time, and place of the closing of the 2023 Bond issue, the allocation of the expenses incurred in connection with the 2023 Bond issue, the parties' representations to and agreements with each other, and the conditions which OCTA must satisfy before the underwriters become obligated to purchase the bonds. The final pricing for the 2023 Bonds will occur after ratings have been obtained, the Preliminary Official Statement (POS) has been posted, and premarketing efforts completed.

POS – The POS (Attachment D) is the preliminary version of the official statement that discloses material information about the terms of the 2023 Bonds, the plan of finance, including the purpose of the 2023 Bond issue, the security and repayment for the 2023 Bonds, the key facility and operating agreements relating to the 91 Express Lanes, information about OCTA's toll policy, historical and projected toll revenues, investment considerations, and relevant financial and economic characteristics of OCTA and the 91 Express Lanes. It is used by underwriters to market the 2023 Bonds to investors. Although OCTA has retained outside professionals and relies on staff to prepare the POS, the Board has the ultimate responsibility under federal securities laws to review the POS to make sure there are no material misstatements or omissions of material facts.

Continuing Disclosure Certificate – The Continuing Disclosure (Attachment E) is the certificate prepared for the benefit of bondholders outlining the information that OCTA must provide to investors to comply with the Securities and Exchange Commission Rule 15c2-12(b)(5). Under this rule, OCTA is required to provide certain annual financial information and operating data no later than January 15 of each year and notices of the occurrence of certain enumerated events. The financial information and operating data will be filed electronically on an annual basis while any notices will be filed electronically only when an enumerated event occurs.

Costs of Issuance and Underwriter Fees

The costs of issuance expenses for debt issuances are paid at the closing of a financing transaction. These costs include legal fees, financial advisory fees, rating fees, printing, and other miscellaneous expenditures. In addition to these costs, there are also underwriting fees for the refinancing transaction, the total costs of issuance are estimated at approximately $486,885.

Next Steps

If the Board approves the financing documents for the proposed 2023 Bonds, the financing team will release the POS to the investment community. Investors will review the POS and determine their level of interest in the bonds and whether they require additional information from staff and the financing team. Following the release of the POS, an investor presentation will be posted online during the week of June 12, 2023. The presentation will focus on the details of the transaction, including the legal structure. Investors will have the option to contact staff or the underwriting team to request additional information or follow-up meetings.

On June 20, 2023, staff will meet with investors and answer any questions prior to pricing the transaction. Staff will meet with the financing team to review final structuring as it relates to recommended coupons and interest rate levels. Bond pricing is anticipated to occur on June 21, 2023.

Once the 2023 Bonds are sold, staff will be provided with a list of investors and presented a final spreadsheet detailing the costs of the transaction. OCTA's Chief Financial Officer will execute the purchase contract and the transaction is expected to close by June 30, 2023. On the closing date, all legal documents are executed, and funds are exchanged between parties.

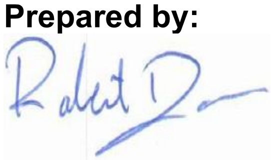
Summary

The form of the financing documents for the proposed Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2023 transaction, is presented for approval to the Finance and Administration Committee and the Board of Directors.

Attachments

A. Orange County Transportation Authority Resolution No. 2023-027
B. Second Supplemental Indenture
C. Purchase Contract
D. Preliminary Official Statement dated [ ], 2023
E. Continuing Disclosure Certificate

Prepared by:



Robert Davis
Department Manager,
Treasury and Public Finance
(714) 560-5675

Approved by:

Andrew Oftelie
Chief Financial Officer,
Finance and Administration
(714) 560-5649

ATTACHMENT A

ORANGE COUNTY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2023-027

AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $71,420,000 AGGREGATE PRINCIPAL AMOUNT OF ORANGE COUNTY TRANSPORTATION AUTHORITY SENIOR LIEN TOLL ROAD REVENUE REFUNDING BONDS (91 EXPRESS LANES), SERIES 2023, AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL INDENTURE PROVIDING FOR THE ISSUANCE OF SAID BONDS, AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE CONTRACT PROVIDING FOR THE SALE OF SAID BONDS, AUTHORIZING DELIVERY OF OTHER DOCUMENTS NECESSARY IN CONNECTION THEREWITH, INCLUDING A CONTINUING DISCLOSURE CERTIFICATE, AUTHORIZING THE CHIEF EXECUTIVE OFFICER, THE CHIEF FINANCIAL OFFICER, THE DIRECTOR OF FINANCE AND ADMINISTRATION AND THE TREASURY AND PUBLIC FINANCE MANAGER TO NEGOTIATE AND SECURE CREDIT ENHANCEMENT OR BOND INSURANCE FOR SAID BONDS, AUTHORIZING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT DESCRIBING SAID BONDS, AND DELEGATING TO THE CHAIR, VICE CHAIR, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, THE DIRECTOR OF FINANCE AND ADMINISTRATION AND THE TREASURY AND PUBLIC FINANCE MANAGER POWER TO COMPLETE SAID DOCUMENTS, AUTHORIZING DISTRIBUTION OF SAID DOCUMENTS AND AUTHORIZING TAKING OF ALL NECESSARY ACTIONS.

WHEREAS, the Orange County Transportation Authority (the "Authority"), pursuant to Section 130240 of the Public Utilities Code of the State of California, is authorized to issue bonds payable solely from the revenues received by the Authority from the ownership and operation of the 91 Express Lanes toll road project;

WHEREAS, on August 8, 2013, the Authority issued the Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2013 in the original aggregate principal amount of $124,415,000 (collectively, the “Prior Bonds”);

WHEREAS, the Authority has determined it advisable to provide for the refunding and redemption of the Prior Bonds by issuing the Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2023 (the "2023 Bonds") pursuant to a Master Indenture of Trust, dated as of August 1, 2013 (the "Master Indenture"), by and between the Authority and U.S. Bank National Association, as prior trustee (the "Prior Trustee"), as supplemented by a Second Supplemental Indenture, dated as of June 1, 2023 (the "Second Supplemental Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association (the "Trustee");

WHEREAS, there has been presented to the Authority a proposed form of the Second Supplemental Indenture;

WHEREAS, Wells Fargo Bank, National Association (the "Representative"), acting on behalf of itself and as representative of J.P. Morgan Securities LLC (each an "Underwriter," and hereinafter collectively referred to as the "Underwriters"), has presented to the Authority a proposed form of purchase contract offering to purchase the 2023 Bonds (such purchase contract being referred to herein as the "Purchase Contract");

WHEREAS, in order to market the 2023 Bonds to potential investors and to comply with applicable securities laws, it will be necessary to prepare a preliminary official statement and final official statement describing the terms and provisions of the 2023 Bonds, the Authority and its transportation program and certain economic and demographic information (such preliminary official statement and official statement being collectively referred to herein at times as the "Official Statement");

WHEREAS, in order to minimize debt service and maximize benefits to the Authority in connection with the issuance of the 2023 Bonds, it may be desirable to obtain bond insurance or other credit enhancement;

WHEREAS, in order to enable the Authority to comply with certain federal requirements relating to disclosure after the issuance of the 2023 Bonds, there has presented to the Authority a proposed form of Continuing Disclosure Certificate (hereinafter referred to as the "Continuing Disclosure Certificate");

WHEREAS, as required by California Government Code Section 5852.1, Wells Fargo Bank, National Association, as Representative of the Underwriters of the 2023 Bonds Bonds, has prepared a good faith estimate of certain costs relating to the 2023 Bonds which is attached hereto as Attachment 1;

WHEREAS, it is now necessary for the Authority to authorize the execution of and approve the forms of the Second Supplemental Indenture, the Purchase Contract, and the Continuing Disclosure Certificate, and to authorize the preparation, distribution and execution of the Official Statement, and to authorize the issuance and sale of the 2023 Bonds pursuant thereto, and to authorize the negotiation of, and the securing of bond insurance or other credit enhancement to provide credit support for the 2023 Bonds and the taking of various actions in connection therewith;

WHEREAS, the Authority has been presented with the form of each document referred to above relating to such financing which is to be approved pursuant to this Resolution, and the Authority has examined and approved each document and desires to authorize and direct the execution and delivery of such documents, the preparation and distribution of the Official Statement, the securing of bond insurance and the consummation of such financing; and

WHEREAS, all acts, conditions and things required by the Act and the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize such financing and to authorize the execution and delivery of the Purchase Contract, the Continuing Disclosure Certificate, the Second Supplemental Indenture, and preparation, execution and distribution of the Official Statement for the purposes, in the manner and upon the terms provided;

NOW, THEREFORE, BE IT RESOLVED by the ORANGE COUNTY TRANSPORTATION AUTHORITY as follows:

Section 1. The issuance by the Authority of not to exceed $71,420,000 aggregate principal amount of Orange County Transportation Authority Senior Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2023, is hereby authorized and approved.

Section 2. The execution and delivery of the Second Supplemental Indenture in the form submitted to the Authority and attached hereto as Exhibit A, and the terms and conditions of the Second Supplemental Indenture, which are hereby incorporated by reference, are hereby ratified and approved. The Chief Executive Officer of the Authority is directed to file a copy of said form of the Second Supplemental Indenture with the minutes of this meeting, and the Chair, Vice Chair, Chief Executive Officer, Chief Financial Officer, Director of Finance and Administration or Treasury and Public Finance Manager (each, an "Authorized Officer") is authorized and directed to execute and deliver the Second Supplemental Indenture, with such additions thereto or changes therein which they may deem necessary or desirable and as counsel to the Authority or Bond Counsel may require or approve, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Second Supplemental Indenture. To the extent not already provided for in the Master Indenture, the dates, maturity date or dates, interest rate or rates (not to exceed 3.25% per annum true interest cost), interest payment dates, forms, denominations, registration and exchange privileges, place or places of payment, terms of redemption and other terms of the 2023 Bonds, including, without limitation, when all or any part of the principal of the 2023 Bonds shall become due and payable, shall be (subject to the foregoing limitations) as provided in the Second Supplemental Indenture as finally executed and delivered.

Section 3. The Authority hereby authorizes and approves the preparation and distribution by the Underwriters of the Official Statement in preliminary and final form describing the 2023 Bonds and certain related matters, a draft of which is attached hereto as Exhibit B. The preliminary Official Statement shall be in such form as is approved and deemed final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, except for information permitted to be omitted therefrom by said Rule 15c2-12, by an Authorized Officer, with such approval to constitute conclusive evidence of the Authority's approval of the preliminary Official Statement. An Authorized Officer of the Authority is hereby authorized and directed to execute and deliver the Official Statement in its final form with such changes from the preliminary Official Statement as they or any of them may approve, such approval to be conclusively evidenced by the execution and delivery of the Official Statement.

Section 4. The proposed form of Purchase Contract, to be dated the date of its execution, and entitled "Purchase Contract," providing for the sale of the 2023 Bonds by the Authority to the Underwriters, submitted to the Authority and attached hereto as Exhibit C, and the terms and conditions of the Purchase Contract, which are hereby incorporated by reference, are hereby approved. The Chief Executive Officer of the Authority is directed to file a copy of said form of Purchase Contract with the minutes of this meeting. The sale of the 2023 Bonds to the Underwriters at the principal amount thereof, less an underwriters' discount of not to exceed 0.40% of such principal amount, calculated as the par amount of the 2023 Bonds, in accordance with said form of Purchase Contract, be and is hereby authorized and approved, and an Authorized Officer of the Authority is authorized and directed to complete, execute and deliver the Purchase Contract in substantially said form, providing for the sale of not to exceed $71,420,000 in aggregate principal amount of the 2023 Bonds, at such principal amounts, interest rates, maturities and discounts and in such series as shall be specified therein, and containing such additions thereto or changes therein as an Authorized Officer of the Authority may deem necessary or desirable and as counsel to the Authority or Bond Counsel may require or approve, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Purchase Contract.

Section 5. The Underwriters are hereby authorized and directed to distribute copies of the Official Statement to persons purchasing the 2023 Bonds.

Section 6. The proposed form of Continuing Disclosure Certificate, to be dated the date of issuance of the 2023 Bonds, and entitled "Continuing Disclosure Certificate", executed by the Authority, submitted to the Authority and attached hereto as Exhibit D, and the terms and conditions thereof, which are hereby incorporated by reference are hereby approved. The Chief Executive Officer of the Authority is directed to file a copy of said form of Continuing Disclosure Certificate with the minutes of this meeting. An Authorized Officer of the Authority is authorized and directed to execute and deliver the Continuing Disclosure Certificate in substantially the form of the Continuing Disclosure Certificate presented to this meeting, with such additions thereto or changes therein as the Authorized Officer of the Authority, with the advice of counsel to the Authority and Bond Counsel, may require or approve, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Continuing Disclosure Certificate.

Section 7. The Chief Executive Officer, the Chief Financial Officer, the Director of Finance and the Treasury and Public Finance Manager of the Authority are hereby authorized and directed to negotiate with bond insurance companies and, if the Chief Executive Officer, the Chief Financial Officer, the Director of Finance and Administration, or the Treasury and Public Finance Manager of the Authority determine that it is in the best interest of the Authority, to commit to purchase bond insurance for one or more maturities of the 2023 Bonds, on such terms as the Chief Executive Officer, the Chief Financial Officer, the Director of Finance and Administration, or the Treasury and Public Finance Manager of the Authority determine are appropriate.

Section 8. The Authorized Officers and other appropriate officers of the Authority, are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, agreements, certificates and representations, including, without limitation, a control agreement, escrow instructions, signature certificates, no-litigation certificates, tax certificates, letters of representation relating to book-entry registration, insurance agreements, reimbursement agreements, agreements required in connection with securing Bond insurance, and certificates concerning the contents of the Official Statement, in preliminary and final form and the representations and warranties in the Purchase Contract, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution.

Section 9. All actions heretofore taken by the officers and agents of the Authority with respect to the issuance, purchase, execution and delivery of the 2023 Bonds are hereby ratified, confirmed and approved.

Section 10. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED on June 12, 2023, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

____

Chair of the Orange County
Transportation Authority

This RESOLUTION was entered into
at a meeting of the Orange County
Transportation Authority held
June 12, 2023, in Orange, California.

Attest:

____

Clerk of the Board

Approved as to Form

By: __________________________________

General Counsel to Authority

ATTACHMENT 1 TO BOARD RESOLUTION

GOOD FAITH ESTIMATES

ORANGE COUNTY TRANSPORTATION AUTHORITY
SENIOR LIEN TOLL ROAD REVENUE REFUNDING BONDS (91 EXPRESS LANES),
SERIES 2023

The following information was obtained from Wells Fargo Bank, National Association, as Representative of the Underwriters of the Series 2023 Bonds, for consideration prior to the authorization in the foregoing Resolution of the proposed Series 2023 Bonds:

1. True Interest Cost of the Series 2023 Bonds. Assuming an aggregate principal amount of the Series 2023 Bonds in the amount of $48,100,000* is sold pursuant to the financing plan and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Series 2023 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Series 2023 Bonds, is 2.629%*.

2. Finance Charge of the Series 2023 Bonds. Assuming such a principal amount of the proposed Series 2023 Bonds is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the Finance Charge of the Series 2023 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the issuance of the Series 2023 Bonds), is $486,885*.

3. Amount of Proceeds to be Received. Assuming such aggregate principal amount of the proposed Series 2023 Bonds required to effectuate the financing is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the issuer for sale of the Series 2023 Bonds less the Finance Charge of the Series 2023 Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Series 2023 Bonds, is $52,353,435*.

4. Total Payment Amount. Assuming such aggregate principal amount of the proposed Series 2023 Bonds ($48,100,100*) are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the issuer will make to pay debt service on the Series 2023 Bonds plus the Finance Charge of the Series 2023 Bonds described in paragraph 2 above not paid with the proceeds of the Series 2023 Bonds, calculated to the final maturity of the Series 2023 Bonds, is $58,508,306*.

* Preliminary, subject to change

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of the Series 2023 Bonds sales, the amount of Series 2023 Bonds sold, the amortization of the Series

2023 Bonds sold and market interest rates at the time of each sale. The date or dates of sale and the amount of Series 2023 Bonds sold will be determined by the Authority based on need for funds and other factors. The actual interest rates at which the Series 2023 Bonds will be sold will depend on the bond market at the time of sale. The actual amortization of the Series 2023 Bonds will also depend, in part, on market interest rates at the time of each sale. Market interest rates are affected by economic and other factors beyond the Authority's control.

SECOND SUPPLEMENTAL INDENTURE

Dated as of June 1, 2023

By and Between

ORANGE COUNTY TRANSPORTATION AUTHORITY

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
as Successor Trustee
Relating to the

$_________
ORANGE COUNTY TRANSPORTATION AUTHORITY
SENIOR LIEN TOLL ROAD REVENUE REFUNDING BONDS
(91 EXPRESS LANES), SERIES 2023

SECOND SUPPLEMENTAL INDENTURE

This SECOND SUPPLEMENTAL INDENTURE OF TRUST, dated as of June 1, 2023 (this "Second Supplemental Indenture"), is between the Orange County Transportation Authority ("OCTA"), a public agency duly formed and existing under and pursuant to the laws of the State of California, and U.S. Bank Trust Company, National Association, a national banking association organized and existing under the laws of the United States, as successor trustee (the "Trustee") and supplements that certain Master Indenture of Trust, dated as of August 1, 2013 (the "Master Indenture"), by and between OCTA and the Trustee.

RECITALS

WHEREAS, Sections 2.1 and 2.9 of the Master Indenture provide for the issuance of one or more series of Bonds (as defined therein), and Section 10.2 thereof provides for the execution and delivery of Supplemental Indentures setting forth the terms of such Bonds;

WHEREAS, Section 2.9 of the Master Indenture provides for the issuance of Refunding Bonds issued as Senior Lien Bonds without satisfying the provisions of Section 2.11 of the Master Indenture if all of the Outstanding principal amount of the Bonds is to be defeased and/or redeemed with the proceeds of the Refunding Bonds;

WHEREAS, OCTA, by execution and delivery of this Second Supplemental Indenture and in compliance with the provisions of the Master Indenture, wishes to set forth the terms of its $__________ Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2023 (the "Series 2023 Bonds"), which constitute Senior Lien Bonds and Refunding Bonds, to provide for the deposit and use of the proceeds from the sale of the Series 2023 Bonds to refund and defease the Series 2013 Bonds (which constitute all of the Outstanding Bonds under the Indenture) and make other provisions pertaining thereto; and;

WHEREAS, since as of the effective date of this Second Supplemental Indenture, the Series 2023 Bonds will be the only Outstanding Bonds under the Master Indenture, the amendments to the Master Indenture contained herein do not require the consent of any Owners;

NOW, THEREFORE, OCTA and the Trustee agree as follows, each for the benefit of the other and of Owners of the Series 2023 Bonds issued pursuant to this Second Supplemental Indenture:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions.

The terms defined in this Article I shall, for all purposes of this Second Supplemental Indenture and as applicable, the Master Indenture, have the respective meanings specified herein unless the context clearly requires otherwise. Capitalized terms which are used but not otherwise defined herein shall have the respective meanings ascribed to them in the Master Indenture as amended hereby.

"Annual Debt Service" shall, for purposes of this Second Supplemental Indenture and the Master Indenture, subsection (d) shall be amended in its entirety and subsections (g), (h) and (i) shall be added to the definition of "Annual Debt Service" relating to the calculation of Variable Rate Indebtedness, as follows:

(d) if any of the Outstanding Bonds or Parity Obligations constitute Balloon Indebtedness, or if Bonds or Parity Obligations then proposed to be issued would constitute Balloon Indebtedness, then such amounts thereof as constitute Balloon Indebtedness shall be treated as if such Bonds or Parity Obligations were to be amortized (i) pursuant to the anticipated repayment schedule relating to such Balloon Indebtedness, or (ii) if there is no anticipated repayment schedule relating to such Balloon Indebtedness, in substantially equal annual installments of debt service over a term equal to the number of years then remaining to the maturity of such Bonds or Parity Obligations;

(g) if an Outstanding Obligation bears a variable interest rate, the interest rate shall be assumed to be the greater of (a) the daily average interest rate during the 12 months ending with the month preceding the date of calculation, or during such shorter period that the Obligation has been Outstanding, or (b) the rate of interest on that Obligation on the date of calculation;

(h) if Obligations proposed to be issued will be variable interest rate obligations, the interest on which is excluded from gross income for federal income tax purposes, then such obligations shall be assumed to bear interest at an interest rate equal to the average SIFMA Index during the three months preceding the month of calculation;

(i) if Obligations proposed to be issued will be variable interest rate obligations the interest on which is included in gross income for federal income tax purposes, then such obligations shall be assumed to bear interest at an interest rate equal to the 30-day Average SOFR Rate during the three months preceding the month of calculation.

"Authorized Denominations" shall mean $5,000 or any integral multiple thereof.

"Bankruptcy Related Event" shall mean, for purposes of this Second Supplemental Indenture and the Master Indenture,

(a) (i) except with respect to OCTA, an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (A) liquidation, reorganization or other relief in respect of such Person or any of its debts, or of a substantial part of the assets thereof, under any insolvency laws, or (B) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for such Person or for a substantial part of the assets thereof and, in any case referred to in the foregoing subclauses (A) and

(B), such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered; (ii) such Person shall (A) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official therefor or for a substantial part of the assets thereof, (B) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, (C) make a general assignment for the benefit of creditors, (D) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a)(i) of this definition, (E) commence a voluntary proceeding under any insolvency law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any insolvency law, (F) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (A) through (E), inclusive, of this clause (ii), or (G) take any action for the purpose of effecting any of the foregoing;

(b) (i) with respect to the OCTA, an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (A) liquidation, reorganization or other relief in respect to the OCTA or any of its debts secured by Pledged Funds, or of all or a substantial part of the express lanes portion of the Toll Road, under any insolvency laws, or (B) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the OCTA or assets thereof or for all or a substantial part of the express lanes potion of the Toll Road and, in any case referred to in the foregoing subclauses (A) and (B), such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered; (ii) the OCTA shall (A) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official therefor or assets thereof or for all or a substantial part of the express lanes of the Toll Road, (B) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, (C) make a general assignment for the benefit of creditors, (D) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (b) of this definition, (E) commence a voluntary proceeding under any insolvency law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any insolvency law, (F) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (A) through (E), inclusive, of this clause (b)(ii), or (G) take any action for the purpose of effecting any of the foregoing;

(c) solely with respect to the OCTA, (i) the Trustee shall commence a process pursuant to which all or a substantial part of the Trust Estate may be sold or otherwise disposed of in a public or private sale or disposition pursuant to a foreclosure of the Liens thereon securing the Senior Lien Bonds, or (ii) the

Trustee shall commence a process pursuant to which all or a substantial part of the Trust Estate may be sold or otherwise disposed of pursuant to a sale or disposition of such Trust Estate in lieu of foreclosure; or

(d) solely with respect to the OCTA, the Trustee shall transfer, pursuant to directions issued by the Bondholders, funds on deposit in any of the Project Accounts upon the occurrence and during the continuation of an Event of Default under the Indenture for application to the prepayment or repayment of any principal amount of the Senior Lien Bonds other than in accordance with the provisions of the Indenture.

"<u>Bond Year</u>" shall mean that certain period beginning and ending on the dates selected by OCTA in the Tax Certificate with respect to the Series 2023 Bonds.

"<u>Continuing Disclosure Certificate</u>" means the Continuing Disclosure Certificate to be executed and delivered by OCTA on the date of the delivery of the Series 2023 Bonds in order to comply with Securities and Exchange Commission Rule 15c2-12(b)(5).

"<u>Delivery Date</u>" shall mean June __, 2023.

"Escrow Agent"<u> shall mean U.S. Bank Trust Company, National Association, acting as escrow agent under and pursuant to the Escrow Instructions.</u>

"Escrow Fund"<u> shall mean the fund by that name established under and pursuant to the Escrow Instructions.</u>

<u>"Escrow Instructions</u>" shall mean those certain escrow instructions executed and delivered by OCTA and the Escrow Agent on the date of the delivery of the Series 2023 Bonds relating to the deposit and investment of certain funds in connection with the defeasance and redemption of the Prior Bonds.

"<u>Interest Payment Date</u>" shall mean each August 15 and February 15, commencing [August 15, 2023].

<u>"Major Maintenance Reserve Requirement"</u> means $5,000,000 for purposes of this Second Supplemental Indenture as well as the Master Indenture.

"<u>Master Indenture</u>" shall mean that certain Master Indenture of Trust, dated as of August 1, 2013, by and between OCTA and U.S. Bank National Association, as Prior Trustee, as it may be amended and/or supplemented from time to time.

The term "One Month USD LIBOR Rate" shall be replaced with the term "30-day Average SOFR Rate" which shall mean the average of the daily Secured Overnight Financing Rate for the thirty calendar days preceding the date of determination, compounded daily on business days.

"<u>Operating Reserve Requirement</u>" means $3,000,000 for purposes of this Second Supplemental Indenture as well as the Master Indenture.

"Outstanding" or "Bonds Outstanding" or "Outstanding Bonds", subsection (d), shall, for purposes of this Second Supplemental Indenture and Master Indenture, shall be amended in its entirety as follows:

"(d) Bonds that have become due (at maturity, on redemption or otherwise) and for the payment of which sufficient moneys, including interest accrued to the due date, are held by the Trustee or a Paying Agent;"

"Permitted Investments" shall, for purposes of this Second Supplemental Indenture and Master Indenture, include the following:

"(xii) Money Market Funds, shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. Shares may not represent more than 10 percent of the funds or pool's asset;"

Subsection (ix) of the definition of "Permitted Investments" shall be amended in its entirety as follows:

"(ix) Variable and floating rate securities, which are restricted to investments in permitted Federal Agencies and U.S. Government Sponsored Enterprise securities, with a final maturity not to exceed 5 years, which must utilize traditional money market reset indices such as U.S. Treasury Bills, Federal Funds, commercial paper or SOFR. Investments in floating rate securities whose reset is calculated using more than one of the above indices are not permitted, i.e., dual index notes.

"Prior Bonds" shall mean the Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2013-A.

"Record Date" shall mean the first day of the month in which an Interest Payment Date occurs (whether or not such day is a Business Day).

"Senior Lien Bonds Reserve Fund Reserve Fund Requirement" shall mean the amount, if any, set forth in the supplemental indenture relating to the issuance of a Series of Bonds. For the Series 2023 Bonds, the Senior Lien Bonds Reserve Fund Requirement shall mean as of any date of calculation, an amount equal to the least of (i) Maximum Annual Debt Service on all Series 2023 Bonds Outstanding, (ii) one hundred twenty-five percent (125%) of average annual debt service on all Series 2023 Bonds Outstanding and (iii) ten percent (10%) of the initial proceeds of Series 2023 Bonds then Outstanding.

"Series 2023 Bond" or "Series 2023 Bonds" shall mean any or all, as the case may be, of the Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2023, authorized to be issued pursuant to this Second Supplemental Indenture.

The terms "Residual Fund Requirement", "Restricted Payment Conditions" and "Restricted Payment Calculation Date" shall be deleted.

"Second Supplemental Indenture" shall mean this Second Supplemental Indenture, dated as of June 1, 2023, by and between OCTA and the Trustee, as it may be amended and/or supplemented from time to time.

Except as otherwise indicated, references to Articles and Sections are to the Articles and Sections of this Second Supplemental Indenture.

ARTICLE II

FORM, EXECUTION, DELIVERY AND REGISTRATION OF BONDS

Section 2.1. Designation of Series 2023 Bonds; Principal Amount; Purpose of Issue. The Series 2023 Bonds authorized to be issued under the Master Indenture and this Second Supplemental Indenture shall be designated as "Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2023" which shall be issued in the original aggregate principal amount of $________. The Series 2023 Bonds shall be in substantially the form attached hereto as Exhibit A.

The Series 2023 Bonds are being issued for the purposes of refunding and defeasing all of the outstanding Prior Bonds, which constitute all of the Outstanding Bonds under the Master Indenture, and paying Costs of Issuance.

Section 2.2. Terms of the Series 2023 Bonds. The Series 2023 Bonds shall be issued in the principal amounts, shall bear interest at the rates, shall mature and may be subject to redemption prior to their respective maturities, all as hereinafter set forth.

The Series 2023 Bonds shall be issued in fully registered form, without coupons, in Authorized Denominations. Unless OCTA shall otherwise direct, the Series 2023 Bonds shall be numbered as determined by the Trustee.

The Series 2023 Bonds shall be dated the Delivery Date, and shall mature on August 15 in each of the years and amounts, and shall bear interest at the rates, set forth below:

Maturity Date (August 15)	*Principal Amount*	*Interest Rate*

Each Series 2023 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) unless it is authenticated on or before the first Record Date, in which event it shall bear interest from the Delivery Date; provided, that if, as of the date of authentication of any such Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

ARTICLE III

REDEMPTION OF BONDS

Section 3.1. No Redemption. The Series 2023 Bonds are not subject to redemption prior to maturity.

ARTICLE IV

REVENUES AND FUNDS

Section 4.1. Application of Proceeds and Other Funds.

(a) The net proceeds of the sale of the Series 2023 Bonds received by the Trustee, in the amount of $________ ($________ aggregate principal amount, plus an original issue premium of $___________, and less an underwriters' discount of $________,) and other amounts shall be deposited by the Trustee as follows:

(i) the sum of $________ shall be transferred from the Series 2013 Account of the Senior Lien Bonds Reserve Fund and deposited into the Series 2023 Account of the Senior Lien Bonds Reserve Fund in order to fund the Senior Lien Bonds Reserve Fund Requirement with respect to the Series 2023 Bonds, which as of the Delivery Date, equals $___________;

(ii) the sum of $_________ from the net proceeds of the sale of the Series 2023 Bonds received by the Trustee shall be deposited into the Series 2023 Subaccount of the Costs of Issuance Account to be used to pay the Costs of Issuance of the Series 2023 Bonds;

(iii) the sum of $____________ from the net proceeds of the sale of the Series 2023 Bonds received by the Trustee shall be transferred to the Escrow Agent for deposit into the Escrow Fund to be used for the defeasance and redemption of all of the outstanding principal amount of the Prior Bonds in accordance with the Escrow Instructions;

(iv) the sum of (A) $5,000,000 from the Major Maintenance Reserve Fund, (B) $___________ from the Series 2013 Account of the Senior Lien Bonds Reserve Fund (net of amounts transferred from the Series 2013 Account of the Senior Lien Bonds Reserve Fund pursuant to Section 4.1(a)(i) hereof), and (C) $____________ from the Senior Lien Bonds Debt Service Fund, which equals $____________ shall be transferred to the Escrow Agent and deposited into the Escrow Fund to be used for the defeasance and redemption of all of the outstanding principal amount of the Prior Bonds in accordance with the Escrow Instructions.

(b) The Trustee may, in its discretion, establish temporary funds and accounts on its books and records to facilitate such transfers described in this Section.

Section 4.2 Creation of Series 2023 Account in Senior Lien Bonds Reserve Fund. A separate account to be held by the Trustee is hereby created within the Senior Lien Reserve Fund to be designated as the "Series 2023 Account of the Senior Lien Bonds Reserve Fund." As provided in Section 4.1(a)(i) hereof at the time of the issuance of the Series 2023 Bonds, a portion of the amount held in the Series 2013 Account of the Senior Lien Bonds Reserve Fund shall be deposited into the Series 2023 Account of the Senior Lien Bonds Reserve Fund. The Series 2023 Account of the Senior Lien Bonds Reserve Fund shall be established for purposes of calculating and accounting for the amount of earnings upon the portion of the Senior Lien Bonds Reserve Fund related to the Series 2023 Bonds for rebate purposes as set forth in the Tax Certificate, but for all other purposes shall be held, invested and used as an integral part of the Senior Lien Bonds Reserve Fund as provided in Section 4.6 of the Master Indenture and shall be available to make payments on Bonds as if no separate Series 2023 Account had been created.

Section 4.3 Creation of Series 2023 Subaccount of the Costs of Issuance Account. A separate Subaccount to be held by OCTA is hereby created within the Costs of Issuance Account to be designated as the "Series 2023 Costs of Issuance Account." As provided in Section 4.1(a)(ii) hereof, at the time of issuance of the Series 2023 Bonds, a portion of the proceeds shall be deposited into the Series 2023 Subaccount of the Costs of Issuance Account. Funds on deposit in such Subaccount shall be used to pay or to reimburse OCTA for the payment of Costs of Issuance relating to the Series 2023 Bonds.

At such time as all Costs of Issuance have been paid or that no additional amounts from the Series 2023 Subaccount of the Costs of Issuance Account will be needed to pay Costs of Issuance, OCTA shall transfer all amounts then remaining in such Subaccount to Trustee for deposit in accordance with Section 4.1 of the Master Indenture. At such time when no amounts remain in the Series 2023 Subaccount of the Costs of Issuance Account, such Subaccount shall be closed.

Section 4.4 Amendment to Section 4.2(f).

The second paragraph of Section 4.2(f) of the Master Indenture shall be amended in its entirety as follows:

On the 16th day of each month, provided the deposits described in clauses (a) through (f), inclusive, have been made, OCTA may withdraw all remaining Revenues from the Revenue Fund and may use such Revenues for any other purpose authorized under the Act. Upon withdrawal from the Revenue Fund, such funds shall cease to be Pledged Funds and shall be free and clear of the lien of this Indenture.

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ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1. Incorporation by Reference of Master Indenture. Except as in this Second Supplemental Indenture expressly provided, every term and condition contained in the Master Indenture shall apply to this Second Supplemental Indenture and to the Series 2023 Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Second Supplemental Indenture.

This Second Supplemental Indenture and all the terms and provisions herein contained shall form part of the Master Indenture as fully and with the same effect as if all such terms and provisions had been set forth in the Master Indenture. The Master Indenture is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

Section 5.2. Severability. In case any one or more of the provisions of this Second Supplemental Indenture, or any of the Series 2023 Bonds issued hereunder shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Second Supplemental Indenture or of any of the Series 2023 Bonds, and this Second Supplemental Indenture and the Series 2023 Bonds issued hereunder shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

Section 5.3. Covenant Regarding Continuing Disclosure. OCTA covenants for the benefit of the Owners of the Series 2023 Bonds that it will comply with the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Second Supplemental Indenture or the Master Indenture, the failure of OCTA to comply with its obligations under the Continuing Disclosure Certificate shall not be considered an Event of Default; and the sole remedy of such Owners or of the Trustee on behalf of such Owners, in the event of any such failure of OCTA, shall be an action to compel the performance thereof.

Section 5.4. Duties of Trustee. Except as expressly provided in this Second Supplemental Indenture to the contrary, the Trustee shall be subject to all of the duties, rights and obligations set forth in Article IX of the Master Indenture.

Section 5.5. WHEREAS Clause and Granting Clause. The fourth WHEREAS clause and the Granting Clause of the Master Indenture shall, for purposes of this Second Supplemental Indenture and the Master Indenture, be amended in their entirety as follows:

WHEREAS Clause: "WHEREAS, OCTA wishes to provide in this Indenture for the issuance and payment of such bonds and other obligations and the pledge of, and the grant of a security interest in, the Pledged Funds, and the Trustee is willing to accept the trusts provided in this Indenture;"

Granting Clause: "To secure the payment of the Bonds, Parity Obligations, and Reimbursement Obligations (each as defined below) and the other obligations incurred by OCTA pursuant hereto and the performance and observance by OCTA of all the covenants, agreements and conditions expressed or implied herein and contained in the Bonds, Parity Obligations, and the Reimbursement Obligations and such other obligations, OCTA pledges and assigns to the Trustee, and grants to the Trustee a security interest in, all right, title and interest of OCTA, whether now owned or hereafter acquired, in and to the Pledged Funds, for the equal and proportionate benefit and security of all Bonds, Parity Obligations, and Reimbursement Obligations, all of which, regardless of the time or times of their delivery or maturity, shall be of equal rank without preference, priority or distinction as to lien or otherwise of any Bond, Parity Obligation, or Reimbursement Obligation, over any other Bond, Parity Obligation, or Reimbursement Obligation, except as otherwise permitted by or provided for in this Indenture, and except that any funds held by the Trustee for the payment of specific Bonds, Parity Obligations, or Reimbursement Obligations, which are deemed to have been paid and any funds deposited with the Trustee hereunder specifically to be held in escrow or otherwise to provide additional security or an additional source of payment for specified Bonds (or series thereof), Parity Obligations, or Reimbursement Obligations shall be held and used only to pay or provide security for the Bonds (or series thereof), Parity Obligations, or Reimbursement Obligations for which such deposit was made and shall not be held as security on parity for all Bonds, Parity Obligations, and Reimbursement Obligations.

Section 5.6 No Acceleration. For purposes of this Second Supplemental Indenture and the Master Indenture, Section 8.2 shall be amended to add the following at the end:

"Notwithstanding anything in the Master Indenture or a Supplemental Indenture to the contrary neither the Trustee nor any Owner shall be entitled to declare the principal of all the Bonds then Outstanding and the interest accrued thereon to be due and payable immediately."

Section 5.7 Amendment to Section 2.9. The first paragraph of Section 2.9, subsection (i) is amended in its entirety as follows:

"(i) paying for improvements or betterments to the Toll Road, rail and transit improvements or connectivity projects relating to the Toll Road, paying for any phase of project delivery to make capital improvements to onramps, connector roads, roadways, bridges, or other structures that are related to the tolled and nontolled facilities on State Highway Route 91 between State Highway Route 57 to the west and the Orange and Riverside county line to the east:"

Section 5.8 Effective Date. This Second Supplemental Indenture and the amendments to the Master Indenture made hereby shall be effective upon the date of the delivery of the Series 2023 Bonds to the original purchasers thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Indenture to be duly executed all as of the date first above written.

ORANGE COUNTY TRANSPORTATION AUTHORITY

By: ________________________________
Its: Chief Financial Officer

Approved as to form:

____
General Counsel to OCTA

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Successor Trustee

By: ________________________________
Its: Authorized Officer

EXHIBIT A

FORM OF SERIES 2023 BOND

R- $______________

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co., or such other name as requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL in as much as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry only transfers through DTC and notwithstanding any other provision of the Indenture to the contrary, a portion of the principal amount of this Bond may be paid or redeemed without surrender hereof to the Trustee, DTC or a nominee, transferee or assignee of DTC of this Bond may not rely upon the principal amount indicated hereon as the principal amount hereof outstanding and unpaid. The principal amount hereof outstanding and unpaid shall for all purposes be the amount determined in the manner provided in the Indenture.

ORANGE COUNTY TRANSPORTATION AUTHORITY
SENIOR LIEN TOLL ROAD REVENUE REFUNDING BONDS
(91 EXPRESS LANES)
SERIES 2023

This Bond does not constitute a debt or liability of the State of California or any political subdivision thereof, other than the Orange County Transportation Authority or a pledge of the faith and the credit of the State of California or any political subdivision thereof, but shall be payable solely from the Pledged Funds.

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP NO.
___%	August 15, ____	_______________	__________

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ___________ AND NO/100 DOLLARS

The ORANGE COUNTY TRANSPORTATION AUTHORITY ("OCTA"), a public agency duly formed and existing under and pursuant to the laws of the State of California, for value received, hereby promises to pay (but solely out of the funds hereinafter mentioned) to the registered owner specified above or registered assigns (the "Owner") the principal amount stated above on the maturity date stated above and to pay interest thereon at the interest rate specified above to the Owner hereof as of the close of business of the first day of the month in which an Interest Payment Date occurs (as defined herein) (the "Record Date") on each August 15 and February 15, commencing on [August 15, 2023] (each such date, an "Interest Payment Date") by bank check of U.S. Bank Trust Company, National Association (the "Trustee"), trustee, sent by first class mail to such Owner at the address of such Owner as it appears on the register kept by the Registrar or at such other address as has been furnished to the Registrar in writing by such Owner, or in immediately available funds (by wire transfer to an account within the United States or by deposit to such an account of the Owner if such account is maintained with the Trustee), but only to any Owner which owns Series 2023 Bonds in an aggregate principal amount of at least $1,000,000 on the Record Date, according to the written instructions given by such Owner to the Registrar or, if no such instructions have been provided as of the Record Date, by check mailed by first class mail on the Interest Payment Date to the Owner at such Owner's address as it appears as of the Record Date on the registration books of the Registrar or at such other address as provided by such Owner to the Registrar.

This Bond is one of a duly authorized issue of Bonds of OCTA designated "Orange County Transportation Authority, Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2023," issued in an aggregate initial principal amount of ___________ Dollars ($________) (the "Bonds" or the "Series 2023 Bonds"). The Bonds are issued pursuant to Section 130240 of the California Public Utilities Code, and under the Master Indenture of Trust dated as of August 1, 2013, by and between OCTA and the Trustee, as supplemented and amended from time to time, including as supplemented and amended by the Second Supplemental Indenture dated as of June 1, 2023 (such Master Indenture of Trust, as so supplemented, the "Indenture"). Copies of the Indenture are on file with OCTA and the Trustee. Capitalized terms which are not otherwise defined herein shall have the respective meanings ascribed to them in the Indenture.

Each Series 2023 Bond is issued in a denomination of $5,000 or any integral multiple thereof (an "Authorized Denomination") and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) unless it is authenticated on or before the first Record Date, in which event it shall bear interest from the Delivery Date; provided, that if, as of the date of authentication of any such Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment. Both principal of and interest on this Series 2023 Bond are payable in lawful money of the United States of America, and (except for interest, which is payable by check as stated above) are payable upon presentation of this Series 2023 Bond at the Principal Office of the Trustee in Los Angeles, California or such other place as may be designated by the Trustee. Interest on this Series 2023 Bond shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Payments of defaulted interest with respect to this Bond shall be paid by check to the Owner thereof as of a special record date to be fixed by the Trustee, notice of which special record date shall be given to the Trustee and sent to the Owner of this Bond by first class mail, postage prepaid, not less than ten days prior thereto.

Neither the faith and the credit nor the taxing power of the State of California or any political subdivision thereof is pledged to the payment of the principal of, or interest on, this Series 2023 Bond. This Series 2023 Bond does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the governing board of OCTA nor any persons executing this Series 2023 Bond are liable personally on this Series 2023 Bond by reason of its issuance.

OCTA and the Trustee may treat the Owner of this Series 2023 Bond (as evidenced by the Registrar's registration books) as its absolute Owner for all purposes, and OCTA and the Trustee shall not be affected by any notice to the contrary.

All of the Series 2023 Bonds are secured in accordance with the terms of the Indenture, reference to which is hereby made for a specific description of the security provided for the Series 2023 Bonds, for the nature, extent and manner of enforcement of such security, for the covenants and agreements made for the benefit of the Owners of the Series 2023 Bonds, and for a statement of the rights of the Owners of the Series 2023 Bonds. By the acceptance of this Series 2023 Bond the Owner hereof consents to all of the terms, conditions and provisions of the Indenture including but not limited to the limitations on the exercise of certain remedies set forth therein. The Indenture and the rights and obligations of OCTA and of the Owner may be modified or amended in the manner provided in the Indenture.

The Series 2023 Bonds and the interest thereon (to the extent set forth in the Indenture), together with any obligations of OCTA payable from Pledged Funds on a parity basis with the Series 2023 Bonds (the "Parity Debt") outstanding and hereafter issued by OCTA, and the interest thereon, and any premium due upon the redemption thereof, are limited obligations payable from, and are secured by a charge and lien on, Pledged Funds, and certain funds held by the Trustee under the Indenture, in the lien priority specified therein. All of the Series 2023 Bonds and Parity Debt are equally secured by a pledge of, and charge and lien upon, all Pledged Funds, and the Pledged Funds constitute a trust fund for the security and payment of the interest on and principal of the Bonds, but nevertheless out of Pledged Funds certain amounts may be applied for other purposes as provided in the Indenture

The Series 2023 Bonds are not subject to redemption prior to maturity.

This Series 2023 Bond is issued in fully registered form and is negotiable upon proper transfer of registration. This Series 2023 Bond may be exchanged for an aggregate principal amount of the Series 2023 Bonds in an Authorized Denomination. This Series 2023 Bond is transferable by the Owner in person or by his attorney duly authorized in writing, at the Principal Office of the Registrar, upon surrender and cancellation of this Series 2023 Bond but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture. Upon transfer, a new Series 2023 Bond of any Authorized Denomination for the same aggregate principal amount will be issued to the transferee in exchange therefor.

This Series 2023 Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon shall have been signed by the Trustee.

It is hereby recited, certified and declared that any and all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Series 2023 Bond exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of California.

IN WITNESS WHEREOF, THE ORANGE COUNTY TRANSPORTATION AUTHORITY has caused this Bond to be executed in its name and on its behalf by its Chairman and countersigned by its Chief Financial Officer, all as of the __ day of July, 2023.

[SEAL]

ORANGE COUNTY TRANSPORTATION AUTHORITY

By ______________________________________
Chair

By ______________________________________
Chief Financial Officer

Approved as to form:

By:___________________________________
General Counsel to OCTA

[FORM OF CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within-mentioned Indenture and authenticated on the date set forth below.

Dated: _____________

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

By: ___________________________________
Its: Authorized Officer

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto

____

____

____

(Name, Address and Tax Identification or Social Security Number of Assignee) the within-registered Bond and hereby irrevocably constitute(s) and appoints(s) ____, attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: __________________

Signature Guaranteed:

____

Note: Signature(s) must be guaranteed by an eligible guarantor institution.

Signature:

____

The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within registered Bond in every particular without alteration or enlargement or any change whatsoever.

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$[PAR]
ORANGE COUNTY TRANSPORTATION AUTHORITY
(ORANGE COUNTY, CALIFORNIA)
SENIOR LIEN TOLL ROAD REVENUE REFUNDING BONDS (91 EXPRESS LANES), SERIES 2023

PURCHASE CONTRACT

[__________], 2023

Orange County Transportation Authority
550 South Main Street
Orange, California 92863-1584

Ladies and Gentlemen:

Wells Fargo Bank, National Association (the "Representative"), acting on behalf of itself and as representative of J.P. Morgan Securities LLC (each an "Underwriter," and hereinafter collectively referred to as the "Underwriters"), offers to enter into this Purchase Contract with the Orange County Transportation Authority ("OCTA"). The offer made hereby is subject to acceptance by OCTA by execution and delivery of this Purchase Contract at or prior to 11:59 p.m., California time, on the date first above written, and if not so accepted will be subject to withdrawal by the Representative upon notice delivered to OCTA at any time prior to the acceptance hereof by OCTA. Upon acceptance of this offer by OCTA in accordance with the terms hereof, this Purchase Contract will be binding upon OCTA and upon each of the Underwriters. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Master Indenture of Trust, dated as of August 1, 2013, as supplemented and amended from time to time pursuant to its terms, including as supplemented and amended by a Second Supplemental Indenture, dated as of [CLOSING MONTH] 1, 2023 (collectively, the "Indenture"), between OCTA and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee").

The Representative represents and warrants to OCTA that it has been duly authorized to act hereunder on behalf of itself and on behalf of each of the other Underwriters.

Section 1. **<u>Purchase and Sale of the Bonds</u>.** Upon the terms and conditions and in reliance upon the representations, warranties, covenants and agreements hereinafter set forth, the Underwriters jointly and severally hereby agree to purchase from OCTA, and OCTA hereby agrees to sell to the Underwriters, all (but not less than all) of the $[PAR] aggregate principal amount of the Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2023 (the "Bonds").

The purchase price for the Bonds shall be $[__________] (which purchase price is equal to $[PAR] aggregate principal amount of the Bonds, [plus/less] a [net] original issue [premium/discount] of $[__________], less an underwriters' discount of $[__________].

The Bonds, the Indenture and the Continuing Disclosure Certificate, relating to the Bonds, to be dated the date of issuance of the Bonds (the "Continuing Disclosure Certificate"), to be executed and delivered by OCTA, have been approved by a resolution (the "Bond Resolution"), adopted by the Board of Directors of OCTA on June 12, 2023.

Section 2. **The Bonds**. The Bonds shall be issued pursuant to and in accordance with the provisions of Section 130240 of the Public Utilities Code of the State of California (as more fully defined in the Indenture, the "Act"), the Bond Resolution and the Indenture.

The Bonds shall be dated their date of delivery, shall bear interest at the rates and shall mature in such amounts and on such dates as are set forth in Schedule I attached hereto and shall pay interest semiannually on each August 15 and February 15, commencing [August 15, 2023].

The proceeds of the Bonds, together with other funds, will be applied to: (a) refund, on a current basis, all of the outstanding Orange County Transportation Authority Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2013 (the "Series 2013 Bonds") and (b) pay costs of issuance of the Bonds. The Bonds shall be substantially in the forms described in, shall be issued and secured under the provisions of, and shall be payable as provided in the Indenture.

OCTA acquired the Toll Road pursuant to an Asset Purchase Agreement, dated as of November 25, 2002 (the "Asset Purchase Agreement"), by and between OCTA, California Private Transportation Company, L.P. ("CPTC") and CPTC, LLC ("CPTC, LLC"). Concurrently with the execution of the Asset Purchase Agreement, CPTC and CPTC, LLC assigned the Contract Rights and the Proprietary Rights (as such terms are defined in the Asset Purchase Agreement) to OCTA pursuant to an Assignment of Contract Rights and an Assignment of Proprietary Rights, each dated January 3, 2003 (hereinafter collectively referred to as the "Toll Road Assignments") and OCTA assumed the Assumed Liabilities (as such term is defined in the Asset Purchase Agreement) pursuant to an Assumption of Certain Liabilities, dated January 3, 2003 (the "Assumption of Liabilities").

Contracts assigned and assumed included (i) the Amended and Restated Franchise Agreement, entered into and effective as of June 30, 1993 (as amended and supplemented from time to time, the "Franchise Agreement"), entered into by and between the State of California Department of Transportation ("Caltrans") and CPTC, as assignee of the California Private Transportation Corporation; (ii) the Lease Agreement, entered into as of June 30, 1993 (as amended and supplemented from time to time, the "Lease"), by and between CPTC and Caltrans; (iii) the Letter in Lieu of Title Insurance, dated June 30, 1993 (the "Covenant Letter"), delivered by Caltrans to CPTC; (iv) the Maintenance Services Agreement, dated as June 30, 1993 (the "Maintenance Services Agreement"), between CPTC and Caltrans; and (v) the Police Services Agreement, dated June 19, 2019 (the "Police Services Agreement"), between OCTA and the California Highway Patrol.

In connection with the expansion of the SR 91 express lanes into Riverside County (the "RCTC Toll Road"), OCTA entered into (i) the Cooperative Agreement for State Route 91 Express Lanes and Corridor Improvements Between Riverside County Transportation Commission and OCTA, dated December 16, 2011 (the "Cooperative Agreement"), by and between the Riverside

County Transportation Commission ("RCTC") and OCTA and (ii) OCTA Agreement No. C-9-1177/RCTC Agreement No. 19-31-059-00, entered into January 28, 2020 (the "Joint Operating Agreement"), by and among OCTA, RCTC and Cofiroute USA, LLC, to provide for the maintenance and operation of the Toll Road in Orange County and RCTC Toll Road in Riverside County. In addition, OCTA has agreed to enter into (i) a Master Custodial Account Agreement (the "Master Custodial Account Agreement") with a financial institution to provide for the deposit and distribution of tolls and other non-toll revenues relating to the Toll Road and (ii) OCTA Agreement No. C-7-1911, effective June 14, 2018 (the "Toll Lanes System Integrator Services Agreement"), by and between OCTA and Kapsch TrafficCom USA, Inc., for integration and maintenance of all aspects of the toll collection system.

The Asset Purchase Agreement, the Toll Road Assignment, the Assumption of Liabilities, the Franchise Agreement, the Lease, the Covenant Letter, the Maintenance Services Agreement, the Police Services Agreement, the Existing Operating Agreement, the Cooperative Agreement, the Joint Operating Agreement, the Master Custodial Account Agreement, and the Toll Lanes System Integrator Services Agreement are hereinafter collectively referred to as the "Toll Road Documents."

Section 3. **Official Statement.** OCTA hereby ratifies, approves and confirms the distribution by the Underwriters of the Preliminary Official Statement, dated [POS DATE], 2023 (together with the Appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto, the "Preliminary Official Statement"), in connection with the offering and sale of the Bonds prior to the availability of the Official Statement, including, without limitation, the distribution by the Underwriters of the Preliminary Official Statement in electronic form. OCTA represents and warrants that the Preliminary Official Statement was deemed final by OCTA as of the date of the Preliminary Official Statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), except for those matters permitted by Rule 15c2-12 to be omitted therefrom, including maturity amounts, interest rates, ratings, underwriters' discount and related terms.

OCTA shall deliver or cause to be delivered to the Underwriters, at its expense, no later than the earlier of (a) seven (7) business days after the date of this Purchase Contract or (b) one (1) business day prior to the Closing Date, its Official Statement, dated the date hereof, substantially in the form of the Preliminary Official Statement, with only such changes therein as have been accepted by the Representative (the Preliminary Official Statement with such changes and including the cover page and all appendices thereto, being herein called the "Official Statement"), signed on behalf of OCTA by its Chief Financial Officer or other authorized officer of OCTA acceptable to the Representative, in such quantity as may be requested by the Underwriters in order to permit the Underwriters to comply with Rule 15c2-12, and the applicable rules of the Municipal Securities Rulemaking Board (the "MSRB"), with respect to distribution of the Official Statement. OCTA shall prepare the Official Statement, including any amendments thereto, in word-searchable PDF format as described in the MSRB's Rule G-32 and shall provide the electronic copy of the word-searchable PDF format of the Official Statement to the Underwriters no later than one (1) business day prior to the Closing Date to enable the Underwriters to comply with MSRB Rule G-32.

If between the date of this Purchase Contract and up to and including the 25th day following the end of the underwriting period (as such term is defined in Rule 15c2-12) an event occurs, of which OCTA has knowledge, which might or would cause the information relating to the Bonds, OCTA, its functions, duties and responsibilities contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, OCTA will notify the Representative, and if in the reasonable opinion of the Representative such event requires the preparation and publication of a supplement or amendment to the Official Statement, OCTA will amend or supplement the Official Statement in a form and in a manner approved by OCTA and the Representative. The Closing Date (as hereinafter defined) shall be deemed to be the end of the underwriting period unless the Representative shall have otherwise advised OCTA in writing.

At or prior to the Closing (as hereinafter defined), the Representative shall file the Official Statement, or cause the Official Statement to be filed, with the Municipal Securities Rulemaking Board (the "MSRB").

Section 4. Public Offering of the Bonds. The Underwriters agree to make a bona fide initial public offering of all the Bonds at prices no higher than, or yields not lower than, those set forth on Schedule I hereto. Subsequent to such initial public offering but subject to the provisions set forth in Section 5 below, the Underwriters reserve the right to lower such initial offering prices as the Underwriters deem necessary in connection with the marketing of the Bonds; provided, however, that the Underwriters shall not change the interest rates set forth in Schedule I. Subject to the provisions set forth in Section 5 below, the Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial public offering price or prices set forth on Schedule I hereto. The Underwriters also reserve the right to: (i) over-allot or effect transactions which stabilize or maintain the market price of the Bonds at levels above those that might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time without prior notice.

Section 5. Establishment of Issue Price. (a) The Representative, on behalf of the Underwriters agrees to assist the OCTA in establishing the issue price of the Bonds and shall execute and deliver to the OCTA at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the OCTA and Bond Counsel (as defined herein), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the OCTA under this section to establish the issue price of the Bonds may be taken on behalf of the OCTA by the OCTA's municipal advisor, Sperry Capital Inc. (the "Municipal Advisor"), and any notice or report to be provided to the OCTA may be provided to the OCTA's Municipal Advisor.

(b) Except as otherwise set forth in Schedule I attached hereto, the OCTA will treat the first price (meaning single) at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Contract, the Representative shall report to the OCTA the price or prices at which the Underwriters have sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, unless the hold-the-offering-price rule (described below) applies to such maturity, the Representative agrees to promptly report to the OCTA the prices at which Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined herein) has occurred, until either (i) the Underwriters have sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Representative's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the OCTA or Bond Counsel (as defined herein). For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Representative confirms that the Underwriters have offered the Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Bonds for which the Representative represents that (i) the 10% test has been satisfied (assuming orders are confirmed by the end of the day immediately following the day of execution of this Purchase Contract) and (ii) the 10% test has not been satisfied and for which the OCTA and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the OCTA to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the OCTA promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Representative confirms that:

(1) any agreement among underwriters, any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriters, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(i) (A) unless the hold-the-offering price rule applies to a maturity, to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (B) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires;

(ii) to promptly notify the Representative of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below); and

(iii) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(2) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) unless the hold-the-offering price rule applies to a maturity, report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such underwriter or dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the underwriter or the dealer and as set forth in the related pricing wires.

(e) The OCTA acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The OCTA further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Underwriters acknowledge that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(1) "public" means any person other than an underwriter or a related party;

(2) "underwriter" means (A) any person that agrees pursuant to a written contract with the OCTA (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);

(3) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(4) "sale date" means the date of execution of this Purchase Contract by all parties.

Section 6. **Use of Documents.** OCTA hereby authorizes the Underwriters to use, in connection with the public offering and sale of the Bonds, the Indenture, the Continuing Disclosure Certificate, the Escrow Instructions, dated as of [CLOSING MONTH] 1, 2023 (the "Escrow Instructions"), from OCTA to U.S. Bank Trust Company, National Association, as escrow agent (the "Escrow Agent"), the Toll Road Documents, this Purchase Contract, the Preliminary Official

Statement, the Official Statement and the information contained herein and therein. The Indenture, the Continuing Disclosure Certificate, and the Escrow Instructions are hereinafter collectively referred to as the "Financing Documents."

Section 7. **Closing.** At 9:00 a.m., California time, on [CLOSING DATE], 2023 (the "Closing Date"), or at such other date and time as shall have been mutually agreed upon by OCTA and the Representative, OCTA will deliver or cause to be delivered, the Bonds and the certificates, opinions and documents specified in Section 9 hereof, each of which shall be dated as of the Closing Date or as of such other date as shall be acceptable to the Representative. Such delivery is herein called the "Closing."

On the Closing Date, OCTA will deliver, or cause to be delivered, to the Trustee, acting as FAST Agent for The Depository Trust Company ("DTC"), the Bonds in definitive or final form, duly executed by OCTA and authenticated by the Trustee, and the Representative will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer of immediately available funds. The Bonds will be in printed, lithographed, or typewritten form, will be prepared and delivered in registered form, bearing CUSIP numbers and will be registered in the name of Cede & Co., as nominee of DTC. The Representative shall order CUSIP identification numbers and OCTA shall cause such CUSIP identification numbers to be set forth on the Bonds, but neither the failure to include such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriters to accept delivery of and pay for the Bonds in accordance with the terms of this Purchase Contract.

Delivery of the certificates, opinions and documents set forth in Section 9 hereof as described herein shall be made at the offices of Nossaman LLP (hereinafter referred to as "Bond Counsel"), in Irvine, California, or at such other place as shall have been mutually agreed upon by OCTA and the Representative.

Section 8. **Representations, Warranties, Covenants and Agreements of OCTA.** OCTA represents and warrants to and covenants and agrees with the Underwriters that as of the date hereof:

(a) OCTA has been duly created and is validly existing under the Act and all other applicable laws of the State of California (the "State") and has the power to issue the Bonds pursuant to the Act, all other applicable laws of the State, the Bond Resolution and the Indenture.

(b) OCTA (i) had full legal right, power and authority under the Constitution, the Act and all other applicable laws of the State to enter into the Toll Road Documents, (ii) has full legal right, power and authority under the Constitution, the Act and all other applicable laws of the State to impose and collect the Tolls, to adopt the Bond Resolution, to enter into the Financing Documents, and this Purchase Contract, to sell, issue and deliver the Bonds to the Underwriters as provided herein and to refund and defease the Series 2013 Bonds as described in the Official Statement under the caption "PLAN OF FINANCE," (iii) has full legal right, power and authority to perform its obligations under the Bond Resolution, the Financing Documents, the Toll Road Documents, and this Purchase Contract, and to carry out and consummate the transactions contemplated thereby and hereby and by the Official Statement, and (iv) has complied with, or will at the Closing Date be in compliance with, in all respects material to this transaction, the Constitution, the Act, all other applicable laws of the State, the terms of the Bond Resolution, the Bonds, the Financing Documents, the Toll Road Documents, and this Purchase Contract.

(c) Subject to the terms of the Act, the authority of OCTA to determine, fix, impose and collect Tolls is not subject to the regulatory jurisdiction of any local, regional, State or federal regulatory authority, and after due inquiry OCTA has no actual knowledge of any legislation proposed or pending to limit, restrict or regulate such Tolls.

(d) By all necessary official action, OCTA has duly authorized and approved the execution and delivery of or the acceptance of and agreement to, and the performance of its obligations under, the Toll Road Documents and the consummation by it of all other transactions contemplated by the Toll Road Documents. The Toll Road Documents are in full force and effect as of the date hereof and will remain in full force and effect as of the Closing Date. The Toll Road Documents constitute legal, valid and binding agreements of OCTA, enforceable in accordance with their terms, except as enforcement of each such agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State.

(e) By all necessary official action, OCTA has duly adopted the Bond Resolution, has duly authorized the preparation and delivery of the Preliminary Official Statement and the preparation, execution and delivery of the Official Statement, has duly authorized the issuance and sale of the Bonds, has duly authorized and approved the execution and delivery of, and the performance of its obligations under, the Bonds, this Purchase Contract, the Financing Documents, and the consummation by it of all other transactions contemplated by this Purchase Contract, the Bond Resolution, the Financing Documents, the Preliminary Official Statement and the Official Statement. When executed and delivered by their respective parties, the Financing Documents and this Purchase Contract (assuming due authorization, execution and delivery by and enforceability against the other parties thereto) will be in full force and effect and each will constitute a legal, valid and binding agreement or obligation of OCTA, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State.

(f) The Bonds, when issued, authenticated and delivered in accordance with the Bond Resolution and the Indenture, and sold to the Underwriters as provided herein, (i) will constitute legal, valid and binding obligations of OCTA, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State, and (ii) will be entitled to the benefits of the laws of the State, the Indenture and the Bond Resolution. Upon the issuance, authentication and delivery of the Bonds in accordance with the provisions of the Bond Resolution and the Indenture, the Indenture will provide, for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge of, and lien on, Pledged Funds, which the Indenture purports to create.

(g) All approvals, authorizations, consents, orders, licenses or permits of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or that would constitute a condition precedent to, or the absence of which would materially adversely affect the issuance, delivery or sale of the Bonds, the execution, delivery and performance of the Financing Documents by OCTA, the assignment to and acceptance of the applicable Toll Road Documents by OCTA, the performance by OCTA of the Toll Road Documents or the maintenance or operation of the Toll Road, including, without limitation, approvals and consents of Caltrans, have been duly obtained or made (except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds, as to which no representation is made).

(h) OCTA is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State or of the United States or any agency or instrumentality of either or any judgment or decree or any loan agreement, indenture, including any bond, note, resolution, agreement or other instrument to which OCTA is a party or to which OCTA or any of its property or assets is otherwise subject (including, without limitation, the Bond Resolution, the Financing Documents, the Toll Road Documents), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and the imposition and collection of the Tolls, the adoption of the Bond Resolution, the issuance and delivery of the Bonds and the execution and delivery of this Purchase Contract and the Financing Documents and compliance with OCTA's obligations therein, in the Toll Road Documents, and herein, and the refunding and defeasance of the Series 2013 Bonds will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, agreement, mortgage, lease or other instrument to which OCTA is a party or to which OCTA or any of its property or assets is otherwise subject, nor will any such imposition, collection, execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of OCTA or under the terms of any such law, regulation or instruments, except as provided by the Bond Resolution and the Financing Documents.

(i) As of the date hereof, no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, government agency, public board or body, is pending or, to the best of OCTA's knowledge, threatened against OCTA: (i) in any way affecting the existence of OCTA or in any way challenging the respective powers of the several offices or the titles of the officials of OCTA to such offices; (ii) affecting or seeking to prohibit, restrain or enjoin the refunding and defeasance of the Series 2013 Bonds; or (iii) affecting or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, the proceedings authorizing and approving the imposition and collection of the Tolls, or the collection of the Tolls, or in any way contesting or affecting, as to OCTA, the validity or enforceability of the Act, the proceedings authorizing the imposition and collection of the Tolls, the Bond Resolution, the Bonds, the Financing Documents, the Toll Road Documents, or this Purchase Contract, or contesting the powers of OCTA or its authority with respect to issuance of the Bonds, the adoption of the Bond Resolution, or the execution and delivery of the Financing Documents, the Toll Road Documents, or this Purchase Contract, or contesting the power or authority to impose or collect the Tolls or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby or which might materially adversely affect the ability of OCTA to perform and satisfy its obligations under this Purchase Contract, the Financing Documents, the Toll Road Documents, or the Bonds or contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes; nor to the best of OCTA's knowledge is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the Act, the proceedings authorizing the imposition or collection of the Tolls, the Bond Resolution, the Financing Documents, the Toll Road Documents, or this Purchase Contract or the performance by OCTA of its obligations thereunder, or the authorization, execution, delivery, acceptance of, or agreement to, or performance by OCTA of the Bonds, the Bond Resolution, the Financing Documents, the Toll Road Documents, or this Purchase Contract.

(j) Other than in the ordinary course of business, between the date hereof and the Closing Date, OCTA will not, without the prior written consent of the Representative, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, payable from Pledged Funds, except as contemplated by, and disclosed in, the Preliminary Official Statement and the Official Statement.

(k) The Bonds and the Indenture conform in all material respects to the descriptions thereof contained in the Preliminary Official Statement and in the Official Statement under the captions "THE SERIES 2023 BONDS" and "SECURITY AND SOURCE OF PAYMENT FOR THE SENIOR LIEN BONDS."

(l) The Preliminary Official Statement has been deemed final as of its date by OCTA, as required by Rule 15c2-12, except for information permitted to be omitted therefrom by Rule 15c2-12. As of its date and the date hereof, the Preliminary Official Statement (excluding therefrom information under the captions "UNDERWRITING" and APPENDIX E – "BOOK-ENTRY ONLY SYSTEM," as to which no representations or warranties are made) did not and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(m) At the time of OCTA's acceptance of this Purchase Contract and (unless the Official Statement is amended or supplemented pursuant to paragraph (o) of this Section 8) at all times subsequent thereto during the period up to and including the Closing Date, the Official Statement (excluding therefrom information under the captions "UNDERWRITING" and APPENDIX E – "BOOK-ENTRY ONLY SYSTEM," as to which no representations or warranties are made)does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(n) If the Official Statement is supplemented or amended pursuant to paragraph (o) of this Section 8, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the 25th day following the end of the underwriting period (as such term is defined in Rule 15c2-12), the Official Statement (excluding therefrom information under the captions "UNDERWRITING" and APPENDIX E - "BOOK-ENTRY ONLY SYSTEM," as to which no representations or warranties are made) as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(o) OCTA shall not amend or supplement the Official Statement without the prior written consent of the Representative. If between the date hereof and up to and including the 25th day following the end of the underwriting period: (i) any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, OCTA shall notify the Representative thereof; and (ii) if, in the reasonable opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, OCTA shall forthwith prepare and furnish (at the expense of OCTA) a reasonable number of copies of an amendment of or supplement to the Official Statement in form and substance satisfactory to the Representative.

(p) Upon the refunding and defeasance of the Series 2013 Bonds on the Closing Date, no other indebtedness of OCTA shall be secured by a lien on the Pledged Funds nor shall any other pledge of the Pledged Funds have been made by OCTA except as provided by the Indenture.

(q) OCTA has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that OCTA is a bond issuer whose arbitrage certificates may not be relied upon.

(r) OCTA is not in default, and at no time has defaulted in any material respect, on any bond, note or other obligation for borrowed money or any agreement under which any such obligation is or was outstanding.

(s) The audited financial statements of the 91 Express Lanes Fund (the "Express Lanes Fund") set forth as Appendix B to the Official Statement as of fiscal year ended June 30, 2022 fairly present the financial position of the Express Lanes Fund as of the date indicated and the results of the operations of the Express Lanes Fund, the sources and uses of the Express Lanes Fund cash and the changes in Express Lanes Fund net assets for the periods therein specified to the extent included therein, and are in conformity with generally accepted accounting principles applied on a consistent basis, except as noted in the Preliminary Official Statement and in the Official Statement, the other historical financial information set forth in the Preliminary Official Statement and in the Official Statement has been presented on a basis consistent with such audited financial statements, and there has been no material adverse change in the financial condition of the 91 Express Lanes Fund or in its operations since the date thereof and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(t) OCTA will undertake, pursuant to the Indenture and the Continuing Disclosure Certificate relating to the Bonds, to provide certain annual financial information and notices of the occurrence of certain events pursuant to Section (b)(5) of Rule 15c2-12. An accurate description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. Except as disclosed in the Preliminary Official Statement and the Official Statement, during the previous five years, OCTA has not failed to comply in all material respects with any previous continuing disclosure undertaking executed by OCTA pursuant to Rule 15c2-12.

(u) OCTA will furnish such information, execute such instruments, and take such other action not inconsistent with law in cooperation with the Underwriters as the Representative may reasonably request in order to: (i) qualify the Bonds for offer and sale under the Blue Sky or other securities laws of such states and other jurisdictions of the United States as the Underwriters may designate; and (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions; provided that (i) in no event shall OCTA be required to execute a general or special consent to service of process in any state in which it is not already subject or be required to register as a dealer or broker or qualify to do business as a foreign corporation or be subject to any other similar requirements (ii) OCTA shall not be obligated to pay any expenses or costs (including legal fees) incurred in connection with such qualification. OCTA will not take any action to discontinue any such qualification so long as such qualification is required to be continued for the distribution of the Bonds and will advise the Representative as promptly as possible of receipt by OCTA of any written notification with respect to the suspension of qualification of the Bonds for sale in any jurisdiction or the initiation of threat of any proceeding for that purpose.

(v) Prior to the Closing, OCTA will not take any action within or under its control that will cause any adverse change of a material nature in the results of operations or condition, financial or otherwise, of the Toll Road.

(w) Any certificate signed by any official of OCTA and delivered to the Underwriters shall be deemed to be a representation and warranty by OCTA to the Underwriters as to the statements made therein.

(x) OCTA has the legal authority to apply and will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in, and subject to all of the terms and provisions of, the Indenture and as generally described in the Preliminary Official Statement and the Official Statement, including for payment or reimbursement of OCTA expenses incurred in connection with the negotiation, marketing, issuance and delivery of the Bonds to the extent required in Section 14 and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds and will refund and defease the Series 2013 Bonds as described in the Official Statement under the caption “PLAN OF FINANCE.”

Section 9. **Closing Conditions.** The Representative has entered into this Purchase Contract in reliance upon the representations, warranties, and obligations of OCTA contained herein and upon the documents and instruments to be delivered at Closing. Accordingly, the Underwriters' obligations under this Purchase Contract shall be subject to the following conditions:

(a) The representations and warranties of OCTA contained herein shall be true, complete and correct at the date hereof and on and as of the Closing as if made on the Closing Date, and will be confirmed by a certificate or certificates of the appropriate OCTA official or officials dated the Closing Date, and OCTA shall be in compliance with each of the agreements and covenants made by it in this Purchase Contract.

(b) At the time of the Closing: (i) the Bond Resolution, the Financing Documents, the Toll Road Documents shall be in full force and effect, and shall not have been amended, modified or supplemented since the date hereof, except as shall have been agreed to in writing by the Representative; and (ii) OCTA shall perform or have performed all its obligations required under or specified in the Bond Resolution, the Financing Documents, the Toll Road Documents, and this Purchase Contract and the Official Statement to be performed at or prior to the Closing.

(c) As of the date hereof and at the Closing, all necessary official action of OCTA relating to the Financing Documents, the Toll Road Documents, this Purchase Contract and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(d) Subsequent to the date hereof, up to and including the Closing, there shall not have occurred any change in or affecting OCTA, the Act, the Tolls, the Bonds or the maintenance or operation of the Toll Road as the foregoing matters are described in the Official Statement, which in the reasonable professional judgment of the Representative materially impairs the investment quality of the Bonds.

(e) At or prior to the Closing, the Representative shall receive the following documents, in each case satisfactory in form and substance to the Representative and to counsel to the Underwriters, Orrick, Herrington & Sutcliffe LLP ("Underwriters' Counsel"):

(1) A certificate of OCTA, dated the Closing Date, executed by the Chief Financial Officer or other authorized officer of OCTA, to the effect that: (a) the representations, warranties and covenants of OCTA contained herein are true, complete and correct on and as of the Closing with the same effect as if made at the Closing; (b) the Bond Resolution is in full force and effect at the Closing and has not been amended, modified or supplemented, except as agreed to by OCTA and the Representative; (c) OCTA has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing; (d) subsequent to the date of the Official Statement and on or prior to the date of such certificate, there has been no material adverse change in the condition (financial or otherwise) of OCTA or the Toll Road, whether or not arising in the ordinary course of operations of OCTA and the Toll Road, as described in the Official Statement; and (e) the Official Statement (excluding therefrom

information under the captions "Underwriting" and Appendix E - "Book-Entry Only System," as to which no representations and warranties need be made) does not contain any untrue or misleading statement of a material fact and does not omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading;

(2) A certified copy of the Bond Resolution;

(3) A certified copy of each of the Toll Road Documents (including all amendments and supplements thereto) and a certified copy of the consent of Caltrans delivered pursuant to Article 17 of the Franchise Agreement;

(4) A copy of each of the executed Financing Documents;

(5) A copy of the executed tax and nonarbitrage certificate of OCTA (the "Tax Certificate") in form satisfactory to Bond Counsel;

(6) An approving opinion of Bond Counsel, dated the Closing Date, substantially in the form attached as Appendix F to the Official Statement, and a reliance letter with respect thereto addressed to the Underwriters;

(7) A supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriters, substantially in the form attached hereto as Exhibit B;

(8) A defeasance opinion of Bond Counsel, dated the Closing Date, and addressed to OCTA, the Trustee and the Underwriters, with respect to the defeasance of the Series 2013 Bonds, substantially in such form as shall be acceptable to the Representative and Underwriters' Counsel;

(9) An opinion of Woodruff & Smart, counsel to OCTA ("OCTA Counsel"), dated the Closing Date and addressed to the Underwriters and the Trustee, substantially in the form attached hereto as Exhibit C;

(10) An opinion of Underwriters' Counsel, dated the Closing Date and addressed to the Underwriters, substantially in the form attached hereto as Exhibit D;

(11) An opinion of counsel to U.S. Bank, dated the Closing Date and addressed to OCTA and the Underwriters, substantially in the form attached hereto as Exhibit G

(12) A copy of the 91 Express Lanes Traffic and Revenue Update, dated August 4, 2022, as supplemented by the 91 Express Lanes Traffic and Revenue Bringdown Letter, dated May 9, 2023, as set forth in Appendix A-1 and Appendix A-2 to the Preliminary Official Statement and the Official Statement;

(13) A certificate of Stantec Consulting Services Inc. substantially in the form attached hereto as Exhibit E;

(14) A certificate, dated the Closing Date, of an authorized officer of U.S. Bank, substantially in the form attached as Exhibit F hereto, and a certificate concerning signature authority and incumbency;

(15) [A copy of the notice of redemption relating to the redemption of the Series 2013 Bonds;] ***[If sent prior to Closing]***

(16) A verification report prepared by [VERIFICATION AGENT];

(17) Written confirmation from each rating agency then rating the Series 2013 Bonds to the effect that the defeasance of the Series 2013 Bonds will not in and of itself result in a reduction or withdrawal in such rating agency's then current rating on the Series 2013 Bonds;

(18) Evidence satisfactory to the Representative that (i) Fitch Ratings, Moody's Investors Service, Inc., and S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, have assigned the long-term ratings to the Bonds described in the Preliminary Official Statement and the Official Statement, and (ii) such ratings have not been revoked or downgraded;

(19) the Official Statement, delivered in accordance with Section 3 hereof and each supplement or amendment, if any, executed by Chief Financial Officer or other authorized officer of OCTA;

(20) California Debt and Investment Advisory Commission filings;

(21) DTC Blanket Issuer Letter of Representations;

(22) Internal Revenue Service Form 8038-G; and

(23) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Representative, Underwriters' Counsel or Bond Counsel may reasonably deem necessary to evidence the truth and accuracy as of the time of the Closing of the representations and warranties of OCTA contained in this Purchase Contract and the due performance or satisfaction by OCTA at or prior to such time of all covenants and agreements then to be performed and all conditions then to be satisfied by OCTA pursuant to this Purchase Contract.

Section 10. Termination. If OCTA shall be unable to satisfy the conditions of the Underwriters' obligations contained in this Purchase Contract or if the Underwriters' obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract may be cancelled by the Representative at, or at any time prior to, the Closing. Notice of such cancellation shall be given to OCTA in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of OCTA hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Representative in its sole discretion.

The Underwriters shall also have the right to terminate their obligation under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds if, after the execution of this Purchase Contract and prior to the Closing, the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds shall be materially adversely affected in the reasonable professional judgment of the Representative by the occurrence of any of the following:

(a) any event occurs or information becomes known, which, in the reasonable professional judgment of the Representative, makes untrue in any material respect any material statement or information contained in the Official Statement (excluding information under the captions "UNDERWRITING" and APPENDIX E - "BOOK-ENTRY ONLY SYSTEM"), or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(b) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or favorably reported for passage to either house of the Congress by any committee of such house to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to alter, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Bonds, or the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated herein; or

(c) legislation shall be introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction shall be issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice shall be issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering, or sale of obligations of the general character of the Bonds, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect; or

(d) there shall have occurred (i) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war, (ii) any other calamity or crisis or escalation thereof in the financial markets of the United States or elsewhere or (iii) any material adverse change in the financial, political or economic conditions affecting the United States or OCTA, the effect of which on financial markets is such as to make it, in the sole judgment of the

Underwriters, impractical or inadvisable to proceed with the offering or delivery of the Bonds as contemplated by the Official Statement (exclusive of any amendment or supplement thereto); or

(e) a general suspension of trading on the New York Stock Exchange or any other national securities exchange, the establishment of minimum or maximum prices on any such national securities exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, or any material increase of restrictions now in force (including, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters); or

(f) there shall have occurred a material disruption in securities settlement, payment or clearance services, the effect of which on financial markets is such as to make it, in the sole judgment of the Underwriters, impractical or inadvisable to proceed with the offering or delivery of the Bonds as contemplated by the Official Statement (exclusive of any amendment or supplement thereto); or

(g) a general banking moratorium declared by federal, State or State of New York authorities having jurisdiction and authorized to declare such moratorium; or

(h) additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which, in the reasonable professional judgment of the Representative, materially and adversely affect the market or market price for the Bonds; or

(i) an event described in paragraph (o) of Section 8 hereof shall have occurred which, in the reasonable professional judgment of the Representative, requires the preparation and publication of a supplement or amendment to the Official Statement; or

(j) any litigation shall be instituted or be pending at the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds or the refunding and defeasance of the Series 2013 Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Bonds, the Bond Resolution, the Financing Documents, the Toll Road Documents, or this Purchase Contract or the existence or powers of OCTA with respect to its obligations under the Financing Documents, the Toll Road Documents, this Purchase Contract or the Bonds; or

(k) there shall have occurred since the date of this Purchase Contract, any materially adverse change in the affairs of OCTA or the financial condition of OCTA, in each case relating to the Pledged Funds, except for changes which the Official Statement discloses are expected to occur; or

(l) there shall have occurred any downgrading or published negative credit watch or similar published information from a rating agency that at the date of this Purchase Contract has published a rating (or has been asked to furnish a rating on the Bonds) on any of OCTA's debt obligations, which action reflects a change or possible change, in the ratings accorded any such obligations of OCTA (including any rating to be assigned to the Bonds.

If the Representative terminates its obligation to purchase the Bonds because any of the conditions specified in Section 7, Section 9 or this Section 10 shall not have been fulfilled at or before the Closing, such termination shall not result in any liability on the part of the Underwriters.

Section 11. Conditions to Obligations of OCTA. The performance by OCTA of its obligations is conditioned upon (i) the performance by the Underwriters of their obligations hereunder and (ii) receipt by OCTA and the Representative of the opinions and certificates being delivered at the Closing by persons and entities other than OCTA.

Section 12. Changes Affecting the Official Statement. No amendment or supplement to the Official Statement shall be made without the approval of OCTA and the Representative. For a period beginning on the date hereof and continuing until the end of the underwriting period (as such term is defined in Rule 15c2-12), (a) OCTA will not adopt any amendment of, or supplement to, the Official Statement to which the Representative shall object in writing or which shall be disapproved by the Underwriters' Counsel and (b) if any event relating to or affecting the Bonds, OCTA or the Trustee shall occur as a result of which it is necessary, in the opinion of Underwriters' Counsel, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser of the Bonds, OCTA will forthwith prepare and furnish to the Underwriters a reasonable number of copies of an amendment of, or supplement to, the Official Statement (in form and substance satisfactory to Underwriters' Counsel) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser of the Bonds, not misleading.

Section 13. Indemnification. OCTA shall indemnify and hold harmless, to the extent permitted by law, each of the Underwriters and its employees and agents and each person who controls any Underwriter within the meaning of Section 15 of the Securities Act of 1933 (as amended, the "1933 Act") (any such person being therein sometimes called an "Indemnified Party"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall promptly reimburse any such Indemnified Party for any reasonable legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or expenses arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Official Statement (excluding therefrom information set forth under the captions "UNDERWRITING" and APPENDIX E - "BOOK-ENTRY ONLY SYSTEM") or any amendment or supplement thereof, or the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading. This indemnity agreement shall not be construed as a limitation on any other liability which OCTA may otherwise have to any Indemnified Party, provided that in no event shall OCTA be obligated for double indemnification.

An Indemnified Party shall, promptly after the receipt of notice of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against OCTA, notify OCTA in writing of the commencement thereof, but the omission to notify OCTA of any such action shall not relieve OCTA from any liability which it may have to such

Indemnified Party otherwise than under the indemnity agreement contained herein. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify OCTA of the commencement thereof, OCTA may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel satisfactory to such Indemnified Party, and after notice from OCTA to such Indemnified Party of an election so to assume the defense thereof, OCTA will not be liable to such Indemnified Party under this paragraph for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation. If OCTA shall not have employed counsel to have charge of the defense of any such action or if the Indemnified Party shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to those available to OCTA (in which case OCTA shall not have the right to direct the defense of such action on behalf of such Indemnified Party), such Indemnified Party shall have the right to retain legal counsel of its own choosing and reasonable legal and other expenses incurred by such Indemnified Party shall be borne by OCTA.

OCTA shall not be liable for any settlement of any such action effected without its consent by any Indemnified Party, which consent shall not be unreasonably withheld, but if settled with the consent of OCTA or if there be a final judgment for the plaintiff in any such action against OCTA or any Indemnified Party, with or without the consent of OCTA, OCTA agrees to indemnify and hold harmless such Indemnified Party to the extent provided herein.

In order to provide for just and equitable contribution in circumstances in which indemnification hereunder is for any reason held to be unavailable from OCTA, to the extent permitted by law, OCTA and the Underwriters shall contribute to the aggregate losses, claims, damages, liabilities and expenses (including any investigation, legal and other expenses incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claims asserted, to which OCTA and the Underwriters may be subject) in such proportion so that the Underwriters are responsible for that portion represented by the percentage that the underwriting discount set forth in the Official Statement bears to the public offering price appearing thereon (not exceeding in the aggregate the amount of the aggregate underwriting discount) and OCTA is responsible for the balance; provided, however, that no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this paragraph, each person, if any, who controls an Underwriter within the meaning of the 1933 Act shall have the same rights to contribution as such Underwriter. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this paragraph, notify such party or parties from whom contribution may be sought, but the omission so to notify shall not relieve that party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under this paragraph. No party shall be liable for contribution with respect to any action or claim settled without its consent.

Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless OCTA, its employees and its officers, but only with reference to liability in connection with false statements and information in the Preliminary Official Statement and the Official Statement furnished to OCTA in writing by such Underwriter for inclusion in the Preliminary Official Statement and the Official Statement under the caption "UNDERWRITING."

Section 14. Expenses. Whether or not the Bonds are issued as contemplated by this Purchase Contract, the Underwriters shall be under no obligation to pay and OCTA hereby agrees to pay all costs of issuance of the Bonds, including, but not limited, to the following: (i) the cost of preparation, execution and delivery of the Bonds; (ii) the acceptance fees of the Trustee, the fees of the Escrow Agent and any fees and expenses of counsel to the Trustee and the Escrow Agent; (iii) any fees charged by any rating agency for rating the Bonds; (iv) the cost of printing (and/or word processing and reproduction), distribution and delivery of the Preliminary Official Statement and the Official Statement, including the cost of electronic posting of the Preliminary Official Statement and the Official Statement; (v) research costs incurred in preparation of the Blue Sky Survey, expenses to qualify the Bonds for sale under state securities or blue sky laws and expenses incurred in connection with due diligence related to compliance by OCTA with the applicable provisions of Rule 15c2-12; (vi) the fees and disbursements of Bond Counsel, OCTA Counsel, Underwriters' Counsel, accountants, consultants and any financial advisors; (vii) any out-of-pocket disbursements of OCTA; and (viii) transportation, lodging and meals incurred by or on behalf of OCTA and its representatives in connection with the negotiation, marketing, issuance and delivery of the Bonds and all other expenses incurred by any of the Underwriters in connection with the public offering and distribution of the Bonds. In the event that the Underwriters incur or advance the cost of any expense for which OCTA is responsible under this Purchase Contract, OCTA agrees to reimburse the Underwriters at or prior to Closing; if at Closing, reimbursement may be included in the expense component of the Underwriters' spread.

OCTA and the Representative acknowledge that expenses included in the expense component of the Underwriter's discount are based upon estimates. OCTA and the Representative agree that in the event the aggregate estimated expenses exceed the aggregate actual expenses incurred by the Representative in an amount equal to or greater than $1,000 (the "Reimbursement Threshold"), the Representative shall reimburse to OCTA the amount that the aggregate estimated expenses exceed the aggregate actual expenses. For the avoidance of doubt, OCTA acknowledges and agrees that in the event the aggregate estimated expenses exceed the aggregate actual expenses incurred by the Underwriter in an amount less than the Reimbursement Threshold, no reimbursement will be made by the Representative to OCTA. OCTA acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

Section 15. Survival of Obligations. The obligations of OCTA under Section 12, Section 13 and Section 14 of this Purchase Contract shall survive any termination of this Purchase Contract.

Section 16. No Fiduciary Relationship. OCTA agrees and acknowledges that: (a) the transactions contemplated by this Purchase Contract are arm's length, commercial transactions between OCTA and the Underwriters in which the Representative is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to OCTA; (b) the Underwriters have not assumed any advisory or fiduciary responsibility to OCTA with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters or their affiliates have provided other services or is currently providing other services to OCTA on other matters); (c) the only obligations the Underwriters have to OCTA with respect to the transaction contemplated hereby expressly are set forth in this Purchase Contract; (d) OCTA has consulted its own financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent it has deemed appropriate; and (e) the Underwriters have financial and other interests that differ from those of OCTA.

Section 17. Notices. Any notice or other communication to be given to OCTA under this Purchase Contract (other than the acceptance hereof as specified in Section 1 hereof) may be given by delivering the same in writing to the Chief Financial Officer, Orange County Transportation Authority, 550 South Main Street, Orange, California 92863-1584; any notice or other communication to be given to the Underwriters under this Purchase Contract may be given by delivering the same in writing to Wells Fargo Bank, National Association, 30 Hudson Yards, 62nd Floor, New York, NY 10001, Attention: Julie Burger, Managing Director.

Section 18. Governing Law. The validity, interpretation and performance of this Purchase Contract shall be governed by the laws of the State of California.

Section 19. Parties in Interest. This Purchase Contract when accepted by OCTA in writing as heretofore specified shall constitute the entire agreement between OCTA and the Underwriters and is solely for the benefit of OCTA and the Underwriters. No other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of OCTA in this Purchase Contract shall remain operative and in full force and effect, regardless of (a) any investigation made by or on behalf of the Underwriters, (b) delivery of and payment for the Bonds hereunder, and (c) any termination of this Purchase Contract.

Section 20. Headings. The headings of the paragraphs of this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

Section 21. Effectiveness. This Purchase Contract shall become effective upon the execution of the acceptance hereof by OCTA and shall be valid and enforceable at the time of such acceptance.

Section 22. Electronic Signature. Each of the parties hereto agrees that the transaction consisting of this Purchase Contract may be conducted by electronic means. Each party agrees and acknowledges that it is such party's intent that if such party signs this Purchase Contract using an electronic signature, it is signing, adopting and accepting this Purchase Contract, and that signing this Purchase Contract using an electronic signature is the legal equivalent of having placed the undersigned officer's handwritten signature on this Purchase Contract on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Purchase Contract in a usable format.

Section 23. **<u>Counterparts</u>.** This Purchase Contract may be executed in several counterparts, which together shall constitute one and the same instrument.

WELLS FARGO BANK, NATIONAL ASSOCIATION AND
J.P. MORGAN SECURITIES LLC

By: WELLS FARGO BANK, NATIONAL ASSOCIATION, as Representative

By:__________________________________

Accepted by:

ORANGE COUNTY
TRANSPORTATION AUTHORITY

By:__________________________________

Date:___________, 2023
Time:___________ [a.m./p.m.] California Time

Approved as to form:

WOODRUFF & SMART,
General Counsel to the Orange County Transportation Authority

By:__________________________________
[_________], [________]

SCHEDULE I

$[PAR]
ORANGE COUNTY TRANSPORTATION AUTHORITY
SENIOR LIEN TOLL ROAD REVENUE REFUNDING BONDS (91 EXPRESS LANES), SERIES 2023

$_________ Serial Bonds

Maturity (August 15,)	Principal Amount	Interest Rate	Yield	Price	10% Test Satisfied*	10% Test Not Satisfied	Subject to Hold-The-Offering Price Rule
	$	%	%	%			

____

*At the time of the execution of this Purchase Agreement and assuming orders are confirmed by the end of the day immediately following the day of execution of this Purchase Agreement.
[C Yield to call at par on August 15, 20[__].]

TERMS OF REDEMPTION

The Series 2023 Bonds are not subject to redemption prior to their stated maturities.

EXHIBIT A

$[PAR]
ORANGE COUNTY TRANSPORTATION AUTHORITY
(ORANGE COUNTY, CALIFORNIA)
SENIOR LIEN TOLL ROAD REVENUE REFUNDING BONDS (91 EXPRESS LANES),
SERIES 2023

ISSUE PRICE CERTIFICATE

I, the undersigned officer of Wells Fargo Bank, National Association (the "Representative"), acting on behalf of itself and as representative of J.P. Morgan Securities LLC (together, the "Underwriting Group"), hereby certify as set forth below with respect to the sale and issuance of the above-referenced bonds (the "Bonds"), as of the Issue Date.

1. I am the duly chosen, qualified and acting officer of the Representative for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Underwriting Group. The Underwriting Group has purchased the Bonds from Orange County Transportation Authority (the "Issuer") pursuant to a Purchase Contract (the "Purchase Contract") dated ________, 2023 (the "Sale Date").

2. The following definitions apply:

"General Rule Maturity" means each Maturity of the Bonds listed in Schedule A hereto as a "General Rule Maturity."

["Hold-the-Offering-Price Maturity" means each Maturity of the Bonds listed in Schedule A hereto as a "Hold-the-Offering-Price Maturity."]

"Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

"Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party to an underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

["Holding Period" means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the 5th business day after the Sale Date or (ii) the date on which the Underwriting Group has sold at least 10% of such Maturity to the Public at prices that are no higher than the applicable Initial Offering Price.]

"underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

3. At least 10% of the principal amount of each General Rule Maturity was sold to the Public at the respective price for that Maturity shown in Schedule A (the “Sale Price”).

4. [The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

As set forth in the Purchase Contract, all members of the Underwriting Group agreed in writing that (i) for the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the applicable Initial Offering Price during the Holding Period (the “hold-the-offering-price rule”), and (ii) any selling group agreement will contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement will contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. During the Holding Period, no underwriter has offered or sold any of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price.]

5. The aggregate issue price of the Bonds, being the Sale Price of each General Rule Maturity [and the Initial Offering Price of each Hold-the-Offering-Price Maturity], is $________ (the “Issue Price”).

Provided that nothing herein represents our interpretation of any laws, and in particular, regulations under Section 148 of the Code, the Representative hereby authorizes the Issuer to rely on the statements made herein in connection with making the representations set forth in the Federal Tax Certificate and Internal Revenue Service Form 8038-G with respect to the Bonds and in its efforts to comply with the conditions imposed by the Code on the exclusion of interest on the Bonds from the gross income of their owners. The Representative hereby authorizes Bond Counsel to rely on this certificate for purposes of its opinion regarding the treatment of interest on the Bonds as excludable from gross income for federal income tax purposes.

Dated: __________

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: ________________________________

Name

Title

Schedule A: Initial Offering Prices/Yields

Schedule B: Pricing Wire

EXHIBIT B

PROPOSED FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[TO COME FROM BOND COUNSEL]

EXHIBIT C

PROPOSED FORM OF OPINION OF OCTA GENERAL COUNSEL

[TO COME FROM OCTA GENERAL COUNSEL]

EXHIBIT D

PROPOSED FORM OF OPINION OF UNDERWRITERS' COUNSEL

[TO COME FROM UWC]

EXHIBIT E

PROPOSED FORM OF CERTIFICATE OF TRAFFIC AND REVENUE CONSULTANT

CERTIFICATE OF STANTEC CONSULTING SERVICES INC. CONCERNING 91 EXPRESS LANES TRAFFIC AND REVENUE UPDATE

[CLOSING DATE], 2023

The undersigned, a duly authorized representative of Stantec Consulting Services Inc. ("Stantec"), hereby certifies as follows:

(a) This Certificate is being furnished in connection with the issuance of $[PAR] aggregate principal amount of Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2023 (the "Bonds"), being issued by the Orange County Transportation Authority ("OCTA").

(b) At the request of OCTA, Stantec prepared the 91 Express Lanes Traffic and Revenue Update, dated August 4, 2022, as supplemented by the 91 Express Lanes Traffic and Revenue Bringdown Letter, dated May 9, 2023 (collectively, the "Traffic and Revenue Update"), which are included as Appendix A-1 and Appendix A-2, respectively, to the Preliminary Official Statement, dated [POS DATE], 2023 (the "Preliminary Official Statement") and as Appendix A-1 and Appendix A-2, respectively, to the Official Statement, dated [BPA DATE], 2023 (the "Official Statement"), each relating to the Bonds.

(c) Stantec hereby consents to the use of, and references to, the Traffic and Revenue Update, and the references to Stantec in the Preliminary Official Statement and in the Official Statement.

(d) The assumptions set forth in the Traffic and Revenue Update are reasonable and the statements and information relating to Stantec and its forecasts, assumptions and opinions set forth in the Preliminary Official Statement and in the Official Statement under the captions "Historical and Projected Debt Service Coverage," "91 Express Lanes Traffic and Revenue Update" and "Investment Considerations" were true, correct and complete in all material respects as of the date of the Preliminary Official Statement and the date of the Official Statement and are true, correct and complete in all material respects as of the date hereof.

(e) The Traffic and Revenue Update does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made not misleading and nothing has come to the attention of Stantec which would cause Stantec to believe that the Traffic and Revenue Update as of its date, as of the date of the Preliminary Official Statement, as of the date of the Official Statement or as of the date of this Certificate is inaccurate in any material respect.

(f) Stantec hereby acknowledges that the Preliminary Official Statement and the Official Statement are being utilized by the underwriters of the Bonds in connection with publicly offered securities and that the representations being made in this Certificate are being relied on by the underwriters and OCTA in connection with such public offering.

STANTEC CONSULTING SERVICES INC.

By: ________________________________
Name:________________________________
Title: ________________________________

EXHIBIT F

PROPOSED FORM OF CERTIFICATE OF U.S. BANK

CERTIFICATE OF U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

[CLOSING DATE], 2023

The undersigned, U.S. Bank Trust Company, National Association (the "Bank"), does hereby certify that:

(a) This Certificate is being provided in connection with: (i) the issuance, sale and delivery of the Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2023 (the "Bonds"), being issued in the aggregate principal amount of $[PAR], pursuant to a Master Indenture of Trust, dated as of August 1, 2013, as supplemented and amended from time to time pursuant to its terms, including as supplemented and amended by a Second Supplemental Indenture, dated as of [CLOSING MONTH] 1, 2023 (collectively, the "Indenture"), between the Orange County Transportation Authority ("OCTA") and the Bank, as trustee (the Bank acting in such capacity being hereinafter referred to as the "Trustee"); and (ii) the refunding and defeasance of all of the outstanding Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2013 (the "Series 2013 Bonds") in accordance with the Escrow Instructions, dated as of [CLOSING MONTH] 1, 2023 (the "Escrow Instructions"), from OCTA to the Bank, as escrow agent (the Bank acting in such capacity being hereinafter referred to as the "Escrow Agent").

(b) The Bank is a national banking association duly organized and validly existing under and by virtue of the laws of the United States of America, has all requisite power, including trust powers, and authority: (i) to accept, execute, deliver, and perform all of its obligations as Trustee under and pursuant to the Indenture; (ii) to accept, execute, deliver, and perform all of its obligations as Escrow Agent under and pursuant to the Escrow Instructions; and (iii) to take all actions required of it under the Indenture, the Escrow Instructions and the Bonds.

(c) The Indenture and the Escrow Instructions (hereinafter collectively referred to as the "Bank Documents") have been duly authorized, executed and delivered or acknowledged by the Bank.

(d) Pursuant to Section 2.3 of the Indenture, the Bonds were authenticated in the name and on behalf of the undersigned by authorized signatories of the undersigned, duly authorized to so authenticate the Bonds, were registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), the depository for the Bonds, and are being held by the Trustee as FAST Agent for DTC pursuant to the Indenture and the Order of OCTA, dated the date hereof, relating to the Bonds, and as directed by Wells Fargo Bank, National Association, acting on behalf of itself and as representative of the other underwriters of the Bonds.

(e) The Bank has duly accepted the trusts created pursuant to the Indenture and such acceptance and the performance by the Bank of its obligations in accordance with the provisions of each of the Bank Documents will not contravene the articles of association or bylaws of the Bank or, to the best knowledge of the Bank, conflict with or constitute a breach of or a default under any law, administrative or governmental regulation, consent, decree, order, indenture, contract or other agreement or instrument to which the Bank is subject or bound or by which any of its assets is bound, and the performance of the obligations of the Bank under the each of the Bank Documents has been duly authorized by all necessary corporate action.

(f) To the best knowledge of the Bank, all approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter, receipt of which would constitute a condition precedent to the performance by the Bank of its obligations under the each of the Bank Documents (other than with respect to compliance with federal and state securities laws as to which no certification is provided) have been obtained and are in full force and effect.

(g) To the best knowledge of the Bank, no litigation has been served on the Bank or is threatened (either in state or federal courts): (a) in any way contesting the existence or powers of the Bank or the Bank's ability to fulfill its obligations under the Bank Documents; (b) to restrain or enjoin the authentication or delivery of any of the Bonds by the Bank; or (c) in any way contesting or affecting any authority for the issuance, sale or delivery of the Bonds or the pledge of the Pledged Funds (as such term is defined in the Indenture).

IN WITNESS WHEREOF, U.S. Bank Trust Company, National Association, as Trustee and as Escrow Agent, has caused this Certificate to be executed by its officer thereunto duly authorized as of the date first written above.

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
as Trustee and as Escrow Agent

By:______________________________
Authorized Officer

EXHIBIT G

PROPOSED FORM OF OPINION OF COUNSEL TO US BANK

[TO BE PROVIDED BY TRUSTEE'S COUNSEL]

PRELIMINARY OFFICIAL STATEMENT DATED [_____], 2023

NEW ISSUE—BOOK-ENTRY ONLY

Ratings: Fitch: "[___]"
Moody's: "[___]"
S&P: "[___]"
See "RATINGS" herein.

In the opinion of Nossaman LLP, Los Angeles, California, Bond Counsel, based on existing statutes, regulations, rulings and court decisions and assuming, among other matters, compliance with certain covenants, interest on the Series 2023 Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the opinion of Bond Counsel, interest on the Series 2023 Bonds is not a specific preference item for purposes of the federal individual alternative minimum taxes, although Bond Counsel observes that interest on the Series 2023 Bonds may affect the federal alternative minimum tax on applicable corporations. Bond Counsel expresses no opinion regarding other federal or state tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2023 Bonds. See "TAX EXEMPTION."

$[PAR]*
ORANGE COUNTY TRANSPORTATION AUTHORITY
(ORANGE COUNTY, CALIFORNIA)
SENIOR LIEN TOLL ROAD REVENUE REFUNDING BONDS (91 EXPRESS LANES), SERIES 2023

Dated: Date of Delivery **Due: As shown herein**

This cover page is not a summary of this issue; it is only a reference to the information contained in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Orange County Transportation Authority ("OCTA") will issue the Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2023 (the "Series 2023 Bonds"). Proceeds of the Series 2023 Bonds, together with other funds, will be applied to (a) refund, on a current basis, all of the outstanding Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2013 (the "Series 2013 Bonds") and (b) pay costs of issuance of the Series 2023 Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS."

The Series 2023 Bonds are being issued pursuant to a Master Indenture of Trust, dated as of August 1, 2013, as supplemented and amended from time to time pursuant to its terms, including as supplemented and amended by a Second Supplemental Indenture, dated as of [CLOSING MONTH] 1, 2023 (collectively, the "Indenture"), between OCTA and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee"). The Series 2023 Bonds are limited obligations of OCTA payable solely from, and secured solely by, Pledged Funds (as defined in the Indenture), which consist primarily of Tolls (as defined in the Indenture) and amounts held on deposit in certain funds and accounts established under the Indenture and held by, or for the benefit of, the Trustee, all as more fully described herein under the caption "Security and Source of Payment for the Senior Lien Bonds." Pursuant to the Indenture, OCTA may issue additional bonds, including refunding bonds, and may secure certain other obligations on a parity basis with the Series 2023 Bonds. OCTA may also issue bonds or incur obligations payable from Pledged Funds on a subordinate basis. See "SECURITY AND SOURCE OF PAYMENT FOR THE SENIOR LIEN BONDS - Additional Senior Lien Bonds, Parity Obligations, Junior Lien Bonds, Subordinate Lien Bonds; TIFIA Obligations."

The Series 2023 Bonds are not secured by a legal or equitable pledge of, or a charge or lien upon, any property of OCTA or any income or revenues received by OCTA except Pledged Funds. Neither the faith and credit nor the taxing power of the County of Orange, the State of California or any political subdivision or public agency thereof, other than OCTA, to the extent of the pledge of Pledged Funds described herein, is pledged to the payment of the Series 2023 Bonds. OCTA has no taxing power.

The Series 2023 Bonds will be issued as current interest bonds, in denominations of $5,000 or integral multiples thereof, as set forth on the inside front cover page hereof. Interest on the Series 2023 Bonds is payable on each February 15 and August 15 to maturity, commencing [August 15, 2023]. Principal of the Series 2023 Bonds is payable on August 15 in each of the years and in the amounts set forth on the inside front cover page hereof.

The Series 2023 Bonds will be issued in book-entry form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Principal of and interest on the Series 2023 Bonds will be paid by the Trustee to DTC. DTC will then remit such payments to its participants, which will in turn remit such payments to the beneficial owners of such Series 2023 Bonds. See APPENDIX E – "BOOK-ENTRY ONLY SYSTEM." Purchasers will not receive physical delivery of the Series 2023 Bonds purchased by them.

The Series 2023 Bonds are not subject to redemption prior to maturity as described herein.* See "THE SERIES 2023 BONDS – No Redemption" herein.

The Series 2023 Bonds are offered when, as and if issued and received by the Underwriters subject to the approval of validity by Nossaman LLP, Los Angeles, California, as bond counsel to OCTA. Certain legal matters will be passed upon for OCTA by Woodruff & Smart, Costa Mesa, California, general counsel to OCTA. Certain legal matters will be passed upon for the Underwriters by Orrick, Herrington & Sutcliffe LLP, Irvine, California, counsel to the Underwriters. It is anticipated that the Series 2023 Bonds will be available for delivery through the book entry facilities of DTC on or about [______], 2023.

Wells Fargo Securities **J.P. Morgan Securities LLC**

Dated: __________, 2023

* *Preliminary; subject to change.*

MATURITY SCHEDULE*

$[PAR]*
ORANGE COUNTY TRANSPORTATION AUTHORITY
(ORANGE COUNTY, CALIFORNIA)
SENIOR LIEN TOLL ROAD REVENUE REFUNDING BONDS (91 EXPRESS LANES),
SERIES 2023

$__________ Serial Series 2023 Bonds

Maturity (August 15,)	Principal Amount	Interest Rate	Yield	CUSIP†
	$	%	%	

* *Preliminary; subject to change.*

† CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2023 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CGS database. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of OCTA, the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers.

91 EXPRESS LANES

[OCTA TO PROVIDE UPDATED MAP]

ORANGE COUNTY TRANSPORTATION AUTHORITY

BOARD OF DIRECTORS

Gene Hernandez, *Chairman (Mayor, City of Yorba Linda)*
Tam Nguyen, *Vice Chairman (Public Member)*
Doug Chaffee *(Board of Supervisors, Orange County)*
Jose Diaz *(City Council, City of Anaheim)*
Andrew Do *(Board of Supervisors, Orange County)*
Jon Dumitru *(City Council, City of Orange)*
Jamey Federico *(Mayor Pro Tem, City of Dana Point)*
Katrina Foley *(Board of Supervisors, Orange County)*
Brian Goodell *(Mayor, City of Mission Viejo)*
Patrick Harper *(City Council, Fountain Valley)*
Michael Hennessey *(Public Member)*
Steve Jones *(Mayor, City of Garden Grove)*
Fred Jung *(Mayor, City of Fullerton)*
Farrah N. Khan *(Mayor, City of Irvine)*
Jessie Lopez *(City Council, City of Santa Ana)*
Vicente Sarmiento *(Board of Supervisors, Orange County)*
Donald P. Wagner *(Board of Supervisors, Orange County)*
Ryan Chamberlain *(Governor's Ex-Officio Member)*

STAFF

Chief Executive Officer
Darrell E. Johnson

Deputy Chief Executive Officer
Jennifer L. Bergener

Chief Operating Officer
Johnny Dunning Jr.

Chief Financial Officer
Andrew Oftelie

General Manager, Express Lanes Programs
Kirk Avila

Director, Finance and Administration
Sean Murdock

Treasury and Public Finance Manager
Robert Davis

SPECIAL SERVICES

General Counsel
Woodruff & Smart
Costa Mesa, California

Municipal Advisor
Sperry Capital Inc.
Mill Valley, California

Traffic and Revenue Consultant
Stantec Consulting Services Inc.
New York, New York

Bond Counsel
Nossaman LLP
Los Angeles, California

Trustee
U.S. Bank Trust Company, National Association
Los Angeles, California

4161-9485-3702.5

This Official Statement does not constitute an offering of any security other than the original offering of the Series 2023 Bonds by OCTA. No dealer, broker, salesperson or other person has been authorized by OCTA to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by OCTA.

The Series 2023 Bonds are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)(2) thereof. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy Series 2023 Bonds in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein other than that furnished by OCTA, although obtained from sources which are believed by OCTA to be reliable, is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by OCTA. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of OCTA since the date hereof. This Official Statement is submitted in connection with the sale of the Series 2023 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule").

For purposes of compliance with the Rule in effect on the date hereof, this Preliminary Official Statement constitutes an official statement of OCTA that has been deemed final by OCTA as of its date except for the omission of no more than the information permitted by the Rule.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used, such as "plan," "expect," "estimate," "budget," "intend" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. OCTA does not plan to issue any updates or revisions to those forward-looking statements if or when their expectations, or events, conditions or circumstances on which such statements are based, occur.

OCTA maintains a website. However, the information presented there is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2023 Bonds.

In connection with this offering, the Underwriters may overallot or effect transactions which stabilize or maintain the market prices of the Series 2023 Bonds at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Series 2023 Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside front cover page hereof and said public offering prices may be changed from time to time by the Underwriters.

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ORANGE COUNTY TRANSPORTATION AUTHORITY
(ORANGE COUNTY, CALIFORNIA)
SENIOR LIEN TOLL ROAD REVENUE REFUNDING BONDS (91 EXPRESS LANES), SERIES 2023

INTRODUCTION

General

This Official Statement sets forth certain information in connection with the offering of the Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2023 (the "Series 2023 Bonds") to be issued by the Orange County Transportation Authority ("OCTA"), a public agency created in 1991 to serve as an umbrella agency responsible for transportation matters within the County of Orange, California (the "County" or "Orange County"). See "THE ORANGE COUNTY TRANSPORTATION AUTHORITY" herein. This introduction is not a summary of the Official Statement. It is only a brief description of and guide to, and is qualified by, the more complete and detailed information contained in the entire Official Statement and the documents summarized or described herein. The offering of the Series 2023 Bonds to potential investors is made only by means of the entire Official Statement and, therefore, potential investors should carefully review the entire Official Statement. All capitalized terms used herein and not otherwise defined shall have the meaning assigned to such terms in Appendix C - "Summary of Certain Provisions of the Master Indenture of Trust - Definitions; Interpretations" or in the Master Indenture of Trust, dated as of August 1, 2013, as supplemented and amended from time to time pursuant to its terms, including as supplemented and amended by the First Supplemental Indenture, dated as of August 1, 2013 (the "First Supplemental Indenture"), and the Second Supplemental Indenture, dated as of [CLOSING MONTH] 1, 2023 (the "Second Supplemental Indenture" and together with the Master Indenture of Trust and the First Supplemental Indenture, the "Indenture"), each between OCTA and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee").

OCTA

OCTA was created pursuant to California State Senate Bill 838 (the "Consolidation Legislation") enacted by the California State Legislature in the fall of 1990. The Consolidation Legislation required the functional consolidation of the transportation agencies within Orange County. Included in this consolidation were the Orange County Local Transportation Authority (the "Local Transportation Authority"), the Orange County Transportation Commission, the Orange County Transit District, the Orange County Congestion Management Agency, the Orange County Service Authority for Freeway Emergencies and the Orange County Consolidated Transportation Service Agency. On June 20, 1991, the consolidated umbrella agency, known as the Orange County Transportation Authority or OCTA, assumed the combined duties of the transportation entities noted above. The purpose of this consolidation was to create a single Board of Directors accountable for transportation decision-making in the County. See "THE ORANGE COUNTY TRANSPORTATION AUTHORITY" herein.

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[*] *Preliminary; subject to change.*

Authorization for Issuance of the Series 2023 Bonds

The Series 2023 Bonds are being issued pursuant to authority granted under Section 130240 of the Public Utilities Code of the State of California (as more fully defined in the Indenture, the "Act"), a resolution adopted by the Board of Directors of OCTA on June 12, 2023 (the "Resolution"), and the Indenture.

Purpose and Application of Proceeds and Certain Other Amounts

Proceeds of the Series 2023 Bonds, together with other funds, will be applied to (a) refund, on a current basis, all of the outstanding Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2013 (the "Series 2013 Bonds") and (b) pay costs of issuance of the Series 2023 Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS."

The Toll Road

OCTA operates a four lane, ten mile toll road located in the median strip of State Route 91 ("SR 91"), which also includes general purpose lanes (four or five depending on location) and auxiliary lanes in each direction, between the boundary line separating Orange County and Riverside County on the east and the interchange of SR 91 and California State Route 55 on the west (collectively, the "Toll Road"). Two lanes of the Toll Road run in each direction and tolls are collected electronically. Toll prices vary from hour to hour and day to day based on a predetermined toll schedule established to optimize throughput at free flow speeds. The Toll Road, originally developed and operated by California Private Transportation Company, L.P., opened to traffic on December 27, 1995 and was the first toll road in the world to employ a fully electronic toll collection system and the first toll road in the United States to employ variable pricing. See "THE TOLL ROAD."

In March 2017, the Riverside County Transportation Commission ("RCTC") extended the Toll Road an additional eight miles into Riverside County (such additional portion of the SR 91 express lanes operated by RCTC, is referred to herein as the "RCTC Toll Road"). The RCTC Toll Road extends from the boundary line separating Orange County and Riverside County on the west and the interchange of SR 91 and the Interstate 15 on the east. RCTC is responsible for operations, toll policy and toll rate setting for the RCTC Toll Road. The revenues derived from the RCTC Toll Road are not pledged to secure the Series 2023 Bonds or any other Bonds issued under the Indenture.

Security and Source of Payment

The Series 2023 Bonds are limited obligations of OCTA payable solely from, and secured solely by, the Pledged Funds, consisting primarily of income derived by OCTA from vehicular usage of the Toll Road (as more fully defined in the Indenture, the "Tolls"), and moneys held on deposit in certain funds and accounts established under the Indenture, including the hereinafter defined Reserve Fund, which will be established with the Trustee, the Operating Reserve Fund and the Major Maintenance Reserve Fund. See "SECURITY AND SOURCE OF PAYMENT FOR THE SENIOR LIEN BONDS."

The Senior Lien Bonds (as defined herein) are not secured by a legal or equitable pledge of, or a charge or lien upon, any property of OCTA or any income or revenues received by OCTA except the Pledged Funds. Neither the faith and credit nor the taxing power of the County of Orange, the State of California or any political subdivision or public agency thereof, other than OCTA, to the extent of the pledge of the Pledged Funds described herein, is pledged to secure the Senior Lien Bonds. OCTA has no taxing power.

Additional Bonds and Obligations

Pursuant to the Indenture, OCTA may issue additional bonds secured by a pledge and lien on Pledged Funds on a parity basis with the Series 2023 Bonds for any lawful purpose of OCTA, as authorized under the Act, including for purposes of (i) paying for improvements or betterments to the Toll Road, rail and transit improvements or connectivity projects relating to the Toll Road, and any phase of project delivery to make capital improvements to onramps, connector roads, roadways, bridges, or other structures that are related to the tolled and nontolled facilities on SR 91 between State Highway Route 57 to the west and the Orange and Riverside county line to the east, and (ii) refunding any existing bonds, in each instance provided that the requirements set forth in the Indenture are met. The Series 2023 Bonds and any additional bonds issued pursuant to the provisions of the Indenture on a parity with the Series 2023 Bonds are hereinafter collectively referred to as the "Senior Lien Bonds." In addition, pursuant to the provisions of the Indenture, OCTA (i) may incur debt or issue obligations secured by a pledge and lien on Pledged Funds on a parity basis with the Senior Lien Bonds, such debt or obligations being hereinafter referred to as "Parity Obligations," (ii) may incur debt or issue other obligations secured by a pledge and lien on Pledged Funds on a subordinate basis to the Senior Lien Bonds and Parity Obligations (hereinafter referred to as "Junior Lien Bonds") and (iii) may incur debt or issue other obligations (hereinafter referred to as "Subordinate Lien Bonds") payable from Pledged Funds on a basis subordinate in all respects to Bonds, Parity Obligations and Junior Lien Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE SENIOR LIEN BONDS." See also APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – Definitions; Interpretations." OCTA may also issue TIFIA Bonds (hereinafter referred to as "TIFIA Obligations"), provided that the requirements set forth in the Indenture are met.

As of the date of this Official Statement, OCTA does not currently have plans to issue any additional Senior Lien Bonds, Parity Obligations, Junior Lien Bonds, Subordinate Lien Bonds, or any TIFIA Obligations while the Series 2023 Bonds remain Outstanding.

References; Availability of Documents

Brief descriptions of the Series 2023 Bonds, the Indenture, the security and source of payment for the Senior Lien Bonds, certain agreements assumed or entered into by OCTA in connection with the acquisition of the Toll Road, certain agreements entered into or to be entered into by OCTA in connection with the operation of the Toll Road, and certain information about OCTA are presented herein. Such references and descriptions do not purport to be comprehensive or definitive. All references herein to various agreements which have been entered into in connection with the issuance of the Series 2023 Bonds are qualified in their entirety by reference to the forms thereof, all of which are available at the offices of OCTA.

THE SERIES 2023 BONDS

General

The Series 2023 Bonds will be issued as Current Interest Bonds in denominations of $5,000 or any integral multiple thereof (each, an "Authorized Denomination"), will be dated their date of delivery and will bear interest from such date. Interest with respect to the Series 2023 Bonds will be computed on the basis of a 360-day year comprised of twelve 30-day months and will be payable on February 15 and August 15 of each year, commencing [August 15, 2023]. The Series 2023 Bonds will mature on the dates and in the principal amounts and bear interest at the rates, all as set forth on the inside front cover page of this Official Statement.

Form and Registration

The Series 2023 Bonds will be issued only as fully registered bonds, without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2023 Bonds. Individual purchases will be made in book-entry only form. Purchasers will not receive a certificate representing their beneficial ownership interest in the Series 2023 Bonds. So long as Cede & Co. is the registered owner of the Series 2023 Bonds, as nominee of DTC, references herein to Bondholders, Bond Owners, holders, Owners, Registered Owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the beneficial owners of the Series 2023 Bonds. So long as Cede & Co. is the registered owner of Series 2023 Bonds, all payments due with respect to the Series 2023 Bonds, including principal and interest, will be made to Cede & Co., as nominee of DTC. See APPENDIX E – "BOOK-ENTRY ONLY SYSTEM."

No Redemption*

The Series 2023 Bonds are not subject to redemption prior to their stated maturities.

SECURITY AND SOURCE OF PAYMENT FOR THE SENIOR LIEN BONDS

The Senior Lien Bonds are limited obligations of OCTA, payable solely from, and secured solely by, Pledged Funds, consisting primarily of Tolls, and moneys held on deposit in certain funds and accounts established under the Indenture, including the Revenue Fund, the Operating Reserve Fund, the Major Maintenance Reserve Fund and the hereinafter defined Reserve Fund.

Pledged Funds; Revenues; Tolls

Pledged Funds include: (i) Revenues, which are comprised primarily of Tolls, and (ii) moneys on deposit in the Revenue Fund, the Operating Reserve Fund, the Major Maintenance Reserve Fund, the Reserve Fund and any other fund or account held by or for the benefit of the Trustee under the Indenture, excluding amounts on deposit in the Rebate Fund, any Series Credit Facility Fund and amounts on deposit in such other funds or accounts as may be established and excluded from Pledged Funds pursuant to a Supplemental Indenture establishing the terms and provisions of an additional Series of Bonds, including, without limitation, in the case of TIFIA Obligations, such further exceptions as may be provided in the Supplemental Indenture pursuant to which such TIFIA Obligations are issued.

Revenues are comprised of (a) the Tolls, (b) earnings derived from the investment of moneys in the funds and accounts established under the Indenture (whether held by the Trustee or by OCTA) excluding the Rebate Fund and any Series Credit Facility Fund, (c) liquidated damages or similar payments (net of offsets required or permitted by the applicable agreement) payable under any toll collection or revenue management contract or any operating or maintenance contract relating to the Pledged Facilities, (d) proceeds of revenue interruption insurance maintained by or for the benefit of OCTA to the extent such proceeds relate to the damage, destruction or condemnation of a Pledged Facility, (e) net proceeds of eminent domain proceedings and casualty insurance maintained by or for the benefit of OCTA to the extent such proceeds relate to damage, destruction or condemnation of a Pledged Facility and are not promptly applied by OCTA either to the replacement or restoration of the Pledged Facility taken or damaged or to the redemption of Bonds, (f) any moneys received by OCTA pursuant to the Cooperative Agreement, and (g) such other sources of funds as may be identified as Revenues in a Supplemental Indenture. As defined in the Indenture, Revenues do not include rebates of premiums received by OCTA or by the Trustee in connection with insurance policies maintained by or for either of

* *Preliminary; subject to change.*

them or, except as specifically provided by the Indenture, the proceeds of any Bonds or other indebtedness issued or incurred by OCTA. For additional detail concerning Revenues, see "HISTORICAL AND PROJECTED DEBT SERVICE COVERAGE."

Tolls are comprised of all rates, rents, fees, charges, fines, or other income derived by, or allocated to, OCTA, directly or indirectly, from or related to vehicular usage of the Toll Road, including, but not limited to, fees paid for the vehicular usage of the Toll Road, fines and penalties collected by OCTA with respect to usage of the Toll Road, and fees for the use of transponders or other devices for the electronic payment of tolls, but excluding any portion of Tolls derived from the vehicular usage of a Special Project which is required to be paid to a contractor pursuant to a contract for the acquisition or construction of such Special Project as a result of the early completion of such Special Project or any segment of such Special Project.

Neither the faith and credit nor the taxing power of the County of Orange, the State of California or any political subdivision or public agency thereof, other than OCTA, to the extent of the pledge described herein, is pledged to the payment of principal of, premium, if any, or interest on the Senior Lien Bonds. OCTA has no taxing power.

Funds and Accounts Established Pursuant to the Indenture; Investment of Funds and Accounts

Revenue Fund. A special fund designated the "Orange County Transportation Authority Toll Road Revenue Bonds Revenue Fund" (the "Revenue Fund") is created pursuant to the Indenture and shall be held by OCTA. Pursuant to the provisions of the Indenture, OCTA will covenant that OCTA will deposit or cause to be deposited all Revenues when and as received by, or allocated to, OCTA into the Revenue Fund. All moneys in the Revenue Fund shall be held by OCTA in trust for the benefit of the Senior Lien Bonds and obligations secured on a parity basis with the Senior Lien Bonds ("Parity Obligations"), including, without limitation, reimbursement obligations to each Bank providing a Credit Facility for a Series of Bonds (such obligations being hereinafter referred to as "Reimbursement Obligations"), and shall be applied as provided in the Indenture and, pending such application, shall be subject to a lien and charge in favor of the registered owners of the Senior Lien Bonds, each Bank providing a Credit Facility for a Series of Bonds and the holders of any other Parity Obligations (each, a "Secured Owner," and, hereinafter collectively referred to as the "Secured Owners") until paid out or transferred as in the Indenture provided. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – Definitions; Interpretations" and "Revenues and Funds – Revenue Fund."

Operating Reserve Fund. A special fund designated the "Orange County Transportation Authority Toll Road Revenue Bonds Operating Reserve Fund" (the "Operating Reserve Fund") is created pursuant to the Indenture and shall be held by OCTA. Amounts on deposit in the Operating Reserve Fund are Pledged Funds. Pursuant to the provisions of the Indenture, amounts on deposit in the Operating Reserve Fund shall be applied to the payment of Current Expenses. In the event that OCTA withdraws funds from the Operating Reserve Fund to pay Current Expenses, OCTA shall deposit to the credit of the Operating Reserve Fund, on the first day of each month, following the month of a withdrawal, an amount equal to $1/12^{th}$ of the amount of the withdrawal, until such time as the amount on deposit in the Operating Reserve Fund is equal to the Operating Reserve Requirement of $3,000,000. Earnings on amounts on deposit in the Operating Reserve Fund shall be retained therein until such time as the amount on deposit in the Operating Reserve Fund shall equal the Operating Reserve Requirement and thereafter shall be transferred to the Revenue Fund. The Indenture requires that all Investment Securities on deposit in the Operating Reserve Fund be valued annually as of August 15 of each year (or the next succeeding Business Day if such day is not a Business Day). If on any date of valuation, the amount on deposit in the Operating Reserve Fund exceeds the amount of the Operating Reserve Requirement, OCTA shall transfer such amounts in excess of the Operating Reserve Requirement to the Revenue Fund. In the event that on any date of valuation, the amount on deposit in the Operating Reserve Fund is less than the Operating Reserve Requirement, OCTA shall deposit to the credit of the Operating Reserve Fund an amount equal to 1/12th of the amount necessary to cause the balance on deposit therein to equal the Operating Reserve Requirement, such transfers to continue to be made on a monthly basis until the amount on deposit in the Operating Reserve Fund is equal to the Operating Reserve Requirement. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST - Definitions; Interpretations" and "Revenues and Funds – Operating Reserve Fund."

Debt Service Fund. A special fund designated the "Orange County Transportation Authority Senior Lien Toll Road Revenue Bonds Debt Service Fund" (the "Debt Service Fund") is created pursuant to the Indenture and shall be held by the Trustee. Amounts on deposit in the Debt Service Fund are Pledged Funds. Pursuant to the provisions of the Indenture, three separate accounts are created within the Debt Service Fund, such accounts to be designated as the "Senior Lien Bonds Interest Account" (the "Interest Account"), the "Senior Lien Bonds Principal Account" (the "Principal Account") and the "Senior Lien Bonds Prepayment Account" (the "Prepayment Account"). The moneys in each of such accounts shall be held by the Trustee in trust for the benefit of the Senior Lien Bonds and Parity Obligations to the extent the foregoing are payable from such accounts, shall be applied as provided in the Indenture with regard to each such account and, to said extent and pending such application, shall be subject to a lien and charge in favor of the Secured Owners until paid out or transferred as provided in the Indenture. There shall be withdrawn from the Interest Account and the Principal Account from time to time and set aside or deposited with the Trustee sufficient money for paying the interest on and the principal of and premium, if any, on the Senior Lien Bonds and the amounts, if any, owed in respect of such Parity Obligations as the same shall fall due, except to the extent such interest, principal or other amounts are payable from a fund or account other than the Debt Service Fund as provided in any Supplemental Indenture. Moneys in the Prepayment Account shall be withdrawn therefrom and applied to the redemption of Bonds, or the purchase thereof in lieu of redemption, from time to time as specified in a certificate of an Authorized OCTA Representative. Earnings on amounts on deposit in the Debt Service Fund shall be retained therein. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – Definitions; Interpretations" and "Revenues and Funds – Senior Lien Bonds Debt Service Fund and Certain Accounts."

Reserve Fund. A special fund designated the "Orange County Transportation Authority Senior Lien Toll Road Revenue Bonds Reserve Fund" (the "Senior Lien Bonds Reserve Fund") is created pursuant to the Indenture and shall be held by the Trustee. Amounts on deposit in the Senior Lien Bonds Reserve Fund are Pledged Funds. Pursuant to the provisions of the Indenture, the balance in the Senior Lien Bonds Reserve Fund is the amount, if any, set forth in the supplemental indenture relating to a Series of Bonds. For purposes of the Series 2023 Bonds, the Second Supplemental Indenture provides that the Senior Lien Bonds Reserve Fund Requirement is, as of any date of calculation, an amount equal to the least of (i) Maximum Annual Debt Service on all Series 2023 Bonds Outstanding, (ii) one hundred twenty-five percent (125%) of average annual debt service on all Series 2023 Bonds Outstanding and (iii) ten percent (10%) of the initial proceeds of Series 2023 Bonds then Outstanding (the "Senior Lien Bonds Reserve Fund Requirement"). As of the date of issuance of the Series 2023 Bonds, the Senior Lien Reserve Fund Requirement shall equal $[______], which amount will be on deposit in the Senior Lien Bonds Reserve Fund on the date of issuance of the Series 2023 Bonds. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – Definitions; Interpretations" and "Revenues and Funds – Senior Lien Bonds Reserve Fund."

In the event that the moneys on deposit in the Debt Service Fund are insufficient to pay the interest or principal coming due on the Senior Lien Bonds (other than TIFIA Obligations) on any Interest Payment Date or the moneys on deposit in the applicable Series Credit Facility Fund are insufficient to pay, as it becomes due, any Reimbursement Obligation resulting from a draw on a Credit Facility to pay principal of or interest on Bonds (other than TIFIA Obligations), to the extent such interest or principal is payable from such account or such Reimbursement Obligation is payable from a Series Credit Facility Fund, the Trustee shall withdraw from the Senior Lien Bonds Reserve Fund and shall deposit to the credit of such account and/or each such Series Credit Facility Fund, as the case may be, an amount sufficient to remedy said deficiency (and if the amount available is insufficient for such purposes, to the credit of each such account or fund in proportion to the respective amount of its deficiency). In the event that the Trustee withdraws funds from the Senior Lien Bonds Reserve Fund pursuant to the provisions of the Indenture described above, upon notification of such withdrawal, OCTA shall deposit to the credit of the Senior Lien Bonds Reserve Fund, on the first day of each month, following the month of a withdrawal, an amount equal to 1/12th of the amount of the withdrawal, until such time as the amount on deposit in the Senior Lien Bonds Reserve Fund is equal to the Senior Lien Bonds Reserve Fund Requirement.

The Indenture requires that all Investment Securities on deposit in the Senior Lien Bonds Reserve Fund be valued annually as of August 15 of each year (or the next succeeding Business Day if such day is not a Business Day). See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – Revenues and Funds – Senior Lien Bonds Reserve Fund." Amounts on deposit in the Senior Lien Bonds Reserve Fund in excess of the Senior Lien Bonds Reserve Fund Requirement on any date of valuation shall be deemed to have been transferred to OCTA for deposit in the Revenue Fund and shall be deemed to have been further transferred by OCTA to the Trustee for deposit in the Debt Service Fund. In the event that on any date of valuation, the amount on deposit in the Senior Lien Bonds Reserve Fund is less than the Senior Lien Bonds Reserve Fund Requirement, the Trustee shall notify OCTA and upon receipt of such notification, OCTA shall deposit to the credit of the Senior Lien Bonds Reserve Fund an amount equal to 1/12th of the amount necessary to cause the balance on deposit therein to equal the Senior Lien Bonds Reserve Fund Requirement, such transfers to continue to be made on a monthly basis until the amount on deposit in the Senior Lien Bonds Reserve Fund is equal to the Senior Lien Bonds Reserve Fund Requirement.

Major Maintenance Reserve Fund. A special fund designated the "Orange County Transportation Authority Toll Road Revenue Bonds Major Maintenance Reserve Fund" (the "Major Maintenance Reserve Fund") is created pursuant to the Indenture and shall be held by OCTA. Amounts on deposit in the Major Maintenance Reserve Fund are Pledged Funds. Pursuant to the provisions of the Indenture, amounts on deposit in the Major Maintenance Reserve Fund shall be applied to the payment of Major Maintenance Expenses. In the event that OCTA withdraws funds from the Major Maintenance Reserve Fund to pay Major Maintenance Expenses or the amount on deposit therein is less than the Major Maintenance Reserve Requirement of $5,000,000, OCTA shall deposit to the credit of the Major Maintenance Reserve Fund, on the first day of each month, following the month of a withdrawal, an amount equal to $1/12^{th}$ of the amount of the Major Maintenance Reserve Requirement, until such time as the amount on deposit in the Major Maintenance Reserve Fund is equal to the Major Maintenance Reserve Requirement. Earnings on amounts on deposit in the Major Maintenance Reserve Fund shall be retained therein until such time as the amount on deposit in the Major Maintenance Reserve Fund shall equal the Major Maintenance Reserve Requirement and thereafter shall be transferred to the Revenue Fund. The Indenture requires that all Investment Securities on deposit in the Major Maintenance Reserve Fund be valued annually as of August 15 of each year (or the next succeeding Business Day if such day is not a Business Day). If on any date of valuation, the amount on deposit in the Major Maintenance Reserve Fund exceeds the amount of the Major Maintenance Reserve Requirement, OCTA shall transfer such amounts in excess of the Major Maintenance Reserve Requirement to the Revenue Fund. In the event that on any date of valuation, the amount on deposit in the Major Maintenance Reserve Fund is less than the Major Maintenance Reserve Requirement, OCTA shall deposit to the credit of the Major Maintenance Reserve Fund an amount equal to 1/12th of the amount necessary to cause the balance on deposit therein to equal the Major Maintenance Reserve Requirement, such transfers to continue to be made on a monthly basis until the amount on deposit in the Major Maintenance Reserve Fund is equal to the Major Maintenance Reserve Requirement. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – Definitions; Interpretations" and "Revenues and Funds – Major Maintenance Reserve Fund." The Indenture also requires that an Authorized OCTA Representative annually certify that the Major Maintenance Reserve Requirement, together with the projected Net Toll Revenues after payment of Annual Debt Service, debt service on Junior Lien Bonds and Subordinate Lien Bonds and payments to the Operating Reserve Fund as estimated by OCTA in the OCTA budget for the next Fiscal Year, are sufficient to pay for Major Maintenance Expenses for the next Fiscal Year, such certificate to be dated no later than June 30 of each Fiscal Year.

Construction Fund. A special fund designated the "Orange County Transportation Authority Toll Road Revenue Bonds Construction Fund" (the "Construction Fund") is created pursuant to the Indenture and shall be held by OCTA. Such amounts as may be specified by OCTA from time to time in a Supplemental Indenture providing for the issuance of a Series of Bonds shall be deposited in the Construction Fund. In addition, the proceeds of physical loss insurance or condemnation awards or such other amounts as may be received by OCTA from time to time with respect to damage, destruction or condemnation of the Pledged Facilities shall be deposited in the Construction Fund to the extent such amounts are determined by OCTA to be appropriate for deposit into the Construction Fund. The Construction Fund shall include an account to be designated the "Orange County Transportation Authority Toll Road Revenue Bonds Costs of Issuance Account" (the "Costs of Issuance Account") and such other accounts as may be provided for from time to time by a Supplemental Indenture providing for the issuance of an additional Series of Bonds. Amounts on deposit in the Costs of Issuance Account shall be applied by OCTA to pay Costs of Issuance. See "ESTIMATED USES AND SOURCES OF FUNDS." Amounts held on deposit in the Construction Fund are Pledged Funds. Upon issuance of the Series 2023 Bonds, funds will be deposited in the Costs of Issuance Account to pay costs of issuance of the Series 2023 Bonds. No other funds will be deposited in the Construction Fund in connection with the issuance of the Series 2023 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS." See also APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – Definitions; Interpretations" and "Revenues and Funds – Construction Fund and Certain Accounts."

Rebate Fund. A special fund designated the "Orange County Transportation Authority Toll Road Revenue Bonds Rebate Fund" (the "Rebate Fund") is created pursuant to the Indenture and shall be held by the Trustee. All money at any time deposited in the Rebate Fund or at the direction of OCTA shall be held by the Trustee in trust, for payment to the United States Treasury. Amounts held on deposit in the Rebate Fund are not subject to the lien and pledge of the Indenture in favor of the Secured Owners. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – Definitions; Interpretations" and "Revenues and Funds – Rebate Fund."

Investment of Funds and Accounts. Moneys held on deposit in the funds and accounts established under the Indenture shall be invested in Permitted Investments. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – Definitions; Interpretations" and "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – Investments."

Application of Revenues

Prior to any other transfer from the Revenue Fund, OCTA shall withdraw from the Revenue Fund such amounts as it shall from time to time determine necessary to pay (i) the current expenses of the Pledged Facilities (the "Current Expenses") that are then due and payable and (ii) the Current Expenses that OCTA expects to become due and payable in the next succeeding calendar month. Amounts so withdrawn from the Revenue Fund shall be applied to the payment of Current Expenses. Amounts withdrawn from the Revenue Fund to pay Current Expenses are not subject to the lien and pledge of the Indenture in favor of the Secured Owners.

After making the withdrawals to pay Current Expenses as described in the preceding paragraph, the withdrawals and transfers from the Revenue Fund described below shall be made by OCTA and/or the Trustee, as applicable, in each case in accordance with the provisions of the Indenture:

(a) On any date when the balance on deposit in the Operating Reserve Fund is less than the Operating Reserve Requirement, OCTA shall withdraw from the Revenue Fund and transfer to the credit of the Operating Reserve Fund an amount equal to $1/12^{th}$ of the amount of the Operating Reserve Requirement, such transfers to continue to be made on a monthly basis until the amount on deposit in the Operating Reserve Fund is equal to the Operating Reserve Requirement;

(b) On or before the fifth Business Day preceding the date when payment of principal of and/or interest on Senior Lien Bonds or Parity Obligations is due, as the case may be, OCTA shall withdraw from the Revenue Fund and transfer to the Trustee for deposit to the credit of the Interest Account established within the Debt Service Fund and the Principal Account established within the Debt Service Fund (or to a Series Credit Facility Fund in lieu of either of the foregoing, to the extent set forth below):

> 1. to the credit of the Interest Account, an amount equal to (a) the unpaid Aggregate Accrued Interest due on the Senior Lien Bonds or Parity Obligations on the next succeeding Interest Payment Date; provided that any amount remaining in the Interest Account following the payment of interest on Bonds or Parity Obligations on each Interest Payment Date that is in excess of the interest, if any, then accrued on Bonds or Parity Obligations shall be withdrawn therefrom and applied in the manner set forth below; and provided further that if, pursuant to the provisions of any Supplemental Indenture, money has been deposited to the credit of the Interest Account to pay such Aggregate Accrued Interest from drawings pursuant to one or more Credit Facilities, then if and to the extent required pursuant to the Supplemental Indenture applicable to such Series of Bonds or Parity Obligations, Revenues shall be deposited to the applicable Series Credit Facility Fund in an amount sufficient to reimburse the applicable Bank for such drawing and (but without duplication) to pay any applicable Bank Fees then payable to such Bank; and provided further that if the Revenues transferred to the Trustee as provided for hereinabove are at any time insufficient to make the deposits required to be made pursuant to the provisions of this subparagraph, upon receipt of the written instruction of an Authorized OCTA Representative to do so, the Trustee shall withdraw from the Principal Account and credit to the Interest Account the amount of such insufficiency; and
>
> 2. to the credit of the Principal Account, the Aggregate Accrued Principal of Bonds or Parity Obligations which will be due and payable on the next succeeding August 15, provided that if, pursuant to the provisions of any Supplemental Indenture, money has been deposited to the credit of the Principal Account to pay such Aggregate Accrued Principal or Accrued Premium from drawings pursuant to one or more Credit Facilities, then if and to the extent required pursuant to the Supplemental Indenture applicable to such Series of Bonds or Parity Obligations, Revenues shall be deposited to the applicable Series Credit Facility Fund in an amount sufficient to reimburse the applicable Bank for such drawing.

(c) On any date when the balance on deposit in the Reserve Fund is less than the Senior Lien Reserve Fund Requirement, OCTA shall withdraw from the Revenue Fund and transfer to the Trustee for deposit in the Reserve Fund, the amount equal to $1/12^{th}$ of the amount necessary to cause the balance on deposit therein to equal the Senior Lien Reserve Fund Requirement, such transfers to continue to be made on a monthly basis until the amount on deposit in the Reserve Fund is equal to the Senior Lien Reserve Fund Requirement.

(d) OCTA shall withdraw from the Revenue Fund such amounts as are necessary to make such other transfers, deposits and payments as may be required in connection with Junior Lien Bonds issued or incurred by OCTA in accordance with the provisions of the Indenture, such transfers, deposits and payments to be made by OCTA on the date required pursuant to the provisions of the documents entered into to issue or incur such Junior Lien Bonds;

(e) OCTA shall withdraw from the Revenue Fund such amounts as are necessary to make such other transfers, deposits and payments as may be required in connection with Subordinate Lien Bonds issued or incurred by OCTA in accordance with the provisions of the Indenture, such transfers, deposits and payments to be made by OCTA on the date required pursuant to the provisions of the documents entered into to issue or incur such Subordinate Lien Bonds;

(f) On any date when the balance on deposit in the Major Maintenance Reserve Fund is less than the Major Maintenance Reserve Requirement, OCTA shall withdraw from the Revenue Fund and transfer to the credit of the Major Maintenance Reserve Fund an amount equal to 1/12th of the amount necessary to cause the balance on deposit therein to equal Major Maintenance Reserve Requirement, such transfers to continue to be made on a monthly basis until the amount on deposit in the Major Maintenance Reserve Fund is equal to the Major Maintenance Reserve Requirement; and

On the 16th day of each month, provided that the deposits described in clauses (a) through (f) above, inclusive, have been made, OCTA may withdraw all Revenues from the Revenue Fund and may use such Revenues for any other purpose authorized under the Act. Upon withdrawal from the Revenue Fund, such funds shall cease to be Pledged Funds and shall be free and clear of the lien of the Indenture.

If the Revenues transferred to the Trustee pursuant to the provisions of the Indenture described above are at any time insufficient to make the deposits required, OCTA may, at its election, deposit with the Trustee funds from any available sources with the direction that such funds be deposited into the funds and accounts or specified funds and accounts held by the Trustee.

Rate Covenant

Pursuant to the Indenture, OCTA will covenant to fix and prescribe toll rates for each type of vehicle and each time of day sufficient to produce Adjusted Net Toll Revenues for each Fiscal Year at least equal to 1.3 times Annual Debt Service on Senior Lien Bonds and Parity Obligations and at least equal to 1.0 times Annual Debt Service on all Bonds. Adjusted Net Toll Revenues means for any period, the remainder of (i) the Tolls for such period and the earnings derived in such period from the investment of moneys on deposit in the Debt Service Fund, the Reserve Fund, the TIFIA Reserve Fund and any other fund or account established in a Supplemental Indenture as a Pledged Fund, excluding the earnings on such other funds and accounts established pursuant to a Supplemental Indenture which do not constitute Pledged Funds, minus (ii) the Current Expenses for such period paid from Revenues for such period. However, the failure of toll rates to yield the amount described in this paragraph shall not be deemed to constitute an Event of Default under the Indenture so long as OCTA complies with the requirements of the Indenture described below and is not otherwise in default under the Indenture.

Within sixty (60) days after the end of each Fiscal Year, OCTA will file with the Trustee a report setting forth the Adjusted Net Toll Revenues for such Fiscal Year. If any such report indicates that the Adjusted Net Toll Revenues for such Fiscal Year were less than the amount required pursuant to the provisions of the Indenture described above, then as soon as practicable after delivering such report to the Trustee, management of OCTA (i) shall notify each Bank and each Rating Agency which has assigned a rating to the Senior Lien Bonds at the request of OCTA of that fact and (ii) shall employ a Traffic Consultant to review and analyze the operations of the Pledged Facilities and (iii) shall submit to the governing body of OCTA (the "Board"), as soon as practicable (but not later than such date as will enable the Board to act upon it within one hundred eighty (180) days after the end of the Fiscal Year in question), a written report which shall include the actions that the Traffic Consultant recommends should be taken by OCTA with respect to revising the toll rates, altering its methods of operation or taking other action projected to produce the amount so required in the following twelve (12) month period (or, if less, the maximum amount deemed feasible by the Traffic Consultant) and that the Traffic Consultant estimates will not adversely affect the amount of Adjusted Net Toll Revenues. Promptly upon its receipt of such written report (and, in any case, within one hundred eighty (180) days after the end of the Fiscal Year in question), after giving due consideration thereto, OCTA will revise the toll rates, as permitted by law, alter its methods of operation or take such other action as it deems appropriate. Such revisions, alterations or actions need not comply with the recommendations of the Traffic Consultant so long as Adjusted Net Toll Revenues projected by the Traffic Consultant to be produced by the revisions, alterations or actions then taken by OCTA are at least equal to the amount required pursuant to the provisions of the Indenture described above.

Pursuant to the provisions of the Indenture, OCTA will further covenant to establish and maintain toll rates for traffic using the Pledged Facilities in a reasonable way applicable to all traffic (other than vehicles used for maintaining the Pledged Facilities; police, fire, and other public emergency vehicles; buses owned and operated by OCTA; vehicles with three or more passengers; motorcycles; zero emission vehicles; vehicles with handicapped or disabled veterans plates; vehicles which are otherwise exempt from payment of Tolls under California State law; and vehicles in a public emergency declared by OCTA's Chief Executive Officer) consistent with the requirements of the Indenture, but with such classifications as OCTA may deem appropriate; provided that nothing in the Indenture shall be deemed to require OCTA to collect Tolls during a period of less than eight consecutive hours in any twenty-four hour period with respect to which the Board has determined, based upon a report from a Traffic Consultant, the costs of such collection would exceed the amount of Tolls expected to be collected; and provided further that nothing contained in the Indenture shall prevent OCTA from temporarily reducing or eliminating Tolls in connection with programs which it intends to use to increase Adjusted Net Toll Revenues.

Notwithstanding any provision of the Indenture to the contrary, nothing in the provisions of the Indenture described under this caption shall be deemed to require OCTA to collect tolls and other fees with respect to which OCTA has determined, based upon a report from a Traffic Consultant, that the costs of collection would exceed the amount of tolls and other fees expected to be collected; and provided further that nothing in the provisions of the Indenture described under this caption shall prevent OCTA from temporarily reducing or eliminating tolls and other fees in connection with programs which OCTA intends to use to increase Adjusted Net Revenue.

Certain Other Covenants of OCTA

Pursuant to the Indenture, OCTA will also covenant that: (i) it will punctually pay or cause to be paid from Pledged Funds the principal of, premium, if any, and interest on all Bonds; (ii) to the maximum extent permitted by law to do so, it will establish and enforce reasonable rules and regulations governing the use of the Pledged Facilities and the operation thereof, will operate the Pledged Facilities in an efficient and economical manner, will promptly notify Caltrans of any damage to or destruction of any of the Pledged Facilities of which the governing body of OCTA has actual knowledge, will observe and perform all of the terms of the Facility Agreements required to be performed by OCTA and will enforce each of the Facility Agreements, will take no action with respect to any of the Pledged Facilities that would materially impair its ability to meet the requirements of the rate covenant described above under the caption "Rate Covenant," will observe and perform all of the terms and conditions contained in the Act, will maintain, preserve and operate in conformity with all Facility Agreements, prudent industry standards and all governmental approvals, all material elements of the Toll Road that are used or necessary in the conduct of its business with respect to the Pledged Facilities in good working order and condition, ordinary wear and tear excepted, and will not fail to take any action required under the Facility Agreements or the Control Agreement that will adversely affect the security for the Senior Lien Bonds, or the rights of the Secured Owners and that it will not consent to any amendments of any of the Facility Agreements or the Control Agreement which would adversely affect the security for the Senior Lien Bonds or the rights of the Secured Owners; (iii) in the event of damage to or destruction of all or any part of any Pledged Facilities, it will use its best efforts to cause the Pledged Facilities or such part thereof to be repaired, restored or replaced so that the efficiency and value of the Pledged Facilities as a revenue producing toll road will not be materially impaired or in the alternative it will redeem all or a portion of the Senior Lien Bonds then Outstanding if the failure to repair, restore or replace the Pledged Facilities would adversely affect its ability to meet the requirements of the rate covenant described under the caption "Rate Covenant;" and (iv) it will maintain or cause to be maintained a practical insurance program, with such reasonable terms, conditions, provisions and costs, as in its sole discretion it determines will afford adequate insurance protection, such program to include insurance against loss caused by damage to or destruction of all or any part of any of the Pledged Facilities owned by it, comprehensive public liability insurance for bodily injury and property damage relating to any part of the Pledged Facilities owned by it and such other insurance as it in its sole discretion may determine. Also see APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – Covenants of OCTA."

Additional Senior Lien Bonds; Refunding Bonds; Parity Obligations; Junior Lien Bonds; Subordinate Lien Bonds; TIFIA Obligations

General. Subsequent to the issuance of the Series 2023 Bonds, additional Senior Lien Bonds, including additional Senior Lien Bonds issued to refund outstanding Senior Lien Bonds (hereinafter referred to as "Refunding Bonds") may be issued by OCTA and debt or other obligations may be incurred by OCTA secured by a lien on Pledged Funds on a parity with the Senior Lien Bonds (such debt or other obligations being hereinafter referred to as "Parity Obligations") upon satisfactions of the provisions of the Indenture. In addition, OCTA may incur debt or issue other obligations secured by a pledge and lien on Pledged Funds on a subordinate basis to the Senior Lien Bonds and Parity Obligations (hereinafter referred to as "Junior Lien Bonds") and may incur debt or issue other obligations payable from Pledged Funds on a basis subordinate in all respects to Bonds, Parity Obligations and Junior Lien Bonds (such obligations being hereinafter referred to as "Subordinate Lien Bonds"). See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – "Definitions; Interpretations." OCTA may also issue or incur TIFIA Obligations, provided that the requirements set forth in the Indenture are met. TIFIA Obligations may be issued or incurred as Parity Obligations, Junior Lien Bonds, or Subordinate Lien Bonds. However, in the event that TIFIA Obligations are issued as Junior Lien Bonds or Subordinate Lien Bonds, upon the occurrence of a Bankruptcy Related Event, TIFIA Obligations will be secured by a pledge and lien on Pledged Funds on a parity with the Series 2023 Bonds.

In estimating the amount of future Tolls for purposes of the provisions of the Indenture described under this caption, including each subcaption under this caption, the Traffic Consultant may take into account any revisions of the Tolls which the Traffic Consultant reasonably determines to be appropriate under the circumstances, and any additional Tolls which the Traffic Consultant reasonably estimates will be received by OCTA following the completion of any Pledged Facility then being constructed, or proposed to be constructed by or on behalf of OCTA, provided that an Authorized OCTA Representative shall have certified in writing as to the estimated completion date of such Pledged Facility and an Authorized OCTA Representative shall have certified in writing as to the sufficiency of funds available with which to complete the same.

Additional Senior Lien Bonds. OCTA may by Supplemental Indenture issue one or more Series of additional Senior Lien Bonds (hereinafter referred to as "Additional Senior Lien Bonds") payable from and secured by the Pledged Funds on a parity with the Series 2023 Bonds for any lawful purpose of OCTA as authorized under the Act, including, without limitation, for the purpose of (i) paying for improvements or betterments to the Toll Road, rail and transit improvements or connectivity projects relating to the Toll Road, and any phase of project delivery to make capital improvements to onramps, connector roads, roadways, bridges, or other structures that are related to the tolled and nontolled facilities on SR 91 between State Highway Route 57 to the west and the Orange and Riverside county line to the east, and (ii) refunding any Bond in accordance with the provisions of the Indenture applicable to the issuance of Refunding Bonds. Proceeds of Additional Senior Lien Bonds may also be applied to increase the amount on deposit in the Reserve Fund if required in connection with the issuance of such Additional Senior Lien Bonds, to pay capitalized interest related to such Additional Senior Lien Bonds and to pay costs of issuance related to the issuance of such Additional Senior Lien Bonds.

In order to issue Additional Senior Lien Bonds, OCTA shall cause to be filed with the Trustee:

(a) an original executed counterpart or a copy of the Indenture, together with all prior Supplemental Indentures;

(b) an original executed counterpart or a copy, certified by an Authorized OCTA Representative, of the Supplemental Indenture providing for the issuance of such Series of Refunding Bonds and setting forth the terms of such Series of Bonds;

(c) if bond insurance, credit enhancement or liquidity support is to be provided at the time of issuance of such Series of Refunding Bonds, the executed Credit Facility relating to such Series of Bonds;

(d) in the event one or more Credit Facilities are then in effect in connection with any Outstanding Series of Bonds, a certificate of OCTA executed by an Authorized OCTA Representative to the effect that all conditions precedent to the issuance of the proposed Series of Bonds established by each of the applicable Reimbursement Agreements and other similar agreements have been fulfilled;

(e) a certificate of OCTA, executed by an Authorized OCTA Representative, showing that (a) the aggregate amount of the Adjusted Net Toll Revenues received for twelve (12) consecutive months of the fifteen (15) months immediately prior to the date of issuance of the Senior Lien Bonds proposed to be issued was not less than 1.5 times Annual Debt Service on Outstanding Bonds and Parity Obligations, and (ii) the aggregate amount of the Adjusted Net Toll Revenues (determined based upon the Tolls estimated (x) by a Traffic Consultant with respect to Tolls relating to vehicular usage of the Toll Road, which shall be set forth in a certificate of the Traffic Consultant, and (y) by an Authorized OCTA Representative with respect to Tolls not relating to vehicular usage of the Toll Road, which shall be set forth in a certificate of such Authorized OCTA Representative) to be received in each Fiscal Year after the date of issuance of the Additional Senior Lien Bonds is not less than 1.5 times Annual Debt Service on Outstanding Bonds and Parity Obligations, taking into account the Senior Lien Bonds proposed to be issued, for each such Fiscal Year;

(f) written instructions from OCTA, executed by an Authorized OCTA Representative, to the Trustee setting forth the respective portions of the proceeds from the sale of such Series of Bonds to be deposited in the various funds and accounts established under the Indenture which are held by the Trustee; and

(g) written instructions from OCTA, executed by an Authorized OCTA Representative, to authenticate such Series of Bonds and, upon receipt of the purchase price, to deliver such Series of Bonds to or upon the order of the purchasers named in such instructions.

As a condition to the issuance of any Additional Senior Lien Bonds, there shall also be delivered to the Trustee a certificate of OCTA, executed by an Authorized OCTA Representative, to the effect that (i) concurrently with the issuance of such Additional Senior Lien Bonds, the amount on deposit in the Reserve Fund will be an amount not less than the Senior Lien Reserve Fund Requirement and (ii) OCTA shall have made all monthly deposits to the Major Maintenance Reserve Fund and the Operating Reserve Fund required to be made as of the date of issuance of such additional Bonds, in each case taking into account the Senior Lien Bonds proposed to be issued and the application of the proceeds to be derived from the sale thereof.

Refunding Bonds. Refunding Bonds may be issued as Senior Lien Bonds without satisfying the provisions of the Indenture described under clause (e) under the caption "Additional Senior Lien Bonds" if all of the outstanding principal amount of the Senior Lien Bonds is to be defeased and/or redeemed with the proceeds of the Refunding Bonds or there is delivered to the Trustee a certificate of an Authorized OCTA Representative showing that either (a) the governing body of OCTA determined by resolution that such refunding is in the best interests of OCTA, which resolution shall also state the reasons for such determination, (b) Annual Debt Service on all Outstanding Bonds after the issuance of the Refunding Bonds will not exceed Annual Debt Service on all Outstanding Bonds prior to the issuance of such Refunding Bonds in each Fiscal Year, or (c) (i) the aggregate amount of the Adjusted Net Toll Revenues received for twelve (12) consecutive months of the fifteen (15) months immediately prior to the date of issuance of the Refunding Bonds was not less than 1.5 times Annual Debt Service, and (ii) the aggregate amount of the Adjusted Net Toll Revenues (determined based upon the Tolls estimated by a Traffic Consultant with regard to Tolls relating to vehicular usage of the Toll Road and as set forth in a certificate of an Authorized OCTA Representative as to Tolls that are not related to vehicular usage of the Toll Road) in each Fiscal Year after the date of the issuance of such Refunding Bonds is not less than 1.5 times Annual Debt Service, taking into account the Refunding Bonds proposed to be issued, for each such Fiscal Year.

Parity Obligations. OCTA may issue obligations payable from Pledged Funds on a parity basis with the Senior Lien Bonds upon filing with the Trustee a certificate of OCTA, executed by an Authorized OCTA Representative, showing that (a) the aggregate amount of the Adjusted Net Toll Revenues received for twelve (12) consecutive months of the fifteen (15) months immediately prior to the date of issuance of the Senior Lien Bonds proposed to be issued was not less than 1.5 times Annual Debt Service on Outstanding Bonds and Parity Obligations, and (ii) the aggregate amount of the Adjusted Net Toll Revenues (determined based upon the Tolls estimated (x) by a Traffic Consultant with respect to Tolls relating to vehicular usage of the Toll Road, which shall be set forth in a certificate of the Traffic Consultant, and (y) by an Authorized OCTA Representative with respect to Tolls not relating to vehicular usage of the Toll Road, which shall be set forth in a certificate of such Authorized OCTA Representative) to be received in each Fiscal Year after the date of issuance of the Parity Obligations is not less than 1.5 times Annual Debt Service on Outstanding Bonds and Parity Obligations, taking into account the Parity Obligations proposed to be incurred, for each such Fiscal Year;

Junior Lien Bonds and Subordinate Lien Bonds. OCTA may also issue obligations payable from Pledged Funds, the payment of which is junior and subordinate to the prior payment of all amounts then required to be paid with respect to the Senior Lien Bonds and Parity Obligations.

TIFIA Obligations. If TIFIA Obligations are proposed to be issued as Parity Obligations, prior to or simultaneously with the issuance of any such TIFIA Obligations, OCTA will file with the Trustee an opinion of Bond Counsel to the effect that under no circumstances (including, but not limited to, the occurrence of a Bankruptcy Related Event) will such TIFIA Obligations be secured on basis senior to the Senior Lien Bonds. If TIFIA Obligations are proposed to be issued as Junior Lien Bonds or Subordinate Lien Bonds, OCTA will file with the Trustee written confirmation from each Rating Agency then maintaining a rating on any Outstanding Bonds at the request of OCTA to the effect that the issuance of such TIFIA Obligations will not cause a withdrawal of or a reduction in such Rating Agency's then current rating on any Outstanding Bonds. In connection with the issuance of TIFIA Obligations, OCTA may establish a TIFIA Obligations Reserve Fund.

Following the issuance of the Series 2023 Bonds, OCTA does not currently intend to issue any Senior Lien Bonds, Parity Obligations, Junior Lien Bonds, Subordinate Lien Bonds, or any TIFIA Obligations.

PLAN OF FINANCE

Proceeds of the Series 2023 Bonds, together with certain other funds, will be applied to (a) refund, on a current basis, all of the outstanding Series 2013 Bonds (as set forth in the table below) and (b) pay costs of issuance of the Series 2023 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS." A portion of the proceeds of the Series 2023 Bonds and certain other available funds will be deposited into an escrow fund (the "Escrow Fund") established to defease the Series 2013 Bonds pursuant to Escrow Instructions, dated as of [CLOSING MONTH] 1, 2023, from OCTA to U.S. Bank Trust Company, National Association, as escrow agent, substantially all of which will be invested in Defeasance Securities, until applied to pay and redeem the Series 2013 Bonds. The amount deposited in the Escrow Fund will be sufficient to pay the Series 2013 Bonds maturing on August 15, 2023 and pay the redemption price of the Series 2013 Bonds on [August 15, 2023] (the "Redemption Date"). The mathematical computations used to determine the sufficiency of the escrow deposit will be verified by the Verification Agent (defined herein). See "VERIFICATION OF MATHEMATICAL ACCURACY."

SERIES 2013 BONDS TO BE REFUNDED*

Maturity Date	Principal Amount	Interest Rate	CUSIP Number†	Redemption Date
August 15, 2023	$7,460,000	5.00%	68441M AS4	N/A
August 15, 2024	7,845,000	5.00	68441M AT2	[August 15, 2023]
August 15, 2025	8,245,000	5.00	68441M AU9	[August 15, 2023]
August 15, 2026	8,670,000	5.00	68441M AV7	[August 15, 2023]
August 15, 2027	9,115,000	5.00	68441M AW5	[August 15, 2023]
August 15, 2028	3,000,000	4.25	68441M BB0	[August 15, 2023]
August 15, 2028	6,570,000	5.00	68441M AX3	[August 15, 2023]
August 15, 2029	10,045,000	5.00	68441M AY1	[August 15, 2023]
August 15, 2030	5,235,000	5.00	68441MJ BA2	[August 15, 2023]
December 15, 2030	5,235,000	4.50	68441M AZ8	[August 15, 2023]

Following the issuance of the Series 2023 Bonds, the Series 2023 Bonds will be the only Outstanding bonds under the Indenture. As of the date of this Official Statement, OCTA does not

* *Preliminary; subject to change.*

† CUSIP numbers are provided for convenience of reference only. None of the District, the Underwriters or their agents or counsel assumes responsibility for the accuracy of such CUSIP numbers.

currently have plans to issue any additional Senior Lien Bonds, Parity Obligations, Junior Lien Bonds, Subordinate Lien Bonds, or any TIFIA Obligations while the Series 2023 Bonds remain Outstanding.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Series 2023 Bonds are expected to be applied as follows:

Sources of Funds:	
Aggregate Principal Amount	$
[Plus/Less] [Net] Original Issue [Premium/Discount]	
Amounts transferred from funds under the Indenture, relating to the Series 2013 Bonds[(1)]	
Total Sources of Funds	$
Uses of Funds:	
Refunding of Series 2013 Bonds	$
Senior Lien Bonds Reserve Fund	
Costs of Issuance[(2)]	
Total Uses of Funds	$

(1) Includes amounts transferred from the Series 2013 Account of the Senior Lien Bonds Reserve Fund, the Major Maintenance Reserve Fund, and the Debt Service Fund.
(2) Costs of Issuance include underwriters' discount, consultant fees, legal fees, rating agency fees and other miscellaneous expenses.

DEBT SERVICE

The table below sets forth annual principal and interest payments for the Series 2023 Bonds.

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service[(1)]
2024	$	$	$
2025			
2026			
2027			
2028			
2029			
2030			
2031			
Total	$	$	$

(1) All amounts are rounded.
Source: Wells Fargo Bank, N.A.

THE ORANGE COUNTY TRANSPORTATION AUTHORITY

Formation and Governance

Pursuant to the Consolidation Legislation which created a single Board of Directors accountable for transportation decision-making in the County, on June 20, 1991, OCTA assumed the combined duties of the Local Transportation Authority, the Orange County Transportation Commission, the Orange County Transit District, the Orange County Congestion Management Agency, the Orange County Service Authority for Freeway Emergencies and the Orange County Consolidated Transportation Service Agency.

The Board of Directors of OCTA is currently made up of eighteen members. The Board of Directors is comprised of (i) five members of the Orange County Board of Supervisors, (ii) ten city members elected by the Orange County City Selection Committee (one per supervisorial district selected by population weighted voting and one per supervisorial district selected on a one-city one vote basis, (iii) two public members appointed by the other fifteen members of the Board of Directors of OCTA, each of which shall be a resident of Orange County who is not then serving, and has not, within the previous four years, served as an elected official within Orange County or as an elected official of Orange County; and (iv) a non-voting ex-officio member appointed by the Governor of the State of California.

Executive Staff

The following are key staff members of OCTA:

Darrell E. Johnson, Chief Executive Officer. Darrell E. Johnson was appointed as Chief Executive Officer of OCTA in March 2013. Under the policy direction of the Board of Directors, Mr. Johnson is responsible for implementing the planning, financing and coordinating of Orange County's freeway, street and rail development, as well as managing countywide transit services, commuter-rail services, paratransit service, the Toll Road and environmental programs. Since becoming CEO in 2013, Mr. Johnson has focused on utilizing innovative financing methods to maximize Measure M, Orange County's voter-approved half-cent sales tax for transportation improvements. He also has led efforts to develop a more sustainable and equitable transportation network through innovative environmental mitigation and water-quality programs, and an initiative to transition to a zero-emission bus fleet. Prior to his appointment as Chief Executive Officer, Mr. Johnson served in various management positions at OCTA, most recently as Deputy Chief Executive Officer. Prior to joining OCTA in July 2003, Mr. Johnson served in various operations and planning positions at Amtrak. Mr. Johnson holds a Bachelor of Arts Degree in Political Science and Administrative Studies from the University of California, Riverside, and completed the Senior Executives in State and Local Government Program, Harvard Kennedy School, Harvard University.

Jennifer L. Bergener, Deputy Chief Executive Officer. Jennifer L. Bergener was appointed Deputy Chief Executive Officer in January 2020. Ms. Bergener works directly with the Chief Executive Officer in advancing efforts to fulfill OCTA's mission of keeping the County moving with an innovative, balanced and sustainable transportation system. Ms. Bergener is a transportation industry veteran with diversified experience in programming, finance, project development and delivery, as well as government affairs. She began her career at Amtrak where she provided project development and cost controls and she also worked at the San Mateo County Transit District as a grant and program writer. For over 20 years, Ms. Bergener has been at OCTA serving in roles with increasing responsibility, primarily in rail planning, project and program delivery and new transit services development. She also served as the Managing Director for LOSSAN, which is the managing agency for the state-supported, Amtrak-operated Pacific Surfliner intercity passenger rail service. Ms. Bergener holds a Bachelor of Science Degree in Accounting and Economics from the University of San Diego.

Johnny Dunning Jr., Chief Operating Officer. Johnny Dunning, Jr is a career transit professional with 25 years of experience in transit system planning and operations at small and large multimodal properties. He joined OCTA team in February 2017. As the Chief Operating Officer and a bus rider, Mr. Dunning is responsible for leading OCTA's operations teams, including bus, rail (commuter and streetcar), paratransit, microtransit, mobility management and vehicle and facilities maintenance. Prior to arriving at OCTA, he served as the Manager of Service Implementation with the North County Transit District (NCTD) and as the Senior Director of Transit System Planning with the Metropolitan Atlanta Rapid Transit Authority (MARTA). Mr. Dunning's experience includes overseeing expansion plans, service planning and scheduling for bus and rail services, policy development, community outreach/engagement, special projects, and contract oversight of ADA paratransit service. He holds advanced degrees in Civil Engineering and City Planning from the Georgia Institute of Technology.

Andrew Oftelie, Chief Financial Officer. Andrew Oftelie is the Chief Financial Officer of OCTA, serving in this position since June 2013. Reporting directly to the Chief Executive Officer, Mr. Oftelie oversees a staff of 165 employees and directs and manages all financial and administrative functions for the organization including public finance, investor relations, treasury, financial planning, budgeting, accounting, financial reporting, revenue and grants administration, information technology, contracts administration and general administration. Mr. Oftelie also serves as the appointed Treasurer of the organization. Mr. Oftelie joined OCTA in 1999 and has served in various positions at OCTA since 1999. Immediately prior to being promoted to the position of CFO, Mr. Oftelie served as the Director of Finance and Administration since 2010. Mr. Oftelie holds a Master of Science degree in Public Administration from California State University, Long Beach, and a Bachelor of Science Degree in Finance from the University of Southern California. Mr. Oftelie is also a graduate of the Executive Development Program offered by the Eno Center for Transit Leadership.

Kirk Avila, General Manager Express Lanes Program. Kirk Avila serves as OCTA's General Manager of Express Lanes Programs. In this capacity, Mr. Avila is responsible for the operations of the Toll Road and the future 405 Express Lanes. Mr. Avila has been involved with the Toll Road since OCTA's acquisition in 2003 and has also served as OCTA's Board appointed Treasurer from 2004 to 2018 whereby he oversaw the issuance of sales tax revenue bonds, toll road revenue bonds, and a TIFIA loan for the Interstate 405 Improvement Project. Mr. Avila earned a Master of Science degree in Finance from Purdue University and a Bachelor of Science degree in Mathematics and Economics from the University of California at Los Angeles.

THE TOLL ROAD

General Description

SR 91 is a major east-west highway extending from Interstate 405 in southern Los Angeles through northern Orange County and into Riverside County, which also includes general purpose lanes (four or five depending on location) and auxiliary lanes in each direction. The Toll Road, constituting median improvements, is located along an approximate ten mile stretch of SR 91 from the Riverside/Orange County Line westward to the California State Route 55 interchange. The Toll Road consists of two lanes in each direction and ancillary facilities, including an electronic toll collection system. Toll prices vary from hour to hour and day to day based on a predetermined toll schedule established to optimize throughput at free flow speeds. All vehicles traveling on the Toll Road must possess an automatic vehicle identification transponder, which identifies the vehicle and enables the electronic toll collection system to debit a prepaid account.

In March 2017, the RCTC extended the Toll Road an additional eight miles into Riverside County to create the RCTC Toll Road. The RCTC Toll Road extends from the boundary line separating Orange County and Riverside County on the west and the interchange of SR 91 and the Interstate 15 on the east. RCTC is responsible for operations, toll policy and toll rate setting for the RCTC Toll Road. The revenues derived from the RCTC Toll Road are not pledged to secure the Series 2023 Bonds or any other Bonds issued under the Indenture.

All vehicles with a valid account and displaying a transponder have the opportunity to enter the Toll Road in extended transition zones located at the eastern and western termini of the Toll Road. There is no intermediate ingress or egress between the Toll Road and any other roadway. The lanes of the Toll Road are separated from the existing mixed flow non-tolled lanes by a series of channelizers. The eastbound and westbound lanes of the Toll Road are separated by concrete "New Jersey" barriers. Heavy commercial vehicles (over 10,000 pounds, gross vehicle weight) are prohibited from using the Toll Road.

Toll fees are collected along the Toll Road at specific points of entry and departure, termed toll portals. At the toll portal, an overhead antenna reads the transponder ID, encrypting the number for security causing a charge to be levied to the customer's account for the toll fee amount. The toll portal is also the point at which cameras record images of the vehicle's license plate for violation enforcement purposes.

History of the Toll Road

State Assembly Bill No. 680 & Toll Road. In 1989, the California State Legislature enacted State Assembly Bill No. 680 ("AB 680"), which authorized the State of California Department of Transportation ("Caltrans") to enter into franchise agreements with private companies to develop and operate four privately financed demonstration transportation projects. On December 31, 1990, Caltrans entered into a Development Franchise Agreement (the "Original Franchise Agreement") with the California Private Transportation Corporation, to provide for the development, construction, lease and operation of the Toll Road. Subsequently, the Original Franchise Agreement was amended and restated pursuant to that certain Amended and Restated Franchise Agreement, entered into and effective as of June 30, 1993, as amended and supplemented from time to time (hereinafter collectively referred to as the "Franchise Agreement"), between Caltrans and CPTC, as assignee of the California Private Transportation Corporation. The Toll Road, which opened to traffic December 27, 1995, was the first demonstration project completed pursuant to AB 680.

The Toll Road was constructed by CPTC pursuant to the Franchise Agreement, and a Lease Agreement, entered into as of June 30, 1993 (as amended and supplemented, the "Lease"), by and between CPTC and Caltrans. Upon expiration of the term of the Franchise Agreement and the Lease, the Toll Road reverts to the State of California (the "State"). See "FACILITY AGREEMENTS."

State Assembly Bill No. 1010 & Acquisition of Toll Road by OCTA. In 2002, in order to relieve traffic congestion and improve the commute on SR 91 and the Toll Road, the California State Legislature enacted California State Assembly Bill No. 1010 ("AB 1010"), which AB 1010 authorized OCTA to acquire the Toll Road. AB 1010 further authorized OCTA (i) to impose tolls for the use of the Toll Road as authorized by the Franchise Agreement and (ii) to incur indebtedness, issue bonds, refund bonds, and assume existing bonds for the purposes authorized by AB 1010.

Asset Purchase Agreement. Effective January 3, 2003, as authorized by AB 1010 and pursuant to the Asset Purchase Agreement, OCTA acquired the Toll Road and other assets held by CPTC and CPTC, LLC and used in connection with the operation of the Toll Road (hereinafter collectively referred to as the "Acquired Assets") and assumed certain obligations and liabilities of CPTC and CPTC, LLC related to the Toll Road (hereinafter collectively referred to as the "Assumed Liabilities"). In addition to the Toll Road, Acquired Assets included the Franchise Agreement, the Lease, the Maintenance Services Agreement and the Police Services Agreement (hereinafter collectively referred to as the "Facility Agreements"). Assumed Liabilities include, among other liabilities, all liabilities relating to the Toll Road and the other Acquired Assets, liabilities and obligations under the Facility Agreements, liabilities under environmental laws related to the Toll Road and the other Acquired Assets and liabilities under any employee benefit plan related to the Toll Road and the other Acquired Assets.

State Senate Bill No. 1316, Extension of Toll Lanes into Riverside County, and Amendments to Term of Franchise Agreement. In 2008, in order to further ease congestion and improve the commute on SR 91 and the Toll Road, the California State Legislature enacted California State Senate Bill No. 1316

("SB 1316"), which authorized OCTA to eliminate its rights, interests, and obligations in the Riverside County portion of the SR 91 toll lane and provided a framework for the extension of the SR 91 toll lanes into Riverside County by RCTC. In addition, SB 1316 authorized (i) certain amendments to the Franchise Agreement, including an amendment to extend the term of the Franchise Agreement to December 31, 2065, and (ii) the use of toll revenues for the toll lane and for other related transportation purposes in the SR 91 corridor, including transportation alternatives and other improvements that are necessary for, or related to, the construction or operation of SR 91, including tolled and non-tolled facilities, connector roads, bridges, roadways, and onramps, in each case designed to further ease congestion. In March 2017, RCTC opened the RCTC Toll Road.

FACILITY AGREEMENTS

The Franchise Agreement

Under the Franchise Agreement, CPTC was responsible for designing and constructing the Toll Road in accordance with Caltrans' design and construction standards. Caltrans approved the design of the Toll Road, provided certain oversight services during the construction of the Toll Road in order to assure compliance with its design and construction standards and is required to review and approve any material changes, alterations, modifications or improvements to the Toll Road. In addition, Caltrans is entitled to direct modifications to the Toll Road in order to meet certain safety standards.

During the construction period for the Toll Road, CPTC leased the right-of-way from Caltrans, but retained title to the improvements constructed on the right-of-way. Caltrans issued a notice of acceptance for the Toll Road on December 27, 1995 and CPTC transferred title to the improvements to Caltrans. As assignee of CPTC, OCTA leases the right-of-way and improvements from Caltrans during the remainder of the operating term of the Franchise Agreement, which operating term was extended pursuant to Amendment No. 3 to the Franchise Agreement, effective as of December 12, 2011, and the remainder of the term of the Lease, which term was extended pursuant to Amendment to Lease Agreement Regarding State Route 91 Median Improvements, effective December 12, 2011. The operating term of the Franchise Agreement and the term of the Lease as extended pursuant to the amendments described herein expire December 31, 2065. Upon expiration of the term of the Franchise Agreement and the Lease, the Toll Road reverts to the State.

Under the Franchise Agreement, OCTA bears all risk of injury, loss or damage to the Toll Road and agrees to rebuild or repair the Toll Road as a result of any such damage, injury or loss. Caltrans agrees, however, to indemnify OCTA for losses arising from third party claims to the extent that such losses are the fault of Caltrans, errors or defects in design which fail to conform to Caltrans' standards or of which Caltrans was aware, or acts or omissions of Caltrans in connection with traffic management or maintenance activities performed by Caltrans. OCTA agrees to indemnify Caltrans from third party claims arising out of any other matters.

Caltrans may terminate the Franchise Agreement upon a default by OCTA which is not cured within certain cure periods set forth in the Franchise Agreement. Events of default under the Franchise Agreement with respect to OCTA include a failure by OCTA to perform any material covenant, agreement or obligation set forth in the Franchise Agreement and certain bankruptcy events of OCTA. Upon any default by Caltrans under the Franchise Agreement, OCTA may pursue any and all remedies available to it at law or in equity. Events of default under the Franchise Agreement with respect to Caltrans include termination of the Franchise Agreement in the absence of a default by OCTA and a failure by Caltrans to perform any material covenant, agreement or obligation set forth in the Franchise Agreement.

The Lease

OCTA, as assignee of CPTC, and Caltrans are parties to the Lease pursuant to which Caltrans leases to OCTA the right of way upon which the Toll Road is located during the entire Franchise Period. The Lease provides for a nominal annual rent payment. Under the Lease, OCTA is responsible for the maintenance of, and for all costs associated with, the Toll Road and the right-of-way, including utility costs and real property taxes. The Lease provides that Caltrans is responsible for hazardous materials present on the right-of-way prior to the effective date of the Lease, hazardous materials that migrate into the right-of-way during the Lease term, and hazardous materials that are dumped or discharged into the right-of-way by Caltrans or by persons other than OCTA or its contractors. OCTA retains responsibility for hazardous materials dumped or discharged into the right-of-way by OCTA or its contractors (subject to the indemnity and other provisions of the Asset Purchase Agreement). OCTA has not obtained a title insurance policy with respect to the right-of-way. However, under the Lease and related agreements, including a Letter in Lieu of Title Insurance delivered by Caltrans on June 30, 1993, Caltrans has represented and warranted that it has title to the right-of-way sufficient to permit construction and operation of the Toll Road in accordance with the Lease and the Franchise Agreement. The Lease is scheduled to expire on December 31, 2065. The Lease may generally be terminated by OCTA or Caltrans under the same circumstances as those under which OCTA or Caltrans may terminate the Franchise Agreement.

Upon expiration of the Lease, OCTA shall have no further authority to impose or collect Tolls on the Toll Road. Moreover, at the end of the term of the Lease, all property of OCTA related to the Toll Road, including signs, gantries and other tolling equipment, shall automatically become the property of Caltrans. The Lease further provides that the term of the Lease shall not be extended, unless authorized by the State Legislature.

The Maintenance Services Agreement

OCTA, as assignee of CPTC, is party to the Maintenance Services Agreement with Caltrans pursuant to which Caltrans has agreed to provide specified routine maintenance services to the Toll Road during the entire Franchise Period. These services include all maintenance services required to maintain the Toll Road in accordance with Caltrans' then published maintenance standards for comparable State highways.

The types of maintenance services provided by Caltrans include the following: (1) maintenance and repair of pavement surface, base and paved shoulder, including repair of potholes; (2) maintenance, repair and/or replacement of all types of fences; (3) elimination of obstructions from ditches, curbs and drains; (4) sweeping and litter removal; (5) removal of graffiti; (6) maintenance and repair of bridge structures; (7) maintenance, troubleshooting and repair of highway lighting, ramp metering controllers, traffic counters/speed monitors; (8) maintenance, cleaning and repair of painted or plastic lane lines and/or edge lines; and (9) repair and/or replacement of signs, guardrails and median barriers.

Pursuant to the Maintenance Services Agreement, OCTA is required to reimburse Caltrans for the cost to Caltrans of the actual services provided to OCTA, provided, however, that Caltrans' charges for such services may not exceed the charges levied by Caltrans for similar services provided to third parties. OCTA staff establish an annual budget for the services provided pursuant to the Maintenance Services Agreement based upon an internal analysis of expenses and projected expenses. This budget comprises a portion of the total OCTA budget which is approved by the Board of Directors in June of each year.

The Police Services Agreement

Under the Franchise Agreement, OCTA is required to retain the California Highway Patrol ("CHP") to provide police services for the Toll Road. OCTA and CHP have entered into a Police Services Agreement, dated and approved on June 19, 2019, pursuant to which CHP has agreed to provide police services with respect to the Toll Road, during the Franchise Period. Those services include both "routine services," which are-those services provided by CHP on comparable State highways, such as traffic law enforcement, incident response, accident investigation and motorist assistance services, and "supplemental services," which are primarily toll enforcement activities. The Police Services Agreement provides that CHP has both overall and day-to-day direction, supervision and control of officers providing routine and supplemental services, subject to certain limited obligations to coordinate police service activity with OCTA. Pursuant to the Police Services Agreement, OCTA is required to reimburse CHP for the cost to CHP of the police services actually provided to OCTA. OCTA staff establish an annual budget for the services provided pursuant to the Police Services Agreement based upon an internal analysis of expenses and projected expenses. This budget comprises a portion of the total OCTA budget which is approved by the Board of Directors in June of each year.

The Police Services Agreement provides that OCTA may make temporary arrangements for alternative traffic law enforcement services with any law enforcement agent with the legal power to provide such services if CHP fails to provide at least 50% of the police services required under the Police Services Agreement for a continuous period of 24 hours or more.

OPERATIONAL AGREEMENTS

Historical Operating Agreement

To provide for operation of the Toll Road upon its acquisition, OCTA initially entered into a three-year operating and management agreement with Cofiroute Global Mobility, LLC (subsequently Cofiroute USA, LLC ("Cofiroute") and recently rebranded as ViaPlus by VINCI Highways). Subsequently, OCTA conducted a competitive procurement process and awarded a five-year operating agreement (the "2006 Operating Agreement") to Cofiroute, the term of which commenced in January 2006 and included two renewal options, each twenty-four months in length.

After receiving a Cofiroute proposal to develop and install a new back-office software system, the Board of Directors approved an amendment in 2009 to the 2006 Operating Agreement which authorized (a) a software maintenance agreement, (b) a software licensing agreement, and (c) a ten-year extension to the 2006 Operating Agreement with Cofiroute, comprised of two five-year periods, provided that Cofiroute performs its obligations as set forth in the 2006 Operating Agreement, as amended (hereinafter referred to as the "Operating Agreement") and is not in default, which amendment was scheduled to take effect when Cofiroute achieved substantial completion of development of the back-office software. Cofiroute provided such notice to the Board of Directors and on June 27, 2011, the Board of Directors extended the term of the 2006 Operating Agreement with Cofiroute for an additional term of ten years to June 2021. Management services provided pursuant to the Operating Agreement included revenue collection, customer accounts, violation enforcement, violation processing, incident management and response, and first line maintenance of tolling and traffic equipment.

Cooperative Agreement

To provide for interoperability of the Toll Road and the RCTC Toll Road, OCTA entered into a Cooperative Agreement with RCTC on December 16, 2011. Pursuant to the Cooperative Agreement, OCTA and RCTC have agreed to cost and revenue sharing provisions, business rules, interoperability of technology, and shared marketing activities; they have also agreed on the use of the same toll operator. The Cooperative Agreement specifies a fifty-fifty percentage split of certain non-toll revenues (the “Percentage Revenue Split”) and a fifty-fifty percentage split of certain costs (the “Percentage Cost Split”). The Cooperative Agreement expressly provides for a re-evaluation of the Percentage Revenue Split and/or the Percentage Cost Split on or before ten years from the opening date of the RCTC Toll Road and every ten years thereafter. Thus, OCTA and RCTC plan to re-evaluate the Percentage Revenue Split and Percentage Cost Split in 2027.

Pursuant to the Cooperative Agreement, OCTA and RCTC do not have the right to terminate the Cooperative Agreement for convenience during the first 10 years following the opening date of the RCTC Toll Road. Accordingly, beginning in 2027, either OCTA or RCTC may terminate the Cooperative Agreement, in whole or in part, after providing two years prior written notice of termination. Either OCTA or RCTC may terminate the Cooperative Agreement for cause if a default has occurred by one party and such party fails to commence to cure, correct or remedy such default in 30 calendar days. In the event of a default, the non-defaulting party may exercise all rights and remedies available at law or in equity, including the right to terminate the Cooperative Agreement with at least 90 days’ notice. However, if the Cooperative Agreement is terminated (except if such termination is pursuant to a final trial court determination of default by RCTC for nonpayment), RCTC has the right to continue joint use of shared tolling related equipment and infrastructure for two years following such termination. After such two year period, RCTC is required to relocate its portion of the tolling equipment and infrastructure to another location, and OCTA and RCTC are required to determine an equitable means of distributing jointly procured equipment and infrastructure.

Joint Operating Agreement

The RCTC Toll Road opened in March 2017 and as a result, OCTA and RCTC began sharing operating costs pursuant to an agreement entered into on May 24, 2013 (the “Joint Operating Agreement”) by OCTA, RCTC and Cofiroute. With the opening of the RCTC Toll Road, the Joint Operating Agreement superseded OCTA and Cofiroute’s Operating Agreement and that Operating Agreement was terminated.

Pursuant to the Joint Operating Agreement, Cofiroute assumed the same responsibilities for operation of the RCTC Toll Road as Cofiroute currently has for the Toll Road. The Joint Operating Agreement resulted in a single operator providing all operation and first-level maintenance services for a single SR 91 tolled express lane system in Orange and Riverside Counties with such services payable by each of OCTA and RCTC from the revenues generated by its respective segment. Tolls on each of the Toll Road and the RCTC Toll Road are charged independently. When travelling along SR 91, vehicles are able to use either or both of such tolled express lanes or may use the general purpose lanes (which are free of charge).

In fiscal year 2018-2019, OCTA and RCTC began procurement for a new Joint Operating Agreement, which included the development of a new back-office software system for both the Toll Road and the RCTC Toll Road. The Board of Directors and the RCTC Commission subsequently approved the re-selection of Cofiroute as the joint operator (the “Operator”), executing the agreement in January 2020 (the “2020 Joint Operating Agreement”), which expires on January 31, 2027, and provides for two three-year extension options. The new back-office software system was deployed after execution of the 2020 Joint Operating Agreement. Subsequent to the execution of the 2020 Joint Operating Agreement, Cofiroute rebranded as ViaPlus by VINCI Highways, though Cofiroute will remain the contacting party under the 2020 Joint Operating Agreement.

Cofiroute is required to perform all aspects of the core services in the three functional areas as outlined below:

- Program Management and Administration, Information Systems Technology and Telecommunications
- Customer Service, Violations Enforcement and Processing
- Traffic Operations Center

Cofiroute monitors the daily operations of the communications network, internet, and phone system to ensure that all system components are fully functional. Categories of services include:

- Customer service
- Violations processing and collections
- Back-office software system
- Customer account management
- Payments and other mail processing
- Revenue collections and transaction processing
- Traffic operations center staffing and incident management
- Emergency services coordination
- Hardware and software maintenance
- Transponder inventory management

Cofiroute actively monitors the volume and traffic flow to ensure proper congestion management toll pricing and display. It ensures that the toll rates, set quarterly, are an accurate reflection of actual conditions, and that the correct toll rates are posted on the changeable message signs. Cofiroute's back-office responsibilities include toll collection system applications software, system servers, system administration, and related peripheral equipment.

Cofiroute is required under the 2020 Joint Operating Agreement to provide the following insurance coverage:

- Commercial General Liability with a minimum limit of $5,000,000 per occurrence and $10,000,000 general aggregate;
- Automobile Liability with a combined single limit of not less than $5,000,000 per occurrence;
- Workers' Compensation with a minimum limit of $1,000,000 each accident;

- Commercial Crime (Blanket Fidelity) with limits of not less than $5,000,000 covering employee dishonesty, forgery and alteration, monies and securities, and computer crime; and

- Technology Errors and Omissions Including Privacy and Network Security-covering liability for errors or omissions in rendering computer or information technology services, with limits of not less than $15,000,000 per incident and in the annual aggregate.

Pursuant to the 2020 Joint Operating Agreement, an Operations and Maintenance Bond (the "O&M Bond") is required. The initial bonding level for the O&M Bond is provided at one hundred percent of years one to three of total operations and maintenance costs. The value of the O&M Bonds for year two equals the estimated total combined cost of operations and maintenance for years two and three. The value of the O&M Bonds for each of years three through five are estimated at the cost of the upcoming operations and maintenance total costs for the upcoming year. The O&M Bonds serve as security for the performance of Cofiroute's obligations under the 2020 Joint Operating Agreement.

OCTA or RCTC may terminate the 2020 Joint Operating Agreement for cause if the Operator materially breaches the 2020 Joint Operating Agreement. OCTA or RCTC may also terminate the 2020 Joint Operating Agreement at their convenience at any time in whole or in part, by providing the Operator with written notice of termination 90 calendar days before the effective date of termination. OCTA and RCTC exercise their right to terminate by delivering to Cofiroute a written Notice of Termination for Convenience specifying the extent of termination and its effective date. The Cooperative Agreement provides for joint procurement of a new operator in the event both OCTA and RCTC choose to terminate the 2020 Joint Operating Agreement either for cause or convenience. In the case of termination of the 2020 Joint Operating Agreement by either OCTA or RCTC but not both parties, the Cooperative Agreement provides a procedure to resolve disputes and ultimately allows for continued joint use of shared tolling related equipment and infrastructure for two years following termination of the 2020 Joint Operating Agreement by either party. After such two year period, RCTC is required to relocate its portion of the tolling equipment and infrastructure to another location, and OCTA and RCTC are required to determine an equitable means of distributing jointly procured equipment and infrastructure.

Master Custodial Account Agreement

Since the opening date of the RCTC Toll Road, Cofiroute has been responsible for the collection, counting, handling, storage, transferring to an armored car service, and verification of the disposition of all collected funds on the Toll Road and the RCTC Toll Road. Collected funds include cash payments, payments by credit card, check, or other sources associated with both Toll Road and RCTC Toll Road, accounts and collections from violations and/or fines.

Under the Cooperative Agreement and the 2020 Joint Operating Agreement, OCTA, RCTC and Cofiroute have generally agreed on the parameters of a custodial account agreement (the "Master Custodial Account Agreement") to be entered into by OCTA, RCTC and a financial institution acceptable to both parties (the "Custodian"), which agreement governs the custody and processing of all toll revenues generated on the Toll Road and the RCTC Toll Road. The Custodian will hold all prepaid funds of customers in a single master account in trust for such customers until such time as the customers utilize either the Toll Road or the RCTC Toll Road, and will transfer funds either to OCTA's bank account or as directed by RCTC to its bond trustee as the Custodian receives toll transaction information from Cofiroute.

Toll Lanes System Integrator Services Agreement

On June 14, 2018, OCTA entered into an agreement with Kapsch TrafficCom USA, Inc. to serve as a toll lanes system integrator provider for the Toll Road. The provider is responsible for maintenance of all elements of the toll collection system. It provides 24/7 coverage for all maintenance-related activities for the toll collection system, providing customer assistance as needed relating to hardware, equipment, software, firmware maintenance for the toll points, changeable message signs, cameras, communications network hardware, and connections from the network hub to the toll operator's central toll collection system. Kapsch TrafficCom USA, Inc. currently provides similar services to RCTC for the RCTC Toll Road under a separate agreement.

TOLL SCHEDULE AND TOLL POLICY

History

Prior to and subsequent to acquisition of the Toll Road by OCTA, toll rates on the Toll Road have been set as a function of traffic demand in the SR 91 corridor. Toll prices vary from hour to hour and day to day based on a predetermined toll schedule and may be adjusted on a quarterly basis to reflect travel demand in the SR 91 corridor. The current toll schedule and toll policy was adopted by OCTA on July 14, 2003.

Current Toll Policy

On July 14, 2003, the Board of Directors of OCTA adopted a toll policy designated as the 91 Express Lanes Toll Policy (the "Toll Policy").

The goals of the Toll Policy are as follows:

- Provide a safe, reliable, predictable commute for Toll Road customers.
- Optimize vehicle throughput at free flow speeds.
- Pay debt service and maintain debt service coverage.
- Increase average vehicle occupancy.
- Balance capacity and demand to serve customers who pay tolls as well as carpoolers with three or more persons who are offered discounted tolls.
- Generate sufficient revenue to sustain the financial viability of the Toll Road.
- Ensure that all bond covenants are met.
- In accordance with AB 1010, reimburse OCTA for costs incurred in connection with the acquisition of the Toll Road and provide revenues for SR 91 and Toll Road corridor improvements.

In order to keep traffic flowing, eliminate stop-and-go driving and encourage ride sharing, the Toll Policy continues to employ variable pricing.

Super Peak Hours. With respect to Super Peak Hours ("Super Peak" or "Super Peak Hours"), defined in the Toll Policy as those hourly periods, per day and per direction with traffic volume use which meets or exceeds the trigger point of 3,128+ vehicles per hour, per day and per direction (the "Trigger Point"), the Super Peak Hours toll adjustment goals are to: (i) reduce the likelihood of congestion by diverting traffic to other hours with available capacity; (ii) maintain free flow travel speed on the Toll Road; (iii) maintain travel time savings, (iv) accommodate projected growth in travel demand; and (v) ensure that the Toll Road generates sufficient revenue to effectively operate the toll land and maintain a strong debt service position.

The toll during a Super Peak Hour is determined as follows:

1. Hourly, day, and directional traffic volumes will be continually monitored on a rolling 12 consecutive week period basis.

2. Hourly, day, and directional traffic volumes of 3,128 or more will be flagged for further review.

3. If the hourly, day, and directional traffic volume is at a level of Super Peak for any six (6) weeks of twelve (12) consecutive weeks, then the toll rate for that hour, day and direction may be increased.

4. The toll for that hour, day, and direction shall be increased, based on the average vehicle volume of the flagged hour, day, and direction identified per numbered item 2 above, as follows:

   (a) if the average flagged vehicle volume is 3,300 or more, then the toll shall be increased by $1.00.

   (b) if the average flagged vehicle volume is between 3,200 and 3,299, then the toll shall be increased by $0.75.

   (c) if the average flagged vehicle volume is less than 3,200, then the toll shall not be changed.

Six months after a toll increase, the most recent twelve (12) consecutive weeks (excluding weeks with a Holiday as such term is defined in the Toll Policy or a major traffic anomaly caused by an accident or incident) shall be reviewed for the hour, day and direction that the toll was increased. If the traffic volume is less than 2,720 vehicles per hour, day, and direction in six (6) or more of the weeks, then the traffic volumes for that hour, day and direction for the twelve (12) consecutive weeks shall be averaged. If the average traffic volume is less than 2,720, then the toll shall be reduced by $0.50 to stimulate demand and encourage Toll Road use.

Notice of Toll Adjustment. Pursuant to the Toll Policy, the Board of Directors of OCTA and Toll Road customers will be informed of a toll adjustment ten (10) or more days prior to such adjustment becoming effective.

Non-Super Peak Hours. Tolls for all Non-Super Peak Hours, defined in the Toll Policy as an hourly period that is not a Super Peak Hour, remain fixed at November 2001 levels, subject to an annual adjustment for inflation. The Inflation Factor, as such term is defined in the Toll Policy (the "Inflation Factor"), is identified and applied at the beginning of each fiscal year to all Non-Super Peak and Super

Peak Hours that were not adjusted in the previous twelve (12) months. All tolls shall be rounded up or down to the nearest 5-cent increment.

Discounts. HOV-3+ vehicles, zero-emission vehicles, vehicles bearing a disabled veteran or disabled person license plate issued by the California Department of Motor Vehicles and motorcycles (hereinafter collectively referred to as the "Discount Vehicles") are permitted to ride free in the Toll Road during most hours. Such vehicles pay fifty percent (50%) of the toll Monday through Friday 4:00 p.m. to 6:00 p.m. in the eastbound direction. Pursuant to the Toll Policy, this exception will remain in effect until such time as the Debt Service Coverage Ratio as such term is defined in the Toll Policy (the "Toll Policy Debt Service Coverage Ratio"), inclusive of senior and subordinated debt, is projected to be 1.2 or greater for a six month period. At that time, Discount Vehicles will ride free all day, every day.

Effective January 1, 2023, veterans with designated plates issued by the California Department of Motor Vehicles are permitted to travel for free at all times of the day on high occupancy tolled facilities.

Discounted Vehicles have ranged between 21-25% of vehicle trips on the Toll Road over the past three fiscal years.

Financing Requirements. OCTA shall charge and collect tolls that generate enough revenue to maintain a Toll Policy Debt Service Coverage Ratio of at least 1.30 to 1.00, which is consistent with the covenant of OCTA to fix and prescribe toll rates sufficient to produce Adjusted Net Toll Revenues for each Fiscal Year at least equal to 1.30 times Annual Debt Service on Outstanding Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Rate Covenant."

Holiday Toll Schedules. Holiday toll schedules in effect prior to July 14, 2003 continue to apply, subject to adjustment by the Inflation Factor at the beginning of each fiscal year, such Inflation Factor to be applied in the same manner as applied to the adjustment of Non-Super Peak Hours tolls.

A complete copy of the Toll Policy is attached hereto as Appendix G.

Current Toll Schedule

Effective April 1, 2023, the minimum toll charged is $1.80 and the maximum toll charged is $8.60. Pursuant to the Toll Policy, the toll schedule is subject to change based on traffic patterns and congestions-based pricing adjustments. A complete copy of the current toll schedule is attached hereto as Appendix H.

HISTORICAL OPERATING EXPERIENCE

The Toll Road became operational on December 27, 1995. The tables set forth below show total vehicle trips and total Tolls, as such term is defined in the Indenture, for the fifteen (15) Fiscal Years ended June 30, 2009 through June 30, 2023. For a discussion of the impact of the COVID-19 pandemic on Toll Road traffic and revenues, see the Traffic and Revenue Update (defined herein), included as Appendix A-1 and Appendix A-2.

VEHICLE TRIPS

Fiscal Year Ended June 30,	Total Vehicle Trips	Percent Change
2009	12,036,831	-10.7%
2010	12,659,051	5.2
2011	11,998,827	-5.2
2012	11,944,555	-0.5
2013	12,085,548	1.2
2014	12,326,874	2.0
2015	13,106,882	6.3
2016	13,772,971	5.1
2017	14,384,133	4.4
2018	16,719,371	16.2
2019	17,546,304	4.9
2020	14,990,602	-14.6
2021	15,359,785	2.5
2022	19,810,256	29.0
2023(1)	19,199,000	(3.1)

(1) Projected; based on actual data as of March 31, 2023 and projected data through June 30, 2023.
Source: OCTA.

TOTAL ANNUAL TOLLS

Fiscal Year Ended June 30,	Total Revenues	Percent Change
2009	46,889,354	-8.1%
2010	44,676,197	-4.7
2011	42,950,230	-3.9
2012	38,427,852	-10.5
2013	39,539,978	2.9
2014	43,705,725	10.5
2015	47,361,521	8.4
2016	54,247,570	14.5
2017	57,828,684	6.6
2018	58,789,693	1.7
2019	65,194,507	10.9
2020	52,503,285	-19.5
2021	46,510,953	-11.4
2022	57,654,191	24.0
2023(1)	65,303,000	13.3

(1) Projected; based on actual data as of March 31, 2023 and projected data through June 30, 2023.
Source: OCTA.

TOLL ROAD TRAFFIC AND REVENUE UPDATES

OCTA engaged Stantec Consulting Services Inc. (the "Traffic and Revenue Consultant") to prepare the OCTA 91 Express Lanes Traffic and Revenue Update, dated August 4, 2022, as supplemented by the OCTA 91 Express Lanes Traffic and Revenue Bringdown Letter, dated May 9, 2023 (collectively, the "Traffic and Revenue Update"), which are included as Appendix A-1 and Appendix A-2, respectively.

The Traffic and Revenue Update presents historical traffic and revenue data, forecasts future traffic volume on SR 91 and the Toll Road, projects future revenues and presents a summary of the methodology used by the Traffic and Revenue Consultant in developing the forecasts set forth in the Traffic and Revenue Update. All projected future revenues set forth in the Traffic and Revenue Update are gross potential revenues. Gross potential revenues assume that each vehicle that passes the toll point on the Toll Road pays the toll rate to be charged pursuant to the toll schedule.

Reference is made to the Traffic and Revenue Update for a discussion of the principal assumptions made in such Traffic and Revenue Update. The forecasts contained in the Traffic and Revenue Update are based on what the Traffic and Revenue Consultant believes to be reasonable evaluations of current conditions and assumptions regarding future conditions. Achievement of any forecast is dependent upon future events that cannot be assured. Therefore, actual results may vary, perhaps significantly, from the forecasts contained in such report. There can be no assurances that these forecasts will be realized.

Reference is made to the Traffic and Revenue Update, which investors are advised to review carefully in its entirety, for additional material information concerning the Toll Road contained therein, including the information, findings, assumptions and conclusions which represent the basis for the Traffic and Revenue Consultant's forecasts of future traffic volume and revenues. The assumptions and estimates underlying the projected financial and operating information are inherently uncertain and, though considered reasonable by management of OCTA as of the date hereof, as further described under the caption "Investment Considerations" herein, are, subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the projected financial and operating information. Accordingly, there can be no assurance that the projected results are indicative of the future performance of the Toll Road or that actual results will not be materially higher or lower than those contained in the projected financial and operating information.

Inclusion of projected financial and operating information in this Official Statement should not be regarded as a representation by OCTA, the Underwriters, nor any person that the assumptions and estimates are reasonable or that the results contained in the projected financial and operating information will be achieved.

MANAGEMENT DISCUSSION OF RECENT OPERATING RESULTS

Since the issuance of the Series 2013 Bonds, traffic volumes and Tolls have increased significantly despite the COVID-19 pandemic. Traffic volumes grew from 12.1 million vehicle trips during Fiscal Year 2013 to 19.8 million vehicle trips in Fiscal Year 2022, or a 63.6 percent increase in vehicle trips. Revenues (which includes Tolls, non-tolls, and interest earnings) grew from $32.6 million to $55.9 million, or a 71.3 percent growth in Revenues. Revenues have averaged approximately $52.2 million over the past three years. For Fiscal Year 2023 as of March 31, 2023, vehicle trips are approximately 2.1 percent lower than the same period in Fiscal Year 2022, but gross potential toll revenues have increased slightly by 0.7 percent revenues (gross potential toll revenues equals the toll rate times the number of vehicles traveling on the Toll Road). The high level of gas prices and inflation have slowed the local economy, which in turn has led to the decrease in traffic volume and flattening of Tolls.

In Fiscal Year 2020, the COVID-19 pandemic affected traffic volume and Revenues significantly. Vehicle trips decreased by 72 percent, and Tolls decreased 66 percent in April 2020 (when compared to April 2019). As a result, OCTA implemented various temporary measures during this period to assist users of the Toll Road. Collection efforts were halted, account maintenance fees were suspended, certain toll rates were decreased, and the annual cost of living adjustment was not implemented on July 1, 2020. By the end of calendar year 2020, all temporary measures stopped, and regular business operations resumed. During Fiscal Year 2022, traffic volume and Revenues reached all-time highs and exceeded levels prior to the COVID-19 pandemic. For more information on the COVID-19 pandemic, see "INVESTMENT CONSIDERATIONS – Infectious Disease, Pandemic and Public Health Considerations."

The OCTA Board of Directors annually reviews and approves the Toll Road fiscal year budget, which includes all anticipated Revenues, Current Expenses, and Major Maintenance Expenses. Current Expenses have ranged from $14.7 million to $20.5 million over the past five fiscal years. The largest annual expense is paid to Cofiroute for operating services and back-office software system. OCTA and RCTC split operating costs equally under the 2020 Joint Operating Agreement. Pursuant to the Cooperative Agreement, OCTA and RCTC split non-toll revenues (such as account maintenance fees) equally. Over the past five fiscal years, the operating cost-sharing and non-toll revenue sharing arrangement have benefited both OCTA and RCTC in their operation of the Toll Road and RCTC Toll Road, respectively.

OCTA has generated sufficient annual Adjusted Net Toll Revenues after Debt Service to meet all Major Maintenance Expenses since its purchase of the Toll Road in January 2003 and therefore has not any withdrawn funds from the Major Maintenance Reserve Fund. As of March 31, 2023, the Operating Reserve Fund and the Major Maintenance Reserve Fund were fully funded, as required by the Indenture.

OCTA and RCTC annually prepare a plan for potential improvements along the SR 91 corridor between SR-57 in Orange County and I-15 in Riverside County referred to as the SR 91 Implementation Plan (the "Plan"). The Plan includes a listing of proposed improvements, preliminary cost estimates, and potential implementation timeframes. This Plan is required under the provisions of SB 1316 (Chapter 714, Statutes of 2008). The Plan describes projects, transportation benefits, and anticipated costs and schedules to implement through the post-2035 timeframe. The intent of the Plan is to provide a compilation of information for projects along the SR 91 corridor. This Plan is prepared in consultation with the California Department of Transportation (Caltrans), the Transportation Corridor Agencies (TCA), and the cities of Anaheim, Corona, Orange, and Yorba Linda. The 2022 Plan was adopted by the OCTA Board of Directors in June 2022.

One capital improvement project included the Plan that may affect traffic volumes and Tolls on the Toll Road is the proposed 241/91 direct connector project (the "241/91 EC"). The 241/91 EC is currently expected to open in 2027. Recent traffic and revenue updates project that the 241/91 EC would decrease traffic volumes by 2.5% and gross potential toll revenues on the Toll Road by 2.1% in Fiscal Year 2027 if completed and opened.

HISTORICAL AND PROJECTED DEBT SERVICE COVERAGE

The table set forth on the following page presents information concerning historical and projected debt service coverage. Information relating to projected debt service coverage is based on projected gross potential revenues, adjusted as described in the table, set forth in the Traffic and Revenue Update. See APPENDIX A-1 – "OCTA 91 EXPRESS LANES TRAFFIC AND REVENUE UPDATE, DATED AUGUST 4, 2022" and APPENDIX A-2 – "OCTA 91 EXPRESS LANES TRAFFIC AND REVENUE BRINGDOWN LETTER, DATED MAY 9, 2023."

HISTORICAL AND PROJECTED DEBT SERVICE COVERAGE

Fiscal Year Ending June 30,	Tolls [1]	Non-Tolls [2]	Interest Earnings	Revenues	Current Expenses	Adjusted Net Toll Revenues Available for Debt Service [3]	Annual Debt Service	Net Toll Revenues After Debt Service	Debt Service Coverage Ratio
	A	B	C	D = A + B + C	E	F = D - E	G	H = F - G	I = F/G
2004	$24,610,057	$7,826,175	$646,433	$33,082,665	$12,702,688	$20,379,977	$7,335,531	$13,044,446	2.78
2005	30,411,879	9,320,349	1,406,466	41,138,694	14,505,407	26,633,286	11,970,445	14,662,841	2.22
2006	35,002,588	9,272,840	1,888,478	46,163,906	14,507,464	31,656,442	12,254,033	19,402,409	2.58
2007	38,352,897	11,536,471	3,495,763	53,385,132	14,481,941	38,903,191	12,257,389	26,645,802	3.17
2008	37,452,652	8,783,595	4,812,784	51,049,031	14,063,953	36,985,078	12,652,714	24,332,364	2.92
2009	34,202,880	9,502,008	3,184,466	46,889,354	15,807,219	31,082,135	15,504,345	15,577,790	2.00
2010	35,692,316	7,316,256	1,667,625	44,676,197	13,330,283	31,345,914	15,832,037	15,513,877	1.98
2011	33,668,023	8,523,756	758,451	42,950,230	13,650,059	29,300,171	14,672,870	14,627,301	2.00
2012	32,103,065	5,803,812	520,975	38,427,852	12,692,347	25,735,505	10,720,594	15,014,911	2.40
2013	32,653,154	6,688,733	198,090	39,539,978	13,111,562	26,428,416	10,226,714	16,201,702	2.58
2014	34,047,077	8,957,749	700,899	43,705,725	15,825,680	27,880,045	10,742,132	17,137,912	2.60
2015	36,651,721	10,007,305	702,495	47,361,521	16,525,738	30,835,783	10,796,475	20,039,308	2.86
2016	39,043,834	13,511,599	1,692,137	54,247,570	18,690,990	35,556,580	10,795,725	24,760,855	3.29
2017	41,400,975	15,994,127	433,583	57,828,684	31,833,298[6]	25,995,386	10,798,525	15,196,861	2.41
2018	45,332,918	12,556,973	899,802	58,789,693	16,402,520	42,387,173	10,794,700	31,592,473	3.93
2019	46,741,870	11,042,719	7,409,918	65,194,507	15,307,713	49,886,793	10,796,325	39,090,468	4.62
2020	43,113,100	831,380	8,558,805	52,503,285	15,045,080	37,458,205	10,798,325	26,659,880	3.47
2021	44,881,771	471,355	1,157,826	46,510,953	14,728,924	31,782,028	10,795,075	20,986,953	2.94
2022	55,931,629	8,916,444	(7,193,882)[5]	57,654,191	20,480,715	37,173,476	10,795,825	26,377,651	3.44
2023[4]									
2024									
2025									
2026									
2027									
2028									
2029									
2030									
2031									

Note: All amounts are rounded.

[1] Tolls as shown in this column include fees paid for the vehicular usage of the Toll Road, but Tolls do not include fines and penalties collected by OCTA with respect to usage of the Toll Road, fees for the use of transponders or other devices for the electronic payment of tolls, or account maintenance fees. This presentation of tolls differs from the definition of "Tolls" under the Indenture. For the definition of "Tolls" under the Indenture, see "SECURITY AND SOURCE OF PAYMENT FOR THE SENIOR LIEN BONDS – Pledged Funds; Revenues; Tolls" and APPENDIX C - "Summary of Certain Provisions of the Master Indenture of Trust - Definitions; Interpretations."

[2] Non-toll revenues as shown in this column primarily consist of fines and penalties collected by OCTA with respect to usage of the Toll Road, fees for the use of transponders or other devices for the electronic payment of tolls, account maintenance fees and any other moneys received by OCTA pursuant to the Cooperative Agreement.

[3] Adjusted Net Toll Revenues are available for the payment of Senior Lien Bonds and Junior Lien Bonds and Subordinate Lien Bonds (if such Junior Lien Bonds or Subordinate Lien Bonds are issued in the future).

[4] Fiscal Year 2023 projection (based on actual unaudited numbers through April 30, 2023).

[5] Interest Earnings are calculated based on generally accepted accounting principles, which utilize a mark to market method of measuring the fair value of investments based on current market conditions. As a result, in Fiscal Year 2022 the interest earnings include unrealized investment losses of $9.4 million primarily associated with the rapid increase in interest rates in Fiscal Year 2022. OCTA does not expect to realize such losses because it expects to hold such investments to maturity.

[6] Current expenses in Fiscal Year 2017 included $13.7 million for the payment rehabilitation project which was classified as an operating expense instead of a capital expense. The project was funded with Toll Road capital reserve funds.

Source: OCTA

INVESTMENT CONSIDERATIONS

A number of factors including changes in demographics, downturns in the State and local economies, declines in use caused by competing transportation improvements, damage and destruction caused by landslides, earthquakes or other acts of God or an increase in the price of gasoline could have an adverse effect on the ability of the Toll Road to generate sufficient revenues to pay debt service on the Series 2023 Bonds. Described below are certain of these and other specific factors that could affect use and operation of the Toll Road and the ability of OCTA to pay debt service on the Series 2023 Bonds. Also described below are certain other investment considerations which should be considered in evaluating an investment in the Series 2023 Bonds. This discussion does not purport to be either comprehensive or definitive.

Limited Obligations

The Series 2023 Bonds are special, limited obligations of OCTA payable solely from, and secured solely by a first lien on and pledge of the Pledged Funds, which consists primarily of Tolls. OCTA's ability to generate revenues from the use and operation of the Toll Road in amounts sufficient to pay debt service on the Series 2023 Bonds depends upon many factors, some of which are not within the control of OCTA. The projected levels of traffic and Tolls set forth in this Official Statement are based upon an analysis of historical information and upon estimates of future performance developed by OCTA and the Traffic and Revenue Consultant.

Other than the pledge of the Pledged Funds, OCTA has not mortgaged, assigned or pledged any interest in any real or personal property or improvements, including any interest in the Toll Road or any expansions or extensions thereto, as security for payment of the Series 2023 Bonds.

Current Expenses and Operating Expenses Payable Prior to Debt Service

Prior to any transfer of Revenues to the Trustee for deposit to the Debt Service Fund, pursuant to the Indenture, OCTA is permitted to withdraw from the Revenue Fund such amount as OCTA shall determine is necessary to pay Current Expenses, including operating expenses, then due and payable and Current Expenses that OCTA expects will become due and payable within the next succeeding calendar month. Such Current Expenses are payable prior to payment of debt service on the Series 2023 Bonds. In addition, OCTA is permitted to replenish the Operating Reserve Fund prior to transferring Revenues to the Trustee for deposit to the Debt Service Fund.

Rate Covenant Not a Guarantee

The ability of OCTA to pay the debt service with respect to the Series 2023 Bonds depends on the ability of OCTA to generate Tolls at the levels required by the Indenture, which in turn depends on the use of the Toll Road by a sufficient number of toll-paying vehicles. Although OCTA has covenanted in the Indenture to establish toll rates at specified levels as more particularly described herein, and expects that sufficient Tolls will be generated through the imposition and collection of such tolls, OCTA's covenant does not constitute a guarantee that sufficient Net Toll Revenues will be available to pay debt service with respect to the Series 2023 Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE SENIOR LIEN BONDS – Rate Covenant."

Limited Remedies Under the Indenture

The remedies available to owners of the Series 2023 Bonds upon an Event of Default under the Indenture are limited to the seeking of specific performance or a writ of mandamus or other suit, action or proceeding compelling and requiring OCTA and its officers to observe and perform any covenant, condition or obligation prescribed in the Indenture. **NO ACCELERATION REMEDY IS AVAILABLE TO OWNERS OF THE SERIES 2023 BONDS**. Therefore, owners of the Series 2023 Bonds will be able to collect principal and interest that become due after an Event of Default only from the Pledged Funds (after payment of Trustee and Current Expenses) included in the pledge under the Indenture and only when such principal and interest is scheduled to be paid. The remedies available under the Indenture depend in many respects upon regulatory and judicial actions that are often subject to discretion and delay. Under existing law, such remedies may not be readily available. In addition, enforcement of such remedies (i) may be subject to general principles of equity which may permit the exercise of judicial discretion, (ii) are subject to the exercise in the future by the State and its agencies and political subdivisions of the police power inherent in the sovereignty of the State, (iii) are subject, in part, to the provisions of the United States Bankruptcy Code (the "Bankruptcy Code") and other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, and (iv) are subject to the exercise by the United States of the powers delegated to it by the federal Constitution. The various legal opinions to be delivered concurrently with the delivery of the Series 2023 Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Series 2023 Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

Operating Risks

The ability of OCTA to generate Tolls in amounts sufficient to pay debt service on the Series 2023 Bonds when due will be subject to and could be materially and adversely affected by the risks inherent in the operation of any toll facility. In addition, disruption of the Toll Road's automated toll systems may result in a decrease in Tolls, thereby adversely impacting OCTA's ability to pay debt service on the Series 2023 Bonds. The ability to repay the Series 2023 Bonds will be dependent on the volume of traffic that utilizes the Toll Road, as well as the ability of the Operator's computer systems to accurately process data. Revenues to be generated through such use will be influenced by numerous factors, including, among others, the ability to manage toll violations; the ability to control expenses; the availability of adequately trained personnel; population, employment and income trends within the region; the congestion on alternative freeways, highways, and streets; time savings experienced by utilizing the Toll Road; the toll rates; the availability and price of fuel; and the construction of new or improved competing roadways or other transit facilities.

Reliance on Performance of Operator, RCTC, and Other Service Providers. OCTA is in large part relying on the management of the Operator to manage and operate the Toll Road. The operation of the Toll Road by the Operator and other service providers like Kapsch TrafficCom USA, Inc. is subject to numerous risks, any of which could alter the performance of the Toll Road. Further, OCTA is relying on RCTC's cooperation and collaboration since the Toll Road and the RCTC Toll Road connect and each can impact the other's performance. Any issues with respect to the RCTC Toll Road could have an adverse effect on the Toll Road. The ability of OCTA to pay debt service on the Series 2023 Bonds is to a great extent dependent upon the successful management of the Toll Road, collaboration between OCTA and RCTC, and the ability to achieve the revenues set forth in the Traffic and Revenue Update.

Demographic and Economic Changes. As past recessions have shown, macro-economic and demographic conditions can have a dramatic impact on economic activity, including the willingness and ability of consumers to use the Toll Road. Adverse changes to population, household and employment levels and growth and income levels will directly affect the use of the Toll Road.

No Non-Compete Provisions. When travelling along SR 91, vehicles will be able to use either or both of the Toll Road or the RCTC Toll Road or may use the general purpose lanes (which do not require payment of a toll). Neither the Indenture nor any other agreement in effect with respect to the operation of the Toll Road contains restrictions on the ability of OCTA or Caltrans to construct new or improved roadways or other transit facilities that may compete with the Toll Road or the RCTC Toll Road nor is there any restriction on the ability of RCTC to construct additional or improved roadways or other transit facilities that may compete with the Toll Road or the RCTC Toll Road

Motor Fuel Prices and Taxes. There is no assurance that motor fuel will remain in adequate supply or that motor fuel prices and federal and State motor fuel taxes will not increase. Increases in motor fuel prices or motor fuel taxes could adversely affect the generation of Tolls. Additionally, if motor fuel prices increase, it could have a material adverse effect on the economy of the regions served by the Toll Road and the Tolls.

Competing Transportation Improvements. The 241/91 EC, which is currently scheduled to open in 2027, is expected to affect traffic volumes and Tolls on the Toll Road based on recent traffic and revenue updates. For more information, see "MANAGEMENT DISCUSSION OF RECENT OPERATING RESULTS." OCTA cannot provide any assurances that the 241/91 EC or other capital improvement projects in the region will not impact traffic and Tolls on the Toll Road.

Changes in Law. The operation of the Toll Road is subject to various laws, regulations and policies, including, among others, laws governing environmental protections and tax regulations. To the extent that OCTA or any other parties that are involved with the Toll Road are required to expend additional funds not budgeted in order to be in compliance with new or amended laws, regulations or policies, such unanticipated expenditures could have a negative impact on the Tolls generated by the Toll Road. Laws, regulations and policies governing, among other things, air pollution, noise abatement and control, hazardous waste, solid waste, water quality and endangered species may become more stringent in the future, possibly requiring additional compliance efforts and having a material adverse effect on the operation of the Toll Road.

Additionally, political pressure or legislative action could affect the ability of OCTA, Caltrans, the U.S. Department of Transportation or the Federal Highway Administration to budget for or tax or spend in respect of toll roads and other highway and transportation projects, or shift the focus of government spending to other modes of transportation, resulting in decreased use of the Toll Road. Further, action by the State Legislature to continue or expand the exemption enjoyed by electric vehicles or certain carpools from paying all or a portion of tolls on tolled express lanes in the State could have a material adverse effect on Tolls generated by the Toll Road.

Less Than Projected Use of Toll Road. The revenue forecasts in the Traffic and Revenue Update are based upon certain assumptions described in such reports and upon certain additional assumptions described therein. See APPENDIX A-1 – "OCTA 91 TRAFFIC AND REVENUE UPDATE, DATED AUGUST 4, 2022" and APPENDIX A-2 – "OCTA 91 EXPRESS LANES TRAFFIC AND REVENUE BRINGDOWN LETTER, DATED MAY 9, 2023." Based upon such assumptions, the Traffic and Revenue Consultant has expressed its opinion that such revenue forecasts are reasonable and have been prepared in accordance with accepted practice for such studies. As provided in therein, however, such reports are not a guarantee of any future events or trends and the forecasts therein are subject to future economic and social conditions and demographic developments that cannot be predicted with certainty. Further, any of the estimates and assumptions in such reports are inherently subject to significant economic and competitive uncertainties and contingencies, many of which are beyond the control of OCTA. Failure to achieve or realize any of the assumptions described above may have a material adverse effect upon the amount of Tolls actually generated.

The levels of traffic assumed and toll revenue projected as described in "HISTORICAL AND PROJECTED DEBT SERVICE COVERAGE" and elsewhere in this Official Statement are based solely upon estimates and assumptions made by OCTA. Actual levels of traffic and toll revenue will differ, and may differ materially, from the levels indicated. Historic information about the OCTA's finances and operations presented in this Official Statement should be considered in light of the effects of the COVID-19 pandemic. Actual interest earnings, debt service interest rates, and operations and maintenance expenses could also differ from those indicated. Inevitably, some assumptions will not be realized, and unanticipated events and circumstances may occur. The actual financial results achieved will vary from those described, and the variations may be material.

Higher Than Projected Maintenance Costs. Successful operation of the Toll Road will require timely and complete maintenance. OCTA budgets for maintenance costs based on its historical experience and internal projections. The actual costs of repairing and maintaining the Toll Road, however, may significantly exceed such projections. Although OCTA has covenanted in the Indenture to keep the Toll Road in good repair, no assurance can be given that sufficient funds will be available to adequately maintain the Toll Road. Any significant deterioration in the Toll Road may result in increased operating costs and in reduced usage (or temporary lane closures) and may adversely affect the amount of Net Toll Revenue available to pay debt service with respect to the Series 2023 Bonds.

Less Than Projected Non-Toll Revenue. Non-Toll revenue ("Non-Toll Revenue") consisting of fines and penalties collected by OCTA with respect to usage of the Toll Road and fees for the use of transponders or other devices for the electronic payment of tolls, comprises a portion of Tolls. There is no assurance that the actual amount of Non-Toll Revenue in the future will be consistent with amounts received in the past or with OCTA projections with respect to Non-Toll Revenue. OCTA could modify its customer convenience programs, or institute other pricing and promotion policies, that adversely affect Non-Toll Revenue. In addition, the generation of Non-Toll Revenue could be adversely affected by legislative or judicial action limiting toll violation penalties or FasTrak account fees. Weak economic conditions may decrease the number of customer accounts, or increase the number of uncollectible accounts, which also would adversely affect Non-Toll Revenue. The establishment of lower cost user programs by other toll agencies in the region could also decrease the number of customer accounts and adversely affect the generation of Non-Toll Revenue. In addition, ineffective enforcement mechanisms used against toll violators may adversely affect the generation of Non-Toll Revenue. That portion of Non-Toll Revenue consisting of interest income could be adversely affected by decreases (or less than projected increases) in short-term interest rates. Finally, projections of Non-Toll Revenue are based on the current provisions of the Cooperative Agreement specifying the Percentage Revenue Split. The Cooperative Agreement expressly provides for a re-evaluation of the Percentage Revenue Split on or before ten years from the opening date of the RCTC Toll Road and every ten years thereafter. There is no assurance that RCTC and OCTA will continue to agree on the same Percentage Revenue Split.

Technological and Societal Changes. Neither OCTA nor the Traffic and Revenue Consultant can predict the technological and societal changes that may affect the use of the Toll Road during the period that the Series 2023 Bonds remain outstanding. Societal changes, technological advances, and even infectious diseases like COVID-19 may result in the increase of telecommuting. Since the growth in traffic on the Toll Road can be expected to be sensitive to changes in overall SR 91 corridor usage, higher levels of telecommuting could have an adverse impact on usage of the Toll Road. Technological advancements may include broadening the use of electric vehicles or autonomous vehicles which, together with more stringent air quality standards, could change the characteristics of vehicles on the road. Existing State law and the Cooperative Agreement provide for free or discounted usage of the Toll Road by zero emission vehicles. Increased use of commercial ride-sharing services might decrease traffic congestion and, therefore, the use of the Toll Road as a result of reduced car ownership or surge pricing which possibly delays or diverts peak hour demands. Increased popularity of carpooling through organized services or companies that facilitate the matching of commuters in order to share rides during peak traffic times, either for free or for a fee (depending on the service provider), could also reduce the use of and revenues generated from the Toll Road as a result of fewer commuters traveling to work on an individual basis. The development of new types of switchable transponders and other technological advances may significantly change the way Tolls are collected. Other technologies or societal changes could have a similar detrimental effect on the Toll Road and the generation of Tolls.

Seismic or Other Casualty to the Toll Road. In the event of an earthquake, or other significant damage to the Toll Road, complete closure of the Toll Road might be required during the time needed for repair. Caltrans is obligated only to restore the load bearing capacity of the real estate to its initial condition. In the event the Toll Road is destroyed or damaged by earthquake or some cause other than ordinary and usual usage thereof, amounts, if any, received from the proceeds of insurance may be used to pay all or any part of the cost of reconstructing, restoring, repairing or rehabilitating the Toll Road (including the toll collection systems). There can be no assurance that such amounts will be received, or if received will be sufficient to fully restore, repair or rehabilitate the Toll Road.

Fires and Flood. In recent years, portions of California have experienced wildfires that have burned thousands of acres and destroyed thousands of homes and structures, even in areas not previously thought to be prone to wildfires. Such areas affected by wildfires are more prone to flooding and mudslides that can further lead to the destruction of property and road and freeway closures. As with many properties in Orange County, the Toll Road has structures and buildings that are in areas susceptible to flooding. OCTA cannot predict the potential impact of a flood or fire incident on the Toll Road. OCTA currently insures the Toll Road in the event of damage resulting from fire and flood. See "– Insurance Coverage" below for more information.

Fuel Availability and Pricing. Another factor which may affect the traffic on the Toll Road is the cost of fuel and its availability. Over the past 25 years, the price and availability of crude oil has been negatively impacted from time to time to the point of disrupting normal travel patterns on the nation's highways and toll roads. Any serious supply disruption could be expected to result in fluctuations in forecasted Tolls.

Bankruptcy Risks

Described below are certain bankruptcy risks.

OCTA. OCTA is authorized to file for bankruptcy under Chapter 9 of the Bankruptcy Code under certain circumstances. An involuntary bankruptcy petition cannot be filed against OCTA. Should OCTA file for bankruptcy, there could be adverse effects on the holders of the Series 2023 Bonds. OCTA has pledged the Revenues to the Trustee.

If the portion of Tolls that consist of fees paid for the vehicular usage of the Toll Road (hereinafter, "toll fees") are "special revenues" under the Bankruptcy Code, then toll fees collected after the date of the bankruptcy filing should be subject to the lien of the Indenture. See also "–Commingling of Revenues." "Special revenues" are defined to include receipts derived from the ownership or operation of projects or systems that are primarily used to provide transportation services. While the portion of the Tolls comprised of toll fees appear to satisfy this definition and thus be "special revenues," no assurance can be given that a court would not hold that such toll fees are not special revenues. As indicated above, Revenues that are pledged by OCTA to the Trustee include other amounts besides toll fees. No assurance can be given that such other amounts will be determined to be "special revenues." In a case arising from the insolvency proceedings of Puerto Rico, the United States Court of Appeals for the First Circuit concluded that while a debtor has the right to voluntarily apply special revenues to the payment of debt service during the pendency of a bankruptcy case, the debtor is not obligated to do so, even though the special revenues are subject to the lien of the bond documents.

If any or all of the toll fees or the other amounts comprising Revenues are determined not to be special revenues, then any such amounts collected after the commencement of a bankruptcy case will likely not be subject to the lien of the Indenture. The holders of the Series 2023 Bonds may not be able to assert a claim against any property of OCTA other than the Revenues that are subject to the lien of the Indenture, and if any or all of the Revenues are no longer subject to the lien of the Indenture, then there may be limited, if any, funds from which the holders of the Series 2023 Bonds are entitled to be paid.

The Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, OCTA may be able to use Revenues to pay necessary operating expenses of the Toll Road that are greater or different than the Current Expenses and Major Maintenance Expenses as defined in the Indenture, before the remaining Revenues are made available to the Trustee to pay amounts owed to the holders of the Series 2023 Bonds. It is not clear precisely which expenses would constitute necessary operating expenses.

If OCTA is in bankruptcy, the parties (including the Trustee and the holders of the Series 2023 Bonds) may be prohibited from taking any action to collect any amount from OCTA or to enforce any obligation of OCTA, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the holders of the Series 2023 Bonds from funds in the Trustee's possession. The Rate Covenant (see "SECURITY AND SOURCE OF PAYMENT FOR THE SENIOR LIEN BONDS – Rate Covenant") may not be enforceable in bankruptcy by the Trustee or the holders of the Series 2023 Bonds.

If OCTA has any Revenues in its possession when it files for bankruptcy and such Revenues have been commingled with other moneys, then the Trustee and the holders of the Series 2023 Bonds may not have a lien on such moneys and OCTA may not be required to turn over such moneys to the Trustee. If OCTA has possession of Revenues (whether collected before or after commencement of the bankruptcy) and if OCTA does not voluntarily turn over such Revenues to the Trustee, it is not entirely clear what procedures the Trustee and the holders of the Series 2023 Bonds would have to follow to attempt to obtain possession of such Revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Under such circumstances, there may be delays or reductions in payments on the Series 2023 Bonds.

OCTA may be able to borrow additional money that is secured by a lien on any of its property (including the Revenues), which lien could have priority over the lien of the Indenture, as long as the bankruptcy court determines that the rights of the Trustee and the holders of the Series 2023 Bonds will be adequately protected. OCTA may be able to cause Revenues to be released to it, free and clear of the lien of the Indenture, as long as the bankruptcy court determines that the rights of the Trustee and the holders of the Series 2023 Bonds will be adequately protected.

OCTA may be able to reject the 2020 Joint Operating Agreement and enter into an agreement with a new operator, regardless of any restrictions in the transaction documents. Similarly, OCTA may be able to reject agreements with other service providers, including, without limitation, the Toll Lanes System Integrator Services Agreement, the Master Custodial Account Agreement, the Police Services Agreement, and the Maintenance Services Agreement, and enter into new agreements with new service providers, regardless of any restrictions in the transaction documents.

OCTA may also be able to reject the Cooperative Agreement. If such a rejection occurred, RCTC would no longer be obligated to perform under the Cooperative Agreement. Specifically, RCTC would likely no longer be obligated to make the payments to OCTA that are required by the Cooperative Agreement. OCTA may be able to reject the Franchise Agreement, the Lease, or any other agreement to which OCTA is a party relating to the Toll Road. Such a rejection could have material adverse effects on the holders of the Series 2023 Bonds.

OCTA may be able, without the consent and over the objection of the Trustee and the holders of the Series 2023 Bonds, to alter the priority, principal amount, interest rate, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Indenture and the Series 2023 Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable.

There may be delays in payments on the Series 2023 Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of OCTA that could result in delays or reductions in payments on the Series 2023 Bonds, or result in losses to the holders of the Series 2023 Bonds. Regardless of any specific adverse determinations in an OCTA bankruptcy proceeding, the fact of an OCTA bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2023 Bonds.

Commingling of Revenues. OCTA may commingle Revenues that it receives with other funds before delivering the Revenues to the Trustee. Holders of the Series 2023 Bonds may not have a perfected interest in or lien on such commingled Revenues and OCTA may fail or be unable to turn over to the Trustee any Revenues that are in its possession and have been commingled with other moneys. Under such circumstances, there could be delays or reductions in payments on the Series 2023 Bonds.

Effect of Losses in Investments. Pending delivery of Revenues to the Trustee, OCTA intends to invest Revenues. Should any of these investments suffer any losses, there may be delays or reductions in payments on the Series 2023 Bonds.

The Operator or Other Service Providers. If the Operator were to go into bankruptcy, it may stop performing its functions as operator of the Toll Road, and it may be difficult to find a third party to act as successor operator. Alternatively, the Operator may take the position that unless the amount of its compensation is increased or the terms of its obligations are otherwise altered, it will stop performing its functions as operator. If it would be difficult to find a third party to act as operator, the parties, as a practical matter, may have no choice but to agree to the demands of the Operator. The Operator may also have the power, with the approval of the bankruptcy court, to assign its rights and obligations as operator to a third party without the consent, and even over the objection, of the parties, and without complying with the requirements of the applicable documents.

If the Operator is in bankruptcy, then the parties may be prohibited from taking any action to enforce any obligations of the Operator under the applicable documents or to collect any amount owing by the Operator under the applicable documents, unless the permission of the bankruptcy court is obtained.

If the Operator is in bankruptcy, then, despite the terms of the documents, the parties may be prohibited from terminating the Operator and appointing a successor Operator.

The Trustee and the holders of the Series 2023 Bonds may not have a perfected or priority interest in any Tolls that are in the Operator's possession at the time of the commencement of the bankruptcy. The Operator may not be required to remit to the Trustee any Tolls that are in its possession at the time it goes into bankruptcy. To the extent that the Operator has commingled Tolls with its own funds, the holders of the Series 2023 Bonds may be required to return to the Operator as preferential transfers payments received on the Series 2023 Bonds that are traceable to funds received from the Operator.

There may be delays in payments on the Series 2023 Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of the Operator that could result in delays or reductions in payments on the Series 2023 Bonds, or result in losses to the holders of the Series 2023 Bonds. Regardless of any specific adverse determinations in an Operator bankruptcy proceeding, the fact of an Operator bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2023 Bonds.

Similar risks exists should any other service provider with respect to the Toll Road, including, without limitation, Kapsch TrafficCom USA, Inc., go into bankruptcy or become insolvent.

Third Parties in Possession of Funds. It is contemplated that there will be arrangements in place where cash advances received by a third party, including, without limitation, the Operator and RCTC, may be applied to the payment of tolls by a user of the Toll Road. See "OPERATIONAL AGREEMENTS – Master Custodial Account Agreement." Such cash advances are not subject to the lien of the Indenture until they become Tolls. The Indenture requires that such business organization or governmental entity must agree to take such actions as OCTA may determine are reasonably necessary to assure that OCTA will receive timely payment of such Tolls. Nonetheless, no assurance can be given that, should such a third party go into bankruptcy or become insolvent, such agreement will be effective to assure that OCTA will receive timely payment of such Tolls.

If a third party in possession of cash advances is in bankruptcy, then the parties may be prohibited from taking any action to enforce any obligations of the third party under the applicable documents or to collect any amount owing by the third party under the applicable documents, unless the permission of the bankruptcy court is obtained.

Should a third party in possession of cash advances go into bankruptcy, OCTA, the Trustee, and the holders of the Series 2023 Bonds may not have a lien on, or other interest in, the moneys held by such third party and the third party may not be required to turn over to OCTA or the Trustee such moneys when they become Tolls. While such agreements may provide that the third party holds such cash advances in trust, no assurance can be given that a court will not conclude that the relevant agreement does not in fact create a valid trust arrangement. Users of the Toll Road may assert that because they have already paid the third party, they are entitled to use the Toll Road without paying a second time, regardless of whether the third party turns over funds to OCTA or the Trustee. Under such circumstances, there could be delays or reductions in payments on the Series 2023 Bonds.

The holders of the Series 2023 Bonds may be required to return to such third party as preferential transfers payments received on the Series 2023 Bonds that are traceable to funds received from such third party.

There may be delays in payments on the Series 2023 Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of a third party in possession of cash advances that could result in delays or reductions in payments on the Series 2023 Bonds, or result in losses to the holders of the Series 2023 Bonds. Regardless of any specific adverse determinations in a bankruptcy proceeding of such a third party, the fact of such a bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2023 Bonds.

RCTC. RCTC is a party to the 2020 Joint Operating Agreement and the Cooperative Agreement. RCTC has obligations to OCTA under these agreements, including the obligation to pay certain amounts to OCTA that constitute Revenues and the obligation to pay to OCTA certain maintenance costs of the Toll Road. RCTC is authorized to file for bankruptcy under Chapter 9 of the Bankruptcy Code under certain circumstances. An involuntary bankruptcy petition cannot be filed against RCTC. Should RCTC file for bankruptcy, there could be adverse effects on the holders of the Series 2023 Bonds. If RCTC is in bankruptcy, the parties (including the Trustee and the holders of the Series 2023 Bonds) may be prohibited from taking any action to collect any amount from RCTC or to enforce any obligation of RCTC, unless the permission of the bankruptcy court is obtained. With the authorization of the bankruptcy court, RCTC may be able to repudiate some or all of its agreements with OCTA or that relate to the Toll Road or the RCTC Toll Road, including, without limitation, the 2020 Joint Operating Agreement and the Cooperative Agreement, and stop performing its obligations (including payment obligations) under such agreements. Such a repudiation could also excuse the other parties to such agreements from performing any of their obligations. In bankruptcy, RCTC may fail to operate or maintain the RCTC Toll Road properly (or at all) and because the RCTC Toll Road connects to the Toll Road, any issues with respect to the RCTC Toll Road could have an adverse effect on the Toll Road. The Trustee and the holders of the Series 2023 Bonds may be required to return to RCTC as preferential transfers payments received on the Series 2023 Bonds that are traceable to funds received from RCTC.

There may be delays in payments on the Series 2023 Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of RCTC that could result in delays or reductions in payments on the Series 2023 Bonds, or result in losses to the holders of the Series 2023 Bonds. Regardless of any specific adverse determinations in an RCTC bankruptcy proceeding, the fact of an RCTC bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2023 Bonds.

Dilution of Security Upon Bankruptcy Related Event. Pursuant to the provisions of the Indenture, OCTA may issue or incur TIFIA Obligations as Parity Obligations, Junior Lien Bonds or Subordinate Lien Bonds. In the event OCTA issues or incurs TIFIA Obligations as Junior Lien Bonds or Subordinate Lien Bonds, upon the occurrence of a Bankruptcy Related Event, the TIFIA Obligation (other than any portion thereof that has been sold to a non-governmental commercial entity) will be deemed to be a Parity Obligation. The documents provide that, in such event, the TIFIA Obligation would be secured by and payable from the Pledged Funds on a parity with the Series 2023 Bonds (although this provision may not be enforceable). See also "SECURITY AND SOURCE OF PAYMENT FOR THE SENIOR LIEN BONDS - Additional Senior Lien Bonds; Refunding Bonds; Parity Obligations; Junior Lien Bonds; Subordinate Lien Bonds; TIFIA Obligations."

The term "Bankruptcy Related Event" as defined in the Indenture includes OCTA becoming unable to pay its debts generally as they become due. Thus, it is not necessary for OCTA to file a petition under Chapter 9 of the Bankruptcy Code in order for a Bankruptcy Related Event to occur. Moreover, OCTA's ability to pay its debts generally as they become due may not always be subject to precise determination.

Market Liquidity Risks

Three credit rating agencies have been engaged to assign credit ratings to the Series 2023 Bonds. A rating is not a recommendation to purchase, hold or sell the Series 2023 Bonds, and does not address the market price or suitability of the Series 2023 Bonds for a particular investor. A rating on the Series 2023 Bonds may not remain for any given period of time and may be lowered or withdrawn depending on, among other things, each rating agency's assessment of the credit strength of the Pledged Funds.

OCTA has been informed by the Underwriters that they intend to make a market in the Series 2023 Bonds after the completion of this offering; however, the Underwriters are not required to make a market in the Series 2023 Bonds, and they may cease market-making at any time without notice. OCTA cannot assure potential investors that an active market for the Series 2023 Bonds will develop. Even if a market for the Series 2023 Bonds does develop, depending on prevailing interest rates and market conditions generally, the Series 2023 Bonds could trade at a discount from their initial offering price. Holders of the Series 2023 Bonds may not be able to sell their Series 2023 Bonds in the future or such sale may not be at a price equal to or greater than the initial offering price of the Series 2023 Bonds. As a result, holders of the Series 2023 Bonds may not be able to liquidate their investment quickly or to liquidate it at an attractive price or at all.

Cybersecurity

OCTA relies on large and complex technology networks, systems, information, and other assets, including those managed by Cofiroute ("Information and Operations Technology") for efficient operations, provision of services to the public, and collection of Tolls and other revenue on the Toll Road. In connection with its delivery of critical services to the public, OCTA's Information and Operations Technology collects and stores sensitive customer data, including financial information, security information, proprietary business information, information regarding customers, suppliers and business partners, and personally identifiable information of customers and employees (collectively, "PII").

OCTA and Cofiroute implement physical, technical, and administrative safeguards to protect the operations of its Information and Operations Technology and PII, including measures to comply with applicable requirements of federal and State law. Despite implementation of a security program and measures to protect its Information and Operations Technology and PII, OCTA's and Cofiroute's network, systems, information and other assets may experience cybersecurity risks and threats from time to time, including those that may result in the compromise of PII, theft or manipulation of information, and operational disruptions and outages, by employees through error or malfeasance, criminal or malicious hackers, terrorists, and hacktivists. Although both OCTA and Cofiroute maintain cyber liability insurance, any cybersecurity incident, intrusion, or attack could result in unauthorized access to or acquisition of sensitive information or PII, disruptions to OCTA's operations, including toll collection and financial reporting or other activities, legal claims or proceedings, including but not limited to laws that protect the privacy of personal information, and regulatory inquiries and penalties. In the past five years, OCTA and Cofiroute have not experienced a cybersecurity incident that resulted in the identification of unauthorized access to sensitive systems or data in connection with the Toll Road.

Infectious Disease, Pandemic and Public Health Considerations

In general, the outbreak of a highly contagious disease or epidemic disease could reduce traffic on the Toll Road and negatively impact Tolls. The outbreak of a respiratory disease caused by a new strain of coronavirus ("COVID-19"), was declared a global pandemic by the World Health Organization in March 2020. Since the onset of the COVID-19 pandemic, California Governor Gavin Newsom and other federal, State and local officials have issued numerous restrictions and warnings, and have taken and continue to take, various actions, including executive orders and the passage of laws and regulations, on a wide array of topics, to slow the spread of COVID-19 and to address the ongoing public health and economic consequences of the COVID-19 pandemic.

The COVID-19 pandemic created significant challenges for toll road facilities. State and local governments across the United States issued orders for residents to self-quarantine and refrain from non-essential travel in an effort to slow the spread of the virus. These efforts caused the economy to slow and resulted in severe traffic declines well in excess of peak losses during the global financial crisis in 2008.

Managed-lane facilities throughout the country experienced year-over-year commuter traffic declines of about 60 to 70 percent. The Toll Road was no different, experiencing traffic declines of approximately 70 percent when compared to the same period in 2019.

As a result of the lower traffic volumes, Tolls declined significantly, and calls into the customer service center decreased by 40 percent. Operational activities continued to function with a combination of remote workers and core staff located at the Toll Road facilities. Core essential functions included aiding stranded motorists through freeway service patrols, providing incident management services and dispatching emergency vehicles through the traffic operations center, and responding to customer service and violation calls at the customer service center.

With less traffic on the Toll Road, some violation and collection efforts were temporarily halted by OCTA. (RCTC did the same on the RCTC Toll Road.) These included pausing outbound collection calls, not sending collection notices, and stopping the transmission of violation files to the collection agency. The violations remained outstanding until certain temporary State measures concluded. In addition to violations and collection efforts, the Toll Road suspended the assessment of monthly account maintenance fees to customer accounts, waived the July 1, 2020 cost of living adjustment of two percent applied to tolls, and suspended any toll increases for a temporary basis. By the end of calendar year 2020, all temporary State measures concluded, and regular business operations resumed. OCTA cannot provide any assurances that a similar or other outbreak of a highly contagious disease or epidemic disease will not occur in the future, which impacts traffic on the Toll Road or Tolls.

State Legislation

State legislation is introduced from time to time that could affect the finances or operations of the Toll Road, including the level and expenditure of tolls. OCTA cannot predict whether any such legislation will be introduced or enacted in future legislative sessions.

Voter Initiatives

Existing Voter Initiatives. California Constitutional provisions allow for amendments by voter approval of qualified initiative petitions as well as legislative proposals and referendums. Over the years, such amendments have limited state and local taxing and spending powers.

In 1996, the voters of the State approved Proposition 218, a constitutional initiative, entitled the "Right to Vote on Taxes Act" ("Proposition 218"). Proposition 218 added Articles XIII C and XIII D to the California Constitution and contains a number of interrelated provisions affecting the ability of local governments to levy and collect both existing and future taxes, assessments, fees and charges. Proposition 218 requires majority voter approval for the imposition, extension or increase of general taxes and two-thirds voter approval for the imposition, extension or increase of special taxes by a local government. Proposition 218 also provides for broad initiative powers to reduce or repeal any local tax, assessment, fee or charge.

In 2010, the voters of the State approved Proposition 26, another constitutional initiative, entitled the "Supermajority Vote to Pass New Taxes and Fees Act" ("Proposition 26"). Proposition 26, among other things, added a definition of "tax" as used in Article XIII A, which contains certain limitations with respect to changes in State statute that results in any taxpayer paying a higher tax, and Article XIII C of the California Constitution. OCTA does not believe that the levy and collection of tolls for use of the Toll Road are taxes subject to the voter approval provisions of Propositions 26 and 218.

The Supreme Court of California, in the case of *Bighorn-Desert View Water Agency v. Verjil*, 39 Cal. 4th 205 (2006), also held that the initiative power described in Article XIII C applies to any local taxes, assessments, fees and charges as defined in Articles XIII C and XIII D. Article XIII D defines "fee" or "charge" to mean a levy (other than ad valorem or special taxes or assessments) imposed by a local government "upon a parcel or upon a person as an incident of property ownership," including a user fee for a "property related service." However, the Court also found that the terms "fee" and "charge" in section 3 of Article XIII C may not be subject to a "property related" qualification. OCTA does not believe that any toll charged for use of the Toll Road is a "fee" or "charge" as defined in Article XIII C or XIII D. If ultimately found to be applicable to such tolls, the initiative power could be used to rescind or reduce the levy and collection of such tolls under Proposition 218. Any attempt by voters to use the initiative provisions under Proposition 218 in a manner which would prevent the payment of debt service on OCTA's toll revenue bonds arguably violates the Contract Clause of the United States Constitution and accordingly should be precluded. OCTA cannot predict the potential financial impact on the financial condition of OCTA and OCTA's ability to pay the principal of and interest on the Series 2023 Bonds as and when due, as a result of the exercise of the initiative power under Proposition 218.

Future Voter Initiatives. Articles XIII A, XIII C and XIII D of the California Constitution were each adopted and amended pursuant to the State's constitutional initiative process. From time to time, other initiative measures could be adopted by voters that affect OCTA or Tolls.

As one example, on February 1, 2023, the California Secretary of State determined that a voter initiative, entitled "The Taxpayer Protection and Government Accountability Act," ("Initiative 1935"), is eligible for the November 2024 Statewide general election and, unless withdrawn by its proponent prior to June 27, 2024, will be certified as qualified for the ballot in such election. Were it ultimately adopted by a majority of voters in the Statewide general election, Initiative 1935 would amend the State Constitution to, among other things, expand the definition of taxes, impose heightened barriers for State and local governments to impose taxes and exempt fees, and potentially retroactively void certain taxes enacted or imposed after January 1, 2022 or exempt fees not imposed in accordance with its provisions.

Among other changes to Article XIII A and XIII C, Initiative 1935 would amend the provision of Article XIII A. Were Initiative 1935 adopted by voters, such provision would subsequently except from the definition of tax in Article XIII A "reasonable charge[s] for entrance to or use of state property…."

OCTA does not believe that Tolls would constitute taxes subject to voter approval under the provisions of Propositions 218 and 26, as amended by Initiative 1935 were it adopted by voters. However, if adopted, the scope and impact of Initiative 1935 would be subject to future judicial interpretation. OCTA is unable to predict whether and how Initiative 1935 would be interpreted by the courts to apply to its toll program, and no assurance may be given that any such interpretation or application would not have an adverse impact on OCTA or Tolls.

Insurance Coverage

Pursuant to the Indenture, OCTA covenants that it will maintain or cause to be maintained a practical insurance program, with such reasonable terms, conditions, provisions and costs, as OCTA in its sole discretion determines will afford adequate insurance protection. Under the Indenture, OCTA is required to provide insurance against loss caused by damage to or destruction of all or any part of any of the Toll Road and comprehensive public liability insurance for bodily injury and property damage relating to any part of the Toll Road owned by it and such other insurance as OCTA in its sole discretion may determine.

In addition to the coverage maintained by the Operator pursuant to the 2020 Joint Operating Agreement, OCTA currently maintains insurance policies for primary property, flood, and earthquake for the Toll Road. Currently, seven insurers provide primary property, flood, and earthquake coverage for the Toll Road with a total policy limit of $157 million on an "all risk" basis and $90 million combined total limit for earthquake coverage. Flood protection is currently provided in the current program with a combined $50 million coverage limit and a $100,000 deductible. These policies provide catastrophic protection for the roadway, structures, and business personal property, including business interruption coverage against losses caused by fire, flood, and earthquake. Other current coverage includes losses due to civil authority, ingress/egress, debris removal, demolition and increased costs of construction, equipment breakdown, including electronic data processing equipment, valuable papers, earthquake sprinkler leakage, and boiler and machinery.

Policy deductibles for these seven policies vary by category of coverage. The current policies carry a $50,000 deductible that applies to all perils except:

- $10,000 deductible for surveillance equipment;
- $100,000 deductible for flood;
- Seven-day deductible for business interruption; and
- $1,000,000 deductible for earthquake.

For more information regarding the insurance maintained by the Operator pursuant to the 2020 Joint Operating Agreement, see "OPERATIONAL AGREEMENTS – Joint Operating Agreement."

Forward-Looking Statements

This Official Statement and Appendices hereto contain "forward-looking statements," which generally can be identified with words or phrases such as "anticipates," believes," "could," "estimates," "expects," "foresees," "may," "plan," "predict," "should," "will" or other words or phrases of similar import. All statements included in this Official Statement and Appendices hereto that any person expects or anticipates will, should or may occur in the future, including but not limited to, the projections in the Traffic and Revenue Update prepared by the Traffic and Revenue Consultant are forward-looking statements. These statements are based on assumptions and analysis made by OCTA and the Traffic and Revenue Consultant, as applicable, in light of their experience and perception of historical trends, current conditions and expected future developments as well as other factors they believe are appropriate in the circumstances. However, whether actual results and developments will conform with expectations and predictions is subject to a number of risks and uncertainties, including, without limitation, the information discussed under this "Investment Considerations" caption of this Official Statement as well as additional factors beyond OCTA's control. The important investment considerations and assumptions described under that caption and elsewhere in this Official Statement could cause actual results to differ materially from those expressed in any forward-looking statement. All of the forward-looking statements made in this Official Statement and any Appendices hereto are qualified by these cautionary statements. There can be no assurance that the actual results or developments anticipated will be realized or, even if substantially realized, that they will have the expected consequences to or effects on OCTA's revenues or operations. All subsequent forward-looking statements attributable to OCTA or persons acting on their behalf are expressly qualified in their entirety by the factors and assumptions described above and in any documents containing those forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to OCTA and the other aforementioned entities on the date hereof, and neither OCTA nor any of such other aforementioned entities assumes any obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates that are inherently subject to numerous risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Demographic and Economic Changes. The traffic forecasts of the Traffic and Revenue Consultant are sensitive to changes in, among other assumptions, population, household and employment levels, and growth and income levels. Additionally, the current housing and employment imbalance between Orange County and Riverside County may change over the term of the Series 2023 Bonds. While the Traffic and Revenue Consultant believes that the demographic growth forecasts set forth in the Traffic and Revenue Update are reasonable, neither OCTA, the Underwriters nor the Traffic and Revenue Consultant can guarantee that such growth forecasts will be realized.

FINANCIAL STATEMENTS

The audited financial statements for the Orange County Transportation Authority 91 Express Lanes Fund, an enterprise fund of OCTA, as of and for the Fiscal Year ended June 30, 2022, attached as Appendix B to this Official Statement, have been audited by Crowe LLP, as stated in their report herein. Crowe LLP was not requested to consent to the inclusion of their report in Appendix B, nor has Crowe LLP undertaken to update their report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by Crowe LLP with respect to any event subsequent to the date of their report. OCTA represents that, except as described herein, there has been no material adverse change in the financial position of the 91 Express Lanes Fund since June 30, 2022.

CONTINUING DISCLOSURE

Pursuant to the Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), the form of which is attached hereto as Appendix D, OCTA will agree to provide certain financial information and operating data relating to OCTA and the Toll Road by not later than January 15 of each year (commencing with the report for Fiscal Year 2022-23, which is due not later than January 15, 2024) (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events as specified in the Continuing Disclosure Certificate. The Annual Report and notices of enumerated events will be filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website (EMMA). The specific nature of the information to be contained in the Annual Report and in the notices of enumerated events is specified in the Continuing Disclosure Certificate. OCTA has agreed to provide Annual Reports and notices of enumerated events for the benefit of the Bondholders and beneficial owners of the Series 2023 Bonds in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule").

[The Annual Reports relating to the Series 2013 Bonds posted on EMMA prior to December 30, 2019 did not include the CUSIP number assigned to the term bond maturing on December 15, 2030, and the Annual Report relating to the Series 2013 Bonds for the fiscal year ended June 30, 2018, posted on EMMA on December 21, 2018 in accordance with OCTA's continuing disclosure undertakings for the Series 2013 Bonds, did not include Total Tolls data for the fiscal year ended June 30, 2018, which was included in a replacement filing posted to EMMA on January 14, 2019.]

RATINGS

Fitch Ratings ("Fitch"), Moody's Investor's Service, Inc. ("Moody's") and S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") have assigned the Series 2023 Bonds ratings of "[__]," "[__]," and "[__]," respectively. Certain information was supplied by OCTA to Fitch, Moody's and S&P to be considered in evaluating the Series 2023 Bonds. The ratings reflect only the views of such rating agencies, and will not constitute a recommendation to buy, sell or hold the Series 2023 Bonds. Explanation of the significance of the ratings may be obtained from Fitch, Moody's and S&P.

There is no assurance that any rating will be retained for any given period of time or that a rating will not be revised downward or withdrawn entirely by a rating agency if, in its judgment, circumstances so warrant. Any such revision or withdrawal of any or all of the ratings may have an adverse effect on the market price of any of the Series 2023 Bonds. Neither the Underwriters nor OCTA has undertaken any responsibility after the offering of the Series 2023 Bonds to assure the maintenance of the rating or to oppose any such revision or withdrawal.

TAX EXEMPTION

General

In the opinion of Bond Counsel, under existing law and subject to certain qualifications described below, interest on the Series 2023 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is exempt from State of California personal income taxes. Interest on the Series 2023 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on applicable corporations for tax years beginning after December 31, 2022. The proposed form of opinion of Bond Counsel with respect to the Series 2023 Bonds to be delivered on the date of issuance of the Series 2023 Bonds is set forth in APPENDIX F.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2023 Bonds. OCTA has covenanted to comply with certain restrictions designed to assure that interest on the Series 2023 Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Series 2023 Bonds being included in federal gross income, possibly from the date of issuance of the Series 2023 Bonds. Bond Counsel's opinion assumes the accuracy of the representations made by OCTA and is subject to the condition that OCTA comply with the above-referenced covenants. If OCTA fails to comply with such covenants or if OCTA's representations are inaccurate or incomplete, interest on the Series 2023 Bonds could be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2023 Bonds.

Although Bond Counsel has rendered an opinion that interest on the Series 2023 Bonds is excluded from federal gross income, and is exempt from State of California personal income taxes, the ownership or disposition of the Series 2023 Bonds, and the accrual or receipt of interest with respect to the Series 2023 Bonds may otherwise affect an Owner's state or federal tax liability. The nature and extent of these other tax consequences will depend upon each Owner's particular tax status and the Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Original Issue Premium and Discount

If the initial offering price to the public at which a Series 2023 Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes. If the initial offering price to the public at which a Series 2023 Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes. De minimis original issue discount and original issue premium is disregarded.

Under the Code, original issue discount is treated as interest excluded from federal gross income to the extent properly allocable to each Owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Series 2023 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Series 2023 Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Series 2023 Bond. The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Series 2023 Bonds who purchase the Series 2023 Bonds after the initial offering of a substantial amount of such maturity. Owners of such Series 2023 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2023 Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Series 2023 Bonds under the federal alternative minimum tax.

Under the Code, original issue premium is amortized on an annual basis over the term of the Series 2023 Bond (said term being the shorter of the Series 2023 Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the Owner of the Series 2023 Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Series 2023 Bond is amortized each year over the term to maturity of the Series 2023 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Series 2023 Bond premium is not deductible for federal income tax purposes. Owners of premium Series 2023 Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to federal income tax consequences of owning such Series 2023 Bonds.

Post Issuance Matters

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2023 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS.

Bond Counsel's engagement with respect to the Series 2023 Bonds ends with the issuance of the Series 2023 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend OCTA or the

Owners regarding the tax-exempt status of the Series 2023 Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than OCTA and its appointed counsel, including the Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which OCTA legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2023 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2023 Bonds, and may cause OCTA or the Owners to incur significant expense.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2023 Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Series 2023 Bonds. Prospective purchasers of the Series 2023 Bonds should consult their own tax advisors regarding any pending or proposed legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LITIGATION

No litigation is pending or, to the best knowledge of OCTA, threatened concerning the validity of the Series 2023 Bonds. OCTA is not aware of any pending or threatened litigation questioning the political existence of OCTA or contesting OCTA's ability to impose and collect the Tolls or pledge the Pledged Funds pursuant to the Indenture.

MUNICIPAL ADVISOR

OCTA has retained Sperry Capital Inc., Mill Valley, California, as Municipal Advisor (the "Municipal Advisor") in connection with the authorization and issuance of the Series 2023 Bonds and certain other financial matters. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification of the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other negotiable instruments. Payment of the fees and expenses of the Municipal Advisor is contingent upon the sale and delivery of the Series 2023 Bonds.

VERIFICATION OF MATHEMATICAL ACCURACY

[VERIFICATION AGENT] (the "Verification Agent") will verify from the information provided to them the mathematical accuracy of the computations contained in the schedules provided to them to determine that the amount to be applied to defease the Series 2013 Bonds on the date of issuance of the Series 2023 Bonds and pay and redeem the Series 2013 Bonds on the Redemption Date. The Verification Agent will express no opinion on the assumptions provided to them.

The report of the Verification Agent will include the statement that the scope of their engagement is limited to verifying the mathematical accuracy of the computations contained in such schedules provided to them and that they have no obligation to update their report because of events occurring, or data or information coming to their attention, subsequent to the date of their report.

LEGAL MATTERS

Certain legal matters incident to the issuance of the Series 2023 Bonds are subject to the unqualified approving opinion of Nossaman LLP, Los Angeles, California, Bond Counsel, the proposed form of which is attached hereto as Appendix F. Approval of other legal matters will be passed upon for OCTA by Woodruff & Smart, Costa Mesa, California, general counsel to OCTA. Certain legal matters will be passed upon for the Underwriters by Orrick, Herrington & Sutcliffe LLP, Irvine, California, counsel to the Underwriters. Payment of the fees and expenses of Bond Counsel and counsel to the Underwriters is contingent upon the sale and delivery of the Series 2023 Bonds.

UNDERWRITING

The Series 2023 Bonds are being purchased by Wells Fargo Bank, National Association, on behalf of itself as senior manager and as representative of J.P. Morgan Securities LLC (the "Underwriters") at a price equal to $__________ (the aggregate principal amount of the Series 2023 Bonds, plus net original issue premium of $__________, less an underwriters' discount of $__________). The purchase agreement relating to the Series 2023 Bonds provides that the Underwriters will purchase all of the Series 2023 Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said purchase agreement, the approval of certain legal matters by counsel and certain other conditions.

The Series 2023 Bonds may be offered and sold to certain dealers and others at prices lower than the offering prices stated on the cover page hereof. The offering prices may be changed from time to time.

The language set forth below under this caption has been provided by and is being included in this Official Statement at the request of the Underwriters identified below. OCTA cannot and does not assume any responsibility for the accuracy of any of the information set forth below under this caption.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

WFBNA, acting though its Municipal Finance Group, one of the underwriters of the Series 2023 Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Series 2023 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2023 Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Series 2023 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

J.P. Morgan Securities LLC ("JPMS") has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series 2023 Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2023 Bonds that such firm sells.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for OCTA, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of OCTA.

OTHER MATTERS

This Official Statement is not to be construed as a contract or agreement between OCTA and the purchasers, registered owners or beneficial owners of any of the Series 2023 Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of OCTA since the date hereof.

Additional information may be obtained upon request from the office of OCTA at 550 South Main Street, Orange, California 92863-1584, (714) 560-6282.

The execution and delivery of this Official Statement have been duly authorized by OCTA.

ORANGE COUNTY TRANSPORTATION AUTHORITY

By: ____
Chief Financial Officer

APPENDIX A-1

OCTA 91 EXPRESS LANES TRAFFIC AND REVENUE UPDATE, DATED AUGUST 4, 2022

APPENDIX A-2

OCTA 91 EXPRESS LANES TRAFFIC AND REVENUE BRINGDOWN LETTER, DATED MAY 9, 2023

APPENDIX B

91 EXPRESS LANES FUND (AN ENTERPRISE FUND OF THE ORANGE COUNTY TRANSPORTATION AUTHORITY) FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

APPENDIX F

PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX G

TOLL POLICY

APPENDIX H

TOLL SCHEDULE

CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (this "Disclosure Certificate") is executed and delivered by the Orange County Transportation Authority (the "Authority") in connection with the issuance of $[_________] aggregate principal amount of Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2023 (the "Series 2023 Bonds"). The Series 2023 Bonds are being issued pursuant to the Master Indenture of Trust, dated as of August 1, 2013, as supplemented and amended from time to time pursuant to its terms, including as supplemented and amended by a Second Supplemental Indenture, dated as of [CLOSING MONTH] 1, 2023 (collectively, the "Indenture"), each between the Authority and U.S. Bank Trust Company, National Association, as successor trustee. The Authority covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Authority for the benefit of the Holders and Beneficial Owners of the Series 2023 Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4.

"Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Series 2023 Bonds (including persons holding Series 2023 Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the Authority or any successor Dissemination Agent designated in writing by the Authority and which has filed with the Authority a written acceptance of such designation.

"Financial Obligation" shall mean, for the purposes of the Listed Events set out in Section 5(a)(x) and 5(b)(viii), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean the period of time beginning on July 1 of each given year and ending on June 30 of the immediately subsequent year, or such other period as the Authority designates as its fiscal year.

"Holder" shall mean the person in whose name any Series 2023 Bond shall be registered.

"Listed Events" shall mean any of the events listed in Section 5(a) or (b).

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

"Official Statement" shall mean the Official Statement, dated _________, 2023 (including all exhibits or appendices thereto), relating to the offer and sale of Series 2023 Bonds.

"Participating Underwriter" shall mean the original underwriters of the Series 2023 Bonds required to comply with the Rule in connection with offering of the Series 2023 Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports. (a) The Authority shall, or shall cause the Dissemination Agent to, not later than January 15 of each year (commencing with the report for Fiscal Year 2022-23, which is due not later than January 15, 2024), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4; provided, however, that the audited financial statements of the Authority may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Authority's Fiscal Year changes, it shall give notice of such change in a filing with the MSRB. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Series 2023 Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to the date specified in subsection (a), the Authority shall provide the Annual Report to the Dissemination Agent (if other than the Authority). If the Authority is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Authority shall, in a timely manner, send or cause to be sent to the MSRB a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) (if the Dissemination Agent is other than the Authority), provide any Annual Report received by it to the MSRB as provided herein; and

(ii) (if the Dissemination Agent is other than the Authority), file a report with the Authority certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

Section 4. Content of Annual Reports. The Authority's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the 91 Express Lanes for the most recently ended Fiscal Year of the Authority, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the audited financial statements of the 91 Express Lanes are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements of the 91 Express Lanes in a format similar to the financial statements of the 91 Express Lanes contained in the Official Statement and the audited financial statements of the 91 Express Lanes shall be filed in the same manner as the Annual Report when such audited financial statements become available.

(b) Principal amount of Bonds of each Series Outstanding as of the date of the Annual Report.

(c) A historical update of the table included in the Official Statement under the caption "HISTORICAL AND PROJECTED DEBT SERVICE COVERAGE" for the most recently ended Fiscal Year of the Authority.

(d) A description of any damage to the Toll Road or the toll collection system during the most recently ended Fiscal Year of the Authority, which in the determination of the Authority will result in a material reduction in Net Toll Revenues.

(e) An update for the most recently ended Fiscal Year of the Authority of the two tables included in the Official Statement under the caption "HISTORICAL OPERATING EXPERIENCE" and individually titled "VEHICLE TRIPS" and "TOTAL ANNUAL TOLLS."

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the Authority or related public entities, which have been made available to the public on the MSRB's website. The Authority shall clearly identify each such other document so included by reference.

Section 5. <u>Reporting of Significant Events</u>. (a) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2023 Bonds in a timely manner not later than ten business days after the occurrence of the event:

(i) principal and interest payment delinquencies;

(ii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iii) unscheduled draws on credit enhancements reflecting financial difficulties;

(iv) substitution of credit or liquidity providers or their failure to perform;

(v) adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

(vi) tender offers;

(vii) defeasances;

(viii) rating changes;

(ix) bankruptcy, insolvency, receivership or similar event of the Authority; or

(x) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

For the purposes of the event identified in subparagraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

(b) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2023 Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

(i) unless described in paragraph 5(a)(v), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2023 Bonds or other material events affecting the tax status of the Series 2023 Bonds;

(ii) modifications to rights of Series 2023 Bond Holders;

(iii) Series 2023 Bond calls;

(iv) release, substitution, or sale of property securing repayment of the Series 2023 Bonds;

(v) non-payment related defaults;

(vi) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the

Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(vii) appointment of a successor or additional paying agent or the change of name of a paying agent; or

(viii) incurrence of a Financial Obligation of the Authority, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect Series 2023 Bond holders.

(c) The Authority shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3, as provided in Section 3(b).

(d) Upon the occurrence of a Listed Event described in Section 5(a), or upon the occurrence of a Listed Event described in Section 5(b) which the Authority determines would be material under applicable federal securities laws, the Authority shall within ten business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Series 2023 Bonds pursuant to the Indenture.

Section 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Certificate must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Authority's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2023 Bonds. If such termination occurs prior to the final maturity of the Series 2023 Bonds, the Authority shall give notice of such termination in a filing with the MSRB.

Section 8. Dissemination Agent. The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Authority pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Authority.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Authority may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Section 3(a), Section 4, or Section 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Authority with respect to the Series 2023 Bonds, or the type of business conducted;

(b) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2023 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by the Holders in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Series 2023 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Authority shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Authority. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. <u>Additional Information</u>. Nothing in this Disclosure Certificate shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Certificate, in addition to that which is required by this Disclosure Certificate. If the Authority chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Certificate, the Authority shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

Section 11. <u>Default</u>. In the event of a failure of the Authority to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Series 2023 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under this Disclosure Certificate; provided, that any such action may be instituted only in Superior Court of the State of California in and for the County of Orange or in U.S. District Court in or nearest to the County. A default under this Disclosure Certificate shall not be deemed an event of default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Authority to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. __Beneficiaries__. This Disclosure Certificate shall inure solely to the benefit of the Authority, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Series 2023 Bonds, and shall create no rights in any other person or entity.

Dated: _________, 2023

ORANGE COUNTY
TRANSPORTATION AUTHORITY

By: ________________________________

Approved as to form:

WOODRUFF & SMART,
General Counsel to the Orange County
Transportation Authority

By: ________________________________
[_________], [________]

EXHIBIT A

NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	**ORANGE COUNTY TRANSPORTATION AUTHORITY**
Name of Issue:	Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2023
Date of Issuance:	[_________], 2023

NOTICE IS HEREBY GIVEN that the Authority has not provided an Annual Report with respect to the above-named Series 2023 Bonds as required by Section 4 of the Continuing Disclosure Certificate of the Authority, dated [_________], 2023. [The Authority anticipates that the Annual Report will be filed by _____________.]

Dated:_______________

ORANGE COUNTY TRANSPORTATION AUTHORITY

May 24, 2023

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Preview to the Public Hearing on Orange County Transportation Authority's Fiscal Year 2023-24 Budget and Personnel and Salary Resolution

Overview

The Orange County Transportation Authority Fiscal Year 2023-24 Budget presents a balanced plan of sources and uses of funds while providing for the current and future transportation needs of Orange County. The Board of Directors may approve the Orange County Transportation Authority Fiscal Year 2023-24 Budget following the public hearing to be held at the Board of Directors' meeting on June 12, 2023, at the following Board of Directors' meeting on June 26, 2023, or in a special meeting convened at their discretion, on or before June 30, 2023. The Board of Directors are also asked to approve the Personnel and Salary Resolution as part of the budget approval process.

Recommendations

A. Approve by Resolution the Orange County Transportation Authority's Fiscal Year 2023-24 Budget.

B. Approve the Personnel and Salary Resolution for fiscal year 2023-24.

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 fiscal year 2023-24 Orange County Transportation Authority member agency contribution to the Southern California Regional Rail Authority, operating subsidy, in an amount up to $50,750,849, including authorization of federal funding to be drawn down directly by the Southern California Regional Rail Authority, in an amount up to $9,534,777. 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 $4,129,290 and $25,543,785 for rehabilitation. Also, authorize a working capital reserve contribution of up to $7,150,000 to facilitate the funding of capital expenditures and lessen the necessity of using operating funds to front capital expenditures.

Background

The preparation of the Orange County Transportation Authority's (OCTA) annual budget began in December 2022 with the development of initial revenue projections, a service plan, and program goals and objectives for the upcoming fiscal year (FY). The service plan, program goals, and objectives included in the budget are in accordance with those of the Board of Directors (Board) and Chief Executive Officer (CEO).

Each division developed and submitted its budget requests in January 2023, which were subject to successive internal reviews. The proposed budget was reviewed by a CEO-appointed internal budget review committee, consisting of the Deputy CEO, Chief Financial Officer, and Executive Director of People and Community Engagement to ensure a balanced and fiscally responsible budget is delivered consistent with the Board's goals, CEO's goals, OCTA's Strategic Plan, the Comprehensive Business Plan, and Next 10 Delivery Plan.

The development of the FY 2023-24 proposed budget was based on a series of programmatic assumptions that were presented to the Finance and Administration (F&A) Committee on April 26, 2023. The presentation covered the guiding principles and assumptions used to develop the budget for OCTA's major programs, including Measure M2 (M2), transit, motorist services, and the Express Lanes.

Staff presented the FY 2023-24 budget in an informal workshop setting on May 8, 2023. The presentation included a discussion of program goals and objectives, proposed staffing plan, and the sources and uses of funds planned to meet specified program goals. The presentation was solely informational for the Board. No public hearing was held at the meeting, nor was the Board asked to vote on the budget at the meeting. A public hearing for the budget is scheduled to occur at the June 12, 2023, Board meeting, after which staff anticipates seeking Board approval of the budget.

Discussion

The FY 2023-24 proposed budget represents a balanced plan of sources and uses of funds. Sources of funds include new revenues received within the year, as well as planned uses of prior year designations. Planned uses of prior year designations are funds set aside (designated) in prior FYs to be utilized in the current FY. The uses of these funds are planned and do not represent a utilization of funds as a result of deficit spending. Uses of funds include current year expenditures, as well as funds designated in the current FY to be used in a future FY.

The combination of estimated revenues and planned uses of prior year designations produces available funding of $1,698.5 million, while proposed expenditures and designations yield a total use of funds of $1,698.5 million. On a year-over-year comparison to the approved FY 2022-23 budget, the FY 2023-24 proposed budget is 2.9 percent, or $48.3 million, greater than the FY 2022-23 approved budget.

Under the M2 program, sales tax revenue growth is anticipated, and the program will continue to improve freeways and streets and roads throughout Orange County, as well as fund transit programs. Included in the proposed budget are freeway improvement projects on State Route 55, Interstate 5, Interstate 405, State Route 57, and State Route 91. Streets and roads improvements will continue to be funded through the Local Fair Share, Regional Capacity, and Regional Traffic Signal Synchronization Programs. In addition, the budget also includes funding for multiple M2 transit programs, including the Southern California Regional Rail Authority (SCRRA [Metrolink]) and the OC Streetcar.

The FY 2023-24 budget assumes revenue hours of 1.47 million with approximately 60 percent of the hours directly operated by OCTA and 40 percent of the hours provided by OCTA's fixed-route contractor. Paratransit service trips are anticipated to increase from current levels of 1.2 million to 1.48 million. In addition, OC Flex service is proposed to remain at current service levels.

Metrolink service is anticipated to remain at 90 percent of pre-pandemic service levels during FY 2023-24. Capital expenditures for the Metrolink program include contributions to the Placentia Metrolink Station, Mission Viejo/Laguna Niguel Slope Stabilization, and San Juan Creek Bridge replacement projects.

Staff have attended and will continue to attend and be available to present, review, and/or answer questions about the budget at the following committees, as well as to individual Board Members upon request.

Committee	**Date**
Finance and Administration	May 10
Transit Committee	May 11
Finance and Administration (Preview of Public Hearing)	May 24
Executive Committee	June 5
Regional Transportation Planning Committee	June 5
Transit Committee	June 8

Personnel and Salary Resolution (PSR)

The FY 2023-24 PSR (Attachment C) governs administrative employees and is approved annually as part of the budget. Changes have been made to the PSR to include minor clarifications, where necessary.

The PSR includes a four and a half percent merit pool and four percent special performance award (bonus pool) pool. The PSR also includes an adjustment of four percent to the maximum salary for each salary grade. Salary grade adjustments do not automatically increase employee salaries unless they are below the minimum of the new range. Currently, there are 19 OCTA employees that fall below the proposed minimum grade range, which would require an automatic salary increase totaling $20,758. The 19 employees represent a small percentage (1.4 percent) of OCTA's total workforce of 1,369.5 employees.

OCTA is also proposing an increase in the contribution to the Additional Retiree Benefit Account (ARBA) plan. OCTA does not offer retiree medical and instead has offered ARBA as a tool to offset healthcare costs for employees upon retirement. ARBA is not a vested benefit but is one of the tools available for OCTA to retain employees. To qualify for ARBA, an employee must be at least 50 years of age, have at least ten years of service, and receive a retirement benefit under OCERS within 30 days from the date of separation from OCTA. OCTA is proposing to increase the ARBA contribution to better align the ARBA benefit to the market cost of healthcare. The ARBA benefit has not been increased since it was established in 1994. The proposed change increases the contribution from $10 per month per year of service to a maximum of $150 per month to $35 per month per year of service to a maximum of $525 per month. The benefit would also increase two percent per year to help offset the increasing cost of healthcare. The increased ARBA benefit would apply to those retiring after July 1, 2023. The cost of the increased benefit in the FY 2023-24 budget is estimated to be $272,000.

Information Systems Licensing and Maintenance Agreements

Each year, in conjunction with approving the budget, the Board approves OCTA's software and hardware licensing and maintenance agreements. OCTA follows industry practice to ensure proper maintenance and to receive critical product upgrades of its licensed software and purchased hardware. The annual and multi-year licensing and maintenance agreements are executed with each hardware and software developer on a sole source basis, for an amount not to exceed the contracted value for each vendor. The sole source list includes licensing and maintenance agreements, as well as emergency support after hours, weekends, and holidays.

The Carahsoft vendor listed on the sole source list provides security licenses for our active monitoring, detection, and response platform, which includes incident management response services. Though other firms offer this service, OCTA included them on the sole source list based on the criticality of their services and prior knowledge and experience with OCTA, as well as their standing in the industry regarding cyber security remediation. The Switch Ltd., vendor listed on the sole source list provides data center colocation services for the hosting of OCTA's mission critical business application computing infrastructure. Though other firms offer this service, OCTA included them on the sole source list based upon the criticality of their services in providing the facility for operating our business applications, as well as them being the leader in the industry in providing colocation data center services. On a cumulative basis, the software and hardware licensing, maintenance, and emergency support agreements will not exceed $12.9 million. A list of the agreements is included as Attachment D.

SCRRA FY 2023-24 Proposed Budget

Under the Joint Powers Agreement that governs the SCRRA, each member agency must approve its financial contribution to the SCRRA budget. The Proposed FY 2023-24 SCRRA Budget estimates the OCTA operating subsidy to be $50,750,849. This operating subsidy contribution would continue to support 90 percent of pre-pandemic service levels. In addition, OCTA allows the SCRRA to draw down federal funding directly to pay for a portion of the annual operating subsidy. OCTA estimates the amount of the federal drawn down to be $9,534,777.

In addition to the annual operating funding allocation, OCTA is also responsible for a portion of the costs for capital and rehabilitation projects. These projects are typically led by the SCRRA, and the grant funds to pay for them are drawn down directly by the SCRRA. As a result, these projects are not typically included in OCTA's budget. The SCRRA proposed budget (Attachment E) provides a detailed list of projects and the associated costs by member agency. OCTA's portion of the costs for capital is $4,129,290 and the cost for rehabilitation is $25,543,735.

Metrolink has also received support from member agencies to provide a working capital reserve that would allow the agency to draw on the reserve to front the cost of capital expenditures and replenish the reserve upon receipt of reimbursement of capital grant funds or member agency capital contributions. Metrolink is currently using operating funds to front the cost of capital projects, which puts a strain on cash flow necessary to meet operating expenditures. The total capital reserve for all five member agencies is $50,000,000, and OCTA's requested contribution amount is $7,150,000.

Summary

The Orange County Transportation Authority Proposed Fiscal Year 2023-24 Budget was reviewed by the Board of Directors in a workshop setting on May 8, 2023. The Board of Directors may approve the Orange County Transportation Authority Fiscal Year 2023-24 Budget following the public hearing on June 12, 2023, at the regularly scheduled meeting on June 26, 2023, or in a special meeting convened at their discretion, on or before June 30, 2023.

Attachments

A. Resolution of the Board of Directors for the Orange County Transportation Authority Approving an Operating and Capital Budget Fiscal Year 2023-24, OCTA Resolution No. 2023-024
B. Orange County Transportation Authority Budget Summary Fiscal Year 2023-24
C. Proposed Changes for the Personnel and Salary Resolution (PSR) FY 2023-24
D. Orange County Transportation Authority Licensing and Maintenance Agreements Sole Source List - Fiscal Year 2023-24
E. Transmittal of the Metrolink Southern California Regional Rail Authority Proposed FY 2023-24 Budget

Prepared by:

Victor Velasquez
Department Manager,
Financial Planning and Analysis
(714) 560-5592

Approved by:

Andrew Oftelie
Chief Financial Officer,
Finance and Administration
(714) 560-5649

ATTACHMENT A

RESOLUTION OF THE BOARD OF DIRECTORS FOR THE ORANGE COUNTY TRANSPORTATION AUTHORITY APPROVING AN OPERATING AND CAPITAL BUDGET FISCAL YEAR 2023-24

WHEREAS, the Chief Executive Officer and staff have prepared and presented to the Board of Directors a proposed operating and capital budget in the amount of $1,698.5 million for fiscal year 2023-24;

WHEREAS, said Chief Executive Officer and staff did conduct a public workshop before the Board of Directors on May 8, 2023, in the Board Chambers, at which time the proposed budget was considered;

WHEREAS, a public hearing was conducted on June 12, 2023, at which the public was invited to express its views and objections to said budget; and;

WHEREAS, the original of said proposed budget will be revised to reflect each and all of the amendments, changes, and modifications which the Board of Directors, up to the time of the approval of this resolution, believes should be made in said proposed budget as so submitted and to correct any non-substantive errors or omissions.

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of the Orange County Transportation Authority as follows:

1. The operating and capital budget of the Orange County Transportation Authority and all affiliated agencies for the fiscal year July 1, 2023 through June 30, 2024, is hereby approved, a copy of which is on file with the Clerk of the Board.
2. The Clerk of the Board shall certify to the passage and approval of this resolution, and it shall thereupon be in full force and effect.

ADOPTED, SIGNED, AND APPROVED this 12th day of June 2023.

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Andrea West Interim Clerk of the Board	Gene Hernandez, Chairman Orange County Transportation Authority

ATTACHMENT B

Orange County Transportation Authority
Budget Summary
Fiscal Year 2023-24

$ in millions

Estimated Revenues		$	1,303.7
Use of Prior Year Designations			394.8
	Total Sources of Funds	**$**	**1,698.5**

Appropriate Funds to:

Salaries & Benefits		$	212.6
Services & Supplies			475.6
Contributions to Other Agencies			211.7
Debt Service			77.8
Capital / Fixed Assets			673.0
	Total Expenses	$	1,650.7
	Designation of Funds	$	47.8
	Total Uses of Funds	**$**	**1,698.5**

Proposed Changes for the
Personnel and Salary Resolution (PSR) FY2023-24

Subject	Page(s)	Section	Proposed Change	Reason
Various formatting and language changes				Throughout document, language clarified to align with policies; page numbers and dates updated; clarity of document.
Tablet Purchase Reimbursement Program	p. 20	4.6C	Delete this benefit	Rarely used; employees are now being issued Microsoft Surfaces so there is no need for this benefit any longer.
Additional Retiree Benefit Account Plan (ARBA)	p. 21-22	4.7C	Change the contribution from \$10/year of service (max. \$150) to \$35/year of service (max. \$525) for those retiring after July 1, 2023. Add a 2% annual cost adjustment every July.	Retention tool; OCTA has no retiree medical plan.
Merit Adjustments	p. 30	5.6	4.5% Merit Pool	Proposes 4.5% Merit Pool
Special Performance Awards	p. 30	5.7	4% Special Performance Award Pool	Proposes 4% Special Performance Award Pool
Salary Grade Structure	p. 32 – 43		4% Salary Structure Adjustment	Recommended 4% salary structure adjustment for all administrative.

Proposed Changes for the
Personnel and Salary Resolution (PSR) FY2023-24

Subject	Page(s)	Section	Proposed Change	Reason
Job Classifications Newly Added or Moving to Different Salary Grades	p. 32 – 43		Various job classification and salary grade assignment changes	Human Resources compensation market review and analysis recommended a specific entry and journey level classification in the same job family to be moved up one salary grade to align with the rest of the job family; others are new titles proposed in and deleted from the budget.

PERSONNEL AND SALARY RESOLUTION

FISCAL YEAR 2023~~2~~-2024~~3~~

Effective: June 18~~9~~, 2023~~2~~

This document provides information on general policies regarding employment practices, employee benefits, compensation, and salary structure for administrative employees at the Orange County Transportation Authority and was approved by the Orange County Transportation Authority Board of Directors on June 12~~3~~, 2023~~2~~.

Prepared by:

People and Community Engagement Division

TABLE OF CONTENTS

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SECTION 1
PURPOSE AND PROCEDURES

1.1 PURPOSE OF PERSONNEL AND SALARY RESOLUTION

In an effort to establish an equitable and consistent plan for managing Human Resources matters, to attract, develop and retain top talent, and to ensure consistent selection, promotion, and compensation practices based on merit, ability, and performance, the following Human Resources policies for administrative employees are hereby adopted.

The Orange County Transportation Authority (OCTA) reserves and maintains the right to eliminate, modify or otherwise change, at any time, for any reason, any provision(s) of this Personnel and Salary Resolution (PSR), as established and approved by the Board of Directors, including, but not limited to, any employee benefit or right provided in this PSR.

1.2 HUMAN RESOURCES POLICIES AND PROCEDURES

The Chief Executive Officer (CEO), acting as the Appointing Authority (AA), may elect to delegate certain responsibilities. The CEO is charged with ensuring OCTA Human Resources policies and procedures provide for an effective and efficient organization, staffed with qualified employees receiving fair and equitable treatment. The Executive Director of People and Community Engagement (PACE) is responsible for managing the Human Resources functions and is responsible for developing and administering Human Resources policies and procedures that are in the best interest of OCTA and its employees.

The CEO makes the final determination on the interpretation of OCTA Human Resources policies and is authorized to establish and maintain Human Resources procedures that are consistent with those policies.

Exceptions to the PSR may be authorized in writing by the CEO. This exception authority may not be delegated.

Please refer to specific policies and procedures for additional information.

SECTION 2
EMPLOYMENT

2.1 AT-WILL EMPLOYMENT

OCTA employees whose employment is governed by the provisions of this PSR are at-will. The AA has the right to reassign, dismiss, reduce pay, or suspend without pay any employee, at any time, for any reason. Similarly, OCTA employees may separate their employment at any time without prior notice.

2.2 APPROVAL AUTHORITY FOR EMPLOYEE ACTIONS

The CEO is the AA for the selection and separation of all employees in all positions except those reporting directly to the Board. The CEO is authorized to approve revisions in classification titles and grades, provided that any such changes are in accordance with established OCTA Policies and Procedures and the Board-adopted fiscal year budget.

2.3 COMPENSATION

OCTA will maintain a compensation philosophy and salary structure for full-time and part-time employees as stated in the PSR.

Salary ranges, rates, and employee benefits are reviewed and considered for adjustment annually and more frequently as necessary. This permits OCTA an opportunity to periodically assess the competitiveness of the compensation plan, including the salary structure, and make necessary adjustments to reflect changes in internal equity and labor market conditions.

2.4 INTERNSHIPS

A person employed in a College Intern position will be compensated at an hourly rate to be determined by the AA. A College Intern is not eligible for employee benefits paid by OCTA, except as required by law.

2.5 OUTSIDE EMPLOYMENT ACTIVITIES

An administrative employee may not engage in outside employment or other outside activities incompatible with the full and proper discharge of the duties and responsibilities of his/her OCTA employment. Before accepting or engaging in any outside employment, an employee must obtain written permission from the AA.

2.6 PERFORMANCE PLANNING AND REVIEW PROGRAM

The AA is responsible for developing and administering a formal performance planning and review program for all full-time and part-time administrative employees.

2.7 RELOCATION EXPENSES

OCTA may provide relocation assistance as defined in the "Reimbursement of Relocation Expenses Policy."

2.8 ELIMINATION OF POSITIONS AND WORKFORCE REDUCTIONS

Whenever it becomes necessary, the CEO may eliminate any position. The CEO has the authority to reduce the workforce and to layoff full-time or part-time employees because of the elimination of a position, lack of funds, lack of work, or for operational efficiencies. An employee who is laid-off because of the elimination of a position or reduction in the workforce may be placed in another position for which the employee is qualified at the same level or below, provided an opening exists. Workforce reductions may allow for the position to remain vacant until the AA finds it necessary to fill the position.

2.8A LAYOFF BENEFITS

An employee recalled within six months may be reinstated to the same position if the position is available. For purposes of this section, benefits based on length of service will be reinstated to the level prior to layoff if an employee is reinstated to the same or a different position within six months following the date of layoff.

An employee placed on layoff may be granted paid health insurance in accordance with the following schedule:

Years of Service	Length of Coverage
Less than 3	1 month
3 but less than 5	2 months
5 but less than 10	3 months
10 or more	4 months

Upon separation from OCTA due to layoff, all unused or unpaid vacation, personal paid holidays, and sick leave will be paid to the affected employee.

If employment is recalled within six months, health insurance coverage will take effect on the first day of the following month from the rehire date. However, if the granted paid health insurance is still in effect, then coverage will be effective the first day of the month from the return-to-work date.

2.8B LAYOFF SEVERANCE PAY

The CEO may authorize the payment of severance pay to full-time and part-time employees in accordance with the following schedule:

Years of Service	Weeks of Severance Pay
Less than 3	2 weeks
3 but less than 5	3 weeks
5 but less than 10	4 weeks
10 or more	5 weeks

Severance pay for part-time employees is prorated in accordance with their regularly scheduled pay.

SECTION 3
EXEMPT AND NON-EXEMPT EMPLOYEE, WORKWEEK, SCHEDULES, OVERTIME AND MAKE-UP TIME

3.1 EXEMPT EMPLOYEES

Exempt employees are those in positions that are not covered under the provisions of the Fair Labor Standards Act (FLSA) regarding minimum wage, overtime, maximum hours and recordkeeping.

An exempt employee, either part-time or full-time, is not eligible for overtime payment, compensatory time or any additional compensation for time worked in excess of eight hours per day or 40 hours per workweek, or time worked in excess of his/her regular schedule, except in accordance with the Disaster Pay and Leave Policy.

Sick leave and vacation accruals, as well as retirement service credits, accrue on paid hours.

3.2 NON-EXEMPT EMPLOYEES

Non-exempt employees are those in positions that are covered under the provisions of the FLSA regarding minimum wage, overtime, maximum hours and recordkeeping. All hours worked, holidays, and benefit time taken must be accurately recorded on a timesheet and approved by the supervisor. Sick leave and vacation accruals, as well as retirement service credits, accrue on paid hours excluding overtime.

Non-exempt employees are strictly prohibited from volunteering or donating their time to OCTA by performing any work or function that is the same or similar to their regularly scheduled duties while in an unpaid status.

3.3 WORKWEEK

The FLSA defines workweek as a period of 168 hours consisting of seven consecutive 24-hour periods. The employer can determine the day and hour that the workweek begins. Each workweek is considered on its own to determine minimum wage and overtime payments: there is no averaging of two or more workweeks. The Department of Labor uses workweek to determine compliance with federal regulations such as requirements for wage payments and overtime. Workweek and overtime will be administered consistent with any applicable state and federal laws.

The regular workweek for a full-time OCTA employee is 40 hours per week, Sunday through Saturday, unless otherwise established with an alternative work schedule. The workweek does not need to coincide with the calendar week.

3.4 ALTERNATIVE WORK SCHEDULES

The AA has the authority to designate flexible starting, ending, and core times for the performance of work during the standard workday consistent with OCTA's "Workweek and Overtime Policy."

The AA also has the authority to designate alternative workweek schedules, such as 4/10 or 9/80, provided the administration of such schedules is consistent with OCTA policy and any applicable state and federal laws.

The AA may establish necessary guidelines to administer alternative workweek schedules at the department and section level.

3.5 OVERTIME

Overtime must be authorized prior to performance of such work. Authorized work performed in excess of eight hours per day or in excess of 40 hours per workweek by a full-time or part-time non-exempt employee is considered overtime. This does not apply to a non-exempt employee who regularly works a 9/80 work schedule or who regularly works any other work schedule totaling 40 hours per workweek. All paid hours except sick time will be considered hours worked.

Excluding employees on an alternative work schedule, non-exempt employees will be paid 1-1/2 times their regular rate for all time worked in excess of eight (hours in a workday or 40 hours in a workweek). Non-exempt employees on alternative work schedules will be eligible for daily overtime for hours worked in excess of their regular schedule or 40 hours in a workweek.

For purposes of calculating overtime compensation, paid holidays not worked and pre-approved vacation not worked are treated as authorized work performed. If a designated holiday occurs on a regularly scheduled day off, these hours are not considered hours worked. Hours away from work due to illness, even when compensated, are not included in overtime calculations.

A non-exempt employee who is required to work on a designated holiday will be paid 1-1/2 times his/her regular rate for authorized work performed, in addition to regular holiday pay. Added pay for holiday hours worked will not be considered when calculating overtime on more than 40 hours in a workweek.

OCTA does not permit the accrual of compensatory time in lieu of payment of overtime.

In no case may a non-exempt employee's workweek be changed when the purpose of the change is to avoid compensating the employee at 1-1/2 times his/her regular rate for work performed in excess of his/her regular work schedule.

If, in the judgment of the employee's supervisor, work beyond the normal workday, workweek, or work period is required, such work may be authorized.

3.6 MAKE-UP TIME

Consistent with OCTA policy, when a non-exempt employee requests to leave or miss certain hours of a day and then to make it up by working longer hours on another day, it is called make-up time. Make-up time is permitted when requested by the employee due to the employee's personal obligation. The employee must request to use make-up time in writing before taking the time off or working the make-up hours, and the supervisor must approve it. The time must be made up within the same workweek as the time that was taken off. The made-up time cannot cause the employee to work more than 11 hours in a day or more than 40 hours in a workweek, as this will require overtime to be paid. Managers and/or Supervisors are prohibited from encouraging or soliciting an employee to request make-up time.

SECTION 4
EMPLOYEE BENEFITS

4.1 BOARD MEMBER BENEFITS

The AA may establish and be responsible for health (medical, dental, and vision), and life (life and accidental death and dismemberment) insurance benefits for Board Members at a cost not to exceed the amount established by the Board in the annual budget.

4.1A BENEFITS ELIGIBILITY

For Public Board Members and for Board Members who do not receive health benefits from the public entity they are elected to serve: The Board Members will have the same premium cost and the same health benefits as full-time employees paid by OCTA, which may change to reflect the current programs offered.

For Board Members who receive health benefits and/or a cash waiver from the public entity they are elected to serve: The Board Members may choose to receive the same health benefits as full-time employees, provided the Board Member pays 100 percent of the OCTA premium, which may change to reflect the current programs offered.

4.1B DEFERRED COMPENSATION

Board Members may participate in OCTA's Deferred Compensation Program.

4.1C RETIREMENT PLAN

Board Members are required to participate in the 3121 Federal Insurance Contributions Act (FICA) Alternative plan, because they are not eligible to participate in the Orange County Employee Retirement System. Board Members contribute 7.50 percent of OCTA pay. The 3121 FICA Alternative plan is required under the Omnibus Budget Reconciliation Act (OBRA) and is administered by a third-party administrator.

4.1D LIFE INSURANCE AND SUPPLEMENTAL LIFE INSURANCE

Life Insurance will be provided by OCTA in the amount of $50,000 coverage for each Board Member.

Voluntary Board Member-paid supplemental life insurance may be offered by OCTA for Board Members and/or their dependents.

4.1E REIMBURSEMENT OF EXPENSES

OCTA will reimburse Board Members and former Board Members who are serving on regional boards at the direction and request of the Board of Directors for actual and necessary expenses incurred in the performance of their duties, as provided in the "Policy for Compensation, Benefits, Reimbursement of Expenses and Mandatory Training for Members of the Board of Directors."

4.1F COMPENSATION

Board Members and former Board Members, who are serving on regional boards at the direction and request of the Board of Directors, are authorized to receive compensation in the amount of one hundred dollars ($100) per day, not to exceed five hundred dollars ($500) in any calendar month, for attending any of the activities outlined in section III of the Policy for Compensation, Benefits, Reimbursement of Expenses and Mandatory Training for Members of the Board of Directors.

4.2 GRANDFATHERED BENEFITS

The following exceptions to policy as otherwise outlined in this PSR result from the consolidation of the Orange County Transit District and the Orange County Transportation Commission.

The following benefits apply only to those employees who were employees of the Orange County Transportation Commission, as of June 19, 1991.

4.2A GRANDFATHERED LEAVE

Each non-exempt employee covered under this section will be entitled to 16 hours of paid Administrative Leave per fiscal year. Each exempt employee covered under this section will be entitled to 32 hours of paid Administrative Leave per fiscal year.

Approval will be by the AA. Any unused Administrative Leave for the current fiscal year will be paid to the employee in the event of separation or retirement. The maximum accrual amount for non-exempt employees will be 24 hours. The maximum accrual amount for exempt employees will be 48 hours.

4.2B GRANDFATHERED RETIREMENT

An employee covered under this section may continue to participate in the California Public Employees' Retirement System and shall be governed by its rules and regulations.

Commencing January 1, 2017, employees shall pay 100 percent of the employee contribution.

4.3 HEALTH, LIFE, AND DISABILITY INSURANCE BENEFITS

4.3A HEALTH INSURANCE

The AA will offer health (medical, dental, and vision), life (life and accidental death and dismemberment), and disability insurance programs for all full-time and part-time employees as determined by the Board.

Employees who are scheduled to work a minimum of 20 hours per week or more and meet the criteria under the Affordable Care Act, are eligible to participate in the health, life and disability insurance programs on the first day of the month following 30 days of employment. Employees may be required to pay a portion of the premiums. Part-time employees will pay the same portion of the premiums as full-time employees.

Administrative and Transportation Communications International Union (TCU) employees who elect to waive an OCTA medical, dental and vision plan are eligible to receive an employer contribution of $92.31 per pay period into a 401(a) deferred compensation plan, not to exceed the annual IRS maximum contribution. The employee must provide verification annually from the employer or the insurance carrier which verifies proof of other medical plan coverage in order to receive a contribution into the 401(a) plan. An employee who is a spouse, child or any other dependent of an OCTA Administrative/TCU employee is not eligible if he/she is covered under an OCTA medical, dental or vision plan.

4.3B LIFE INSURANCE AND SUPPLEMENTAL LIFE INSURANCE

Life insurance will be provided by OCTA to full-time and part-time employees in the amount of two times the annual salary, for a maximum benefit of $500,000. Voluntary employee-paid supplemental life insurance may be offered by OCTA for employees and/or eligible dependents (IRS).

4.3C DISABILITY INSURANCE

Employer-paid short-term disability and long-term disability insurance programs will be provided to full-time and part-time employees. Coordination of state provided disability payments may be required.

4.3D SURVIVOR BENEFIT

When OCTA is notified of the death of an employee, his/her dependents who were previously enrolled dependents, may be eligible for coverage in accordance with the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA). If eligible for COBRA, OCTA will reimburse the cost of the OCTA-sponsored health benefit plan premium to the dependent(s) for a maximum of three months.

4.3E COBRA AND CONTINUED COVERAGE

All full-time or part-time employees separating employment may elect continuing health (medical, dental, and vision) insurance pursuant to the governing provisions of the program in which they are enrolled. The employee will be required to pay the premium for the coverage selected in accordance with the provisions of COBRA, except as provided in the "Layoff and Workforce Reduction Policy". Health coverage ends the last day of the month in which the employee separates employment.

4.3F CONTINUATION OF HEALTH BENEFITS FOR RETIREES

An employee who retires from OCTA is eligible to continue medical, dental, and/or vision coverage, provided the retiree continues to pay 100 percent of the full monthly premium. Current group health benefits may continue up to age 65.

An employee who defers retirement is not eligible for this benefit.

For additional information regarding retiree health benefits that may apply under the Additional Retiree Benefit Account Plan (ARBA) please refer to section 4.7C.

4.4 MISCELLANEOUS BENEFITS

4.4A EMPLOYEE RECREATION ASSOCIATION

The AA will be responsible for monitoring the Employee Recreation Association (ERA), which is administered by the Human Resources Department. The ERA is a council of 11 members who meet to discuss various employee recognition activities and events and how best to fund them.

4.4B EMPLOYEE USE OF TRANSPORTATION SYSTEM

The AA has established policies and procedures regarding employees and eligible dependents' free transportation on OCTA's transportation services. See the "Employee Identification Cards and Dependent Transportation Passes Policy".

4.4C MILEAGE REIMBURSEMENT

An employee will be reimbursed for use of his/her private automobile for official business of OCTA at the rate established by the Internal Revenue Service (IRS).

The AA will determine what constitutes official OCTA business, which would require use of an employee's private automobile. Local travel for mileage reimbursement purposes will include travel in Los Angeles, Orange, San Bernardino, Riverside, and San Diego counties. Executive employees are referenced in section 4.6A.

4.4D OUT-OF-POCKET EXPENSES

OCTA will reimburse its employees for out-of-pocket expenses incurred while conducting official business for OCTA as provided in the policies regarding travel and conference expenses.

4.4E PROFESSIONAL LICENSES AND CERTIFICATES

OCTA will pay for any work-related professional licenses, certificates, or renewal fees as approved by the AA.

4.4F RECOGNITION AND AWARD PROGRAMS

The AA may establish and maintain an employee service award program and employee appreciation programs to provide recognition to employees for performance, continuous service, safety, and commitment to public transportation.

4.5 LEAVES OF ABSENCE

Leaves of absence may be granted by the AA to employees with or without pay. This policy will be interpreted and applied in accordance with all applicable state and federal laws. For a detailed description of the various leaves of absence, please refer to the "Leave of Absence Policy" and the "Military Leave Policy."

4.5A PERSONAL LEAVE

When requested, the AA may grant a personal leave of absence without pay for an initial period of 30 calendar days and extensions may be granted to a maximum of six months from the beginning date of the personal leave.

A personal leave of absence may be granted once all accrued/benefit hours have been exhausted, including vacation hours, sick hours, and Personal Paid Holiday (PPH) hours.

If the personal leave of absence extends for 30 calendar days or less, an employee will be returned to his/her original classification. If the personal leave of absence extends for more than 30 calendar days, OCTA will not guarantee the employee's classification or employment with OCTA but will attempt to reinstate the employee to a like or similar classification.

During the initial 30 calendar days following the date on which the personal leave of absence begins, OCTA will continue to offer life insurance, medical, dental and vision benefits at the same employee coverage cost and the same contribution for dependent premiums at the current applicable rate. To continue health coverage, employees on an unpaid status are responsible for submitting health insurance contributions, at the same rate and frequency as active employees. Failure to pay the employee's contribution may result in a lapse of coverage.

After the initial 30-day period, the employee will be required to remit in advance each month, 100 percent of the monthly cost of the group insurance premiums incurred during the remainder of the leave of absence in order to continue group insurance. Non-receipt of premium reimbursements will result in the termination of the employee's insurance.

If an employee returns to work from a personal leave of absence, the employee will be responsible for 100 percent of the monthly cost of the group insurance premiums for the month in which the employee returns to work.

4.6 REIMBURSEMENTS AND ALLOWANCES

4.6A AUTOMOBILE ALLOWANCE AND ASSIGNMENT OF AUTOMOBILES

OCTA may elect to provide both an assigned automobile and all related expenses, or to provide a monthly automobile allowance to Executive employees. The monthly allowance will be in lieu of the IRS standard mileage reimbursement rate that would otherwise apply in the use of his/her personal automobile in the performance of his/her duties. An Executive employee may not receive the automobile allowance for any month during which the employee's driver license has expired, been revoked, or suspended for a moving violation while operating an automobile.

The automobile allowance will be in the same amount as is provided to the County of Orange managers at the department head or agency head level as determined by the Orange County Board of Supervisors.

OCTA may assign vehicles on a 24-hour basis to designated positions, in accordance with the "Non-Revenue Vehicle Fleet Policy". Each OCTA operating base and administrative facility will be assigned a pool of non-revenue vehicles for authorized OCTA business. Special purpose vehicles will be assigned to a division based on business need as referenced in the "Non-Revenue Vehicle Fleet Policy".

4.6B EDUCATIONAL REIMBURSEMENT PROGRAM

OCTA may provide an Educational Reimbursement Program to reimburse a full-time employee for reasonable educational expenses for work-related courses. The AA will be responsible for developing, administering, and maintaining the program.

As authorized by the "Educational Reimbursement Program ~~lan~~ Policy", a full-time employee who satisfactorily completed approved, work-related educational courses as defined in the Educational Reimbursement Program Policy, will be reimbursed in full for eligible expenses up to a maximum of $5,250 per calendar year. Increases to the tuition reimbursement amount will not exceed the IRS tax-free amount (currently $5250). If an employee separates employment or gives notice of separation prior to completion of the course, no reimbursement will be made. Newly hired employees may be eligible for educational reimbursement after six months of employment.

4.6C THIS SECTION HAS BEEN REMOVED~~TABLET PURCHASE REIMBURSEMENT PROGRAM~~

~~OCTA may reimburse an employee for up to $400 or 50 percent, whichever is less, of actual expenditures for the cost of a personal tablet as authorized by the "Business Equipment Use Policy".~~

~~An employee may not receive more than $400 during any 24-month period. Newly hired employees may be eligible for tablet reimbursement after six months of employment.~~

4.6D UNIFORMS

An Administrative employee who is required to wear a uniform on the job will be granted an allowance up to $500 per year for the purchase of uniforms at OCTA's authorized uniform supplier. Uniform purchases must comply with the guidelines established by the appropriate division.

4.6E SAFETY SHOES

Executive Directors are authorized to approve the cost of a pair of work-required safety shoes approved by the employee's manager.

4.7 RETIREMENT AND DEFERRED COMPENSATION

4.7A DEFERRED COMPENSATION

OCTA may provide all full-time, part-time, and extra-help employees, including those covered by a collective bargaining agreement, with a deferred compensation program. The Deferred Compensation program is a benefit available to eligible employees to help them to save for retirement. The AA will be responsible for the establishment and administration of this program, utilizing the services of an outside administrator. This service will be provided at no cost to OCTA.

The Deferred Compensation Program is overseen by the Deferred Compensation Plan Committee. The Charter of the Deferred Compensation Plan Committee for the OCTA Retirement Plan Program constitutes the articles governing the operation of the committee. The Authority has delegated to the CEO the responsibility of determining the committee members which comprise the Deferred Compensation Plan Committee, as well as the duties and responsibilities of the committee members.

Enrollment in this program will be offered to employees on a voluntary basis, unless mandated by state or federal law. Employee contributions to the program will be made by a payroll deduction. The CEO may authorize OCTA to pay a lump sum contribution for designated positions.

Administrative employees will receive OCTA-paid matching contributions to 401 (a) plans based on years of service as set forth below, provided employees are making contributions of at least that amount to the OCTA 457 (b) plan:

Years of Service	Percent of Base Pay
New Hire but less than 3	1%
3 but less than 5	2%
5 or more	3%

In addition to the above scale, employees in Salary Grade V and above will receive an employer-paid matching contribution of up to two percent of base salary to the 401 (a) plan upon hire or promotion, provided employees are making contributions of at least that amount to the OCTA 457(b) plan.

4.7B RETIREMENT

All full-time and part-time employees of OCTA will participate in the Orange County Employees Retirement System (OCERS) and will be governed by its rules and regulations. All employees shall pay 100 percent of the OCERS employee contribution rate each pay period.

4.7C ADDITIONAL RETIREE BENEFIT ACCOUNT PLAN

An employee who retires from OCTA after January 1, 1995 who is in good standing with OCTA may be eligible for a benefit under the Additional Retiree Benefit Account Plan (ARBA). The retiring employee is eligible if the following conditions are met:

- at least ten years of service and at least 50 years of age at retirement, and
- receives a retirement benefit under OCERS within 30 days from the date of separation.

For retirees after January 1, 1995 and ~~prior to~~through June 30, 2023

The benefit amount represents $10.00 per month, per year of service, not to exceed a monthly benefit of $150.00.

For retirees on or after July 1, 2023

The benefit amount represents $35.00 per month, per year of service, not to exceed a monthly benefit of $525.00. Retirees will receive a 2% cost adjustment on July 1, 2024, and each July 1 thereafter.

OCTA reserves the right to modify or terminate this plan at any time by action of the Board. Administration of the ARBA Plan will be in accordance with the plan document.

Exceptions to the above policy resulting from the consolidation of the Orange County Transit District and the Orange County Transportation Commission are addressed in Grandfathered Benefits referenced in section 4.2.

4.8 TIME OFF BENEFITS

4.8A TIME OFF ACCRUALS

All paid time-off benefits will accrue during a leave of absence for only the period during which the employee is paid. An employee on unpaid leave of absence does not earn service credit for purposes of retirement benefits. An employee who returns to work from a leave of absence retains all accumulated service credit. Service credit for retirement benefits will be based on the specifications of the retirement system.

4.8B BEREAVEMENT LEAVE

In accordance with the “Bereavement Leave Policy”, a full-time or part-time employee will be granted paid bereavement leave, up to five regularly scheduled workdays, upon the death of an immediate family member.

Immediate family member includes: spouse, parent, child, brother, sister, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepchild, stepparent, stepbrother, stepsister, grandparent, grandchild, legal guardian/ward, or registered domestic partner. Bereavement leave may be granted for each occurrence.

The paid bereavement leave will not be chargeable to sick leave or vacation. The AA will authorize such absence from work.

Additional leave, if required, to make arrangements and/or attend the funeral, cremation, or memorial service of an immediate family member may be approved by the AA and will be charged against accrued sick or vacation leave.

4.8C CATASTROPHIC LEAVE DONATIONS

Employees may elect to donate accrued sick and/or vacation leave for use by an employee who has met the eligibility requirements under the Catastrophic Leave policy. For a detailed description, please refer to the "Catastrophic Leave Donation Policy."

4.8D HOLIDAYS AND PERSONAL PAID HOLIDAYS

OCTA will observe 12 paid holidays consisting of designated holidays and Personal Paid Holidays (PPH) as determined by the CEO. Annually, the listing of holidays observed for the year will be posted on the OCTA Intranet.

A full-time, non-exempt employee will receive the equivalent of 12 days of holiday pay at his/her regular rate during the calendar year. A full-time non-exempt employee who works an alternative work schedule will receive holiday pay for each of the above holidays based on his/her normally scheduled workday.

When a holiday falls on a Saturday, the previous day will be observed as the holiday, and when a holiday falls on a Sunday, the next day will be observed as the holiday, unless otherwise designated by the CEO. When a holiday falls on an employee's scheduled day off, either the previous working day or the next scheduled working day will be observed by the employee as the holiday.

A full-time or part-time non-exempt employee who is required to work on a holiday will be paid at 1-1/2 times his/her regular hourly rate for all hours worked in addition to pay for his/her regularly scheduled workday. An exempt employee will receive no premium pay for work on a scheduled OCTA holiday.

A full-time, exempt employee will receive holiday pay for each of the holidays observed and will be paid based on his/her normally scheduled workday.

All part-time employees will receive holiday pay for each holiday at his/her regular rate on a pro-rated basis.

PPHs are taken at an employee's discretion following supervisory approval. An employee will be paid for any unused PPHs for the current calendar year in the event of separation or retirement. The maximum number of PPHs that an employee may accrue will be two days over the current calendar year's entitlement. For new hires, the PPH accrual schedule for their first year will be posted on the OCTA Intranet and given to them during orientation.

4.8E JURY DUTY

A full-time or part-time employee who is called for jury duty or for examination for jury duty will receive compensation at his/her regular rate of pay for those days that coincide with the employee's regularly scheduled workdays.

Full-time and part-time employees are not eligible to receive additional compensation from the court system.

4.8F SICK LEAVE – FULL-TIME AND PART-TIME EMPLOYEES

OCTA provides a plan for full-time and part-time employees to accrue sick leave.

Sick leave may be used for an absence from employment for any of the following reasons:

- the employee is physically or mentally unable to perform his/her duties due to illness, injury, or medical condition of the employee;
- the absence is for the purpose of obtaining professional diagnosis or treatment for a medical condition of the employee;
- the employee is a victim of domestic abuse, sexual assault and/or stalking;
- the absence is to care for a qualified family member. A qualified family member is defined as a spouse, registered domestic partner, parent, child, grandparent, grandchild, or sibling.

An employee will accrue sick leave with pay for each paid hour in a regularly scheduled workweek at the rates as provided in the following table:

Years of Service	Accrual Rates	Approximate Accrual
Less than 3 years	.0347 Hours	9 days per year
3 years or more	.0462 Hours	12 days per year

Sick leave will be paid consistent with an employee's regularly scheduled workday. Accrued sick leave will be added to the employee's sick leave accumulation account upon the completion of the pay period, with no credit to be applied during the progress of the pay period or for a fraction of the pay period during which an employee separates service.

An employee who separates from OCTA with ten years or more of continuous service and who is in good standing with OCTA will receive payment of any earned but unused sick leave up to a maximum of 160 hours.

Upon the death of an employee, the employee's estate will be paid 100 percent of the employee's unused or unpaid sick leave.

Upon retirement from OCTA, provided the employee has ten years or more of continuous service and is in good standing with OCTA, the employee will be paid a maximum of 240 hours of his/her unused sick leave. An employee is considered retired if he/she begins receiving a retirement benefit from OCERS at the time of his/her separation. This benefit does not apply to deferred retirement.

Upon separation from OCTA due to layoff, all unused or unpaid sick leave will be paid to the affected employee.

An ~~employee, who~~employee who is injured on the job, resulting in loss of time, will be paid for the balance of the assignment on the day of injury at the regular rate of pay. The employee will also be paid for the time lost during the waiting period (first three days following date of injury, for which no Workers' Compensation benefits are provided). This payment will be at benefit rates provided under the Workers' Compensation Act. Payments under this section will not be charged against the employee's accumulated sick leave. Vacation and sick leave accruals will continue during the three-day period and the employee will be credited as if he/she had worked his/her regularly scheduled hours each day.

For group insurance purposes only, time lost due to an on-the-job injury will not be considered an unpaid leave of absence. OCTA will continue to maintain and pay for the employee's group health coverage at the same level as active employees. To continue health coverage, an employee will be responsible for submitting health insurance contributions at the same rate and frequency as active employees. Failure to pay the employee's contribution may result in a lapse of coverage.

Extra-Help Employees and Interns

OCTA provides a plan for extra-help employees and interns to accrue sick leave. The employee will be eligible to use their sick leave on the 90th day of employment.

Sick leave may be used for an absence from employment for any of the following reasons:

- the employee is physically or mentally unable to perform his/her duties due to illness, injury or medical condition of the employee;
- the employee is a victim of domestic violence, sexual assault, and/or stalking;
- the absence is to care for a qualified family member. A qualified family member is defined as a spouse, registered domestic partner, parent, child, grandparent, grandchild, or sibling.

An employee will accrue sick leave with pay for each paid hour in a regularly scheduled workweek at the rate as provided in the following table:

Accrual Rate	Approximate Accrual
.0334 Hours	3 days per year

4.8G SICK LEAVE SELLBACK

An employee who has accumulated sick leave in excess of 120 hours, as of the close of the first pay period ending in November, may choose to retain all unused accumulated sick leave and continue to accrue sick leave or to receive a single payment at his/her current rate of pay for any amount in excess of 120 hours. If the employee elects to receive payment, it will be paid no later than the pay date of the final payroll of that year.

4.8H VACATION

OCTA provides vacation leave with pay for full-time and part-time employees. Vacation leave is differentiated from other types of leave because it is intended for the rest, relaxation, and renewal of employees.

Accrued vacation leave will be applied to the employee's vacation accumulation account only upon completion of each pay period, except when an employee separates employment.

Upon separation, all unused vacation leave accrued through the employee's separation date will be paid.

Upon hire, an employee with less than two years of service will earn .0577 hours of vacation leave for each straight time hour of pay in a regularly scheduled workweek, unless otherwise approved by the AA and authorized by the Department Manager, Human Resources.

Accrual rates change beginning with the pay period following the pay period that begins the next year of service.

The maximum allowable accrued vacation leave at any time for full-time or part-time employees is listed below.

At the Beginning of Year:	The Employee Shall Earn:	To a Maximum Per Year of:	Maximum Accrued Vacation Leave
0 through year 2	.0577 hours	120 hours	240 hours
3 through year 4	.0577 hours	120 hours	300 hours
5 through year 9	.0770 hours	160 hours	300 hours
10 through year 14	.0962 hours	200 hours	390 hours
15 through year 18	.1039 hours	216 hours	390 hours
19 or more	.1154 hours	240 hours	440 hours

An employee will not accrue vacation leave in excess of the maximum amount unless authorized by the CEO. The CEO is exempt from a maximum accrual. Vacations will be scheduled consistent with efficient OCTA operations.

4.8I VACATION SELLBACK

An employee has the option of selling back up to 200 hours of vacation pay each calendar year for accrued but unused vacation. An employee must use at least 40 hours of vacation during the previous 12 months before exercising the sellback option.

The sellback option may be exercised twice in any given calendar year and may not exceed 200 hours.

Under unusual circumstances involving verifiable emergencies, the AA may authorize a cash value payment to an employee for an amount up to the total amount of accrued vacation.

An employee separating from OCTA will be paid, in a lump sum payment, for all unused vacation leave accrued through his/her separation date at his/her current rate of pay.

SECTION 5
COMPENSATION

5.1 COMPENSATION PHILOSOPHY

OCTA's objective is to provide competitive wages based on the market value for comparable work. Human Resources strives to administer the compensation program in a flexible but consistent manner. The purpose of the compensation program is to attract, retain, and motivate employees.

Employees are recognized for their contributions through performance-based merit increases.

5.1A SALARY RESOLUTION

The purpose of the Salary Resolution is to:

- attract and retain a workforce dedicated to excellence, thereby ensuring OCTA's ability to meet the present and future business objectives of the organization;
- maintain a salary program that will give maximum incentive to real accomplishments and compensate individuals on the basis of merit without discrimination, while providing necessary administrative control of salary costs; and
- provide salary structures that are internally equitable and externally competitive.

5.1B SALARY STRUCTURE

The Salary Structure is designed to provide:

- salary grade ranges for classifications based upon the scope and level of responsibility of work performed in comparison to other work performed within OCTA, and in comparison, to the external market; and
- salaries paid to employees that reflect the level of responsibilities of the classification and the performance of the individual.

5.2 ADMINISTRATION OF COMPENSATION

The AA is responsible for the establishment of definitive guidelines for adjusting individual salaries and salary ranges. The development and administration of these guidelines may be delegated to appropriate staff.

Within guidelines established by the AA, compensation adjustments may be given:

- as an increase to base pay; and
- in a lump sum payment.

The AA is authorized to adjust an incumbent's salary. The salary of each Executive employee will be determined by the CEO.

5.3 NEWLY HIRED/PROMOTED EMPLOYEES

An employee may be hired or promoted into a position at any salary within the range for the classification; such salary is to be determined based on individual qualifications. Approval by the Division Executive Director is required for starting salaries at or above the midpoint of the salary grade for external hires. Approval by the CEO is required for starting salaries at or above the midpoint of the salary grade for external hires in salary grade V or for employee salary increases over ten percent. All promotions and salary increases must have an effective date that is the first day of a pay period.

For new hires, after six months of employment, the employee's performance will be evaluated.

The performance of promoted employees may be evaluated after six months, as determined by the hiring manager prior to the job offer. The six-month review date is calculated from the beginning of the pay period in which they were promoted. ~~5~~

Subsequent performance reviews will be conducted annually on a common review date and merit increases may be authorized at that time.

5.4 RECLASSIFICATIONS

When a position is changed to a different classification in a higher salary grade, a lower salary grade, or in the same salary grade, it will be considered a reclassification. This action is based on substantial changes in the kind, difficulty, and/or responsibility level of the duties performed. (Refer to the Reclassification Policy).

Any employee in a position that is reclassified to a higher salary grade will be paid at least the minimum of the new salary grade. An employee in a position that is reclassified to a lower salary grade may have his/her salary reduced to the maximum of the new salary grade or with approval of the AA, may retain his/her salary paid prior to the reclassification.

5.5 CLASSIFICATION TITLES

All filled positions must have classification titles that are included in the PSR. The CEO or the Board may authorize the addition of new classification titles to the PSR and assign or authorize changes to classification salary grade assignments at any time during the year.

5.6 MERIT ADJUSTMENTS

For fiscal year 2023~~2~~-24~~3~~, a pool for merit-based salary increases of ~~5~~4.5% has been established for administrative positions, based on the availability of financial resources, as approved by the Board of Directors.

An employee may receive a merit increase based on his/her performance evaluation rating at the time of the common review unless the overall rating is "Does Not Meet Expectations."

Individual merit increases may vary in amount depending on performance.

An employee's performance may be reviewed at any time during the year as appropriate, but his/her salary may not be adjusted other than as provided in this PSR.

5.7 SPECIAL PERFORMANCE AWARDS

For fiscal year 2023~~2~~-24~~3~~, a special performance award pool of 4% has been stablished for administrative positions based on the availability of financial resources, as approved by the Board of Directors.

Should a special performance award pool be established, the AA may authorize special performance awards for full-time and part-time employees based on individual employee performance. Each award will be a single lump sum payment and will not increase an employee's base salary. Employees who have not completed six months of employment are not eligible to receive a Special Performance Award.

5.8 TEMPORARY ASSIGNMENTS

Performing Additional Duties of a Different Classification

When an employee is temporarily assigned duties of a different position with the same or higher salary grade, the employee's salary may be increased by an amount not to exceed five percent per salary grade for the difference between the employee's current classification and the temporary assignment. Same salary grade temporary increases are limited to a maximum of five percent. Such increases may be made only in those instances where the assignment will last at least 30 days and will not, in any event, be paid for a period in excess of 180 days, without written authorization by the CEO. Temporary increases must be effective the first day of a pay period.

Performing Duties Critical to the Organization

At the sole discretion of the CEO, when an employee is performing duties critical to the organization during a crucial project or period of time, a temporary increase or stipend can be used to incentivize the key employee to remain at OCTA. This compensation can be in the form of a percentage of base salary, one or more lump sum amounts, or an additional employer non-matching deferred compensation contribution. The CEO must provide written authorization, by way of a memo, which includes the justification and time period for which this will be in effect. The amount and type of compensation will be determined by the CEO and reviewed annually or when the critical duties are no longer being performed.

5.9 EQUITY ADJUSTMENTS

The AA is authorized to adjust an incumbent's base salary to resolve a significant salary disparity manifested by internal salary compression, external market pressure(s), or both, whereby the individual is no longer appropriately compensated and a base salary adjustment is appropriate.

Equity adjustments should be used sparingly and should not be done in lieu of or in combination with, a promotion, reclassification, transfer, or merit adjustment. The types of situations in which an equity adjustment is appropriate include, but are not limited to:

a. retention of critical staff;
b. salary compression issues;
c. impact of new hires whose hiring rate exceeds those of current staff;
d. offer from another employer;
e. assignment of more complex duties that do not meet the criteria for reclassification; and
f. equity with peers in the same classification with similar education and experience levels.

Equity adjustments may not increase an incumbent's salary outside the specified salary range. Additionally, equity adjustments do not affect any established merit pool approved by the Board.

Equity adjustments may only be approved by the CEO.

SALARY GRADE STRUCTURE

Grade	Period	Minimum	Midpoint	Maximum
C	Hourly	~~17~~18.00	~~18~~19.00	~~20~~21.00
	Intern			

Grade	Period	Minimum	Midpoint	Maximum
F	Hourly	~~20.03~~21.13	~~23.65~~24.75	~~27.26~~28.36
	Monthly	~~3,471.87~~3,662.54	~~4,099.34~~4,290.00	~~4,725.07~~4,915.74
	Annual	~~41662.40~~43,950.40	~~49,192.00~~51,480.00	~~56,700.80~~58,988.80
	On-Board Evaluator			

Grade	Period	Minimum	Midpoint	Maximum
G	Hourly	~~21.20~~22.37	~~25.12~~26.29	~~29.04~~30.21
	Monthly	~~3,674.67~~3,877.47	~~4,354.14~~4,556.94	~~5,033.60~~5,236.40
	Annual	~~44,096.00~~46,529.60	~~52,249.60~~54,683.20	~~60,403.20~~62,836.80
	Customer Relations Representative General Services Specialist, Assistant Office Specialist, Assistant			

Grade	Period	Minimum	Midpoint	Maximum
H	Hourly	~~22.57~~23.82	~~26.81~~28.06	~~31.04~~32.29
	Monthly	~~3,912.14~~4,128.80	~~4,647.07~~4,863.74	~~5,380.27~~5,596.94
	Annual	~~46,945.60~~49,545.60	~~55,764.80~~58,364.80	~~64,563.20~~67,163.20
	General Services Specialist Office Specialist Schedule Checker			

Grade	Period	Minimum	Midpoint	Maximum
J	Hourly	~~23.93~~25.26	~~28.53~~29.86	~~33.13~~34.46
	Monthly	~~4,147.87~~4,378.40	~~4,945.20~~5,175.74	~~5,742.54~~5,973.07
	Annual	~~49,774.40~~52,540.80	~~59,342.40~~62,108.80	~~68,910.40~~71,676.80
	Accounting Specialist, Associate Customer Relations Representative, Senior Digital/Reprographic Specialist General Services Specialist, Senior Office Specialist, Senior Schedule Checker, Senior			

Grade	Period	Minimum	Midpoint	Maximum
K	Hourly Monthly Annual	~~25.53~~26.96 ~~4,425.20~~4,673.07 ~~53,102.40~~56,076.80	~~30.54~~31.97 ~~5,293.60~~5,541.47 ~~63,523.20~~66,497.60	~~35.55~~36.98 ~~6,162.00~~6,409.87 ~~73,944.00~~76,918.40
	Accounting Specialist Asset Management Administrator Digital/Reprographic Specialist, Senior Grants Technician ~~Help Desk Technician, Associate~~ HR Assistant Marketing Specialist, Assistant Warranty Coordinator, Associate			

Grade	Period	Minimum	Midpoint	Maximum
L	Hourly Monthly Annual	~~27.63~~29.19 ~~4,789.20~~5,059.60 ~~57,470.40~~60,715.20	~~33.21~~34.77 ~~5,756.40~~6,026.80 ~~69,076.80~~72,321.60	~~38.78~~40.34 ~~6,721.87~~6,992.27 ~~80,662.40~~83,907.20
	Accounting Specialist, Senior Administrative Specialist Buyer, Associate Clerk of the Board Specialist, Assistant Business Unit Analyst, Associate Claims Representative, Associate Community Relations Specialist, Associate Creative Services Specialist, Associate Customer Relations Specialist, Associate DBE Specialist, Associate Executive Assistant I ~~Help Desk Technician~~ LOSSAN Marketing Specialist, Associate Marketing Specialist, Associate Public Records Administrator, Associate Pass Sales Coordinator Records Administrator Stops and Zones Analyst, Associate Stops and Zones Planner, Associate Section Supervisor I Transportation Funding Specialist Warranty Coordinator Web Data Analyst, Associate			

Grade	Period	Minimum	Midpoint	Maximum
M	Hourly Monthly Annual	~~30.35~~32.06 ~~5,260.67~~5,557.07 ~~63,128.00~~66,684.80	~~36.48~~38.19 ~~6,323.20~~6,619.60 ~~75,878.40~~79,435.20	~~42.60~~44.31 ~~7,384.00~~7,680.40 ~~88,608.00~~92,164.80
	Accountant, Associate Benefits Analyst, Associate Business Unit Analyst Buyer Claims Representative Clerk of the Board Specialist Community Relations Specialist Compensation Analyst, Associate ~~Contract Administrator, Associate~~ Creative Services Specialist Customer Relations Specialist DBE Specialist Desktop Support Technician, Associate Employee Programs Specialist Executive Assistant II Field Administrator, Associate Fleet Analyst, Associate ~~Help Desk Technician, Senior~~ Human Resources Representative, Associate Learning and Development Administrator, Associate LOSSAN Accounting Analyst, Associate LOSSAN Marketing Specialist Marketing Specialist Payroll Administrator Programmer Analyst, Associate Project Controls Analyst, Associate Public Records Administrator Rail Maintenance-of-Way Administrator Records Administrator, Senior Schedule Analyst, Associate Section Supervisor II Service Planning Analyst, Associate Stops and Zones Analyst Stops and Zones Planner Talent Acquisition Specialist, Associate Warranty Coordinator, Senior Web Data Analyst			

Grade	Period	Minimum	Midpoint	Maximum
N	Hourly Monthly Annual	~~33.40~~35.28 ~~5,789.34~~6,115.20 ~~69,472.00~~73,382.40	~~40.15~~42.03 ~~6,959.34~~7,285.20 ~~83,512.00~~87,422.40	~~46.89~~48.77 ~~8,127.60~~8,453.47 ~~97,531.20~~101,441.60
	Accountant Benefits Analyst Bus Operations Supervisor Business Systems Analyst, Associate Business Unit Analyst, Senior Clerk of the Board Specialist, Senior Communications Specialist, Associate Compensation Analyst ~~Contract Administrator~~ Contract Administrator, Associate Creative Services Specialist, Senior Cyber Security Compliance Analyst, Associate DBE Specialist, Senior Desktop Support Technician Employee Relations Representative, Associate Executive Assistant III Field Administrator Financial Analyst, Associate Fleet Analyst GIS Analyst, Associate Government Relations Representative, Associate Health, Safety & Compliance Specialist, Associate HR Business Partner, Associate Human Resources Representative Learning and Development Administrator LOSSAN Accounting Analyst LOSSAN Executive Administrative Assistant Program Management Analyst, Associate Programmer Analyst Project Controls Analyst Rail Maintenance-of-Way Administrator, Senior Real Property Agent, Associate Revenue Administrator, Associate Schedule Analyst Section Supervisor III Security Systems Administrator, Associate Security Systems Technician, Associate Service Planning Analyst Stops and Zones Analyst, Senior Stops and Zones Planner, Senior Talent Acquisition Specialist Transportation Analyst, Associate Transportation Funding Analyst, Associate Transportation Modeling Analyst, Associate Web Data Analyst, Senior			

Grade	Period	Minimum	Midpoint	Maximum
P	Hourly	~~36.99~~39.06	~~44.32~~46.39	~~51.64~~53.71
	Monthly	~~6,411.60~~6,770.40	~~7,682.14~~8,040.94	~~8,950.94~~9,309.74
	Annual	~~76,939.20~~81,244.80	~~92,185.60~~96,491.20	~~107,411.20~~111,716.80

Applications Analyst, Associate
Business Computing Solutions Specialist, Associate
Business Intelligence Analyst, Associate
Business Systems Analyst
Business Unit Analyst, Principal
Buyer, Senior
Civil Engineer
Claims Representative, Senior
Clerk of the Board Specialist, Principal
Communications Specialist
Community Relations Specialist, Senior
Community Transportation Coordinator
Contract Administrator
Creative Services Specialist, Principal
Customer Relations Specialist, Senior
Cyber Security Analyst, Associate
Cyber Security Compliance Analyst
Cyber Security Intrusion Analyst, Associate
Desktop Support Technician, Senior
Employee Programs Administrator
Employee Relations Representative
Executive Assistant IV
Field Administrator, Senior
Financial Analyst
GIS Analyst
Government Relations Representative
Health, Safety & Environmental Compliance Specialist
Human Resources Business Partner
Human Resources Representative, Senior
Internal Auditor, Associate
Learning & Development Administrator, Senior
LOSSAN Marketing Specialist, Senior
Maintenance Field Administrator
Maintenance Resource Analyst
Maintenance Instructor
Marketing Specialist, Senior
Network Administrator, Associate
Network Analyst, Associate
Program Management Analyst
Real Property Agent
Revenue Administrator
Schedule Analyst, Senior
Section Supervisor IV
Security Systems Administrator
Security Systems Technician
Stops and Zones Analyst, Principal
Talent Acquisition Specialist, Senior
Telecommunications Administrator
Telecommunications Technician
Transportation Analyst
Transportation Funding Analyst
Transportation Modeling Analyst
Web Developer
Wellness Coordinator
Worker's Compensation Program Specialist

Grade	Period	Minimum	Midpoint	Maximum
R	Hourly	~~41.03~~43.34	~~49.35~~51.66	~~57.67~~59.98
	Monthly	~~7,111.87~~7,512.27	~~8,554.00~~8,954.40	~~9,996.14~~10,396.54
	Annual	~~85,342.40~~90,147.20	~~102,648.00~~107,452.80	~~119,953.60~~124,758.40

Accountant, Senior
Applications Analyst
Benefits Analyst, Senior
Business Computing Solutions Specialist
Business Intelligence Analyst
Business Systems Analyst, Senior
Communications Specialist, Senior
Community Relations Specialist, Principal
Community Transportation Coordinator, Senior
Compensation Analyst, Senior
Contract Administrator, Senior
Contract Analyst
Cyber Security Analyst
Cyber Security Compliance Analyst, Senior
Cyber Security Intrusion Analyst
Cyber Security Risk Analyst
Data Warehouse Architect, Associate
Database Administrator
Desktop Support Technician, Principal
Employee Relations Representative, Senior
Executive Assistant V
Facilities Maintenance Supervisor
Financial Analyst, Senior
Fleet Analyst, Senior
GIS Analyst, Senior
Government Relations Representative, Senior
Health, Safety & Environmental Compliance Specialist, Senior
Human Resources Business Partner, Senior
Internal Auditor
Inventory Analyst
IS Project Manager I
LOSSAN Accounting Analyst, Senior
LOSSAN Marketing Specialist, Principal
LOSSAN Transportation Analyst, Senior
LOSSAN Transportation Funding Analyst, Senior
Maintenance Field Administrator, Senior
Maintenance Instructor, Senior
Maintenance Planner
Maintenance Resource Analyst, Senior
Maintenance Supervisor
Marketing Specialist, Principal
Materials Management Planner
Network Administrator
Network Analyst
Operations Analyst, Principal
Program Management Analyst, Senior
Project Controls Analyst, Senior
Project Manager I
Revenue Administrator, Senior
Section Manager I
Security Systems Administrator, Senior
Security Systems Technician, Senior
Service Planning Analyst, Senior
Systems Engineer, Associate
Systems Software Analyst, Associate
Talent Acquisition Specialist, Principal
Transit Project Manager I
Transportation Analyst, Senior
Transportation Funding Analyst, Senior
Transportation Modeling Analyst, Senior
Web Developer, Senior
Worker's Compensation Program Specialist, Senior

Grade	Period	Minimum	Midpoint	Maximum
S	Hourly Monthly Annual	~~46.09~~48.68 ~~7,988.94~~8,437.87 ~~95,867.20~~101,254.40	~~55.42~~58.01 ~~9,606.14~~10,055.07 ~~115,273.60~~120,660.80	~~64.74~~67.33 ~~11,221.60~~11,670.54 ~~134,659.20~~140,046.40
	Accountant Principal Applications Analyst, Senior Assistant Base Manager Benefits Analyst, Principal Business Computing Solutions Specialist, Senior Business Intelligence Analyst, Senior Business Systems Analyst, Principal Civil Engineer, Senior Claims Manager Communications Specialist, Principal Community Transportation Coordinator, Principal Compensation Analyst, Principal Construction Safety Specialist, Principal Cyber Security Analyst, Senior Cyber Security Engineer Cyber Security Intrusion Analyst, Senior Cyber Security Risk Analyst, Senior Data Warehouse Architect Database Administrator, Senior Emergency Management Specialist Employee Relations Representative, Principal Financial Analyst, Principal Government Relations Representative, Principal GIS Analyst, Principal Health, Safety & Environmental Compliance Specialist, Principal Human Resources Business Partner, Principal Internal Auditor, Senior IS Project Manager II Learning & Development Administrator, Principal LOSSAN Marketing and Communications Manager LOSSAN Transportation Analyst, Principal Maintenance Field Administrator, Principal Network Administrator, Senior Network Analyst, Senior Program Management Analyst, Principal Programmer Analyst, Senior Project Controls Analyst, Principal Project Manager II Real Property Agent, Senior Revenue Administrator, Principal Section Manager II SharePoint System Architect Systems Engineer Systems Software Analyst Transit Project Manager II Transportation Analyst, Principal Transportation Funding Analyst, Principal Transportation Modeling Analyst, Principal			

	Web Developer, Principal

Grade	Period	Minimum	Midpoint	Maximum
T	Hourly Monthly Annual	~~51.77~~54.67 ~~8,973.47~~9,476.14 ~~107,681.60~~113,713.60	~~62.14~~65.04 ~~10,770.94~~11,273.60 ~~129,251.20~~135,283.20	~~72.50~~75.40 ~~12,566.67~~13,069.34 ~~150,800.00~~156,832.00
	Analysis Project Manager Applications Analyst, Principal Base Manager Business Computing Solutions Specialist, Lead Civil Engineer, Principal Construction Safety Section Manager Contract Administrator, Principal Cyber Security Engineer, Senior Cyber Security Risk Analyst, Principal Data Warehouse Architect, Senior Database Administrator, Principal Deputy Treasurer Internal Auditor, Principal IS Business Strategist IS Enterprise Architect IS Project Manager III LOSSAN Equipment and Mechanical Manager LOSSAN Transportation Manager Network Administrator, Principal Operations Project Manager Project Manager III Rail Systems Safety Specialist, Principal Real Property Agent, Principal Section Manager III Service Planning Analyst, Principal SMS Program Manager Systems Engineer, Senior Systems Software Analyst, Senior Transit Project Manager III			

Grade	Period	Minimum	Midpoint	Maximum
U	Hourly Monthly Annual	~~59.42~~62.78 ~~10,299.47~~10,881.87 ~~123,593.60~~130,582.40	~~71.63~~74.99 ~~12,415.87~~12,998.27 ~~148,990.40~~155,979.20	~~83.84~~87.20 ~~14,532.27~~15,114.67 ~~174,387.20~~181,376.00
	Cyber Security Engineer, Principal Data Warehouse Architect, Principal Internal Audit, Senior Manager IS Project Manager, Senior LOSSAN Planning and Analysis Manager LOSSAN Project Manager, Senior Programming & Grants Development Manager Project Manager, Senior Rail Project Manager, Senior			

	Section Manager, Senior Strategic Plan Administrator			

Grade	Period	Minimum	Midpoint	Maximum
V	Hourly Monthly Annual	~~68.77~~72.58 ~~11,920.14~~12,580.54 ~~143,041.60~~150,996.40	~~81.97~~85.78 ~~14,208.14~~14,868.54 ~~170,497.60~~178,422.40	~~95.17~~98.98 ~~16,496.14~~17,156.54 ~~197,953.60~~205,878.40
	Department Manager LOSSAN Capital Program Manager LOSSAN Finance and Administration Manager LOSSAN Operations Compliance and Safety Manager LOSSAN Planning & Communication Manager LOSSAN Program Manager LOSSAN Programming & Grants Manager Program Manager			

Grade	Period	Minimum	Midpoint	Maximum
W	Hourly Monthly Annual	~~87.17~~91.98 ~~15,109.46~~15,943.20 ~~181,313.60~~191,318.40	~~103.69~~108.50 ~~17,972.93~~18,806.67 ~~215,675.20~~225,680.00	~~120.20~~125.01 ~~20,834.66~~21,668.40 ~~250,016.00~~260,020.80
	Communications Manager Department Manager, Senior LOSSAN Senior Manager, Finance & Administration Program Manager, Senior			

GLOSSARY OF TERMS

ADMINISTRATIVE EMPLOYEE	Any employee of OCTA not covered by a collective bargaining agreement.

APPOINTING AUTHORITY	The CEO; he/she may delegate this responsibility.
AT-WILL EMPLOYMENT	An employee's employment status may be changed, including, but not limited to, separation of employment, by OCTA or the employee, at any time for any reason.
BOARD	The Board of Directors of OCTA.
CATASTROPHIC LEAVE	An extended leave due to an employee's own serious illness or medical condition, or that of an immediate family member where the employee is the primary caregiver, that incapacitates the employee and where the employee is expected to use up his/her entire accrued leave.
CLASSIFICATION OR CLASSIFICATION TITLE	The title that identifies the type of work being performed by one or more incumbents in a position.
DOMESTIC PARTNER	A domestic partnership is established in California when both persons file a Declaration of Domestic Partnership with the Secretary of State. A domestic partner is further defined by California's Family Code, Section 297-297.5.
ELIGIBLE DEPENDENT	Spouse, registered domestic partner, and dependent children up to the age 26.
EQUITY INCREASE	An adjustment to an employee's base salary to resolve a significant salary disparity manifested by internal salary compression, external market pressure(s), or both, whereby the individual is no longer appropriately compensated and a base salary adjustment is appropriate.
EXECUTIVE EMPLOYEE	An employee classified as CEO, Deputy CEO, COO, CFO, Executive Director, Director, and General Manager.
EXEMPT EMPLOYEE	An employee in a position that is not covered under the provisions of the FLSA regarding minimum wage, overtime, maximum hours, and recordkeeping.

EXTRA-HELP EMPLOYEE	An employee hired to serve as part-time augmentation of staff in which the duty or task defined generally requires less than 20 hours of work per week and no more than 1,000 work hours within a continuous 12-month period. An extra-help employee is not eligible for employee benefits.
FULL-TIME EMPLOYEE	An administrative employee in a position with a normal workweek that totals at least 40 hours.
INTERN	An employee enrolled as a full-time student at a two- or four-year college or university pursuing a course of study that will lead to an undergraduate or graduate degree, or a recent graduate, in a field of study applicable to the hiring department's specialty. The intern provides assistance to departments by performing a variety of duties related to the intern's career field. Guidelines for extra-help employees also apply to interns.
NON-EXEMPT EMPLOYEE	An employee in a position that is covered under the provisions of the FLSA regarding minimum wage, overtime, maximum hours, and record keeping.
PART-TIME EMPLOYEE	An administrative employee in a position with a normal workweek that totals at least 20 hours but not more than 39 hours, and not more than 1040 hours annually.
POSITION	Full-time and part-time positions in the Board-approved fiscal year budget.
PROMOTION	Movement of an employee from one position to a different position in a higher salary grade through the recruitment process.
PROMOTION – "IN-FAMILY"	Movement of an employee through recruitment to a similar position within the same specialty or "family" series. The duties performed are similar in nature and they continue to be reviewed during the Annual Performance Review Cycle.
RECLASSIFICATION	When a position is changed to a different classification in a higher, lower, or the same salary grade, as a result of an evaluation process.
REHIRE	To employ someone who previously separated his/her employment with OCTA (normally following a voluntary resignation) without restoring prior service.
REINSTATE	To return, within six months, an employee, previously separated due to layoff, to active employment with OCTA and to restore prior service and benefit eligibility, with no formal break in service. Vacation, sick,

	and holiday hours for which the employee was paid at the time of separation are not restored. (This action is unrelated to retirement service credit).
SALARY RANGE	The minimum and maximum of the salary grade for a position. It is based upon the scope and responsibility of work performed in comparison with other work performed within OCTA and in comparison with the competitive labor market.
TEMPORARY HELP	A person acquired through a temporary help agency to perform work on a limited term basis, not an OCTA employee.
TRANSFER	When an employee retains the same job title and work responsibilities but is moved from one location or section/department to a different location or section/department.

ALPHABETICAL INDEX

ALPHABETICAL INDEX

ALPHABETICAL INDEX

ATTACHMENT D

ORANGE COUNTY TRANSPORTATION AUTHORITY LICENSING AND MAINTENANCE AGREEMENTS SOLE SOURCE LIST - FISCAL YEAR 2023-24

The Standard Contracts

Vendor Name	Software / Hardware Product	Sole Source Amount	Budgeted FY 23-24	Owner
1st Run Computer Services	Enterprise Content Management Scanner Maintenance	$ 27,720	$ 26,400	Katrena Schulze
ACA Works	ACA Employee Data Tracking Software (2 Years)	$ 31,382	$ 14,944	Eden Wang / Bea Maselli
Anderson Howard	Audio Visual Maintenance and Support	$ 30,000	$ 15,000	Ron Wolf
AvePoint	Cloud BackUp	$ 157,500	$ 150,000	Josh Duke
Bytemark	License and Maintenance for the Bytemark Mobile Ticketing Solution	$ 90,000	$ 85,360	Isaac Herrera
Carahsoft Single-year	Salesforce Customer Relations Case Management Software	$ 132,300	$ 126,000	Eden Wang / Ryan Maloney
Citrix	XenDesktop, XenApp, Access Gateway, Citrix Repeater Plug-in, Premier Support	$ 80,000	$ 80,000	Josh Duke
Clever Devices	Ridecheck Plus, Replaced Passenger Counting Ridership	$ 76,000	$ 64,000	Tom Young
Computer SOS	Point of Sale Web Site Hosting	$ 50,000	$ 40,000	Tom Young
Conduent (aka Xerox Corporation)	Annual Maint & Support for Intelligent Transportation Management System	$ 725,000	$ 725,000	Michael Beerer
County of Orange	Countywide Coordinated Communication Systems	$ 100,000	$ 100,000	Tim Beseau
Dun & Bradstreet, Inc.	Business Credit Reporting	$ 68,000	$ 66,000	Laura Foster
Ecointeractive	OCfundTracker Subscription Service	$ 220,000	$ 220,000	Ben Ku
eCivis	Cost Allocation Plan	$ 32,744	$ 31,185	Eden Wang / Rima Tan
ESRI	ARC INO / Arcview	$ 26,000	$ 26,000	Josh Duke / Michael Beerer
Everbridge	Transit NOTO	$ 80,000	$ 70,000	Matt Ankley
Franklin Covey	Training Licenses (3 Years)	$ 65,000	$ 60,000	Julie Espy
Giro	Map / HASTUS / Vehicle/ Crew/ Crew Opt/ Roster/ Minbus/ ATP/ Interface Program/ Geo Hastus Map/ Hastinfo/ Hastinfo - Web/DailyVehicle/DailyCrew/Bid/BidWeb/ SelfService/EPM/Bing/ Plus Annual Hosting Fees	$ 450,000	$ 380,000	Tom Young
GIS Solutions	GIS Basemap Data	$ 27,300	$ 26,000	Josh Duke
Granicus GovQA/WebQA/AKA	Hosting and Maintenance for Public Records Request and Subpoena Apps Hosting Services for Granicus Board and Committee Meeting Webcasts for OCTA and LOSSAN, eForms	$ 214,000	$ 178,000	Tom Young
Halogen	Performance Management Application (2 Years)	$ 275,626	$ 137,813	Eden Wang / Karen DeCrescenzo
ICIMS	Applicant Tracking Application (2 Years)	$ 315,000	$ 157,500	Eden Wang / Karen DeCrescenzo
INIT	Third Option Term - Extended Warranty and Annual Maintenance	$ 175,000	$ 166,437	Isaac Herrera
Intellitime	Electronic Timesheet, Annual Hosting, Maintenance and Support	$ 72,500	$ 60,400	Tom Young
Kronos/UKG	Workforce Central Software & Hardware Annual Hosting, Eductation, Training Maintenance and Support	$ 136,000	$ 113,200	Tom Young
L3Harris Insite Telecom	Intelligent Transportation Management System Fixed Radio Components	$ 60,000	$ 60,000	Michael Beerer
LA Safe	511 System Web, IVR, and Mobile Application Items	$ 445,000	$ 445,000	Patrick Sampson
LinkedIn	Recruiting Software	$ 27,563	$ 26,250	Eden Wang / Lynn Huson

Vendor Name	Software / Hardware Product	Sole Source Amount	Budgeted FY 23-24	Owner
March Networks	On-Board Video Surveillance System Maintenance and Administration Contract	$ 1,200,000	$ 1,100,000	Michael Beerer
McLean AKA Info-Tech Research Group Inc.	Employee Engagement, Pulse, and Exit Surveys	$ 34,729	$ 33,075	Eden Wang / Karen DeCrescenzo
MHC Software, Inc. AKA Safeguard	Check Printing Software, W2 and1099 Printing, ACA Reporting, Electronic W2/Paystubs, Document Express 1099-NEC and MHC DSS mhcKBA	$ 46,305	$ 44,100	Eden Wang / Cherie Finona / Karen DeCresenzo
Oracle	Oracle Annual Software Support, Maintenance and Training	$ 450,000	$ 450,000	Michael Beerer
Origami Risk LLC	Origami Risk Software	$ 354,000	$ 295,000	Tom Young
Payscale	Human Resources Contracted Salary Research Service	$ 40,517	$ 38,588	Eden Wang / Lynn Huson
Qlik	Annual maintenance and support for Qlikview & Qliksense licenses	$ 110,000	$ 90,000	Eden Wang
9280-0366 Québec inc. dba Transit	Proprietary Transit Royale Mobile App Rider Trip Planning	$ 70,000	$ 35,000	Eden Wang / Ryan Armstrong
Salesforce AKA ExactTarget	Proprietary Platform for Email and Text Messaging Services	$ 208,373	$ 198,450	Eden Wang / Ryan Armstrong/ Jacqueline Moon
Santa Catalina Conservancy	Catalina Radio Frequency Site and Service	$ 55,000	$ 50,000	Michael Beerer
SAP America, Inc. (Previously Business Objects)	Annual Maint & Support for Crystal and Business Objects WEB Intelligence	$ 57,881	$ 55,125	Eden Wang / Jenny Tran
Sprinklr	Social Media Management System for Advertising, Tracking and Reporting Marketing Programs	$ 61,355	$ 58,433	Eden Wang / Ryan Armstrong
SPX Corp.	Annual Support Services for GFI Genfare.	$ 92,400	$ 77,000	Tom Young
Swiftly	Insights (GPS Playback & On-Time Performance) Transitime (Real Time Passenger Info, Rider Alerts, SMS Text4Next) Service Adjustments, Running Times, Speed Maps	$ 849,954	$ 547,575	Eden Wang / Tim Beseau
Switch	Data Center Colocation Services (3 Years)	$ 1,119,140	$ 355,000	Josh Duke
Talentwise	Hosted Onboarding Solution	$ 40,517	$ 40,517	Eden Wang / Karen DeCrescenzo
Total Rewards	Employee Total Compensation Dashboard (3 Years)	$ 49,950	$ 16,642	Eden Wang / Bea Maselli
Trackit	Training Assignment and Evaluator Software	$ 34,300	$ 28,600	Tom Young
Trapeze AKA Vontas	Trapeze EZ Wallet, TripSpark (RidePro, RidePro App Vanpool), Drivermate, Trapeze Pass 4, IVR Confirm/Cancel & Real-time & Call back & Trip booking & Gateway & Viewpoint & Map Maker & Eligibility Suite(Pass-Cert) & Srv Infractions (Pass-SUS) & 2 MDT-MON/MDC Software & Hardware with Map Maker and VoiceGenie, PASS-MON-SPV up to 12 Paratransit vehicles, Trapeze 14 ODB & DCC 14 Units, ViewPoint for PASS, SUS -Trip Broker Trip Licensing; PASS-MON Vehicle (MDT); PASS Trapeze User Licenses - Work Stations; Maps & Service Area Polygons; Trapeze Web - Online Booking; Trapeze Viewpoint – Dashboard; IPA Module	$ 985,000	$ 821,500	Tom Young
Trinet	CAMMNET Support	$ 88,200	$ 84,000	Eden Wang / Marcus Estrada
Vertosoft LLC	Comprehensive Annual Financial Report Preparation Software	$ 63,670	$ 60,638	Eden Wang / Changsu Lee
Virtual Consulting	Crystal, Business Objects, and Java Support for DataWarehouse and Occurrence Tracking Systems.	$ 54,928	$ 47,550	Eden Wang / Jenny Tran
Xerox Corporation	Xerox Maintenance, Printing Equipment, Software, Parts and Supplies	$ 300,000	$ 250,000	Sara Belovsky
Zenger Folkman	Zenger Folkman provides the 16 core competencies used for the agency. With the licensing agreement we are able to use the core competencies, Extraordinary Leader model which have been implemented into the OCTA Academies, training programs, interview questions (5 Years)	$ 92,825	$ 92,825	Mark Schaff
Zones	Adobe Sign	$ 44,100	$ 42,000	Katrena Schulze
	Subtotal	**$ 10,692,779**	**$ 8,562,107**	

Vendor Name	Software / Hardware Product	Sole Source Amount	Budgeted FY 23-24	Owner

With Emergency Support

(The vendors listed below have been detailed to reflect the cost of the emergency support that is required for these vendors. This support is not covered in the basic contract. It will be used for emergency support during after hours, weekends & holidays.)

Vendor Name	Software / Hardware Product	Sole Source Amount	Budgeted FY 23-24	Owner
Infor (US), Ciber	Annual Certified Support: Lawson Custom Interfaces & Modifications	$ 69,000	$ 63,000	Tom Young
	Certified On-Call Support	$ 5,000	$ 5,000	
	Lawson HR/Payroll Software & Lawson Business Intelligence	$ 210,000	$ 175,000	
	Educational Services - Lawson Learning Suite Subscription (CloudSuite)	$ 7,000	$ 5,500	
Hitachi/ABB	Ellipse Software Hosting	$ 365,000	$ 302,000	Tom Young
	Maintenance	$ 200,000	$ 160,000	
	Ellipse Interface and Emergency Support	$ 50,000	$ -	
CAI	UI Path Licenses, UIPATH Advanced Robotics Process Automation (RPA)	$ 105,000	$ 100,000	Katrena Schulze
	Emergency Support	$ 157,500	$ 150,000	
Informatica	PowerCenter SE (4-7) & Partitioning Option (4-7) AKA **Test** Environment and **Production** Environment (known as two separate	$ 138,915	$ 132,300	Eden Wang
	Emergency Support	$ 50,000	$ 31,500	
IFAS/Superion/One Solution/ Central Square/ Finance Enterprise	ONESolution Enterprise Core SQL-SQL-IFAS Maintenance One Solution / CentralSquare Contract Management module MKS SQL Annual Maintenance Fee TEST: IFAS - MKS Connectivity Suite Maintenance MicroFocus Server Express Runtime Annual Maintenance Fee OS and TEST: QS - MicroFocus Runtime COBOL NetExpress 3.1 Annual maintenance and support for IFAS application Emergency support on an as-needed basis with no guaranteed usage	$ 250,000	$ 225,000	Tom Young
	EAM/Ellipse Interface Support	$ 20,000	$ 20,000	
Hewlett Packard Enterprise	Hewlett-Packard Computers Maintenance	$ 42,000	$ 40,000	Josh Duke
	Emergency Support	$ 21,000	$ 20,000	
Konica Minolta	Nintex, Kofax, Valo & Gimmal Maintenance	$ 175,350	$ 167,000	Katrena Schulze
	Emergency Support	$ 157,500	$ 150,000	
	Business Process Outsourcing (BPO)	$ 50,000	$ -	
XenaTech Software Integration Service LLC	Motorist Services Hosting and Maintenance for Freeway Service Patrol's LATATrax / InteliTraxx System	$ 38,000	$ 38,000	Patrick Sampson
	Emergency Support	$ 50,000	$ 50,000	Patrick Sampson
	Subtotal	**$ 2,161,265**	**$ 1,834,300**	
	Grand Total of Contracts	***$ 12,854,044***	***$ 10,396,407***	

ATTACHMENT E

ITEM 6.B

METROLINK

metrolinktrains.com/meeting

ITEM ID:	**2023-196-0**
TRANSMITTAL DATE:	**May 5, 2023**
MEETING DATE:	**May 12, 2023**
TO:	**Audit and Finance Committee**
FROM:	**Arnold Hackett, Chief Financial Officer**
SUBJECT:	**Proposed FY2023-2024 (FY24) Budget - Request to Transmit**

Issue

The Southern California Regional Rail Authority (SCRRA) Joint Powers Authority (JPA) requires that the "Governing Board shall approve a preliminary administrative budget and capital improvement program for the succeeding fiscal year no later than May 1 of each year. The Board shall adopt a final budget no later than June 30 of each year...Decisions dealing with capital and operating fund allocations, as well as annual approval of each Member Agency's share of the Authority's annual budget, shall be approved by the Member Agencies themselves."

In response to staff's request, at the April 28th meeting the SCRRA Board of Directors approved a deferral of the transmittal of the FY24 Budget until May 26, 2023.

Recommendation

It is recommended that the Committee recommend the Board approve t ransmitting the Proposed FY24 Budget for the consideration and adoption of the Member Agencies.

Strategic Commitment

This report aligns with the Strategic Business Plan commitments of:

- **Safety is Foundational:** We will stay on the leading edge by deploying new technologies and processes to enhance the safety and security of our riders, our fellow employees, and the communities we serve.

- **Customers Are Our Business:** We respect and value our customers, putting them at the heart of all we do, and work hard to attract and retain new customers by understanding their needs and finding new and innovative ways to bring them on board.

- **Connecting and Leveraging Partnerships:** We will forge new and enhanced relationships with our public and private partners to integrate and coordinate connecting services, providing residents throughout Southern California with better, seamless, sustainable alternatives to driving.

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees.

- **Advancing Key Regional Goals:** We will grow the role of regional rail in addressing climate change, air quality, and other pressing issues by advancing toward zero emissions, making rail a compelling alternative to single-occupant automobiles and advancing equity-focused opportunities for all communities throughout Southern California.

The FY24 Budget has been constructed to provide support to each of Metrolink's strategic goals.

Background

The process of constructing the Proposed FY24 Budget was presented with a number of unique challenges:

- External support for updating the Ridership/Revenue Forecast
- Collaboration with LOSSAN
- Arrow Service Budget Development
- Adjustments to Service Levels

A particular issue was that service levels required Member Agency consensus in order to produce a budget.

After many discussions with Member Agencies, it was decided that a majority preferred a budget reflecting current service levels, with the proposed understanding that those levels could be revisited for implementation with the standard October 2023 schedule revisions. Any revisions would require an amendment to the Proposed FY24 Budget.

FY24 Operating Budget as originally reviewed with Member Agencies and the MAAC was based on an increased level of service to pre-pandemic levels to begin in October. The budget which is proposed here is based on a current level of service for the entire Fiscal Year 2023-24.

On April 28, 2023, staff requested, and the Board approved, the deferral of the transmission of the Proposed FY24 Budget to the Member Agencies until May 26, 2023.

Discussion

Kickoff meetings for the FY24 Budget were conducted in early December 2022. Metrolink CEO guidance was provided that required an increase of not more than 5% for each department. The Budget requests were submitted and subsequently analyzed and reviewed by Budget staff. The CFO then held internal meetings with each department, and, subsequently, the Chief Executive Officer. The purpose of the meetings was to review the necessity for budget amounts requested taking into consideration such factors as:

- Overarching goal of safety, fiscal sustainability and operational efficiency;
- Consideration of the post pandemic changes to farebox revenue;
- Condition of Assets;
- Funding at a level which will meet the goals of the Authority;
- Contractual requirements;
- Historic levels of spending;
- Current levels of spending;
- Known adjustments for the forthcoming year;
- Projects to improve efficiencies and create savings in current and future years.

Internal meetings were concluded in early March. The CFO then conducted meetings with each of the Member Agency CFOs and staff in late March. The Proposed FY24 Budget was reviewed with the Member Agency Advisory Committee (MAAC) members on April 7th, and May 4, 2023.

An overview of the FY24 Proposed Budget for Operations and the Capital Program detailing the total request for support was reviewed with the Member Agencies' Chief Executive Officers during the April 2023 monthly meeting.

Foundation for Proposed FY24 Budget

The Proposed FY24 Budget provides funding to achieve:

Continued emphasis on safe operations

- Intraoperative Positive Train Control (PTC) updates and maintenance as the centerpiece of Metrolink's efforts.
- Grant funded efforts to reduce the number of trespasser injuries (GPS/Cameras).

Investment in existing and new assets to maintain a state of good repair

- Funding of critical rehabilitation projects.
- Funding for studies to improve maintenance efficacy and efficiency.

Increase of ridership and revenue

- Assistance for Low Income Riders (Grant)

- Programs for Students
- Programs to generate ridership for entertainment, day trips, shopping, etc.
- External study of Fare Structure

FY24 Operating Budget Assumptions:

- Service
  - Service at current service level
  - Addition of Codeshare North and South of Union Station (Pending agreement with LOSSAN)
- Revenue
  - Ridership and Revenue Forecast as provided by KPMG/Sperry Capital (Attachment A)
- Expense
  - Contractor increases only as mandated by agreements
  - 5% merit pool
  - No COLA
  - No New FTE Headcount
- Arrow as a separate budget funded by SBCTA
- Reporting
  - Monthly
  - Formal mid-year budget review

Operating Budget Details

Proposed Total Operating Revenues are $52.8M and reflect a projected net decrease of $13.7M or 20.7% from the FY23 Budget. The year-over-year changes are detailed below in the Operating Revenues section. Expenditures are $303.4M and reflect an increase of $7.1M or 2.4% higher than the FY23 Budget. Details of the year-over-year expense change are explained below in the Operating Expenditures section. The required Operating Support is $250.7M and is an increase of $20.9M, or 9.1% from the FY23 Budget. (see Attachment B for comparisons).

The Proposed FY24 Budget Operating Statement by detailed categories compared to the FY23 Budget, by Member Agency, by Line, and historically over the last five years are included as Attachments C, D, E, and F.

Discussion of Proposed FY24 Budget Operating Statement Operating Revenues

Operating Revenues include Farebox, Dispatching, and Maintenance-of-Way (MOW) Revenues, and Other Revenues, such as interest, scrap, other minor miscellaneous revenues. Operating Revenues are estimated to total $52.8M for FY24, a decrease of $13.7M or 20.7% compared to the FY23 Budget.

Farebox Revenue, which is the largest component of the Total Operating Revenue, is projected at $37.2M, a decrease of $13.9M or 27.2% compared to the FY23 Budget. Revenue budgets for both FY22 and FY23 were overly optimistic. Recognizing our difficulty in forecasting accurately in a totally restructured environment for public transportation, we sought assistance from KPMG/Sperry Capital. The Proposed FY24 Budget is based on the forecast provided by KPMG/Sperry Capital. The comparisons between amounts used in the FY23 Budget which was produced in-house in November of 2021, and the new forecast can be seen on Attachment A. Subsidies add an additional $3.1M to the Farebox amount.

Dispatching and MOW revenues from the freight railroads and Amtrak are based on existing agreements at the expected rate of usage. The budget of $2.0M for Dispatching Revenue reflects a decrease of $0.8M as compared to the FY23 Budget resulting from Amtrak service reduction. The MOW Revenue is $12.9M reflecting an increase of $1.1M, or 8.9% as compared to the FY23 Budget. Other Revenues are budgeted at $0.7M.

Operating Expenditures

Operating Expenditures are presented in the following four categories: Train Operations, Maintenance-of-Way (MOW), Administration and Services, and Insurance. Comparisons are to the FY23 Budget.

The Train Operations component of the Operating budget contains those costs necessary to provide Metrolink commuter rail services across the six-county service area, which includes the direct costs of railroad operations, equipment maintenance, and required support costs. The Proposed FY24 Budget for expenditures related to Train Operations including contingency is $171.6M an increase of 0.4% from the FY23 Budget

MOW expenditures are those costs necessary to perform the inspections and repairs needed to ensure reliable, safe, efficient operation of trains, and the safety of the public. The Proposed FY24 Budget amount for expenditures related to MOW is $54.3M, an increase of 4.1% from the FY23 Budget.

Administration and Services include internal expenditures related to Train Operations. The Proposed FY24 Budget for expenditures related to Administration & Services is $57.4M, an increase of 6.1% as compared to the FY23 Budget.

The Category of Insurance and Legal is $20.0M for the Proposed FY24 Budget, a 5.4% increase from the FY23 Budget.

Overall, the total Proposed FY24 Budget for expenditures is $303.4M, and has increased from the FY23 Budget by $7.1M or 2.4%. The components of this change are as described below.

Total Train Operations have increased by $0.7M or 0.4%. The primary drivers of this increase are:

- Train Operations Services have decreased $4.8M or 9.4% as the result of the decision to remain at current service levels, while the FY23 Budget anticipated complete restoration of service;
- Equipment Maintenance increased by $3.5M or 8.5%. The mechanical vendor has held their contract flat. The $3.5M is an increase in the cost of parts for maintaining Rolling Stock. The F125 Locomotives are no longer under warranty;
- Fuel expense decreased by $3.0M or 9.1% due to the worldwide price reductions in fuel;
- Security increased by $0.8M or 4.9% due to increases by the Sheriff's Department;

- Utilities and Leases decreased by $0.8M or 21.1% primarily as a result of telecom expense being moved to a systemwide expense category this year;
- Station Maintenance increased by $3.0M or 139.3% due to increased Union Station Common Area Maintenance;
- Rail Agreements increased by $1.4M or 25.9%, as a result of the AAR index driven by inflation to over 20%.

MOW has increased by $2.1M or 4.1% from the FY23 Budget primarily as a result of the increase of the Herzog costs by $2.5M or 7.2%, offset by a reduction in estimated Extraordinary Maintenance charges and the transfer of Holiday pay ($0.3M) to an Indirect Administrative category.

Administration and Services have increased from FY23 Budget by $3.3M or 6.1%. The primary drivers of this increase are:

- A decrease to Operations Salaries & Benefits for $0.7M or 3.8%, as a result of the movement of Holiday pay to Indirect Administrative category;
- An increase to Operations Non-Labor Expense of $0.8M or 7.1%, driven by $1.3M for the New Mobile Ticketing System (Deferred from last year), offset by reductions to Hardware/Software purchases;
- An increase of $3.1M or 14.4% in charges to Indirect Administrative costs is the result of:
  - $1.0M telecom costs transferred to this category (offsetting decrease in utilities;
  - $1.4M transfer of Holiday Pay to this category (offsetting decrease in Salaries and Wages for Operations and in MOW);
  - $0.7M increase to Interns, Grads on Track, Job Core.

Total Insurance and Legal expense has increased by $1.0M or 5.4% from the FY23 Budget,

- Property and Liability Insurance premiums are higher by $0.8M or 4.7%
- Claims Administration is increased by $0.3M

Member Agency Operating Support

Member Agency support is required to fund the difference between the total costs of operations and available revenues. The Proposed FY24 Budget estimates total Member Agency support is needed in the amount of $250.7M, an increase of $20.9M, or 9.1% more than the FY23 Budget.

The Budget Summary Comparison (Attachment F) includes a year-over-year comparison of net operating support by Member Agency. In response to Member Agency requests, this schedule reflects the FY24 Proposed member support in whole dollars which are required to create Member Agency Board requests.

ARROW Service Budget

At the request of the San Bernardino County Transportation Authority, staff will be submitting a request for a continuing appropriation resolution for approval to cover the 1st Quarter FY2024 expenses for Arrow Service. The Proposed FY24 Budget for Arrow Service will be submitted at a later date, to be determined.

<u>Capital Program Budget</u>

<u>State of Good Repair (SGR)</u>

The Proposed FY24 Proposed Budget was developed based on the Metrolink Rehabilitation Plan (MRP) which was created in fulfillment of the Transit Asset Management (TAM) requirement, and to address the Authority's SGR needs. The MRP addresses two critical elements:

- **Backlog:** Total cost of renovating all assets to achieve a current SGR
- **SGR:** Annual cost of keeping assets in a State of Good Repair

The FY24 budget request addresses only the SGR or annual cost of keeping assets in a State of Good Repair. The Proposed FY24 Budget does not address the current backlog which is estimated to be over $768M.

The SGR authorization request for FY24 was identified as necessary investments to maintain a SGR. These projects total $126.3M. The projects are presented by Member Agency, by Line, and by individual project with locations and descriptions in Attachment G.

<u>New Capital</u>

The New Capital authorization request for FY24 was identified as necessary for safe and efficient rail operations. These projects total $20.9M. The projects are presented by Member Agency, by Line, and by individual project with locations and descriptions in Attachment H.

Multi-year Forecasts

Operating Budget Forecasts for FY25, FY26, FY27 and FY28 will be provided to the committee for their requested approval at the June 9, 2023 Committee Meeting. Upon Board approval, the FY25, FY26, FY27, and FY28 forecasted budgets will be provided to the Member Agencies for consideration and programming. The four- year forecasts will only be considered for adoption individually during the applicable year.

Upon approval by the Board, the Proposed FY24 Budget will be transmitted to Member Agencies for consideration and adoption.

<u>Operating Budget Attachments</u>
The attachments as listed below provide additional detail on the FY24 Proposed Budget for Operating as described:

Attachment A - KPMG/Sperry Capital Ridership Forecast
Attachment B - FY24 Proposed Operating Budget with Comparison to FY23
Attachment C - Historical Actual and Budgeted Operating Statements
Attachment D - FY23 Proposed Operating Budget by Member Agency
Attachment E - FY23 Proposed Operating Budget by Line
Attachment F - History of Actual and Budgeted Operating Support by Member Agency

<u>Capital Program Budget Attachments</u>
The attachments as listed below provide additional detail on the FY24 Proposed Budget for the Capital Program as described:

Attachment G - FY24 Proposed SGR Projects by Member Agency, Line, and Project Detail List
Attachment H - FY24 Proposed New Capital by Member Agency, Line, and Project Detail List
Attachment I - FY24 Proposed Capital Program Cashflow

Budget Impact

This report and the transmittal of the Proposed FY24 Budget has no impact on the FY23 Budget.

Next Steps

May-June, 2023: Staff presentations at Member Agencies' Committee and Board meetings, as requested

May 26: Board Approval for FY24 Budget transmittal to Member Agencies

June 9: Request AFCOM recommendation for adoption of FY24 Budget, approval of 4-year forecast and working capital policy, and continuing appropriation resolution for first quarter Arrow service FY24 Operating Budget

June 23 - Board Adoption of FY24 Budget, approval of 4-year forecast and working capital policy, and continuing appropriation resolution for first quarter Arrow service FY24 Operating Budget

Prepared by: Christine Wilson, Senior Finance Manager

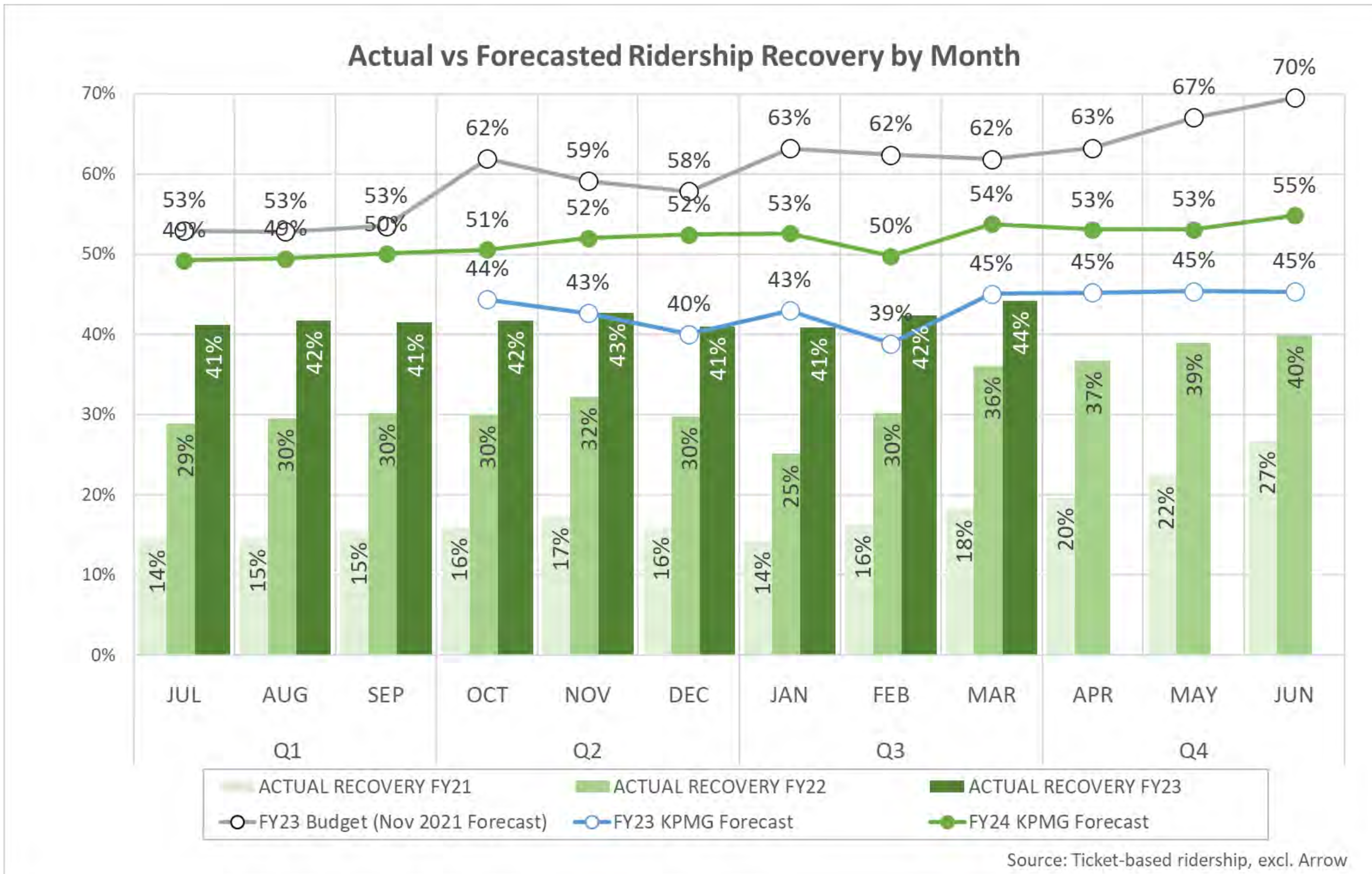
Approved by: Arnold Hackett, Chief Financial Officer

Attachment(s)

Attachment A - Ridership Recovery Forecast
Attachment B - FY24 Proposed Operating Budget
Attachment C - Historical Actual and Budget
Attachment D - FY24 Proposed Operating Budget by Member Agency
Attachment E - FY24 Proposed Operating Budget by Line
Attachment F - History of Actual and Budgeted Operating Support
Attachment G - FY24 Capital Projects - SGR
Attachment H - FY24 Capital Projects - New Capital
Attachment I - FY24 Capital Projects - SGR and New Capital Cash Flow
Presentation - Proposed FY2023-2024 (FY24) Budget - Request to Transmit

Ridership Recovery Forecast

Attachment A



FY24 Proposed Operating Budget

Attachment B

($000s)	FY 22-23 Amended Budget	FY 23-24 Proposed Budget	Variance FY23 Amended vs FY24 Proposed $ Variance	% Variance
Operating Revenue				
Farebox Revenue	47,085	34,138	(12,946)	-27.50%
Fare Reduction Subsidy	1,511	490	(1,020)	-67.54%
Other Train Subsidies	2,500	2,565	65	2.62%
Special Trains	-	-	-	n/a
Subtotal-Pro Forma FareBox	**51,095**	**37,194**	**(13,901)**	**-27.21%**
Dispatching	2,777	1,963	(814)	-29.32%
Other Revenues	773	691	(82)	-10.56%
MOW Revenues	11,879	12,932	1,053	8.86%
Total Operating Revenue	**66,523**	**52,779**	**(13,744)**	**-20.66%**
Operating Expenses				
Operations & Services				
Train Operations	51,345	46,530	(4,815)	-9.38%
Equipment Maintenance	41,054	44,560	3,506	8.54%
Fuel	32,716	29,743	(2,973)	-9.09%
Non-Scheduled Rolling Stock Repairs	100	100	-	0.00%
Operating Facilities Maintenance	2,218	2,244	26	1.18%
Other Operating Train Services	934	942	8	0.86%
Rolling Stock Lease	-	-	-	n/a
Security	15,738	16,513	774	4.92%
Public Safety Program	103	103	-	0.00%
Passenger Relations	1,911	2,021	110	5.77%
TVM Maintenance/Revenue Collection	5,365	5,342	(23)	-0.43%
Marketing	3,097	3,238	141	4.54%
Media & External Communications	372	322	(50)	-13.40%
Utilities/Leases	3,914	3,088	(826)	-21.11%
Transfers to Other Operators	3,276	3,269	(7)	-0.22%
Amtrak Transfers	824	1,185	362	43.94%
Station Maintenance	2,185	5,229	3,044	139.34%
Rail Agreements	5,305	6,680	1,375	25.92%
Holiday Trains	-	-	-	n/a
Special Trains	500	500	-	0.00%
Subtotal Operations & Services	**170,958**	**171,611**	**652**	**0.38%**
Maintenance-of-Way				
MoW - Line Segments	51,167	53,546	2,378	4.65%
MoW - Extraordinary Maintenance	1,048	794	(253)	-24.18%
Subtotal Maintenance-of-Way	**52,215**	**54,340**	**2,125**	**4.07%**
Administration & Services				
Ops Salaries & Benefits	17,903	17,221	(683)	-3.81%
Ops Non-Labor Expenses	11,983	12,830	848	7.08%
Indirect Administrative Expenses	21,546	24,658	3,112	14.44%
Ops Professional Services	2,685	2,717	32	1.20%
Subtotal Admin & Services	**54,117**	**57,426**	**3,309**	**6.11%**
Contingency	**90**	**88**	**(3)**	**-2.78%**
Total Operating Expenses	**277,380**	**283,464**	**6,084**	**2.19%**
Insurance and Legal				
Liability/Property/Auto	16,088	16,838	750	4.66%
Net Claims / SI	1,000	990	(10)	-1.00%
Claims Administration	1,856	2,146	290	15.62%
Subtotal Insurance and Legal	**18,944**	**19,974**	**1,030**	**5.44%**
Total Expense	**296,324**	**303,438**	**7,114**	**2.40%**
Loss / Member Support Required	**(229,801)**	**(250,659)**	**(20,858)**	**9.08%**

Numbers may not foot due to rounding

Historical Actual and Budgeted Operating Statements

Attachment C

($000s)	FY 19-20 Actual	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Amended Budget	FY 23-24 Proposed Budget	Variance FY24 Proposed vs FY23 Amended	
						$ Variance	% Variance
Operating Revenue							
Farebox Revenue	61,843	13,811	25,128	47,085	34,138	(12,946)	-27.50%
Fare Reduction Subsidy	1,090	164	689	1,511	490	(1,020)	-67.54%
AV Line Discount	-	-	(15)	-	-	-	n/a
Other Train Subsidies	-	2,306	2,365	2,500	2,565	65	2.62%
Special Trains	171	-	121	-	-	-	n/a
Subtotal-Pro Forma FareBox	**63,104**	**16,256**	**28,288**	**51,095**	**37,194**	**(13,901)**	**-27.21%**
Dispatching	2,300	2,079	2,155	2,777	1,963	(814)	-29.32%
Other Revenues	254	345	459	773	691	(82)	-10.56%
MOW Revenues	13,301	11,545	11,506	11,879	12,932	1,053	8.86%
Total Operating Revenue	**78,958**	**30,225**	**42,407**	**66,523**	**52,779**	**(13,744)**	**-20.66%**
Operating Expenses							
Operations & Services							
Train Operations	45,701	42,885	41,589	51,345	46,530	(4,815)	-9.38%
Equipment Maintenance	36,861	37,041	39,130	41,054	44,560	3,506	8.54%
Fuel	21,150	18,640	21,245	32,716	29,743	(2,973)	-9.09%
Non-Scheduled Rolling Stock Repairs	92	112	43	100	100	-	0.00%
Operating Facilities Maintenance	1,569	2,130	1,804	2,218	2,244	26	1.18%
Other Operating Train Services	863	945	520	934	942	8	0.86%
Rolling Stock Lease	231	230	-	-	-	-	n/a
Security	9,367	13,597	13,973	15,738	16,513	774	4.92%
Public Safety Program	55	64	14	103	103	-	0.00%
Passenger Relations	1,786	1,787	1,622	1,911	2,021	110	5.77%
TVM Maintenance/Revenue Collection	7,594	3,503	3,675	5,365	5,342	(23)	-0.43%
Marketing	1,359	2,092	2,646	3,097	3,238	141	4.54%
Media & External Communications	410	219	101	372	322	(50)	-13.40%
Utilities/Leases	2,762	2,899	2,913	3,914	3,088	(826)	-21.11%
Transfers to Other Operators	5,394	662	1,975	3,276	3,269	(7)	-0.22%
Amtrak Transfers	1,166	41	238	824	1,185	362	43.94%
Station Maintenance	1,980	1,960	1,984	2,185	5,229	3,044	139.34%
Rail Agreements	5,159	4,812	3,193	5,305	6,680	1,375	25.92%
Holiday Trains	57	-	-	-	-	-	n/a
Special Trains	524	-	74	500	500	-	0.00%
Subtotal Operations & Services	**144,081**	**133,621**	**136,741**	**170,958**	**171,611**	**652**	**0.38%**
Maintenance-of-Way							
MoW - Line Segments	43,375	43,756	49,740	51,167	53,546	2,378	4.65%
MoW - Extraordinary Maintenance	864	599	242	1,048	794	(253)	-24.18%
Subtotal Maintenance-of-Way	**44,239**	**44,355**	**49,982**	**52,215**	**54,340**	**2,125**	**4.07%**
Administration & Services							
Ops Salaries & Benefits	15,497	15,578	15,107	17,903	17,221	(683)	-3.81%
Ops Non-Labor Expenses	7,645	7,334	7,594	11,983	12,830	848	7.08%
Indirect Administrative Expenses	18,254	17,695	17,645	21,546	24,658	3,112	14.44%
Ops Professional Services	3,019	2,311	2,276	2,685	2,717	32	1.20%
Subtotal Admin & Services	**44,415**	**42,917**	**42,622**	**54,117**	**57,426**	**3,309**	**6.11%**
Contingency	**11**	**-**	**-**	**90**	**88**	**(3)**	**-2.78%**
Total Operating Expenses	**232,745**	**220,893**	**229,344**	**277,380**	**283,464**	**6,084**	**2.19%**
Insurance and Legal							
Liability/Property/Auto	9,870	12,447	12,857	16,088	16,838	750	4.66%
Net Claims / SI	2,303	1	(684)	1,000	990	(10)	-1.00%
Claims Administration	367	682	1,708	1,856	2,146	290	15.62%
Total Net Insurance and Legal	**12,540**	**13,129**	**13,880**	**18,944**	**19,974**	**1,030**	**5.44%**
Total Expense	**245,285**	**234,023**	**243,224**	**296,324**	**303,438**	**7,114**	**2.40%**
Non-Recurring Settlement Expense 1	**-**	**3,234**	**-**	**-**	**-**	**-**	**n/a**
Non-Recurring Settlement Expense 2	**-**	**2,370**	**-**	**-**	**-**	**-**	**n/a**
Loss / Member Support Required	**(166,327)**	**(209,402)**	**(200,817)**	**(229,801)**	**(250,659)**	**(20,858)**	**9.08%**
Member Support Payments	**156,578**	**163,176**	**131,718**	**TBD**	**TBD**	**TBD**	**TBD**
CARES Funding Utilized	**9,748**	**46,226**	**66,491**				
Refund of Remaining Carryforward	**-**	**-**	**196**				
Surplus / (Deficit)	**-**	**-**	**(2,412)**				

Numbers may not foot due to rounding

FY24 Proposed Operating Budget by Member Agency

Attachment D

(000's)	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL
Operating Revenue						
Farebox Revenue	17,181	8,347	3,151	4,688	771	34,138
Fare Reduction Subsidy	293	-	-	197	-	490
Other Train Subsidies	2,565	-	-	-	-	2,565
Special Trains	-	-	-	-	-	-
Subtotal-Pro Forma FareBox	**20,040**	**8,347**	**3,151**	**4,885**	**771**	**37,194**
Dispatching	1,019	594	13	116	220	1,963
Other Revenues	344	150	73	88	35	691
MOW Revenues	6,811	3,047	880	1,766	427	12,932
Total Operating Revenue	**28,215**	**12,138**	**4,117**	**6,855**	**1,454**	**52,779**
Operating Expenses						
Operations & Services						
Train Operations	25,174	9,227	4,409	5,606	2,114	46,530
Equipment Maintenance	21,813	10,129	5,091	5,414	2,112	44,560
Fuel	15,330	6,667	2,874	3,588	1,284	29,743
Non-Scheduled Rolling Stock Repairs	50	24	10	12	3	100
Operating Facilities Maintenance	1,129	534	232	271	78	2,244
Other Operating Train Services	468	130	112	157	75	942
Rolling Stock Lease	-	-	-	-	-	-
Security	8,581	3,437	1,766	1,903	825	16,513
Public Safety Program	49	18	15	11	10	103
Passenger Relations	980	526	182	284	48	2,021
TVM Maintenance/Revenue Collection	2,335	1,147	871	673	317	5,342
Marketing	1,605	787	301	462	84	3,238
Media & External Communications	153	56	48	34	32	322
Utilities/Leases	1,465	532	459	324	307	3,088
Transfers to Other Operators	1,746	821	236	359	108	3,269
Amtrak Transfers	485	543	-	-	157	1,185
Station Maintenance	3,135	718	354	742	281	5,229
Rail Agreements	1,973	1,825	1,608	373	902	6,680
Holiday Trains	-	-	-	-	-	-
Special Trains	238	99	56	72	36	500
Subtotal Operations & Services	**86,710**	**37,220**	**18,625**	**20,284**	**8,772**	**171,611**
Maintenance-of-Way						
MoW - Line Segments	29,835	10,521	3,380	6,802	3,008	53,546
MoW - Extraordinary Maintenance	465	114	76	85	55	794
Subtotal Maintenance-of-Way	**30,300**	**10,635**	**3,456**	**6,886**	**3,063**	**54,340**
Administration & Services						
Ops Salaries & Fringe Benefits	8,169	2,980	2,555	1,810	1,707	17,221
Ops Non-Labor Expenses	6,368	2,567	1,563	1,475	858	12,830
Indirect Administrative Expenses	11,698	4,248	3,669	2,589	2,453	24,658
Ops Professional Services	1,289	468	404	285	270	2,717
Subtotal Admin & Services	**27,523**	**10,264**	**8,191**	**6,160**	**5,289**	**57,426**
Contingency	**42**	**15**	**13**	**9**	**9**	**88**
Total Operating Expenses	**144,574**	**58,133**	**30,284**	**33,339**	**17,133**	**283,464**
Insurance and Legal						
Liability/Property/Auto	8,473	4,009	1,740	2,030	585	16,838
Net Claims / SI	498	236	102	119	34	990
Claims Administration	1,080	511	222	259	75	2,146
Total Net Insurance and Legal	**10,051**	**4,756**	**2,064**	**2,408**	**694**	**19,974**
Total Expense	**154,625**	**62,889**	**32,349**	**35,748**	**17,828**	**303,438**
Loss/Member Support Required	**(126,410)**	**(50,751)**	**(28,232)**	**(28,892)**	**(16,373)**	**(250,659)**

FY24 Proposed Operating Budget by Line

Attachment E

(000's)	San Bernardino	Ventura County	Antelope Valley	Riverside	Orange County	IEOC	91/PVL	TOTAL
Operating Revenue								
Farebox Revenue	9,818	2,017	5,881	2,201	7,597	3,400	3,225	34,138
Fare Reduction Subsidy	490	-	-	-	-	-	-	490
Other Train Subsidies	847	154	872	308	180	-	205	2,565
Special Trains	-	-	-	-	-	-	-	-
Subtotal-Pro Forma FareBox	**11,155**	**2,171**	**6,753**	**2,509**	**7,776**	**3,400**	**3,430**	**37,194**
Dispatching	367	434	292	2	842	6	19	1,963
Other Revenues	172	78	127	52	110	86	66	691
MOW Revenues	3,984	1,335	3,112	236	1,900	1,435	930	12,932
Total Operating Revenue	**15,678**	**4,019**	**10,285**	**2,798**	**10,628**	**4,927**	**4,445**	**52,779**
Operating Expenses								
Operations & Services								
Train Operations	12,064	5,473	10,155	3,033	6,575	5,062	4,167	46,530
Equipment Maintenance	10,420	4,886	8,336	2,831	7,371	5,917	4,800	44,560
Fuel	7,361	3,269	5,928	2,030	4,975	3,623	2,557	29,743
Non-Scheduled Rolling Stock Repairs	25	9	19	6	18	14	10	100
Operating Facilities Maintenance	558	200	425	128	403	305	225	2,244
Other Operating Train Services	299	125	136	113	72	92	105	942
Rolling Stock Lease	-	-	-	-	-	-	-	-
Security	3,625	1,657	3,789	1,295	2,400	2,118	1,628	16,513
Public Safety Program	15	17	19	15	10	13	14	103
Passenger Relations	604	124	351	90	402	283	167	2,021
TVM Maintenance/Revenue Collection	996	739	936	508	699	798	666	5,342
Marketing	992	216	534	159	629	413	296	3,238
Media & External Communications	47	54	58	48	31	39	45	322
Utilities/Leases	450	513	558	463	294	378	433	3,088
Transfers to Other Operators	723	282	651	278	929	166	239	3,269
Amtrak Transfers	-	415	-	-	771	-	-	1,185
Station Maintenance	1,608	816	1,024	412	842	8	518	5,229
Rail Agreements	-	902	-	2,186	1,054	1,148	1,391	6,680
Holiday Trains	-	-	-	-	-	-	-	-
Special Trains	110	76	80	69	84	67	15	500
Subtotal Operations & Services	**39,897**	**19,772**	**32,998**	**13,665**	**27,560**	**20,443**	**17,276**	**171,611**
Maintenance-of-Way								
MoW - Line Segments	15,629	8,067	12,907	1,177	7,319	5,054	3,392	53,546
MoW - Extraordinary Maintenance	174	120	126	110	134	107	23	794
Subtotal Maintenance-of-Way	**15,804**	**8,187**	**13,034**	**1,287**	**7,453**	**5,160**	**3,415**	**54,340**
Administration & Services								
Ops Salaries & Fringe Benefits	2,522	2,851	3,117	2,570	1,651	2,105	2,404	17,221
Ops Non-Labor Expenses	2,637	1,713	2,356	1,296	1,785	1,532	1,512	12,830
Indirect Administrative Expenses	3,598	4,098	4,453	3,694	2,345	3,016	3,455	24,658
Ops Professional Services	396	452	491	407	258	332	381	2,717
Subtotal Admin & Services	**9,153**	**9,114**	**10,417**	**7,966**	**6,039**	**6,986**	**7,750**	**57,426**
Contingency	**13**	**15**	**16**	**13**	**8**	**11**	**12**	**88**
Total Operating Expenses	**64,867**	**37,088**	**56,464**	**22,931**	**41,061**	**32,600**	**28,454**	**283,464**
Insurance and Legal								
Liability/Property/Auto	4,187	1,504	3,188	962	3,022	2,289	1,687	16,838
Net Claims / SI	246	88	187	57	178	135	99	990
Claims Administration	534	192	406	123	385	292	215	2,146
Total Net Insurance and Legal	**4,967**	**1,784**	**3,781**	**1,141**	**3,585**	**2,715**	**2,001**	**19,974**
Total Expense	**69,833**	**38,872**	**60,246**	**24,072**	**44,645**	**35,315**	**30,455**	**303,438**
Loss/Member Support Required	**(54,156)**	**(34,853)**	**(49,961)**	**(21,274)**	**(34,018)**	**(30,388)**	**(26,010)**	**(250,659)**

History of actual and budgeted Operating Support with variances of FY24 vs FY23

Attachment F

Support by Member Agency

	Total Support	METRO Share	OCTA Share	RCTC Share	SBCTA Share	VCTC Share
FY23 Amended Budget	$229,800,737	$117,951,427	$45,988,164	$25,890,809	$25,224,743	$14,745,594
FY24 Proposed Budget	$250,658,883	$126,410,472	$50,750,849	$28,231,763	$28,892,306	$16,373,492

Year-Over-Year Change	Total Support	METRO Share	OCTA Share	RCTC Share	SBCTA Share	VCTC Share
FY24 vs FY23						
$ increase	$20,858,146	$8,459,046	$4,762,685	$2,340,955	$3,667,563	$1,627,899
% increase	9.1%	7.2%	10.4%	9.0%	14.5%	11.0%

Whole numbers are provided as requested by Member Agencies for their board approval and budget adoption.

PROJECT PROPOSALS FOR FY2024 BUDGET - NONE - SGR PROJECTS ONLY

Attachment G

																	FUNDINGS					
ROW#	CREATOR	INTEND YEAR	BGT FY	STATUS	APPROVE	PROJECT #	REV	TYPE	ROUTE	SUBDIVISION	MILEPOSTS	CONDITION	IMPACT	ASSET TYPE	PROJECT	SCOPE	PROJECT COST	METRO	OCTA	RCTC	SBCTA	VCTC	OTHER
1	HOLMANS	2023	2024	SAVED	OPEN	2616	00	Rehab	ALL	All	n/a - n/a	Worn	High	Non-Revenue Fleet	Electric Vehicles (EV) to replace current vehicles that have reached end of useful life	2 EV vehicle for Safety and 2 EV vehicles for Customer Relations team to replace vehicles that are well beyond useful life and require extensive repairs. Need non-FTA funding sources.	$250,000	$118,750	$49,500	$27,750	$36,000	$18,000	$0
2	HOLMANS	2023	2024	SAVED	OPEN	2618	00	Rehab	San Bernardino LIne	San Gabriel	1.08 - 56.52	Worn	High	Track	SAN GABRIEL SUBDIVISION TRACK REHABILITATION	San Gabriel Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Rail - Ties - Crossings - Special Trackwork - Ballast Specific work will include: This project will also include rehabilitation work ($525k) within the limits of the Rancho Cucamonga SCORE and ($625k) within the limits of the El Monte SCORE project that is unfunded due to cost increases for the total project. This aspect of the project may be offset with an ongoing grant pursuit. If the SCORE work is funded through a separate grant the full scope for this project will include 21,000ft of Rail, 5000 Ties, 2 Turnouts	$5,700,000	$3,420,000	$0	$0	$2,280,000	$0	$0
3	HOLMANS	2023	2024	SAVED	OPEN	2619	00	Rehab	Ventura County Line	Ventura - LA County	441.24 - 462.39	Worn	High	Track	VENTURA (LA) SUBDIVISION TRACK REHABILITATION	Ventura (LA County) Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Rail - Ties - Crossings - Special Trackwork - Ballast Specific work will include: 4000 Ties, 1 Road Crossing (Double Track), 1 Turnout	$3,176,000	$3,176,000	$0	$0	$0	$0	$0
4	HOLMANS	2023	2024	SAVED	OPEN	2621	00	Rehab	San Bernardino LIne	SB Shortway	0.42 - 2.1	Worn	High	Track	SHORT WAY SUBDIVISION TRACK REHABILITATION	Short Way Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Rail - Ties - Crossings - Special Trackwork - Ballast	$255,000	$130,522	$54,407	$30,503	$39,568	$0	$0
5	HOLMANS	2023	2024	SAVED	OPEN	2622	00	Rehab	Perris Valley Line	San Jacinto (PVL)	65 - 85.4	Worn	High	Structures	PERRIS VALLEY SUBDIVISION REHABILITATION - CONSTRUCTION PHASE SERVICES - DEFERRED FROM FY23 BUDGET PROCESS	Additional Construction Phase funding for Citrus Retaining Wall & Drainage; Box Springs Drainage Details: Construction funds from prior years was an estimated cost for construction and changed upon completion of final design. Design phase and partial Construction phase was funded in FY21 budget: Adopted last year, FY21, were Project 521910 for $1.8M Design; Project 521920 for $2.3M Construction phase services for the area between MP 70.7 and MP 70.9. The first 2 projects to be completed in this area will be at CP Citrus with the extension of an existing retaining wall and at MP 70.85 which will add 4-60" RCP across the tracks and perform track side grading and ditching between MP 70.83 and MP 70.9. Work has not yet started, pending FTA grant execution. The FY22 request for $1.58M was meant to complete funding of the construction phase for remaining drainage and culvert projects for this area. (FY23 request Deferred to FY24) Construction funding for PVL Drainage Phase 2. Box springs and CP Citrus drainage mitigation. IFB Package 2 MP 69.72 – 70.78	$5,250,000	$0	$0	$5,250,000	$0	$0	$0
6	HOLMANS	2023	2024	SAVED	OPEN	2623	00	Rehab	Antelope Valley Line	Valley	3.67 - 76.63	Worn	High	Structures	VALLEY SUBDIVISION STRUCTURES REHABILITATION	Valley Sub Structures Rehabilitation addresses three major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Bridges - Culverts - Tunnels Specific work will include: Construction funds for Valley Sub Structures that were designed with FY22 funds. This would address up to 6 Structures of 10 on the Valley Sub that will be made Shovel-Ready with FY22 Design	$3,503,000	$3,503,000	$0	$0	$0	$0	$0
7	HOLMANS	2023	2024	SAVED	OPEN	2624	00	Rehab	San Bernardino LIne	San Gabriel	1.08 - 56.52	Worn	High	Structures	SAN GABRIEL SUBDIVISION STRUCTURES REHABILITATION	San Gabriel Sub Structures Rehabilitation addresses three major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Bridges - Culverts - Tunnels Specific work will include: Bridge Repairs at 2 locations, and replacement of 1 culvert.	$1,296,000	$777,600	$0	$0	$518,400	$0	$0

PROJECT PROPOSALS FOR FY2024 BUDGET - NONE - NEW CAPITAL PROJECTS ONLY

Attachment H

																		FUNDINGS					
ROW#	CREATOR	INTEND YEAR	BGT FY	STATUS	APPROVE	PROJECT #	REV	TYPE	ROUTE	SUBDIVISION	MILEPOSTS	CONDITION	IMPACT	ASSET TYPE	PROJECT	SCOPE	PROJECT COST	METRO	OCTA	RCTC	SBCTA	VCTC	OTHER
1	HOLMANS	2023	2024	SAVED	OPEN	2599	00	Capital	ALL	All	n/a - n/a	n/a	n/a	Rolling Stock	SMART MAINTENANCE - PHASE II	•Wireless network infra-structure to all passenger cars •Wireless connection to primary onboard system. •Equip all passenger onboard system with wireless hub.	$1,500,000	$712,500	$297,000	$166,500	$216,000	$108,000	$0
2	HOLMANS	2024	2024	SAVED	OPEN	2665	00	Capital	ALL	All	n/a - n/a	n/a	n/a	Rolling Stock	New Tier4 Locomotive Procurement	•Procure Tier 4 locomotive in 8 qty (10% Member Agencies Matching Funds commitments).	$4,900,000	$2,327,500	$970,200	$543,900	$705,600	$352,800	$0
3	SHAHIDS	2024	2024	SAVED	OPEN	2694	00	Capital	ALL	All	n/a - n/a	n/a	n/a	Rolling Stock	Communication System Overhaul Phase I	•Add interior side destination panels. •Add DC/DC isolation power supply to protect the logic board in comm system.	$550,000	$261,250	$108,900	$61,050	$79,200	$39,600	$0
4	SHAHIDS	2024	2024	SAVED	OPEN	2695	00	Capital	ALL	All	n/a - n/a	n/a	n/a	Rolling Stock	Passenger Car Luggage Rack	•Luggage rack for 137 Rotem cars •Luggage rack for 71 Bombardier cars	$1,500,000	$712,500	$297,000	$166,500	$216,000	$108,000	$0
5	SHAHIDS	2024	2024	SAVED	OPEN	2696	00	Capital	ALL	All	n/a - n/a	n/a	n/a	Rolling Stock	Passenger Cabin CCTV	• 10 cameras in all passenger cars • Video file storage • Wireless network connection from the existing car cell modem installed by Smart Maintenance program.	$3,256,000	$1,546,600	$644,688	$361,416	$468,864	$234,432	$0
6	SHAHIDS	2024	2024	SAVED	OPEN	2722	00	Capital	ALL	All	n/a - n/a	n/a	n/a	Non-Revenue Fleet	SPECIALIZED MAINTENANCE EQUIPMENT, PHASE 2	Second phase of specialized maintenance equipment multi-year procurement. Equipment is used to support specialized track maintenance, rehabilitation and third party construction projects. The specialized equipment and costs include the following: Jackson Production Tamper = $1,770,000 Dynamic Track Stabilizer = $2,357,000 Ballast Regulator = $540,000	$5,585,000	$2,652,875	$1,105,830	$619,935	$804,240	$402,120	$0
7	SHAHIDS	2024	2024	SAVED	OPEN	2745	00	Capital	ALL	All	n/a - n/a	n/a	n/a	Rolling Stock	Fuel Economy and Diagnostics Systems Study	Study analyzes possible emission reductions associated with the use of green diesel and additional cost savings that may result from use of fuel optimization software.	$600,000	$285,000	$118,800	$66,600	$86,400	$43,200	$0
8	SHAHIDS	2024	2024	SAVED	OPEN	2746	00	Capital	ALL	All	n/a - n/a	n/a	n/a	Facilities	EV Infrastructure	•Develop necessary drawings for charging infrastructure, obtain permits and utility rebate applications.	$1,500,000	$712,500	$297,000	$166,500	$216,000	$108,000	$0
9	SHAHIDS	2024	2024	SAVED	OPEN	2762	00	Capital	ALL	All	n/a - n/a	n/a	n/a	Business Systems	PMIS IT project support	IT Support for the Project Management Information System. This includes services for an Application Administrator for PMIS to ensure the proper oversight and support for the project. Also, to provide the required licenses for 1 year during the project implementation phase.	$1,000,000	$475,000	$198,000	$111,000	$144,000	$72,000	$0
10	CHAKLADARA	2024	2024	SAVED	OPEN	2782	00	Capital	ALL	All	n/a - n/a	n/a	n/a	Business Systems	Document Management System (DMS)	Procurement of a Document Management System (DMS) to allow staff and agency contractors to store and retrieve documents, images, drawings, contracts etc. This system has been prioritized by the XLT for the last year.	$464,000	$220,400	$91,872	$51,504	$66,816	$33,408	$0
																TOTAL	**$20,855,000**	**$9,906,125**	**$4,129,290**	**$2,314,905**	**$3,003,120**	**$1,501,560**	**$0**
																PROJECT COUNT	**10**						
																REHAB TOTAL	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
																REHAB COUNT	**0**						
																CAPITAL TOTAL	**$20,855,000**	**$9,906,125**	**$4,129,290**	**$2,314,905**	**$3,003,120**	**$1,501,560**	**$0**
																CAPITAL COUNT	**10**						

PROJECT PROPOSAL

FY24

HOLMANS PROJECT# 2599.00

PROJECT : SMART MAINTENANCE - PHASE II

SCOPE

TYPE: CAPITAL | NON-MRP |

•Wireless network infra-structure to all passenger cars
•Wireless connection to primary onboard system.
•Equip all passenger onboard system with wireless hub.

Mile Posts: n/a

Division: All County: ALL Asset Type: Rolling Stock

OBJECTIVES

1. (Goal 4: Retain and Grow Ridership) Grow and retain ridership
2. (Goal 4: Retain and Grow Ridership) Improve service reliability

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Wireless network infrastructure in passenger cars to accommodate future ethernet network equipped onboard system such as CCTV, DVR, Broadcasting TV, HVAC.

RANKING // PROJECT READINESS

1. System Reliability...... High
2. Ridership Increase...... Average
3. Capacity Improvements...... Low
4. Safety & Security...... High
5. Environmental...... Low

RISK CREATED BY NON-IMPLEMENTATION

Risk involved in non-implementation is that the maintenance would stay in relative low efficiency with local capability, compared to the remote/wireless capability that is available everywhere.
Current Age: New Standard Lifespan: 8 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$0		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$1,062,000		
CONSTRUCTION	$0		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$151,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$150,000		
CONTINGENCY	$137,000		
TOTAL	$1,500,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$75,000	$75,000
2025	$131,250	$131,250	$131,250	$131,250	$525,000
2026	$112,500	$112,500	$112,500	$112,500	$450,000
2027	$112,500	$112,500	$112,500	$112,500	$450,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

HOLMANS PROJECT# 2665.00

PROJECT : NEW TIER4 LOCOMOTIVE PROCUREMENT

SCOPE

TYPE: CAPITAL | NON-MRP |

•Procure Tier 4 locomotive in 8 qty (10% Member Agencies Matching Funds commitments).

Mile Posts: n/a

Division: All County: ALL Asset Type: Rolling Stock

OBJECTIVES

1. (Goal 4: Retain and Grow Ridership) Improve service reliability

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Emission reduction for environment cleanness and possible upcoming legal operating penalty (for non-Tier 4 operation). Additional benefit is legacy unit locomotive replacement.

RISK CREATED BY NON-IMPLEMENTATION

possible upcoming legal operating penalty (for non-Tier 4 operation). Opportunity to avail Grant Match

Current Age: 12 Year(s) Standard Lifespan: 0 Year(s)

RANKING // PROJECT READINESS

1. System Reliability...... High
2. Ridership Increase...... Average
3. Capacity Improvements...... Average
4. Safety & Security...... High
5. Environmental...... High

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$0		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$3,472,000		
CONSTRUCTION	$0		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$490,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$492,000		
CONTINGENCY	$446,000		
TOTAL	$4,900,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$245,000	$245,000
2025	$428,750	$428,750	$428,750	$428,750	$1,715,000
2026	$367,500	$367,500	$367,500	$367,500	$1,470,000
2027	$367,500	$367,500	$367,500	$367,500	$1,470,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

SHAHIDS PROJECT# 2694.00

PROJECT : COMMUNICATION SYSTEM OVERHAUL PHASE I

SCOPE

TYPE: CAPITAL | NON-MRP |

•Add interior side destination panels.
•Add DC/DC isolation power supply to protect the logic board in comm system.

Mile Posts: n/a

Division: All County: ALL Asset Type: Rolling Stock

OBJECTIVES

1. (Goal 4: Retain and Grow Ridership) Grow and retain ridership
2. (Goal 4: Retain and Grow Ridership) Improve service reliability

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Customer convenience
- There is currently no destination sign interior of the car.
- The interior sign will give passengers information of next station or current location information.

RISK CREATED BY NON-IMPLEMENTATION

Risk involved in non-implementation is that the maintenance would stay in relative low efficiency with local capability, compared to the remote/wireless capability that is available everywhere.
Current Age: New Standard Lifespan: 0 Year(s)

RANKING // PROJECT READINESS

1. System Reliability...... High
2. Ridership Increase...... Average
3. Capacity Improvements...... Low
4. Safety & Security...... High
5. Environmental...... Low

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$0		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$385,000		
CONSTRUCTION	$0		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$55,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$60,000		
CONTINGENCY	$50,000		
TOTAL	$550,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$27,500	$27,500
2025	$48,125	$48,125	$48,125	$48,125	$192,500
2026	$41,250	$41,250	$41,250	$41,250	$165,000
2027	$41,250	$41,250	$41,250	$41,250	$165,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

SHAHIDS PROJECT# 2695.00

PROJECT : PASSENGER CAR LUGGAGE RACK

SCOPE

TYPE: CAPITAL | NON-MRP |

•Luggage rack for 137 Rotem cars
•Luggage rack for 71 Bombardier cars

Mile Posts: n/a

Division: All County: ALL Asset Type: Rolling Stock

OBJECTIVES

1. (Goal 4: Retain and Grow Ridership) Grow and retain ridership
2. (Goal 4: Retain and Grow Ridership) Improve service reliability

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Board requested luggage rack in the passenger car to provide convenience to passengers who use Metrolink service for Ontario airport. The connecting line between Ontario and RCC is scheduled to be available by Fall 2024.

RISK CREATED BY NON-IMPLEMENTATION

Risk involved in non-implementation is that the maintenance would stay in relative low efficiency with local capability, compared to the remote/wireless capability that is available everywhere.
Current Age: New Standard Lifespan: 0 Year(s)

RANKING // PROJECT READINESS

1. System Reliability...... High
2. Ridership Increase...... Average
3. Capacity Improvements...... Low
4. Safety & Security...... High
5. Environmental...... Low

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$0		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$1,050,000		
CONSTRUCTION	$0		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$151,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$162,000		
CONTINGENCY	$137,000		
TOTAL	$1,500,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$75,000	$75,000
2025	$131,250	$131,250	$131,250	$131,250	$525,000
2026	$112,500	$112,500	$112,500	$112,500	$450,000
2027	$112,500	$112,500	$112,500	$112,500	$450,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

SHAHIDS PROJECT# 2696.00

PROJECT : PASSENGER CABIN CCTV

SCOPE

TYPE: CAPITAL | NON-MRP |

• 10 cameras in all passenger cars
• Video file storage
• Wireless network connection from the existing car cell modem installed by Smart Maintenance program.

Mile Posts: n/a

Division: All County: ALL Asset Type: Rolling Stock

OBJECTIVES

1. (Goal 4: Retain and Grow Ridership) Grow and retain ridership
2. (Goal 4: Retain and Grow Ridership) Improve service reliability

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Added security for passengers in Metrolink service. This budgetary request would outfit 2 five-car train sets. This is a proof-of-concept effort.

RANKING // PROJECT READINESS

1. System Reliability...... High
2. Ridership Increase...... Average
3. Capacity Improvements...... Low
4. Safety & Security...... High
5. Environmental...... Low

RISK CREATED BY NON-IMPLEMENTATION

Risk involved in non-implementation is that the maintenance would stay in relative low efficiency with local capability, compared to the remote/wireless capability that is available everywhere.
Current Age: New Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$0		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$2,280,000		
CONSTRUCTION	$0		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$326,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$354,000		
CONTINGENCY	$296,000		
TOTAL	$3,256,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$162,800	$162,800
2025	$284,900	$284,900	$284,900	$284,900	$1,139,600
2026	$244,200	$244,200	$244,200	$244,200	$976,800
2027	$244,200	$244,200	$244,200	$244,200	$976,800
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

SHAHIDS PROJECT# 2722.00

PROJECT : SPECIALIZED MAINTENANCE EQUIPMENT, PHASE 2

SCOPE

TYPE: CAPITAL | MRP |

Second phase of specialized maintenance equipment multi-year procurement. Equipment is used to support specialized track maintenance, rehabilitation and third party construction projects. The specialized equipment and costs include the following:
Jackson Production Tamper = $1,770,000
Dynamic Track Stabilizer = $2,357,000
Ballast Regulator = $540,000
Mile Posts: n/a

Division: All County: ALL Asset Type: Non-Revenue Fleet

OBJECTIVES

1. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents
2. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
3. (Goal 4: Retain and Grow Ridership) Improve service reliability
4. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Capital purchase of MOW specialized support equipment to support the railroad.

RANKING // PROJECT READINESS

1. System Reliability...... High
2. Ridership Increase...... High
3. Capacity Improvements...... High
4. Safety & Security...... High
5. Environmental...... High

RISK CREATED BY NON-IMPLEMENTATION

Groups of existing MOW vehicles and equipment are in immediate need of rehabilitation but cannot be taken out of service due to needs across the entire SCRRA territory. It is recommended to strategically purchase new vehicles and equipment to
Current Age: New Standard Lifespan: 15 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$0		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$0		
CONSTRUCTION	$0		
SPECIAL RAIL EQUIP	$4,667,000		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$250,000		
PROJECT MANAGEMENT			
* P.M STAFF	$100,000		
* SUPPORT STAFF	$60,000		
* CONSULTANT	$0		
CONTINGENCY	$508,000		
TOTAL	$5,585,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$279,250	$279,250
2025	$488,688	$488,688	$488,688	$488,686	$1,954,750
2026	$418,875	$418,875	$418,875	$418,875	$1,675,500
2027	$418,875	$418,875	$418,875	$418,875	$1,675,500
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

SHAHIDS PROJECT# 2745.00

PROJECT : FUEL ECONOMY AND DIAGNOSTICS SYSTEMS STUDY

SCOPE

TYPE: CAPITAL | MRP |

Study analyzes possible emission reductions associated with the use of green diesel and additional cost savings that may result from use of fuel optimization software.

Mile Posts: n/a

Division: All County: ALL Asset Type: Rolling Stock

OBJECTIVES

1. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

The study could help improve Fuel efficiency to reduce operating cost

RISK CREATED BY NON-IMPLEMENTATION

Opportunity to reduce operating fuel cost

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

RANKING // PROJECT READINESS

1. System Reliability...... High
2. Ridership Increase...... Average
3. Capacity Improvements...... Average
4. Safety & Security...... High
5. Environmental...... Low

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$0		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$420,000		
CONSTRUCTION	$0		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$60,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$65,000		
CONTINGENCY	$55,000		
TOTAL	$600,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$30,000	$30,000
2025	$52,500	$52,500	$52,500	$52,500	$210,000
2026	$45,000	$45,000	$45,000	$45,000	$180,000
2027	$45,000	$45,000	$45,000	$45,000	$180,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

SHAHIDS PROJECT# 2746.00

PROJECT : EV INFRASTRUCTURE

SCOPE

TYPE: CAPITAL | MRP |

•Develop necessary drawings for charging infrastructure, obtain permits and utility rebate applications.

Mile Posts: n/a

Division: All County: ALL Asset Type: Facilities

OBJECTIVES

1. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Under the new regulation public agencies in California must purchase 50% zero Emission (ZEV) vehicle from Model years 2024-2026. Starting from 2027 all vehicles purchased must be Zero emissions.

RISK CREATED BY NON-IMPLEMENTATION

Could Result in non-Compliance

Current Age: New Standard Lifespan: 0 Year(s)

RANKING // PROJECT READINESS

1. System Reliability...... High
2. Ridership Increase...... Low
3. Capacity Improvements...... Average
4. Safety & Security...... Low
5. Environmental...... High

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$150,000		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$0		
CONSTRUCTION	$900,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$151,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$162,000		
CONTINGENCY	$137,000		
TOTAL	$1,500,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$75,000	$75,000
2025	$131,250	$131,250	$131,250	$131,250	$525,000
2026	$112,500	$112,500	$112,500	$112,500	$450,000
2027	$112,500	$112,500	$112,500	$112,500	$450,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

SHAHIDS PROJECT# 2762.00

PROJECT : PMIS IT PROJECT SUPPORT

SCOPE

TYPE: CAPITAL | NON-MRP |

IT Support for the Project Management Information System. This includes services for an Application Administrator for PMIS to ensure the proper oversight and support for the project. Also, to provide the required licenses for 1 year during the project implementation phase.

Mile Posts: n/a

Division: All County: ALL Asset Type: Business Systems

OBJECTIVES

1. (Goal 7: Improve Organizational Efficiency) Clearly define staff roles and
2. (Goal 6: Improve Communications to Customers and Stakeholders) Reduce
3. (Goal 6: Improve Communications to Customers and Stakeholders) Improve
4. (Goal 3: Invest in People and Assets) Reduce employee turnover

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Ensure all IT business requirements are documented and implemented. Also ensure integration with other applications is done per requirements and ensure data security per agency protocols.

RISK CREATED BY NON-IMPLEMENTATION

Not enough IT oversight on the project to ensure system configuration and integration with other applications done per Agency IT procedures and policies.

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

RANKING // PROJECT READINESS

1. System Reliability...... High
2. Ridership Increase...... High
3. Capacity Improvements...... High
4. Safety & Security...... High
5. Environmental...... High

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$0		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$900,000		
CONSTRUCTION	$0		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$9,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$0		
CONTINGENCY	$91,000		
TOTAL	$1,000,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$250,000	$250,000
2025	$187,500	$187,500	$187,500	$187,500	$750,000
2026	$0	$0	$0	$0	$0
2027	$0	$0	$0	$0	$0
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

CHAKLADARA PROJECT# 2782.00

PROJECT : DOCUMENT MANAGEMENT SYSTEM (DMS)

SCOPE

TYPE: CAPITAL | MRP |

Procurement of a Document Management System (DMS) to allow staff and agency contractors to store and retrieve documents, images, drawings, contracts etc. This system has been prioritized by the XLT for the last year.

Mile Posts: n/a

Division: All County: ALL Asset Type: Business Systems

OBJECTIVES

1. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
2. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
3. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents
5. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

There are several disparate systems to store and mange documents at Metrolink. Examples are Shared File Folders, Application Extender, Applications such as Oracle FIS which allow documents to be stored etc. Storing, tracing and retrieving documents from unstructured document repositories such as Shared File Folders is time

RANKING // PROJECT READINESS

1. System Reliability...... Low
2. Ridership Increase...... Low
3. Capacity Improvements...... Low
4. Safety & Security...... Average
5. Environmental...... High

RISK CREATED BY NON-IMPLEMENTATION

Storage and retrieval of documents will not be streamlined.

Current Age: New Standard Lifespan: 10 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$0		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$0		
CONSTRUCTION	$400,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$14,000		
* SUPPORT STAFF	$7,000		
* CONSULTANT	$0		
CONTINGENCY	$43,000		
TOTAL	$464,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$23,200	$23,200
2025	$40,600	$40,600	$40,600	$40,600	$162,400
2026	$34,800	$34,800	$34,800	$34,800	$139,200
2027	$34,800	$34,800	$34,800	$34,800	$139,200
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSALS FOR FY2024 BUDGET - NONE - SGR PROJECTS ONLY

																		FUNDINGS					
ROW#	CREATOR	INTEND YEAR	BGT FY	STATUS	APPROVE	PROJECT #	REV	TYPE	ROUTE	SUBDIVISION	MILEPOSTS	CONDITION	IMPACT	ASSET TYPE	PROJECT	SCOPE	PROJECT COST	METRO	OCTA	RCTC	SBCTA	VCTC	OTHER
8	HOLMANS	2023	2024	SAVED	OPEN	2625	00	Rehab	Ventura County Line	Ventura - LA County	441.24 - 462.39	Worn	High	Structures	VENTURA (LA) SUBDIVISION STRUCTURES REHABILITATION	Ventura (LA) Sub Structures Rehabilitation addresses three major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Bridges - Culverts - Tunnels Specific work will include: Update Bridge load ratings for Bridges on Ventura Sub in LA	$200,000	$200,000	$0	$0	$0	$0	$0
9	HOLMANS	2023	2024	SAVED	OPEN	2628	00	Rehab	San Bernardino LIne	San Gabriel	1.08 - 56.52	Worn	High	Train Control	SAN GABRIEL SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION	"San Gabriel Sub Train Control Systems Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Positive Train Control (PTC) systems - Signal systems - Crossing systems - Communication systems - Centralized train control systems COMMUNICATIONS: WMS-UPGRADE, AC REHAB, BATTERY REHAB, FIBER - REHAB, RADIO REHAB - PTC/VHF/UHF, CIS REHAB SIGNALS: Upgrading Control points and crossings	$4,275,000	$2,565,000	$0	$0	$1,710,000	$0	$0
10	HOLMANS	2023	2024	SAVED	OPEN	2629	00	Rehab	Ventura County Line	Ventura - LA County	441.24 - 462.39	Worn	High	Train Control	VENTURA (LA) SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION	"Ventura (LA) Sub Train Control Systems Rehabilitation addresses major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Signal systems - Crossing systems - Communication systems COMMUNICATIONS: WMS-UPGRADE, AC REHAB, BATTERY REHAB, FIBER - REHAB, RADIO REHAB - PTC/VHF/UHF, CIS REHAB SIGNALS: Upgrading Control points and crossings	$1,477,000	$1,477,000	$0	$0	$0	$0	$0
11	ZAVALAL	2024	2024	SAVED	OPEN	2656	00	Rehab	Orange County Line	Orange	165.08 - 207.4	Worn	High	Track	ORANGE SUBDIVISION TRACK REHABILITATION	Orange Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Rail - Ties - Crossings - Special Trackwork - Ballast Specific work will include: [6000 TF rail upgrade, 3 crossing rehabs,	$6,301,000	$0	$6,301,000	$0	$0	$0	$0
12	ZAVALAL	2024	2024	SAVED	OPEN	2657	00	Rehab	Orange County Line	Orange	165.08 - 207.4	Worn	High	Structures	ORANGE SUBDIVISION STRUCTURES REHABILITATION	Orange Sub Structures Rehabilitation addresses three major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Bridges - Culverts - Tunnels Specific work will include: Design and environmentally clear 12 Culverts, primarily in the Dana Point and San Clemente area, and Construct 2 of the 12. Seek additional construction funds in FY25.	$2,114,000	$0	$2,114,000	$0	$0	$0	$0
13	ZAVALAL	2024	2024	SAVED	OPEN	2658	00	Rehab	Orange County Line	Orange	165.08 - 207.4	Worn	High	Train Control	ORANGE SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION	Orange Sub Train Control Systems Rehabilitation addresses major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Signal systems - Crossing systems - Communication systems COMMUNICATIONS: WMS-UPGRADE, AC REHAB, BATTERY REHAB, FIBER - REHAB, RADIO REHAB - PTC/VHF/UHF, CIS REHAB SIGNALS: Upgrading Control points and crossings	$2,633,000	$0	$2,633,000	$0	$0	$0	$0
14	HOLMANS	2024	2024	SAVED	OPEN	2659	00	Rehab	ALL	All	n/a - n/a	Worn	High	Track	SYSTEMWIDE TRACK REHABILITATION	Systemwide Track Rehabilitation addresses the following recurring requirements to sufficiently rehabilitate aging infrastructure and growing backlog: - Rail Grinding: ongoing systemwide program - Surfacing Program to restore track profiles and cross sections - Infrastructure planning and data collection for condition assessments	$5,000,000	$2,375,000	$990,000	$555,000	$720,000	$360,000	$0

																		FUNDINGS					
ROW#	CREATOR	INTEND YEAR	BGT FY	STATUS	APPROVE	PROJECT #	REV	TYPE	ROUTE	SUBDIVISION	MILEPOSTS	CONDITION	IMPACT	ASSET TYPE	PROJECT	SCOPE	PROJECT COST	METRO	OCTA	RCTC	SBCTA	VCTC	OTHER
15	HOLMANS	2024	2024	SAVED	OPEN	2660	00	Rehab	ALL	All	n/a - n/a	Worn	High	Train Control	SYSTEMWIDE TRAIN CONTROL SYSTEMS REHABILITATION	Systemwide Train Control Systems Rehabilitation addresses PTC, Centralized Train Control systems and equipment to sufficiently rehabilitate aging infrastructure and growing backlog. See the justification section for discussion on aged assets and standard life. Train Control Back Office: 1) DOC/MOC Backup Systems 2) Workstations/Laptops 3) CAD/BOS/MDM/IC3 4) Routers/Switches 5) On-Board Train Control Systems 6) Software/Hardware for Locomotives & Cab Cars	$5,000,000	$2,375,000	$990,000	$555,000	$720,000	$360,000	$0
16	HOLMANS	2024	2024	SAVED	OPEN	2661	00	Rehab	ALL	All	n/a - n/a	Worn	High	Non-Revenue Fleet	VEHICLES AND MAINTENANCE-OF-WAY (MOW) EQUIPMENT - REPLACEMENT & OVERHAUL	Vehicles and equipment major overhaul and replacement via new acquisition or lease-to-purchase addresses the fleet of specialized & operations vehicles, equipment and tools that support the timely repair and rehabilitation of the overall rail corridor right-of-way. Replacement of MOW equipment; Rehabilitation of MOW equipment. Under new Carb regulation, 50% of 2024-2026 model year vehicle purchased by public fleets must be zero emission vehicles (ZEV) Heavy - (1) Medium - (2) Light Duty - (22) Equipment - 0	$2,820,000	$1,339,500	$558,360	$313,020	$406,080	$203,040	$0
17	HOLMANS	2024	2024	SAVED	OPEN	2663	00	Rehab	ALL	All	n/a - n/a	Worn	High	Rolling Stock	Rotem HVAC Overhaul/Rebuild	•Life cycle increase •Remove systemic issue	$3,650,000	$1,733,750	$722,700	$405,150	$525,600	$262,800	$0
18	HOLMANS	2024	2024	SAVED	OPEN	2664	00	Rehab	ALL	All	n/a - n/a	Worn	High	Rolling Stock	BOMBARDIER RAILCAR REBUILD	Bombardier Railcar Rebuild and rehabilitation addresses the revenue fleet of railcars and cab cars. Lifecycle extension to support the daily service. Rehabilitate long term dwell cars to increase availability. Overhaul as required by FTA. •Life cycle increase. •Upgrade old system for maintainability •Improve customer convenience •Air-quality solution - This is an ongoing program with funding to be requested in future budget year	$35,000,000	$16,625,000	$6,930,000	$3,885,000	$5,040,000	$2,520,000	$0
19	ZAVALAL	2024	2024	SAVED	OPEN	2667	00	Rehab	Antelope Valley Line	Valley	3.67 - 76.63	Worn	High	Track	VALLEY SUBDIVISION TRACK REHABILITATION	Valley Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Rail - Ties - Crossings - Special Trackwork - Ballast Specific work will include: [20,000ft of Rail; 10,000 Ties; 2 Road	$8,595,000	$8,595,000	$0	$0	$0	$0	$0
20	ZAVALAL	2024	2024	SAVED	OPEN	2668	00	Rehab	Ventura County Line	Ventura - VC County	426.4 - 441.24	Worn	High	Track	VENTURA (VC) SUBDIVISION TRACK REHABILITATION	Ventura Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Rail - Ties - Crossings - Special Trackwork - Ballast Specific work will include: Rehabilitation work within the limits of the Simi Valley SCORE project that is unfunded due to cost increases for the total project. This project may be offset with an ongoing grant pursuit. If this is funded through a separate grant this project would be reduced down to $1.5M and would replace 5000 Ties.	$1,866,000	$0	$0	$0	$0	$1,866,000	$0
21	ZAVALAL	2024	2024	SAVED	OPEN	2669	00	Rehab	Ventura County Line	Ventura - VC County	426.4 - 441.24	Worn	High	Structures	VENTURA (VC) SUBDIVISION STRUCTURES REHABILITATION	Ventura Sub Structures Rehabilitation addresses three major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Bridges - Culverts - Tunnels Specific work will include: Design and Environmental Clearance for up to 3 culverts in Ventura County. Update Bridge load ratings for bridges in Ventura County.	$856,000	$0	$0	$0	$0	$856,000	$0

PROJECT PROPOSALS FOR FY2024 BUDGET - NONE - SGR PROJECTS ONLY

																		FUNDINGS					
ROW#	CREATOR	INTEND YEAR	BGT FY	STATUS	APPROVE	PROJECT #	REV	TYPE	ROUTE	SUBDIVISION	MILEPOSTS	CONDITION	IMPACT	ASSET TYPE	PROJECT	SCOPE	PROJECT COST	METRO	OCTA	RCTC	SBCTA	VCTC	OTHER
22	ZAVALAL	2024	2024	SAVED	OPEN	2670	00	Rehab	Ventura County Line	Ventura - VC County	426.4 - 441.24	Worn	High	Train Control	VENTURA (VC) SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION	Ventura (VC) Sub Train Control Systems Rehabilitation addresses major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Signal systems - Crossing systems - Communication systems SIGNALS: Crossings Upgrade	$992,000	$0	$0	$0	$0	$992,000	$0
23	ZAVALAL	2024	2024	SAVED	OPEN	2671	00	Rehab	Antelope Valley Line	Valley	3.67 - 76.63	Worn	High	Train Control	VALLEY SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION	Valley Sub Train Control Systems Rehabilitation addresses major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Signal systems - Crossing systems - Communication systems COMMUNICATIONS: WMS-UPGRADE, AC REHAB, BATTERY REHAB, FIBER - REHAB, RADIO REHAB - PTC/VHF/UHF, CIS REHAB SIGNALS: Five required CP's (EL1A) upgrades and a crossing.	$4,880,000	$4,880,000	$0	$0	$0	$0	$0
24	HOLMANS	2024	2024	SAVED	OPEN	2676	00	Rehab	ALL	River	0 - 485.20	Worn	High	Track	RIVER SUBDIVISION TRACK REHABILITATION	River Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Rail - Ties - Crossings - Special Trackwork - Ballast	$2,000,000	$950,000	$396,000	$222,000	$288,000	$144,000	$0
25	HOLMANS	2024	2024	SAVED	OPEN	2677	00	Rehab	ALL	River	0 - 485.20	Worn	High	Train Control	RIVER SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION	River Sub Train Control Systems Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Positive Train Control (PTC) systems - Signal systems - Crossing systems - Communication systems - Centralized train control systems COMMUNICATIONS: WMS-UPGRADE, AC REHAB, BATTERY REHAB, FIBER - REHAB, RADIO REHAB - PTC/VHF/UHF, CIS REHAB SIGNALS: Upgrading signal/Control points	$2,100,000	$997,500	$415,800	$233,100	$302,400	$151,200	$0
27	SHAHIDS	2024	2024	SAVED	OPEN	2682	00	Rehab	ALL	All	n/a - n/a	Worn	High	Facilities	CMF Facility Switch Gear and Fire Alarm panel	CMF Facility Switch Gear and Fire Alarm panel	$1,300,000	$617,500	$257,400	$144,300	$187,200	$93,600	$0
28	SHAHIDS	2024	2024	SAVED	OPEN	2685	00	Rehab	ALL	All	n/a - n/a	Worn	High	Facilities	MOC Restroom Renovation	Renovate restroom in MOC.	$900,000	$427,500	$178,200	$99,900	$129,600	$64,800	$0
29	SHAHIDS	2024	2024	SAVED	OPEN	2692	00	Rehab	ALL	All	n/a - n/a	Worn	High	Facilities	LAUS main water line replacement	The current piping is old, galvanized waterline with several leaking and rusted sections.	$250,000	$118,750	$49,500	$27,750	$36,000	$18,000	$0
30	SHAHIDS	2024	2024	SAVED	OPEN	2693	00	Rehab	ALL	All	n/a - n/a	Worn	High	Facilities	Storm Water Oil Separator replacement	•Replace existing Storm Water Oil Separator with new system	$1,000,000	$475,000	$198,000	$111,000	$144,000	$72,000	$0
31	CHAKLADARA	2024	2024	SAVED	OPEN	2702	00	Rehab	ALL	All	n/a - n/a	Worn	High	Information Technology	Rehab of Firewalls at 2 Locations	Rehabilitate Firewall Infrastructure at 2 locations. The scope includes replacing end of life Palo Alto Firewalls with Palo Alto Networks Model PA-1410, along with the software for Advanced Threat Protection, Wildfire, Advanced URL Filtering and Global Protect VPN software, and the related accessories such as optical transceivers, and cables. The costs also include cutover services to transition from the existing firewalls to the new firewalls.	$256,000	$121,600	$50,688	$28,416	$36,864	$18,432	$0
32	SHAHIDS	2024	2024	SAVED	OPEN	2742	00	Rehab	ALL	All	n/a - n/a	Worn	High	Rolling Stock	F125 Loco "Intermediate" Engine Overhaul	• Engine overhaul - 100% replacement About 11 Engine Overhauls per year based on engine use and about $585,000 per engine overhaul.	$6,435,000	$3,056,625	$1,274,130	$714,285	$926,640	$463,320	$0
33	SHAHIDS	2024	2024	SAVED	OPEN	2743	00	Rehab	ALL	All	n/a - n/a	Worn	High	Rolling Stock	LDVR & Camera Replacement	Option order to replace camera and LDVR system for • Remaining 37 Rotem cab car, • All 15 MP36 and • All 40 F125.	$1,700,000	$807,500	$336,600	$188,700	$244,800	$122,400	$0
34	SHAHIDS	2024	2024	SAVED	OPEN	2744	00	Rehab	ALL	All	n/a - n/a	Worn	High	Rolling Stock	MP36 Loco Overhaul	•Engine (both HEP and Main) partial overhaul - replace as needed basis. •HVAC overhaul with R-407c freon replacement •Truck/Suspension overhaul •Exterior repaint •Coupler overhaul •General electrical and pneumatic overhaul	$3,600,000	$1,710,000	$712,800	$399,600	$518,400	$259,200	$0
35	HARRISONA	2024	2024	SAVED	OPEN	2802	00	Rehab	ALL	All	n/a - n/a	Worn	Low	Right of Way	Metrolink CAM Expenses for Fiscal 2024	Perform rehab work at LA Union Station to address drainage issues, upgrade lighting to LED, landscape refurbishment, upgrade safety and security elements at the stations, and modernize plumbing. This amount changes each year	$1,675,000	$795,625	$331,650	$185,925	$241,200	$120,600	$0
																TOTAL	**$126,305,000**	**$63,368,722**	**$25,543,735**	**$13,376,399**	**$15,050,752**	**$8,965,392**	**$0**
																PROJECT COUNT	**34**						
																SGR TOTAL	**$126,305,000**	**$63,368,722**	**$25,543,735**	**$13,376,399**	**$15,050,752**	**$8,965,392**	**$0**
																SGR COUNT	**34**						

PROJECT PROPOSALS FOR FY2024 BUDGET - NONE - SGR PROJECTS ONLY

																		FUNDINGS					
ROW#	CREATOR	INTEND YEAR	BGT FY	STATUS	APPROVE	PROJECT #	REV	TYPE	ROUTE	SUBDIVISION	MILEPOSTS	CONDITION	IMPACT	ASSET TYPE	PROJECT	SCOPE	PROJECT COST	METRO	OCTA	RCTC	SBCTA	VCTC	OTHER
																CAPITAL TOTAL	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
																CAPITAL COUNT	**0**						

PROJECT PROPOSAL

FY24

HOLMANS PROJECT# 2616.00

PROJECT : ELECTRIC VEHICLES (EV) TO REPLACE CURRENT VEHICLES THAT HAVE REACHED END OF USEFUL LIFE

SCOPE

TYPE: SGR | NON-MRP |

2 EV vehicle for Safety and 2 EV vehicles for Customer Relations team to replace vehicles that are well beyond useful life and require extensive repairs. Need non-FTA funding sources.

Mile Posts: n/a

Division: All County: ALL Asset Type: Non-Revenue Fleet

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and industry standards.

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years

Current Age: 13 Year(s) Standard Lifespan: 10 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$0		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$223,000		
CONSTRUCTION	$0		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$4,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$0		
CONTINGENCY	$23,000		
TOTAL	$250,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$62,500	$62,500
2025	$46,875	$46,875	$46,875	$46,875	$187,500
2026	$0	$0	$0	$0	$0
2027	$0	$0	$0	$0	$0
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

HOLMANS PROJECT# 2618.00

PROJECT : SAN GABRIEL SUBDIVISION TRACK REHABILITATION

SCOPE

TYPE: SGR | MRP |

San Gabriel Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog:
- Rail
- Ties
- Crossings
- Special Trackwork

Mile Posts: 1.08 - 56.52

Division: San Gabriel County: LA / SB Asset Type: Track

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Track rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes rail, ties, crossings, special trackwork and ballast. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and industry standards.

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Per FRA CFR 213

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$142,000		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$1,710,000		
CONSTRUCTION	$1,710,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$590,000		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$459,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$570,000		
CONTINGENCY	$519,000		
TOTAL	$5,700,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$285,000	$285,000
2025	$498,750	$498,750	$498,750	$498,750	$1,995,000
2026	$427,500	$427,500	$427,500	$427,500	$1,710,000
2027	$427,500	$427,500	$427,500	$427,500	$1,710,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

HOLMANS PROJECT# 2619.00

PROJECT : VENTURA (LA) SUBDIVISION TRACK REHABILITATION

SCOPE

TYPE: SGR| MRP |

Ventura (LA County) Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog:
- Rail
- Ties
- Crossings
- Special Trackwork

Mile Posts: 441.24 - 462.39

Division: Ventura - LA County County: LA Asset Type: Track

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Track rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes rail, ties, crossings, special trackwork and ballast. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and industry standards.

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Per FRA CFR 213

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$90,000		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$953,000		
CONSTRUCTION	$953,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$318,000		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$255,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$318,000		
CONTINGENCY	$289,000		
TOTAL	$3,176,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$158,800	$158,800
2025	$277,900	$277,900	$277,900	$277,900	$1,111,600
2026	$238,200	$238,200	$238,200	$238,200	$952,800
2027	$238,200	$238,200	$238,200	$238,200	$952,800
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

HOLMANS PROJECT# 2621.00

PROJECT : SHORT WAY SUBDIVISION TRACK REHABILITATION

SCOPE

TYPE: SGR | MRP |

Short Way Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog:
- Rail
- Ties
- Crossings
- Special Trackwork

Mile Posts: 0.42 - 2.1

Division: SB Shortway County: SB Asset Type: Track

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Track rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes rail, ties, crossings, special trackwork and ballast. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and industry standards.

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Per FRA CFR 213

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$6,000		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$78,000		
CONSTRUCTION	$78,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$26,000		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$18,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$25,000		
CONTINGENCY	$24,000		
TOTAL	$255,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$12,750	$12,750
2025	$22,312	$22,312	$22,312	$22,314	$89,250
2026	$19,125	$19,125	$19,125	$19,125	$76,500
2027	$19,125	$19,125	$19,125	$19,125	$76,500
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

HOLMANS PROJECT# 2622.00

PROJECT : PERRIS VALLEY SUBDIVISION REHABILITATION - CONSTRUCTION PHASE SERVICES - DEFERRED FROM FY23 BUDGET PROCESS

SCOPE

TYPE: SGR | MRP |

Additional Construction Phase funding for Citrus Retaining Wall & Drainage; Box Springs Drainage
Details: Construction funds from prior years was an estimated cost for construction and changed upon completion of final design.
Design phase and partial Construction phase was funded in FY21 budget:
Adopted last year, FY21, were Project 521910 for $1.8M Design; Project 521920 for $2.3M Construction phase services for the area between MP 70.7 and MP 70.9.
The first 2 projects to be completed in this area will be at CP Citrus with the extension of an existing retaining wall and at MP 70.85 which will add 4-60" RCP across the

Mile Posts: 65 - 85.4 Division: San Jacinto (PVL) County: RV Asset Type: Structures

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

1

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

1

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$467,000		
ENVIRONMENTAL	$525,000		
ROW ACQUISITION	$0		
MATERIAL	$0		
CONSTRUCTION	$2,625,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$105,000		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$420,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$630,000		
CONTINGENCY	$478,000		
TOTAL	$5,250,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$262,500	$262,500
2025	$459,375	$459,375	$459,375	$459,375	$1,837,500
2026	$393,750	$393,750	$393,750	$393,750	$1,575,000
2027	$393,750	$393,750	$393,750	$393,750	$1,575,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

HOLMANS PROJECT# 2623.00

PROJECT : VALLEY SUBDIVISION STRUCTURES REHABILITATION

SCOPE

TYPE: SGR | MRP |

Valley Sub Structures Rehabilitation addresses three major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog:
- Bridges
- Culverts
- Tunnels

Specific work will include:

Mile Posts: 3.67 - 76.63

Division: Valley County: LA Asset Type: Structures

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Structures rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes Bridges, Culverts and Tunnels. The need has been identified because the assets have fallen below s State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and industry standards.

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years.

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$300,000		
ENVIRONMENTAL	$360,000		
ROW ACQUISITION	$0		
MATERIAL	$0		
CONSTRUCTION	$1,752,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$71,000		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$281,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$420,000		
CONTINGENCY	$319,000		
TOTAL	$3,503,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$175,150	$175,150
2025	$306,512	$306,512	$306,512	$306,514	$1,226,050
2026	$262,725	$262,725	$262,725	$262,725	$1,050,900
2027	$262,725	$262,725	$262,725	$262,725	$1,050,900
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

HOLMANS PROJECT# 2624.00

PROJECT : SAN GABRIEL SUBDIVISION STRUCTURES REHABILITATION

SCOPE

TYPE: SGR | MRP |

San Gabriel Sub Structures Rehabilitation addresses three major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog:
- Bridges
- Culverts
- Tunnels

Specific work will include:
Mile Posts: 1.08 - 56.52

Division: San Gabriel County: LA / SB Asset Type: Structures

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Structures rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes Bridges, Culverts and Tunnels. The need has been identified because the assets have fallen below s State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and industry standards.

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years.

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$115,000		
ENVIRONMENTAL	$130,000		
ROW ACQUISITION	$0		
MATERIAL	$0		
CONSTRUCTION	$648,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$26,000		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$103,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$156,000		
CONTINGENCY	$118,000		
TOTAL	$1,296,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$64,800	$64,800
2025	$113,400	$113,400	$113,400	$113,400	$453,600
2026	$97,200	$97,200	$97,200	$97,200	$388,800
2027	$97,200	$97,200	$97,200	$97,200	$388,800
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

HOLMANS PROJECT# 2625.00

PROJECT : VENTURA (LA) SUBDIVISION STRUCTURES REHABILITATION

SCOPE

TYPE: SGR | MRP |

Ventura (LA) Sub Structures Rehabilitation addresses three major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog:
- Bridges
- Culverts
- Tunnels

Specific work will include:
Mile Posts: 441.24 - 462.39

Division: Ventura - LA County County: LA Asset Type: Structures

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Structures rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes Bridges, Culverts and Tunnels. The need has been identified because the assets have fallen below s State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and industry standards.

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

RISK CREATED BY NON-IMPLEMENTATION
If the program is not implemented in full, the remaining work that is beyond the

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$16,000		
ENVIRONMENTAL	$20,000		
ROW ACQUISITION	$0		
MATERIAL	$0		
CONSTRUCTION	$100,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$4,000		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$17,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$24,000		
CONTINGENCY	$19,000		
TOTAL	$200,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$10,000	$10,000
2025	$17,500	$17,500	$17,500	$17,500	$70,000
2026	$15,000	$15,000	$15,000	$15,000	$60,000
2027	$15,000	$15,000	$15,000	$15,000	$60,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

HOLMANS PROJECT# 2628.00

PROJECT : SAN GABRIEL SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION

SCOPE

TYPE: SGR| MRP |

"San Gabriel Sub Train Control Systems Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog:
- Positive Train Control (PTC) systems
- Signal systems
- Crossing systems
- Communication systems

Mile Posts: 1.08 - 56.52

Division: San Gabriel County: LA / SB Asset Type: Train Control

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Train Control Systems rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes PTC and signal systems, Crossing systems and Communication systems. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years.

Current Age: 33 Year(s) Standard Lifespan: 20 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$890,000		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$0		
CONSTRUCTION	$2,138,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$428,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$430,000		
CONTINGENCY	$389,000		
TOTAL	$4,275,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$213,750	$213,750
2025	$374,062	$374,062	$374,062	$374,064	$1,496,250
2026	$320,625	$320,625	$320,625	$320,625	$1,282,500
2027	$320,625	$320,625	$320,625	$320,625	$1,282,500
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

HOLMANS PROJECT# 2629.00

PROJECT : VENTURA (LA) SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION

SCOPE

TYPE: SGR | MRP |

"Ventura (LA) Sub Train Control Systems Rehabilitation addresses major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog:
- Signal systems
- Crossing systems
- Communication systems

Mile Posts: 441.24 - 462.39

Division: Ventura - LA County County: LA Asset Type: Train Control

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Train Control Systems rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes PTC and signal systems, Crossing systems and Communication systems. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years.

Current Age: 33 Year(s) Standard Lifespan: 20 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$300,000		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$0		
CONSTRUCTION	$748,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$146,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$148,000		
CONTINGENCY	$135,000		
TOTAL	$1,477,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$73,850	$73,850
2025	$129,238	$129,238	$129,238	$129,236	$516,950
2026	$110,775	$110,775	$110,775	$110,775	$443,100
2027	$110,775	$110,775	$110,775	$110,775	$443,100
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

ZAVALAL PROJECT# 2656.00

PROJECT : ORANGE SUBDIVISION TRACK REHABILITATION

SCOPE

TYPE: SGR | MRP |

Orange Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog:
- Rail
- Ties
- Crossings
- Special Trackwork

Mile Posts: 165.08 - 207.4

Division: Orange County: OC Asset Type: Track

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Track rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes rail, ties, crossings, special trackwork and ballast. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and industry standards.

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Per FRA CFR 213

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$150,000		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$1,891,000		
CONSTRUCTION	$1,891,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$660,000		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$504,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$632,000		
CONTINGENCY	$573,000		
TOTAL	$6,301,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$315,050	$315,050
2025	$551,338	$551,338	$551,338	$551,336	$2,205,350
2026	$472,575	$472,575	$472,575	$472,575	$1,890,300
2027	$472,575	$472,575	$472,575	$472,575	$1,890,300
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

ZAVALAL PROJECT# 2657.00

PROJECT : ORANGE SUBDIVISION STRUCTURES REHABILITATION

SCOPE

TYPE: SGR | MRP |

Orange Sub Structures Rehabilitation addresses three major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog:
- Bridges
- Culverts
- Tunnels

Specific work will include:
Mile Posts: 165.08 - 207.4

Division: Orange County: OC Asset Type: Structures

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Structures rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes Bridges, Culverts and Tunnels. The need has been identified because the assets have fallen below s State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and industry standards.

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years.

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$170,000		
ENVIRONMENTAL	$212,000		
ROW ACQUISITION	$0		
MATERIAL	$0		
CONSTRUCTION	$1,057,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$60,000		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$168,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$254,000		
CONTINGENCY	$193,000		
TOTAL	$2,114,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$105,700	$105,700
2025	$184,975	$184,975	$184,975	$184,975	$739,900
2026	$158,550	$158,550	$158,550	$158,550	$634,200
2027	$158,550	$158,550	$158,550	$158,550	$634,200
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

ZAVALAL PROJECT# 2658.00

PROJECT : ORANGE SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION

SCOPE

TYPE: SGR | MRP |

Orange Sub Train Control Systems Rehabilitation addresses major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog:
- Signal systems
- Crossing systems
- Communication systems

Mile Posts: 165.08 - 207.4

Division: Orange County: OC Asset Type: Train Control

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Train Control Systems rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes PTC and signal systems, Crossing systems and Communication systems. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years.

Current Age: 33 Year(s) Standard Lifespan: 20 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$548,000		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$0		
CONSTRUCTION	$1,317,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$264,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$264,000		
CONTINGENCY	$240,000		
TOTAL	$2,633,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$131,650	$131,650
2025	$230,388	$230,388	$230,388	$230,386	$921,550
2026	$197,475	$197,475	$197,475	$197,475	$789,900
2027	$197,475	$197,475	$197,475	$197,475	$789,900
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

HOLMANS PROJECT# 2659.00

PROJECT : SYSTEMWIDE TRACK REHABILITATION

SCOPE

TYPE: SGR | MRP |

Systemwide Track Rehabilitation addresses the following recurring requirements to sufficiently rehabilitate aging infrastructure and growing backlog:
- Rail Grinding: ongoing systemwide program
- Surfacing Program to restore track profiles and cross sections
- Infrastructure planning and data collection for condition assessments

Mile Posts: n/a

Division: All County: ALL Asset Type: Track

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Track rehabilitation is identified by the Metrolink Rehabilitation Plan (MRP) and aligns with the combined track & signals maintenance RFP scope and implementation. Rail Grinding and surfacing addresses "rolling contact fatigue" (RCF) resulting in rail life savings. This work also addresses noise concerns and positively impacts ride quality.

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Per FRA CFR 213

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$142,000		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$1,500,000		
CONSTRUCTION	$1,500,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$500,000		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$403,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$500,000		
CONTINGENCY	$455,000		
TOTAL	$5,000,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$250,000	$250,000
2025	$437,500	$437,500	$437,500	$437,500	$1,750,000
2026	$375,000	$375,000	$375,000	$375,000	$1,500,000
2027	$375,000	$375,000	$375,000	$375,000	$1,500,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

HOLMANS PROJECT# 2660.00

PROJECT : SYSTEMWIDE TRAIN CONTROL SYSTEMS REHABILITATION

SCOPE

TYPE: SGR | MRP |

Systemwide Train Control Systems Rehabilitation addresses PTC, Centralized Train Control systems and equipment to sufficiently rehabilitate aging infrastructure and growing backlog. See the justification section for discussion on aged assets and standard life.
Train Control Back Office:
1) DOC/MOC Backup Systems
2) Workstations/Laptops

Mile Posts: n/a

Division: All County: ALL Asset Type: Train Control

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Train Control Systems rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes PTC and Centralized train control systems and equipment. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and industry standards.

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years.

Current Age: 7 Year(s) Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$1,040,000		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$0		
CONSTRUCTION	$2,500,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$505,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$500,000		
CONTINGENCY	$455,000		
TOTAL	$5,000,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$250,000	$250,000
2025	$437,500	$437,500	$437,500	$437,500	$1,750,000
2026	$375,000	$375,000	$375,000	$375,000	$1,500,000
2027	$375,000	$375,000	$375,000	$375,000	$1,500,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

HOLMANS PROJECT# 2661.00

PROJECT : VEHICLES AND MAINTENANCE-OF-WAY (MOW) EQUIPMENT - REPLACEMENT & OVERHAUL

SCOPE

TYPE: SGR | MRP |

Vehicles and equipment major overhaul and replacement via new acquisition or lease-to-purchase addresses the fleet of specialized & operations vehicles, equipment and tools that support the timely repair and rehabilitation of the overall rail corridor right-of-way.
Replacement of MOW equipment; Rehabilitation of MOW equipment. Under new Carb regulation, 50% of 2024-2026 model year vehicle purchased by public fleets must be zero emission vehicles (ZEV)

Mile Posts: n/a

Division: All County: ALL Asset Type: Non-Revenue Fleet

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

MOW vehicle and equipment replacement and overhaul identified by the Metrolink Rehabilitation Plan (MRP) includes specialized vehicles and equipment. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and industry standards.

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years.

Current Age: 24 Year(s) Standard Lifespan: 0 Year(s)

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$0		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$1,980,000		
CONSTRUCTION	$0		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$283,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$300,000		
CONTINGENCY	$257,000		
TOTAL	$2,820,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$141,000	$141,000
2025	$246,750	$246,750	$246,750	$246,750	$987,000
2026	$211,500	$211,500	$211,500	$211,500	$846,000
2027	$211,500	$211,500	$211,500	$211,500	$846,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

HOLMANS PROJECT# 2663.00

PROJECT : ROTEM HVAC OVERHAUL/REBUILD

SCOPE

TYPE: SGR | MRP |

•Life cycle increase
•Remove systemic issue

Mile Posts: n/a

Division: All County: ALL Asset Type: Rolling Stock

OBJECTIVES

1. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Systemic design issue identified in OEM HVAC Unit. Benefits are reduction in maintenance cost and increase reliability for added customer comfort. Improved passenger experience.

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Ages of particular fleets,

Current Age: 34 Year(s) Standard Lifespan: 30 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$0		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$2,555,000		
CONSTRUCTION	$0		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$368,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$395,000		
CONTINGENCY	$332,000		
TOTAL	$3,650,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$182,500	$182,500
2025	$319,375	$319,375	$319,375	$319,375	$1,277,500
2026	$273,750	$273,750	$273,750	$273,750	$1,095,000
2027	$273,750	$273,750	$273,750	$273,750	$1,095,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

HOLMANS PROJECT# 2664.00

PROJECT : BOMBARDIER RAILCAR REBUILD

SCOPE

TYPE: SGR | MRP |

Bombardier Railcar Rebuild and rehabilitation addresses the revenue fleet of railcars and cab cars. Lifecycle extension to support the daily service. Rehabilitate long term dwell cars to increase availability. Overhaul as required by FTA.

•Life cycle increase.
•Upgrade old system for maintainability
•Improve customer convenience

Mile Posts: n/a

Division: All County: ALL Asset Type: Rolling Stock

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Lifecycle extension to support service. Rehabilitation of long-term dwell and accident repair cars. Risk: Reduced production rate - down to 3 cars every 60 days instead of every 40 days.

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Ages of particular

Current Age: 33 Year(s) Standard Lifespan: 30 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$0		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$24,500,000		
CONSTRUCTION	$0		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$3,518,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$3,800,000		
CONTINGENCY	$3,182,000		
TOTAL	$35,000,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$1,750,000	$1,750,000
2025	$3,062,500	$3,062,500	$3,062,500	$3,062,500	$12,250,000
2026	$2,625,000	$2,625,000	$2,625,000	$2,625,000	$10,500,000
2027	$2,625,000	$2,625,000	$2,625,000	$2,625,000	$10,500,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

ZAVALAL PROJECT# 2667.00

PROJECT : VALLEY SUBDIVISION TRACK REHABILITATION

SCOPE

TYPE: SGR| MRP |

Valley Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog:
- Rail
- Ties
- Crossings
- Special Trackwork

Mile Posts: 3.67 - 76.63

Division: Valley County: LA Asset Type: Track

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Track rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes rail, ties, crossings, special trackwork and ballast. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and industry standards.

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Per FRA CFR 213

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$240,000		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$2,579,000		
CONSTRUCTION	$2,579,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$860,000		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$695,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$860,000		
CONTINGENCY	$782,000		
TOTAL	$8,595,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$429,750	$429,750
2025	$752,062	$752,062	$752,062	$752,064	$3,008,250
2026	$644,625	$644,625	$644,625	$644,625	$2,578,500
2027	$644,625	$644,625	$644,625	$644,625	$2,578,500
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

ZAVALAL PROJECT# 2668.00

PROJECT : VENTURA (VC) SUBDIVISION TRACK REHABILITATION

SCOPE

TYPE: SGR | MRP |

Ventura Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog:
- Rail
- Ties
- Crossings
- Special Trackwork

Mile Posts: 426.4 - 441.24

Division: Ventura - VC County County: VN Asset Type: Track

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Track rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes rail, ties, crossings, special trackwork and ballast. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and industry standards.

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Per FRA CFR 213

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$38,000		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$575,000		
CONSTRUCTION	$560,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$187,000		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$151,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$185,000		
CONTINGENCY	$170,000		
TOTAL	$1,866,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$93,300	$93,300
2025	$163,275	$163,275	$163,275	$163,275	$653,100
2026	$139,950	$139,950	$139,950	$139,950	$559,800
2027	$139,950	$139,950	$139,950	$139,950	$559,800
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

ZAVALAL PROJECT# 2669.00

PROJECT : VENTURA (VC) SUBDIVISION STRUCTURES REHABILITATION

SCOPE

TYPE: SGR | MRP |

Ventura Sub Structures Rehabilitation addresses three major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog:
- Bridges
- Culverts
- Tunnels

Specific work will include:
Mile Posts: 426.4 - 441.24

Division: Ventura - VC County County: VN Asset Type: Structures

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Structures rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes Bridges, Culverts and Tunnels. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and industry standards.

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years.

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$69,000		
ENVIRONMENTAL	$85,000		
ROW ACQUISITION	$0		
MATERIAL	$0		
CONSTRUCTION	$428,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$24,000		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$69,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$103,000		
CONTINGENCY	$78,000		
TOTAL	$856,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$42,800	$42,800
2025	$74,900	$74,900	$74,900	$74,900	$299,600
2026	$64,200	$64,200	$64,200	$64,200	$256,800
2027	$64,200	$64,200	$64,200	$64,200	$256,800
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

ZAVALAL PROJECT# 2670.00

PROJECT : VENTURA (VC) SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION

SCOPE

TYPE: SGR | MRP |

Ventura (VC) Sub Train Control Systems Rehabilitation addresses major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog:
- Signal systems
- Crossing systems
- Communication systems
SIGNALS: Crossings Upgrade
Mile Posts: 426.4 - 441.24

Division: Ventura - VC County County: VN Asset Type: Train Control

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Train Control Systems rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes Signal systems, Crossing systems, Communications systems. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and industry

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years.

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$199,000		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$0		
CONSTRUCTION	$496,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$100,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$106,000		
CONTINGENCY	$91,000		
TOTAL	$992,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$49,600	$49,600
2025	$86,800	$86,800	$86,800	$86,800	$347,200
2026	$74,400	$74,400	$74,400	$74,400	$297,600
2027	$74,400	$74,400	$74,400	$74,400	$297,600
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

ZAVALAL PROJECT# 2671.00

PROJECT : VALLEY SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION

SCOPE

TYPE: SGR | MRP |

Valley Sub Train Control Systems Rehabilitation addresses major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog:
- Signal systems
- Crossing systems
- Communication systems

Mile Posts: 3.67 - 76.63

Division: Valley County: LA Asset Type: Train Control

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Train Control Systems rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes PTC and signal systems, Crossing systems, and Communications systems. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years.

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$976,000		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$0		
CONSTRUCTION	$2,480,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$490,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$490,000		
CONTINGENCY	$444,000		
TOTAL	$4,880,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$244,000	$244,000
2025	$427,000	$427,000	$427,000	$427,000	$1,708,000
2026	$366,000	$366,000	$366,000	$366,000	$1,464,000
2027	$366,000	$366,000	$366,000	$366,000	$1,464,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

HOLMANS PROJECT# 2676.00

PROJECT : RIVER SUBDIVISION TRACK REHABILITATION

SCOPE

TYPE: SGR | MRP |

River Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog:
- Rail
- Ties
- Crossings
- Special Trackwork

Mile Posts: 0 - 485.20

Division: River County: ALL Asset Type: Track

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Track rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes rail, ties, crossings, special trackwork and ballast. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and industry standards.

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Per FRA CFR 213 [illegible]

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$40,000		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$600,000		
CONSTRUCTION	$600,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$200,000		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$161,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$217,000		
CONTINGENCY	$182,000		
TOTAL	$2,000,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$100,000	$100,000
2025	$175,000	$175,000	$175,000	$175,000	$700,000
2026	$150,000	$150,000	$150,000	$150,000	$600,000
2027	$150,000	$150,000	$150,000	$150,000	$600,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

HOLMANS PROJECT# 2677.00

PROJECT : RIVER SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION

SCOPE

TYPE: SGR | MRP |

River Sub Train Control Systems Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog:
- Positive Train Control (PTC) systems
- Signal systems
- Crossing systems
- Communication systems

Mile Posts: 0 - 485.20

Division: River County: ALL Asset Type: Train Control

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Track rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes rail, ties, crossings, special trackwork and ballast. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and industry standards.

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Per FRA CFR 213

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$420,000		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$0		
CONSTRUCTION	$1,050,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$210,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$229,000		
CONTINGENCY	$191,000		
TOTAL	$2,100,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$105,000	$105,000
2025	$183,750	$183,750	$183,750	$183,750	$735,000
2026	$157,500	$157,500	$157,500	$157,500	$630,000
2027	$157,500	$157,500	$157,500	$157,500	$630,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

SHAHIDS PROJECT# 2682.00

PROJECT : CMF FACILITY SWITCH GEAR AND FIRE ALARM PANEL

SCOPE

TYPE: SGR | MRP |

CMF Facility Switch Gear and Fire Alarm panel

Mile Posts: n/a

Division: All County: ALL Asset Type: Facilities

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Rehab the safety critical components of switch gear and fire alarm system in CMF

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

Fire alarm system is over 30 years old with obsolete part that no longer are supported. Last time failure of a component caused CMF to be on a fire watch for two weeks. Another major failure may not be recoverable!

Current Age: 31 Year(s) Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$140,000		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$0		
CONSTRUCTION	$780,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$131,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$130,000		
CONTINGENCY	$119,000		
TOTAL	$1,300,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$65,000	$65,000
2025	$113,750	$113,750	$113,750	$113,750	$455,000
2026	$97,500	$97,500	$97,500	$97,500	$390,000
2027	$97,500	$97,500	$97,500	$97,500	$390,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

SHAHIDS PROJECT# 2685.00

PROJECT : MOC RESTROOM RENOVATION

SCOPE

TYPE: SGR | MRP |

Renovate restroom in MOC.

Mile Posts: n/a

Division: All County: ALL Asset Type: Facilities

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Restrooms need both cosmetic and functional repairs. Nature of repairs are significant involving heavy re-work of existing facilities.

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

Every year we spend many hours clearing sewer lines at MOC due to condition.

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$90,000		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$0		
CONSTRUCTION	$540,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$90,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$98,000		
CONTINGENCY	$82,000		
TOTAL	$900,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$45,000	$45,000
2025	$78,750	$78,750	$78,750	$78,750	$315,000
2026	$67,500	$67,500	$67,500	$67,500	$270,000
2027	$67,500	$67,500	$67,500	$67,500	$270,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

SHAHIDS PROJECT# 2692.00

PROJECT : LAUS MAIN WATER LINE REPLACEMENT

SCOPE

TYPE: SGR | MRP |

The current piping is old, galvanized waterline with several leaking and rusted sections.

Mile Posts: n/a

Division: All County: ALL Asset Type: Facilities

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

The current infrastructure is an old, galvanized pipe with several leaks and many pitted and rusted section.

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years.

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$26,000		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$0		
CONSTRUCTION	$150,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$25,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$26,000		
CONTINGENCY	$23,000		
TOTAL	$250,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$12,500	$12,500
2025	$21,875	$21,875	$21,875	$21,875	$87,500
2026	$18,750	$18,750	$18,750	$18,750	$75,000
2027	$18,750	$18,750	$18,750	$18,750	$75,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

SHAHIDS PROJECT# 2693.00

PROJECT : STORM WATER OIL SEPARATOR REPLACEMENT

SCOPE

TYPE: SGR | MRP |

•Replace existing Storm Water Oil Separator with new system

Mile Posts: n/a

Division: All County: ALL Asset Type: Facilities

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Oil Water separator is reaching end of its life and need replacement for maintaining reliable functionality.

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years.

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$100,000		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$0		
CONSTRUCTION	$600,000		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$99,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$110,000		
CONTINGENCY	$91,000		
TOTAL	$1,000,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$50,000	$50,000
2025	$87,500	$87,500	$87,500	$87,500	$350,000
2026	$75,000	$75,000	$75,000	$75,000	$300,000
2027	$75,000	$75,000	$75,000	$75,000	$300,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

CHAKLADARA PROJECT# 2702.00

PROJECT : REHAB OF FIREWALLS AT 2 LOCATIONS

SCOPE

TYPE: SGR | MRP |

Rehabilitate Firewall Infrastructure at 2 locations. The scope includes replacing end of life Palo Alto Firewalls with Palo Alto Networks Model PA-1410, along with the software for Advanced Threat Protection, Wildfire, Advanced URL Filtering and Global Protect VPN software, and the related accessories such as optical transceivers, and cables. The costs also include cutover services to transition from the existing firewalls to the new firewalls.

Mile Posts: n/a

Division: All County: ALL Asset Type: Information Technology

OBJECTIVES

1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair
2. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents
3. (Goal 4: Retain and Grow Ridership) Increase system utilization

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

The Palo Alto Firewalls at 2 locations are over 4 years old and are nearing their end of life and will no longer be supported by the vendor. New, upgraded firewalls with better cybersecurity threat protection, URL filtering and more secure VPN software is needed to maintain the state of good repair for these assets.

RISK CREATED BY NON-IMPLEMENTATION

Firewalls are the first line of defense from cyberattacks. They guard the perimeters of the agency and prevent hackers from launching cyberattacks and compromising the

Current Age: 5 Year(s) Standard Lifespan: 5 Year(s)

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

The Firewalls are critical to protecting the other infrastructure assets from a cyberattack. If compromised, the agency could lose access and use to several systems, tarnish its reputation, and/or impair its business.

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$0		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$185,000		
CONSTRUCTION	$0		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$26,000		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$14,000		
* SUPPORT STAFF	$7,000		
* CONSULTANT	$0		
CONTINGENCY	$24,000		
TOTAL	$256,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$12,800	$12,800
2025	$22,400	$22,400	$22,400	$22,400	$89,600
2026	$19,200	$19,200	$19,200	$19,200	$76,800
2027	$19,200	$19,200	$19,200	$19,200	$76,800
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

SHAHIDS PROJECT# 2742.00

PROJECT : F125 LOCO "INTERMEDIATE" ENGINE OVERHAUL

SCOPE

TYPE: SGR | MRP |

• Engine overhaul - 100% replacement
About 11 Engine Overhauls per year based on engine use and about $585,000 per engine overhaul.

Mile Posts: n/a

Division: All County: ALL Asset Type: Rolling Stock

OBJECTIVES

1. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

To maintain Tier 4 emissions ""intermediate"" engine overhaul is required at approx. 4 years of service. About 11 Engine Overhauls per year based on engine use and about $585,000 per engine overhaul.

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

If engines aren't overhauled, there could be a risk to service and warranty.

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$0		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$4,950,000		
CONSTRUCTION	$0		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$495,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$405,000		
CONTINGENCY	$585,000		
TOTAL	$6,435,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$321,750	$321,750
2025	$563,062	$563,062	$563,062	$563,064	$2,252,250
2026	$482,625	$482,625	$482,625	$482,625	$1,930,500
2027	$482,625	$482,625	$482,625	$482,625	$1,930,500
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

SHAHIDS PROJECT# 2743.00

PROJECT : LDVR & CAMERA REPLACEMENT

SCOPE

TYPE: SGR | MRP |

Option order to replace camera and LDVR system for
• Remaining 37 Rotem cab car,
• All 15 MP36 and
• All 40 F125.

Mile Posts: n/a

Division: All County: ALL Asset Type: Rolling Stock

OBJECTIVES

1. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Current camera & LDVR is getting obsolete. New components are required to continue meeting the railroad regulation.

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

Will not meet Railroad regulation

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$0		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$1,190,000		
CONSTRUCTION	$0		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$171,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$184,000		
CONTINGENCY	$155,000		
TOTAL	$1,700,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$85,000	$85,000
2025	$148,750	$148,750	$148,750	$148,750	$595,000
2026	$127,500	$127,500	$127,500	$127,500	$510,000
2027	$127,500	$127,500	$127,500	$127,500	$510,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

SHAHIDS PROJECT# 2744.00

PROJECT : MP36 LOCO OVERHAUL

SCOPE

TYPE: SGR | MRP |

•Engine (both HEP and Main) partial overhaul - replace as needed basis.
•HVAC overhaul with R-407c freon replacement
•Truck/Suspension overhaul
•Exterior repaint
•Coupler overhaul

Mile Posts: n/a

Division: All County: ALL Asset Type: Rolling Stock

OBJECTIVES

1. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost
2. (Goal 4: Retain and Grow Ridership) Improve service reliability
3. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

This overhaul of legacy fleet is needed for bridging time to purchase new locomotives.

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... High

RISK CREATED BY NON-IMPLEMENTATION

Current Age: 123 Year(s) Standard Lifespan: 0 Year(s)

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$0		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$2,520,000		
CONSTRUCTION	$0		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$0		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$362,000		
* SUPPORT STAFF	$0		
* CONSULTANT	$390,000		
CONTINGENCY	$328,000		
TOTAL	$3,600,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$180,000	$180,000
2025	$315,000	$315,000	$315,000	$315,000	$1,260,000
2026	$270,000	$270,000	$270,000	$270,000	$1,080,000
2027	$270,000	$270,000	$270,000	$270,000	$1,080,000
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

PROJECT PROPOSAL

FY24

HARRISONA PROJECT# 2802.00

PROJECT : METROLINK CAM EXPENSES FOR FISCAL 2024

SCOPE

TYPE: SGR | MRP |

Perform rehab work at LA Union Station to address drainage issues, upgrade lighting to LED, landscape refurbishment, upgrade safety and security elements at the stations, and modernize plumbing.
This amount changes each year.

Mile Posts: n/a

Division: All County: LA Asset Type: Right of Way

OBJECTIVES

1. (Goal 4: Retain and Grow Ridership) Grow and retain ridership
2. (Goal 2: Maintain Fiscal Sustainability) Increase fare revenue
3. (Goal 3: Invest in People and Assets) Maintain State of Good Repair

RISKS CAUSING PROJECT DELAY

JUSTIFICATION

Short pay CAM expenses from FY 2019 to current -Pay current station share of rehab costs for the use of Union Station.

RISK CREATED BY NON-IMPLEMENTATION

Failure to implement improvements can lead to lead station vulnerability, additional costs in utilities and subcontractor

Current Age: 33 Year(s) Standard Lifespan: 20 Year(s)

RANKING // PROJECT READINESS

1. Condition of Asset...... Worn
2. System Impact...... Average

1. Condition of Asset...... Worn 2. System Impact...... Average

Additional support document was submitted

BUDGET

	AMOUNT	START	END
CONTRACT PACKAGING	$0		
DESIGN	$0		
ENVIRONMENTAL	$0		
ROW ACQUISITION	$0		
MATERIAL	$0		
CONSTRUCTION	$0		
SPECIAL RAIL EQUIP	$0		
FLAGGING	$0		
BUS BRIDGES	$0		
CLOSE OUT	$1,675,000		
DBE/LABOR	$0		
PROJECT MANAGEMENT			
* P.M STAFF	$0		
* SUPPORT STAFF	$0		
* CONSULTANT	$0		
CONTINGENCY	$0		
TOTAL	$1,675,000		

CASH FLOW

FY	Q1	Q2	Q3	Q4	TOTAL
2024	$0	$0	$0	$1,675,000	$1,675,000
2025	$0	$0	$0	$0	$0
2026	$0	$0	$0	$0	$0
2027	$0	$0	$0	$0	$0
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%

Attachment I

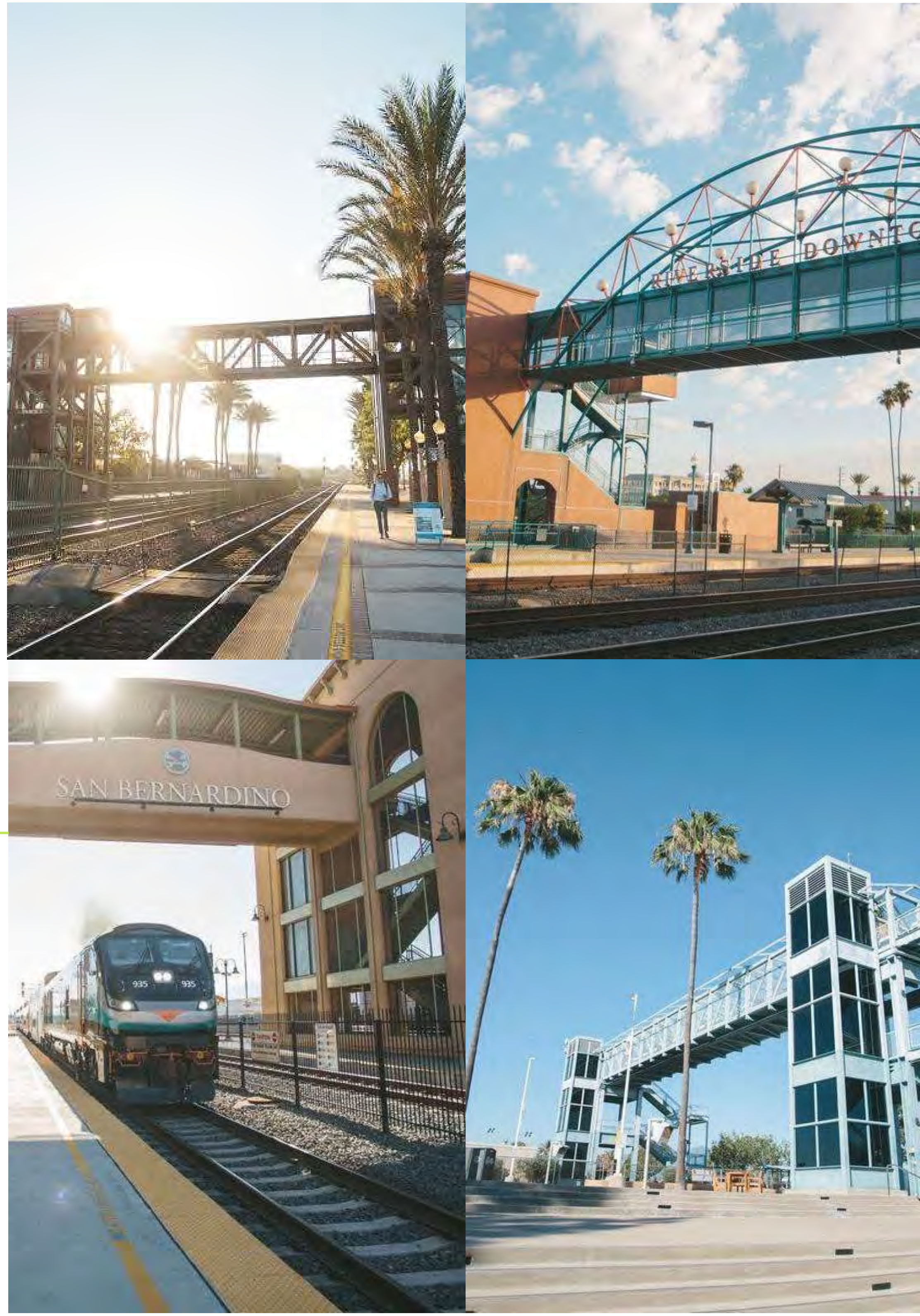
FY24 PROPOSED CAPITAL PROGRAM CASHFLOW
as of 03.20.23

Cash Basis	METRO	OCTA	RCTC	SBCTA	VCTC	OTHER	TOTAL
FY24 State of Good Repair	$63.4M	$25.5M	$13.4M	$15.1M	$9.0M	$0.0M	$126.3M
				CASH OUTLAY			
2023-24	$3.2M	$1.3M	$0.7M	$0.8M	$0.4M	$0.0M	$6.3M
2024-25	$22.2M	$8.9M	$4.7M	$5.3M	$3.1M	$0.0M	$44.2M
2025-26	$19.0M	$7.7M	$4.0M	$4.5M	$2.7M	$0.0M	$37.9M
2026-27	$19.0M	$7.7M	$4.0M	$4.5M	$2.7M	$0.0M	$37.9M
Totals	$63.4M	$25.5M	$13.4M	$15.1M	$9.0M	$0.0M	$126.3M

Cash Basis	METRO	OCTA	RCTC	SBCTA	VCTC	OTHER	TOTAL
FY24 New Capital	$9.9M	$4.1M	$2.3M	$3.0M	$1.5M	$0.0M	$20.9M
				CASH OUTLAY			
2023-24	$0.5M	$0.2M	$0.1M	$0.2M	$0.1M	$0.0M	$1.0M
2024-25	$3.5M	$1.4M	$0.8M	$1.1M	$0.5M	$0.0M	$7.3M
2025-26	$3.0M	$1.2M	$0.7M	$0.9M	$0.5M	$0.0M	$6.3M
2026-27	$3.0M	$1.2M	$0.7M	$0.9M	$0.5M	$0.0M	$6.3M
Totals	$9.9M	$4.1M	$2.3M	$3.0M	$1.5M	$0.0M	$20.9M

Cash Basis							
	METRO	OCTA	RCTC	SBCTA	VCTC	OTHER	TOTAL
FY24 Capital Program	$73.3M	$29.7M	$15.7M	$18.1M	$10.5M	$0.0M	$147.2M
	CASH OUTLAY						
2023-24	$3.7M	$1.5M	$0.8M	$0.9M	$0.5M	$0.0M	$7.4M
2024-25	$25.6M	$10.4M	$5.5M	$6.3M	$3.7M	$0.0M	$51.5M
2025-26	$22.0M	$8.9M	$4.7M	$5.4M	$3.1M	$0.0M	$44.1M
2026-27	$22.0M	$8.9M	$4.7M	$5.4M	$3.1M	$0.0M	$44.1M
Totals	$73.3M	$29.7M	$15.7M	$18.1M	$10.5M	$0.0M	$147.2M

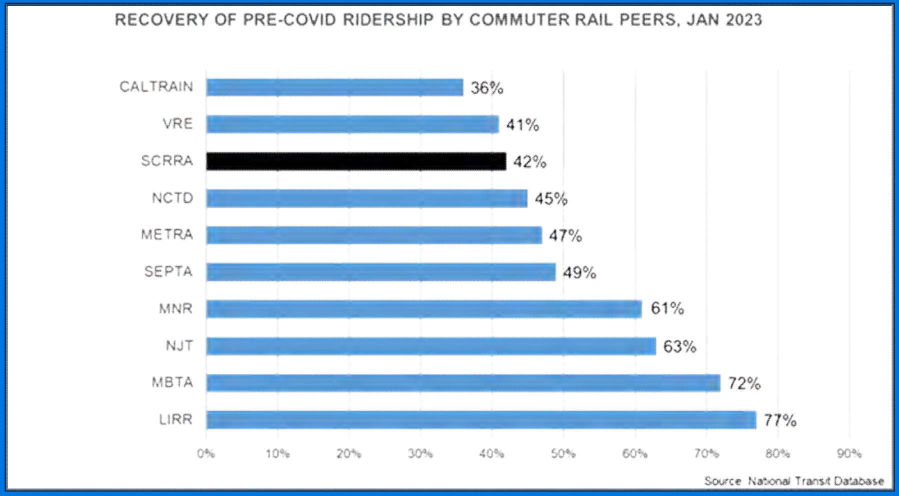
Proposed FY2023-24(FY24) Budget – Request to Transmit



METROLINK

Transit Industry Ridership Woes

- BART ridership recovery at ~37%, projects they will not reach 70% of pre-COVID ridership for 10 years.
- METRA ridership fell 97% with COVID "Stay At Home Orders". Recovered 47% pre-COVID weekday ridership.
- SEPTA ridership recovery at ~49%.
- MBTA ridership recovery at ~72%.
- CALTRAIN ridership recovery at ~36%.



Financial Challenges Ahead

- Regional / Commuter ridership continues to lag pre-COVID numbers.
  - Lower Ridership = Lower Revenue.
- Communications technology has enabled more workers to perform their daily jobs from home or other remote locations.
- Demand for peak period commuting is evolving.
- Metrolink Federal Relief funds have been exhausted in FY23.
- Majority of the Operational costs are fixed.
- Financial Challenges are placing a Burden on Member Agencies.
- Metrolink's, like other transit agencies, fiscal cliff is looming.

FY24 Budget Assumptions

Service Level:

- Current Service Level
- Full Codeshare (Pending Rail-2-Rail Agreement with LOSSAN)
- Arrow Service is a Separate Budget

Revenue: (Revenue Constraints)

- Revenue / Ridership based on Sperry Capital / KPMG Low Forecast Scenario
- No Fare Increases
- New Fare Promotions

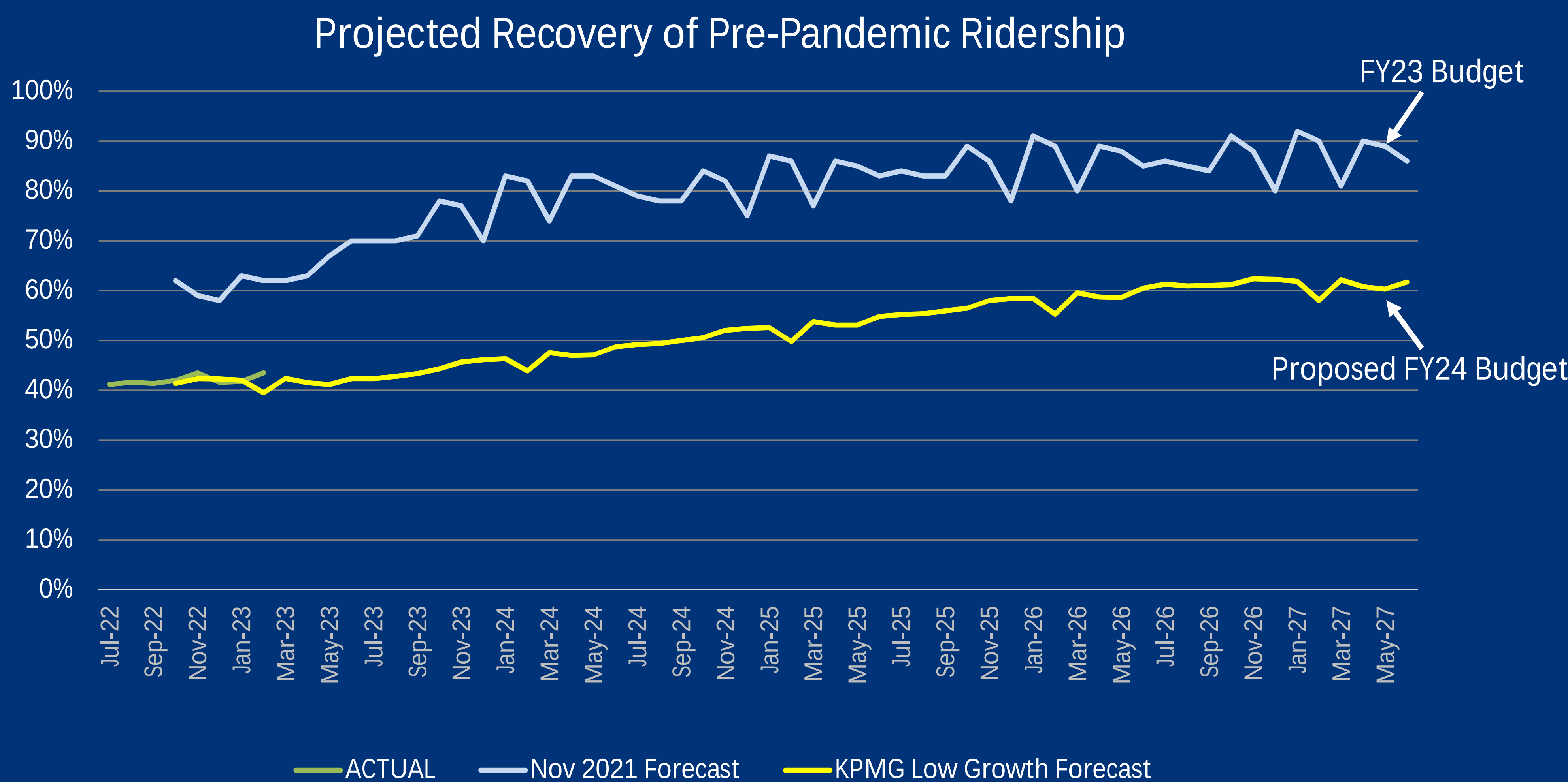
Expenses:

- Contractor Increases only as Mandated by Agreements
- No New FTE Headcount
- 5.0% Merit Pool
- No COLA

Reporting:

- Monthly
- Formal Mid-Year Budget Review
- Arrow Service Monthly Budget & Revenue / Ridership

Revenue/Ridership Recovery Scenarios (KPMG/Sperry Dec 2022)



METROLINK

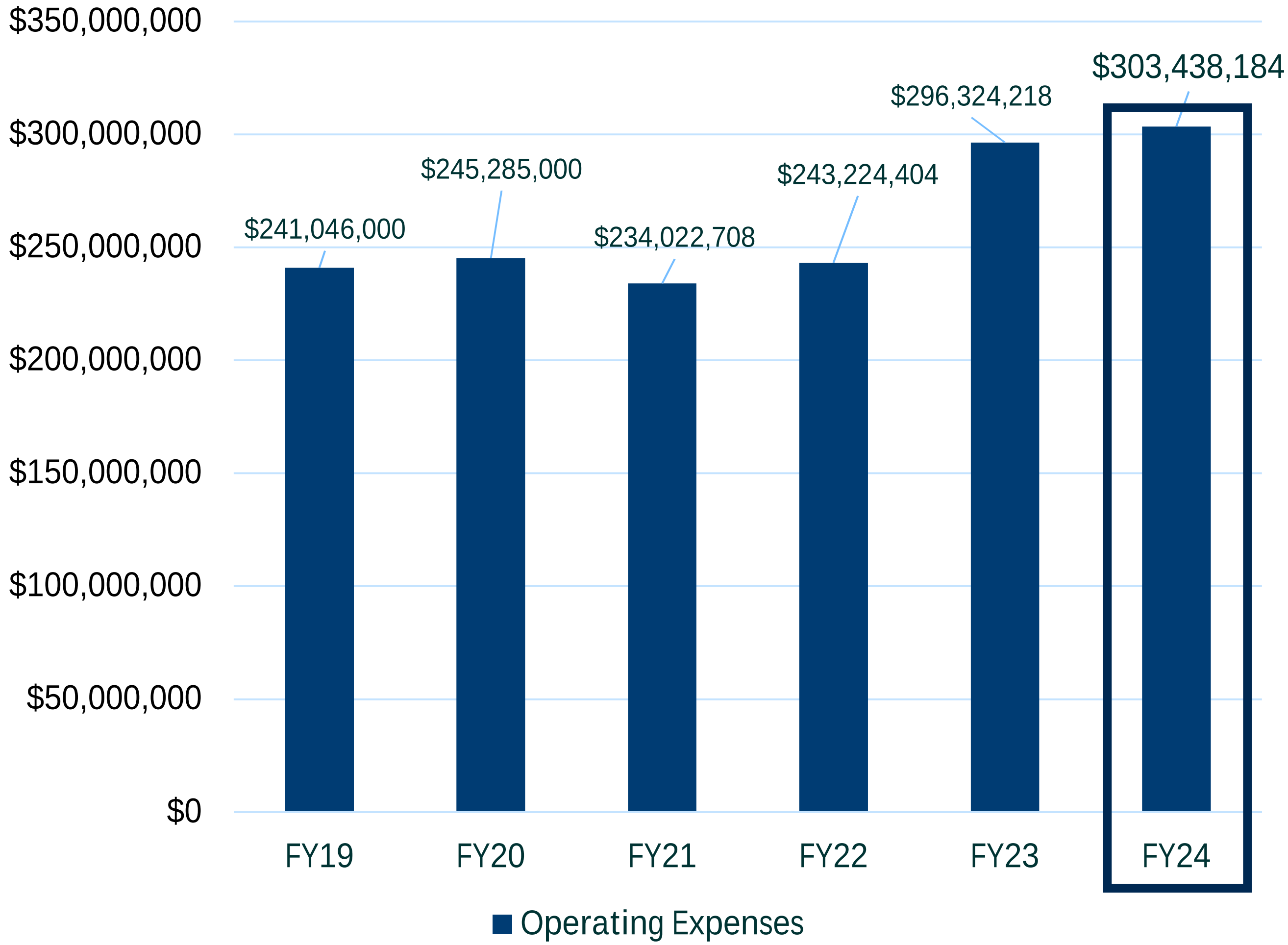
Proposed FY24 Operations Budget

METROLINK

Proposed FY24 Operating Budget Overview

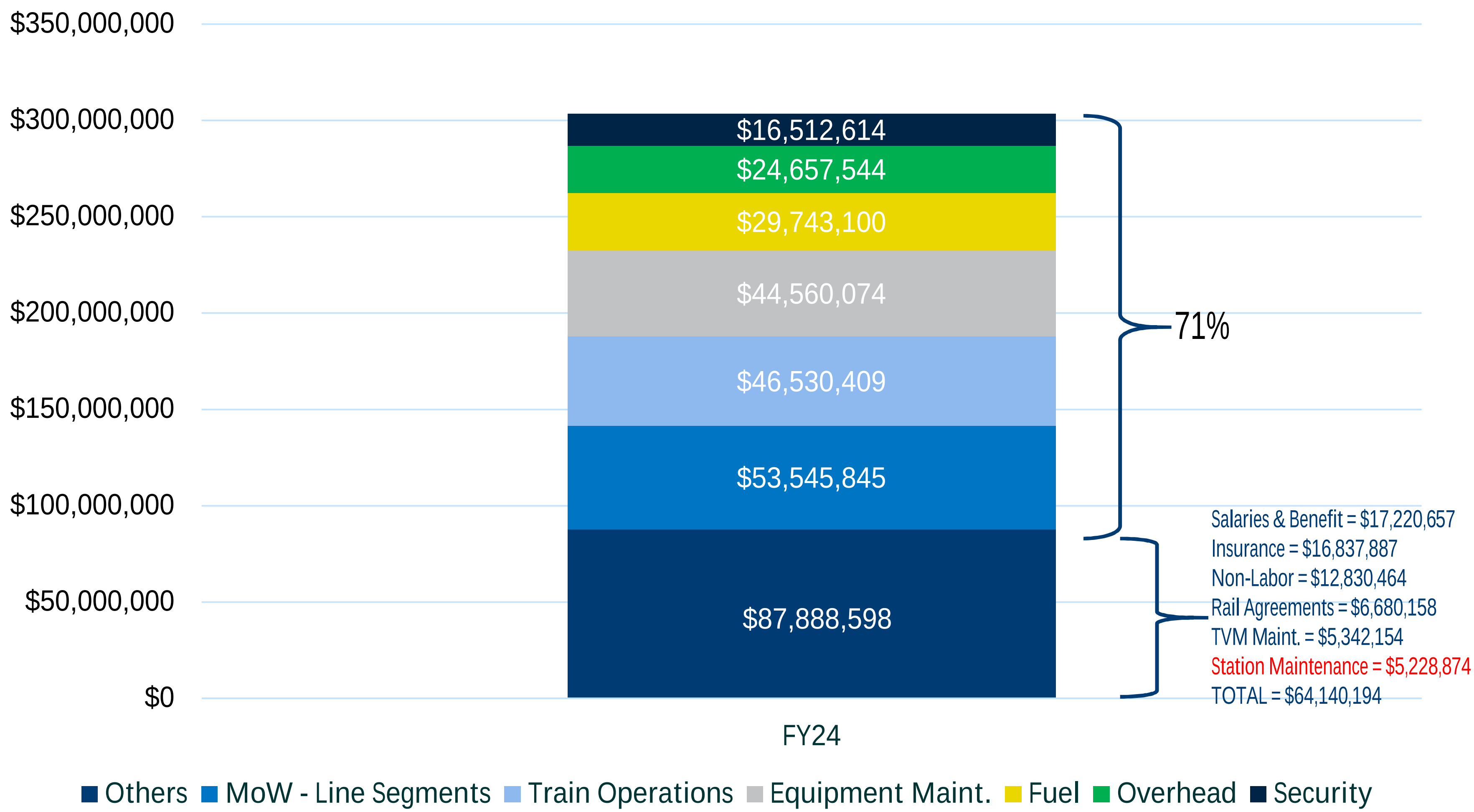
- Operating Revenue - $52.8M
  - Decrease from FY23 of $13.7M or 20.7%
- Total Expenses - $303.4M
  - Increase from FY23 of $7.1M or 2.4%
- Member Agency Support - $250.7M
  - Increase from FY23 of $20.9M or 9.1%
- Working Capital - $50.0M
  - New request to address Cashflow Challenges

Operating Expenses FY19 – FY24



Notes:
- FY19, FY20, FY21, & FY22 Actuals
- FY23 & FY24 Budgets not Actuals

Top Drivers of $303.4M Operating Expenses - FY24

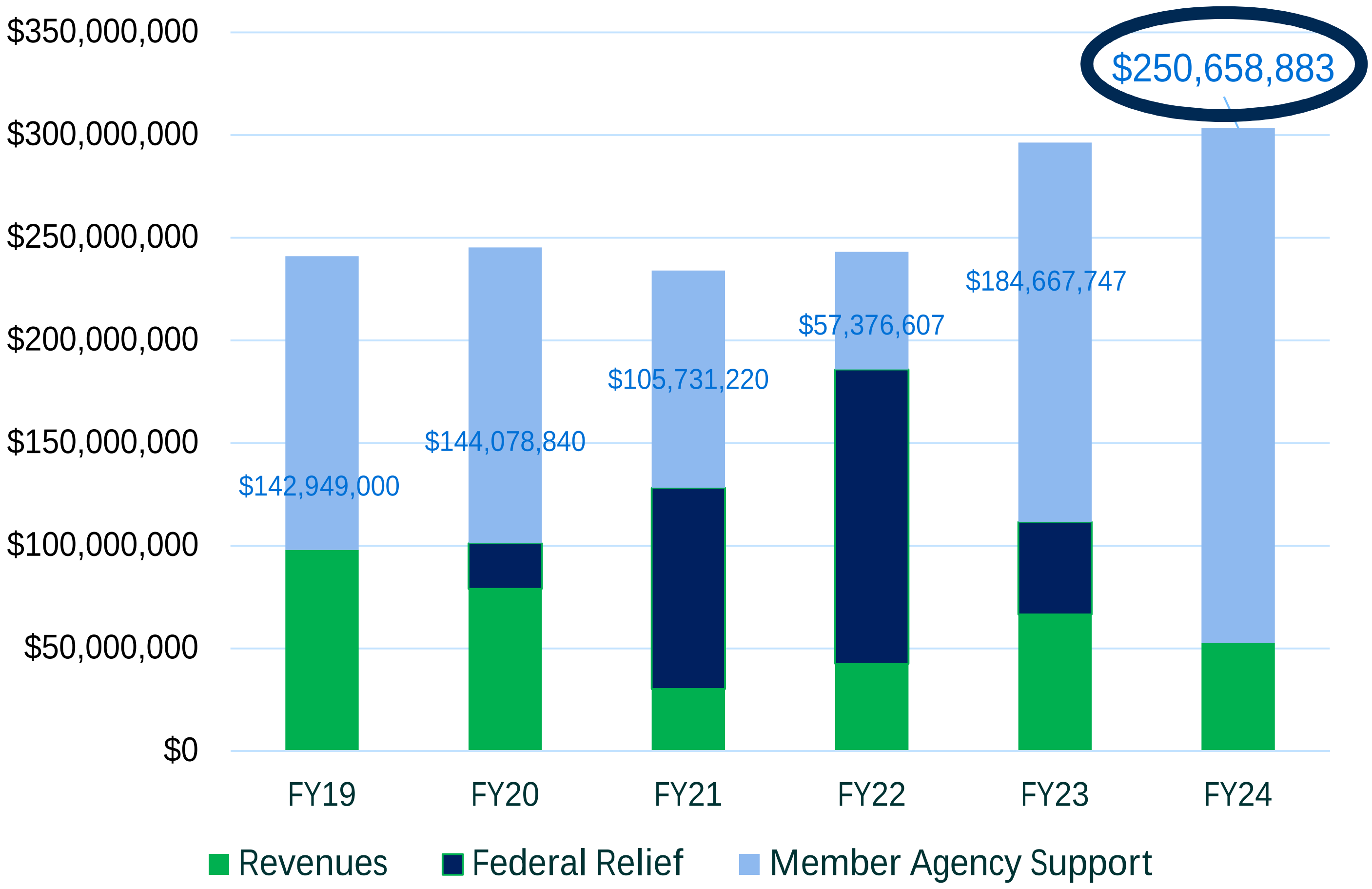


Note:

- MoW – Line Segments = Tracks & Signals and Structures
- Station Maintenance increase driven by CAM Union Station annual increase

METROLINK

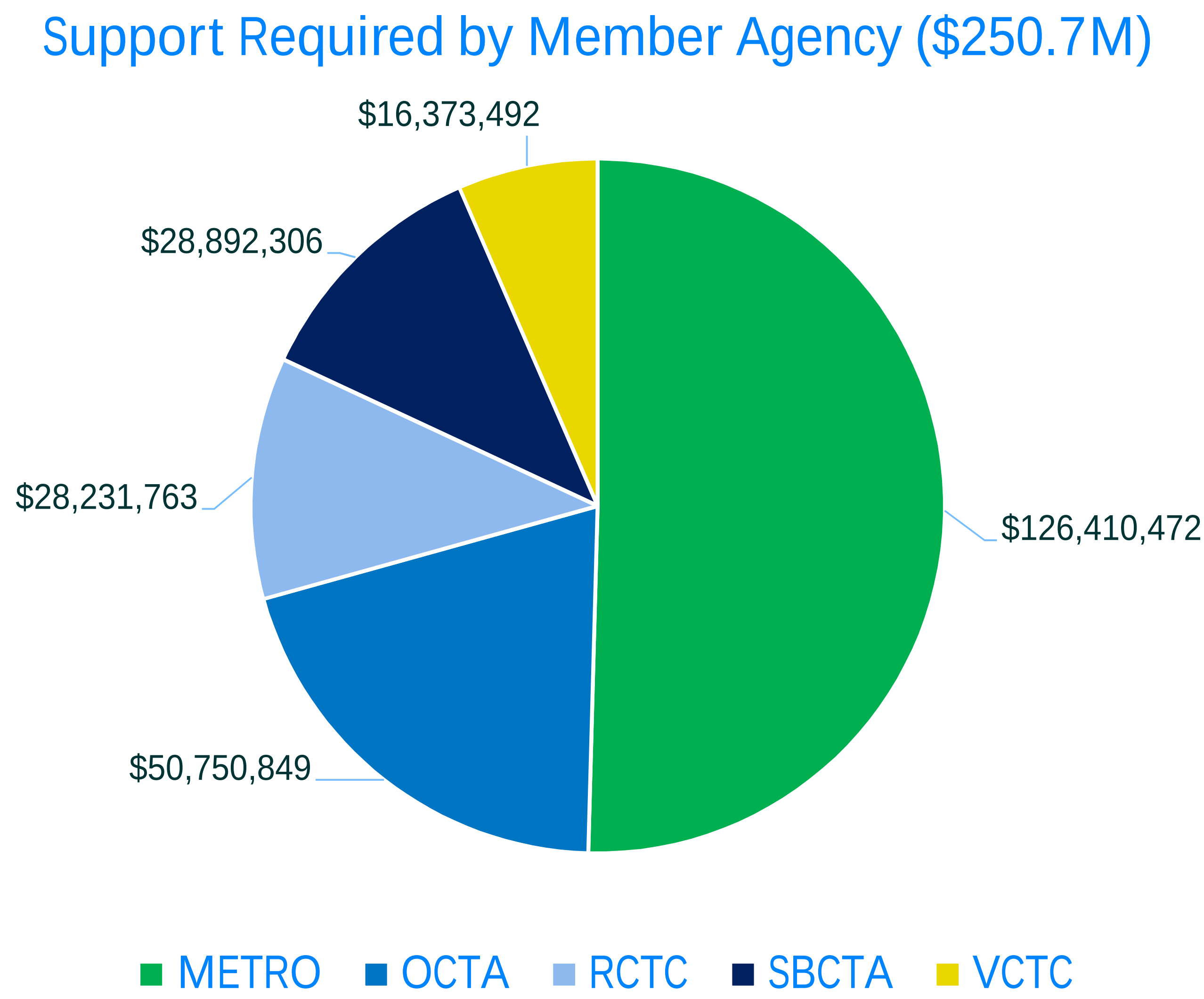
Operating Expenses Funding Sources FY19 – FY24



Notes:

- FY19, FY20, FY21, & FY22 Actuals
- FY23 & FY24 Budgets not Actuals

Proposed FY24 Operating Support Required by Member Agency



Notes:

- Total does **<u>not</u>** include “Working Capital” request

METROLINK

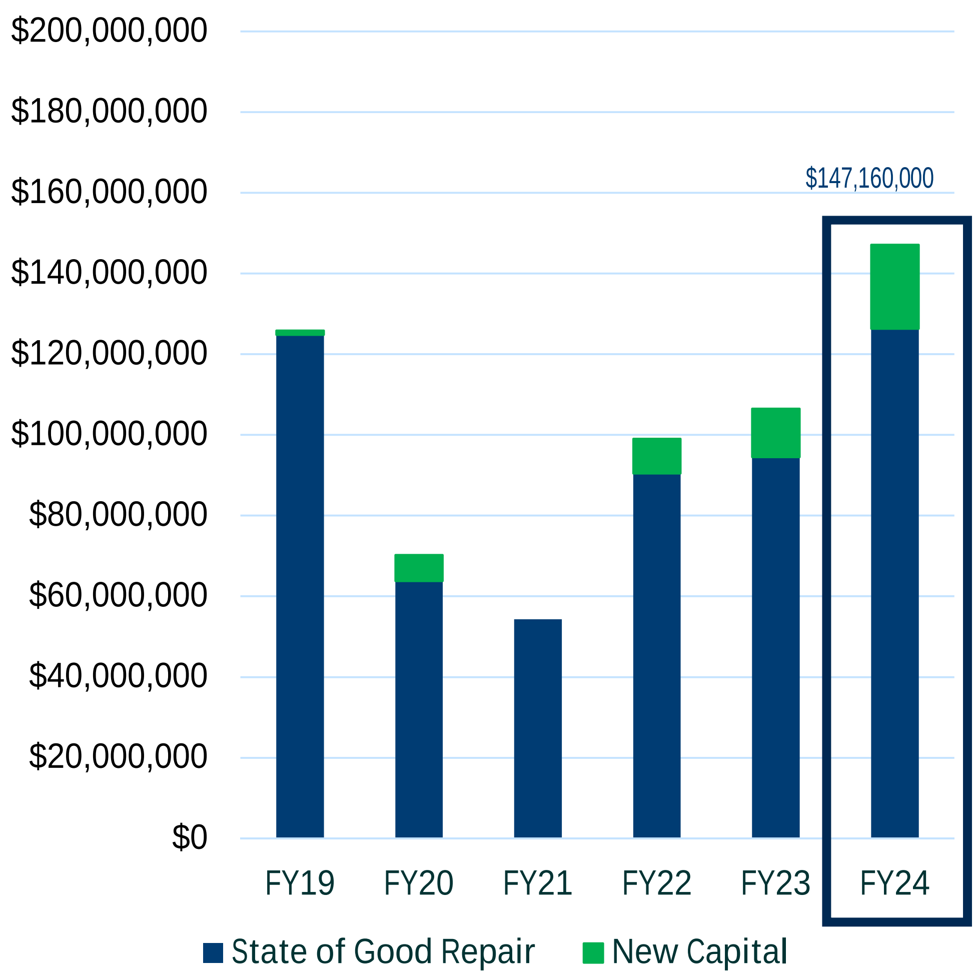
Proposed FY24 Capital Budget

METROLINK

Proposed FY24 Capital Program Overview

- State of Good Repair - $126.3M
  - Increase from FY23 of $31.9M or 33.7%
- New Capital - $20.9M
  - Increase from FY23 of $8.8M or 72.7%

Capital Programs are Critical Components of System Safety

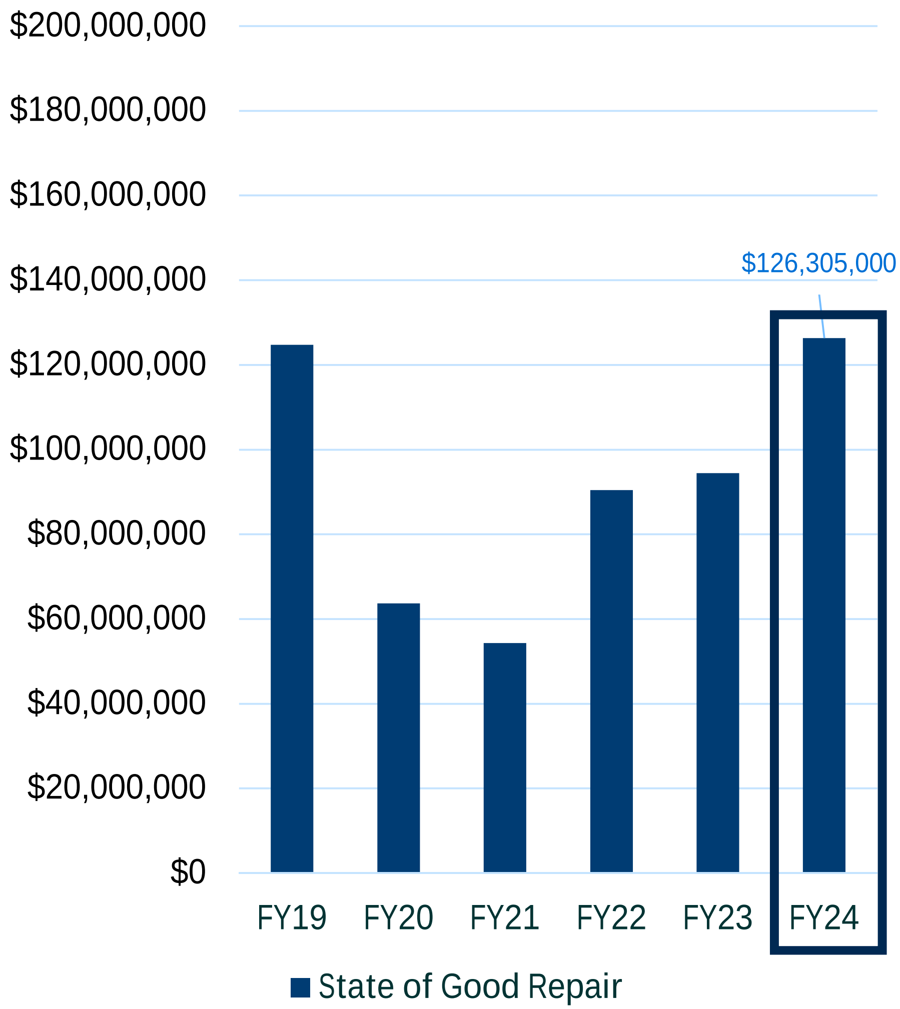


Note: FY23 data does not include New Capital Tier 4 Locomotive Purchase

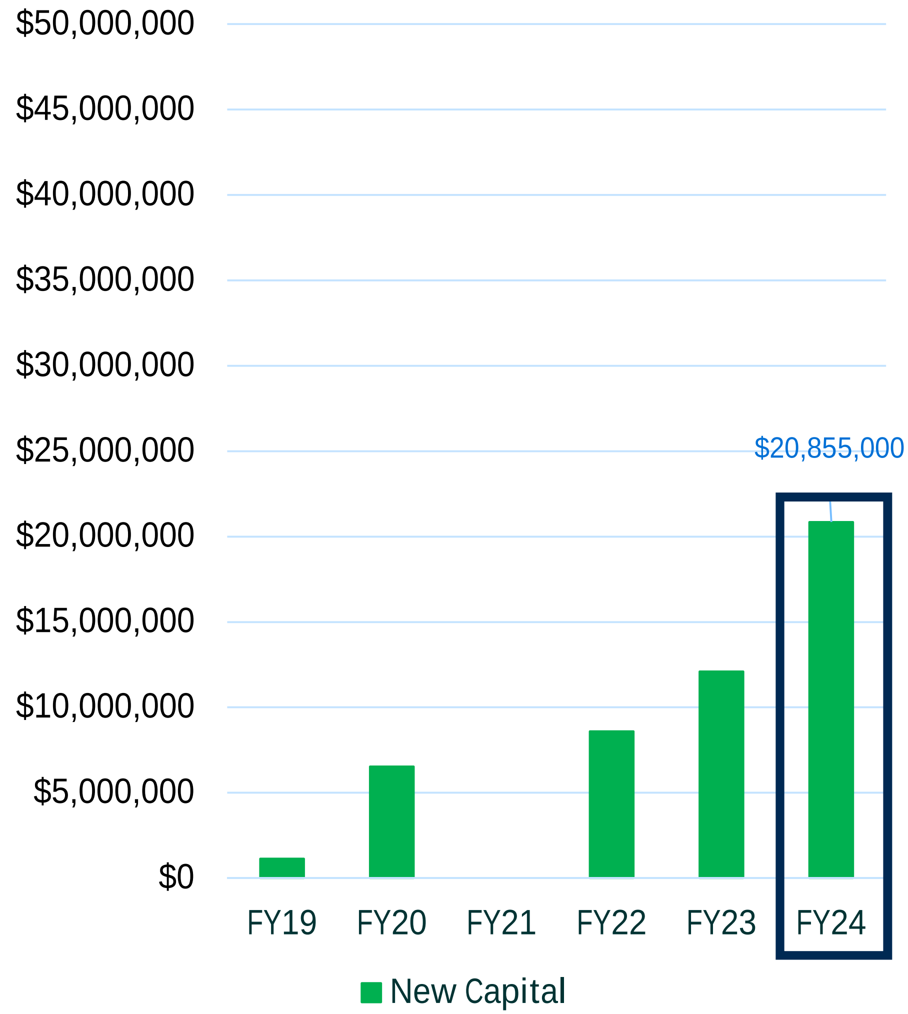
METROLINK

Proposed FY24 Capital Budget

State of Good Repair



New Capital

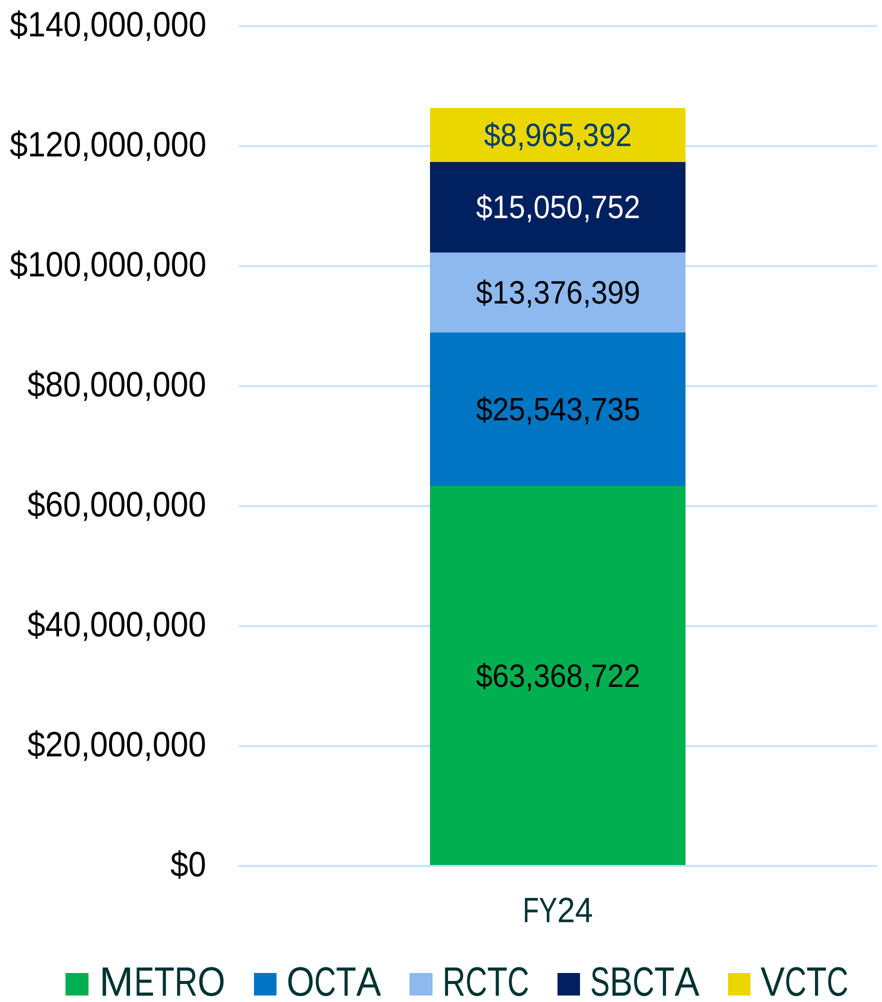


Note: FY23 data does not include New Capital Tier 4 Rolling Stock Purchase

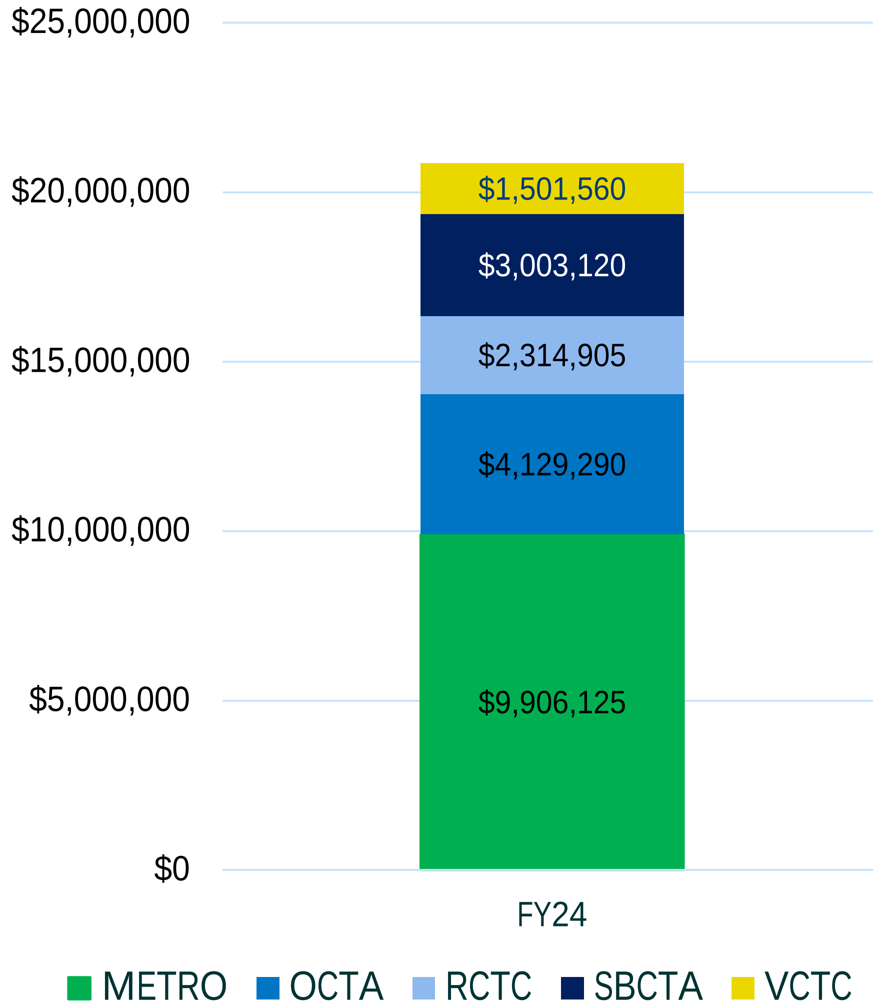
METROLINK

FY24 Capital Budget Funding by Member Agency

State of Good Repair



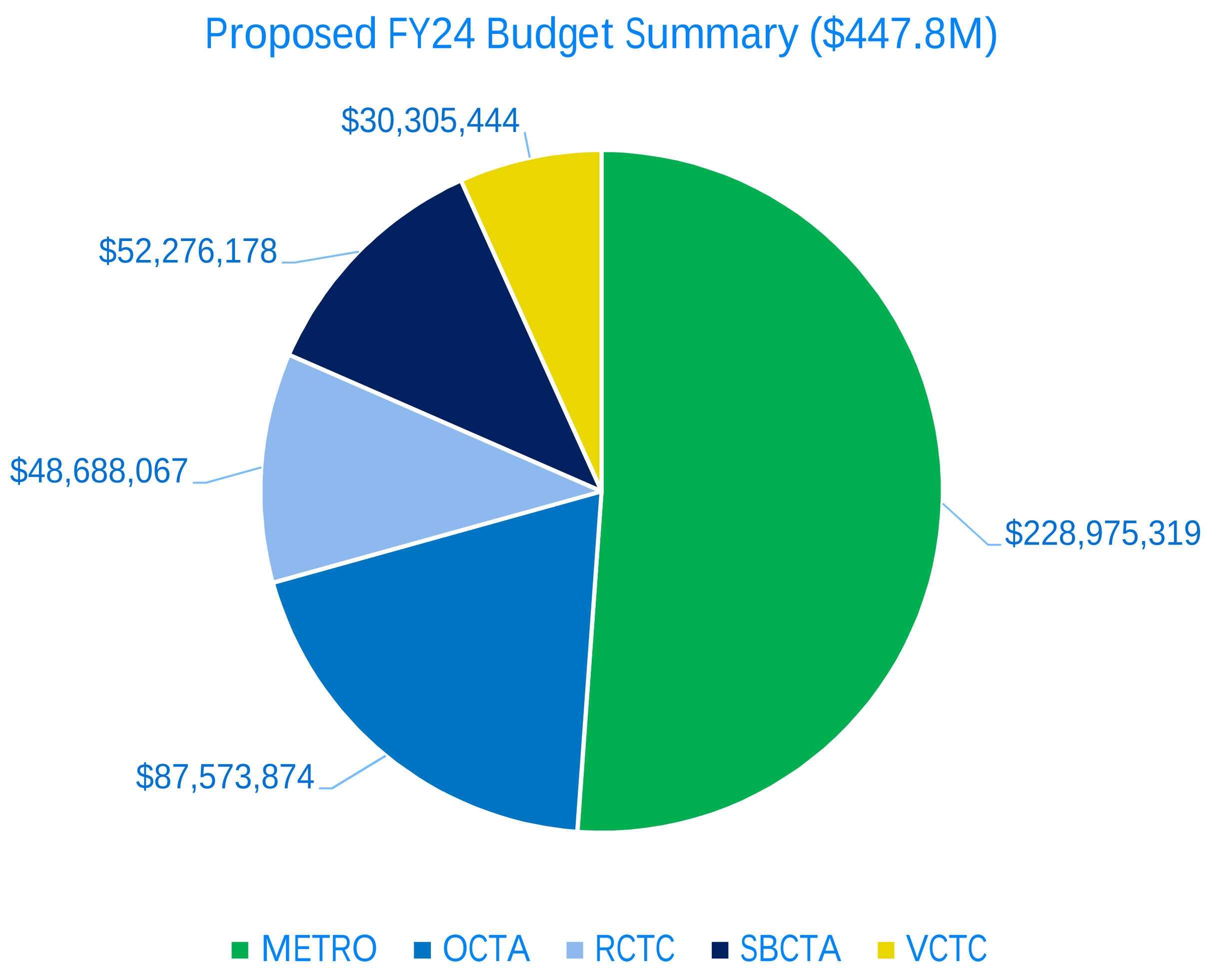
New Capital



METROLINK

Summary

FY24 Budget Summary
Summary of Support by Member Agency



- Total Proposed FY24 Budget with Working Capital

METROLINK

FY24 Budget Summary
Summary of Support by Member Agency

FY24 Proposed Budget (Current)

	TOTAL	METRO	OCTA	RCTC	SBCTA	VCTC
Total Operating Support	$ 250,658,882	$ 126,410,472	$ 50,750,849	$ 28,231,763	$ 28,892,306	$ 16,373,492
Total Capital Support	$ 147,160,000	$ 73,274,847	$ 29,673,025	$ 15,691,304	$ 18,053,872	$ 10,466,952
SUB-TOTAL =	$ 397,818,882	$ 199,685,319	$ 80,423,874	$ 43,923,067	$ 46,946,178	$ 26,840,444
Working Capital Request	$ 50,000,000	$ 29,290,000	$ 7,150,000	$ 4,765,000	$ 5,330,000	$ 3,465,000
TOTAL =	$ 447,818,882	$ 228,975,319	$ 87,573,874	$ 48,688,067	$ 52,276,178	$ 30,305,444

FY23 Amended Budget

	TOTAL	METRO	OCTA	RCTC	SBCTA	VCTC
Total Operating Support	$ 229,800,737	$ 117,951,427	$ 45,988,164	$ 25,890,809	$ 25,224,743	$ 14,745,594
Total Capital Support	$ 106,545,000	$ 47,958,000	$ 29,531,440	$ 9,688,080	$ 12,568,320	$ 6,284,160
Working Capital Request	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL =	$ 336,345,737	$ 165,909,427	$ 75,519,604	$ 35,578,889	$ 37,793,063	$ 21,029,754

Variance

	TOTAL	METRO	OCTA	RCTC	SBCTA	VCTC
Total w/o Working Capital	$ 61,473,145	$ 33,775,892	$ 4,904,270	$ 8,344,178	$ 9,153,115	$ 5,810,690
variance	18.3%	20.4%	6.5%	23.5%	24.2%	27.6%
Total w/ Working Capital	$ 111,473,145	$ 63,065,892	$ 12,054,270	$ 13,109,178	$ 14,483,115	$ 9,275,690
variance	33.1%	38.0%	16.0%	36.8%	38.3%	44.1%

METROLINK

Back Up

METROLINK

FY24 Operating Budget
Summary of Support by Member Agency

FY24 Proposed Budget (CURRENT)

	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL
Total Operating Revenues	28,214,617	12,138,405	4,116,866	6,855,364	1,454,046	52,779,298
Total Expenses	154,625,089	62,889,254	32,348,629	35,747,670	17,827,538	303,438,180
FY24 Member Agency Support (Loss)	(126,410,472)	(50,750,849)	(28,231,763)	(28,892,306)	(16,373,492)	(250,658,882)

FY23 Amended Budget

	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL
Total Operating Revenues	33,640,404	16,195,954	5,872,140	9,013,543	1,801,441	66,523,481
Total Expenses	151,591,831	62,184,118	31,762,948	34,238,286	16,547,034	296,324,218
FY23 Member Agency Support (Loss)	(117,951,427)	(45,988,164)	(25,890,809)	(25,224,743)	(14,745,594)	(229,800,737)

Year-Over-Year Variance

	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL
Operating Revenues	(5,425,787)	(4,057,549)	(1,755,274)	(2,158,179)	(347,395)	(13,744,183)
variance	-16.1%	-25.1%	-29.9%	-23.9%	-19.3%	-20.7%
Expenses	3,033,258	705,136	585,681	1,509,384	1,280,504	7,113,962
variance	2.0%	1.1%	1.8%	4.4%	7.7%	2.4%
Member Agency Support (increase) / decrease	(8,459,045)	(4,762,685)	(2,340,954)	(3,667,563)	(1,627,898)	(20,858,145)
variance	-7.2%	-10.4%	-9.0%	-14.5%	-11.0%	-9.1%

METROLINK

FY24 Operating Budget
Summary of Member Agency Support by Line

FY24 Proposed Budget (CURRENT)

	San Bernardino	Ventura County	Antelope Valley	Riverside	Orange County	IEOC	91/PVL	TOTAL
Total Operating Revenues	15,677,747	4,018,862	10,285,337	2,798,005	10,627,540	4,926,708	4,445,098	52,779,297
Total Expenses	69,833,421	38,871,891	60,245,890	24,071,887	44,645,408	35,314,956	30,454,727	303,438,180
FY24 Member Agency Support (Loss)	(54,155,674)	(34,853,029)	(49,960,553)	(21,273,882)	(34,017,868)	(30,388,248)	(26,009,629)	(250,658,883)

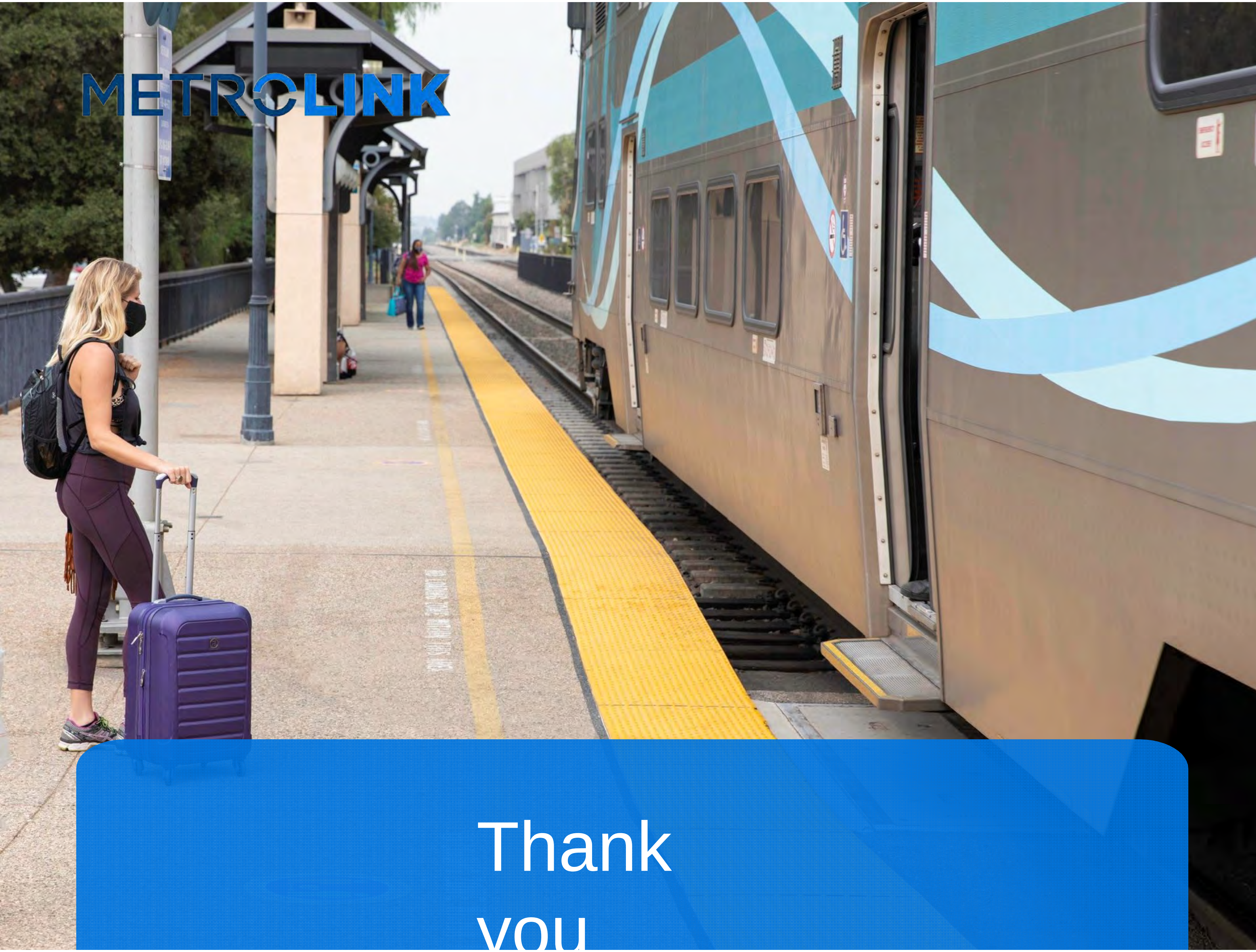
FY23 Amended Budget

	San Bernardino	Ventura County	Antelope Valley	Riverside	Orange County	IEOC	91/PVL	TOTAL
Total Operating Revenues	19,508,547	4,934,705	12,286,922	3,201,774	12,728,840	7,919,490	5,943,203	66,523,481
Total Expenses	66,439,127	37,378,986	59,156,166	23,717,633	44,676,744	35,279,114	29,676,450	296,324,218
FY23 Member Agency Support (Loss)	(46,930,580)	(32,444,281)	(46,869,244)	(20,515,859)	(31,947,904)	(27,359,623)	(23,733,247)	(229,800,737)

Year-Over-Year Variance

	San Bernardino	Ventura County	Antelope Valley	Riverside	Orange County	IEOC	91/PVL	TOTAL
Operating Revenues	(3,830,800)	(915,843)	(2,001,585)	(403,769)	(2,101,300)	(2,992,782)	(1,498,105)	(13,744,184)
variance	-19.6%	-18.6%	-16.3%	-12.6%	-16.5%	-37.8%	-25.2%	-20.7%
Expenses	3,394,294	1,492,905	1,089,724	354,254	(31,336)	35,842	778,277	7,113,962
variance	5.1%	4.0%	1.8%	1.5%	-0.1%	0.1%	2.6%	2.4%
Member Agency Support (increase) / decrease	(7,225,094)	(2,408,748)	(3,091,309)	(758,023)	(2,069,964)	(3,028,625)	(2,276,382)	(20,858,146)
variance	-15.4%	-7.4%	-6.6%	-3.7%	-6.5%	-11.1%	-9.6%	-9.1%

METROLINK



Thank you

Preview to the Public Hearing on Orange County Transportation Authority's Fiscal Year 2023-24 Budget and Personnel and Salary Resolution

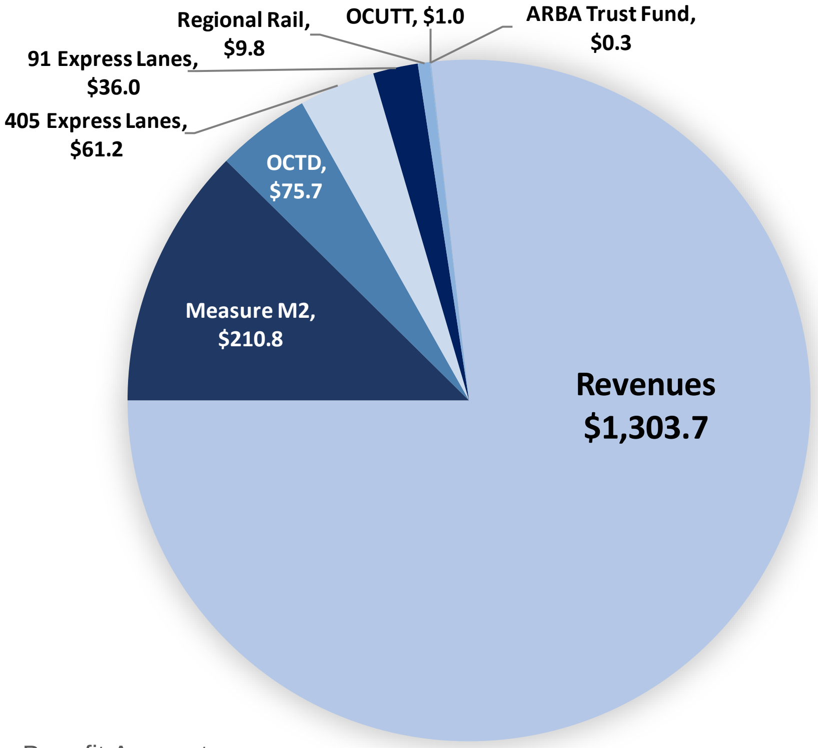
Budget Themes

- Anticipate moderate increase in sales tax receipts
- Sustaining bus operations despite exhausting federal relief funds
- Ongoing investment in zero-emission buses and infrastructure
- 91 Express Lanes continues to meet commitments
- Opening of 405 Express Lanes in late 2023 with I-405 Improvement Project completion
- Delivering Measure M2 Next 10 Plan as promised
- Metrolink service at 90 percent of pre-pandemic service levels
- Advancing coastal rail resiliency planning
- OC Streetcar Project construction continues

Budget Overview

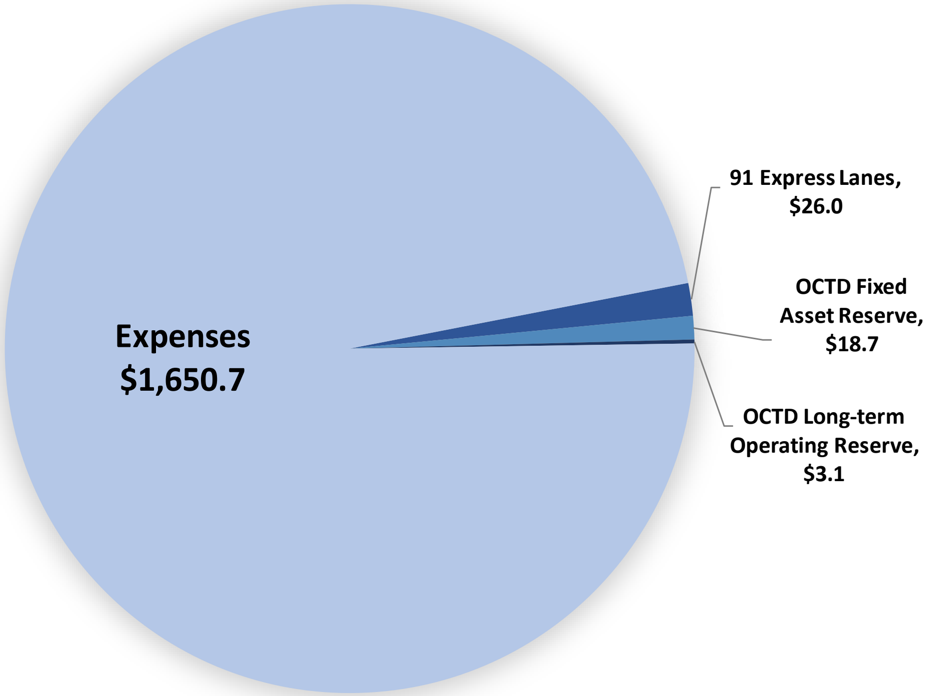
Use of Prior Year Designations $394.8 million

Source of Funds $1,698.5 million



Use of Funds $1,698.5 million

Designations $47.8 million



ARBA - Additional Retiree Benefit Account
OCUTT - Orange County Unified Transportation Trust
OCTD – Orange County Transit District

Budget Sources and Uses

In Millions	FY 2022-23 Approved Budget	FY 2023-24 Proposed Budget	Change $
Sources			
Revenues	$ 1,234.7	$ 1,303.7	$ 69.0
Use of Prior Year Designations	415.5	394.8	(20.7)
Total Revenue / Use of Designations	**$ 1,650.2**	**$ 1,698.5**	**$ 48.3**
Uses			
Salaries and Benefits	$ 187.3	$ 200.5	$ 13.2
Deferred Compensation Payment	-	8.0	8.0
LOSSAN Funded Salaries and Benefits	3.9	4.1	0.2
Services and Supplies	339.6	475.6	136.0
Contributions to Other Agencies	181.3	211.7	30.4
Interest/Debt Service	97.8	77.8	(20.0)
Capital	635.2	673.0	37.8
Designations	205.1	47.8	(157.3)
Total Expenditures / Designations	**$ 1,650.2**	**$ 1,698.5**	**$ 48.3**

FY – Fiscal Year
LOSSAN - Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency

Staffing Levels

OCTA Staffing	FY 2022-23 Full-time Equivalent	FY 2023-24 Full-time Equivalent	FY 2023-24 New Hires	FY 2023-24 Reductions	Difference
Administrative	**520.5**	**532.5**	**13.0**	**(1.0)**	**12.0**
Union	**823.0**	**819.0**	**4.0**	**(8.0)**	**(4.0)**
Coach Operators	631.0	623.0	-	(8.0)	(8.0)
Maintenance	153.0	155.0	2.0	-	2.0
Facility Technicians and Parts Clerks	39.0	41.0	2.0	-	2.0
OCTA Positions	**1,343.5**	**1,351.5**	**17.0**	**(9.0)**	**8.0**
LOSSAN Funded OCTA Positions	**18.0**	**18.0**	**-**	**-**	**-**
Total Authority Positions	**1,361.5**	**1,369.5**	**17.0**	**(9.0)**	**8.0**

Employee Compensation Assumptions

- Employees Subject to Collective Bargaining Agreement
  - Coach Operators (623 employees)
    - Collective Bargaining Agreement effective through April 30, 2024
  - Maintenance (155 employees)
    - Collective Bargaining Agreement effective through September 30, 2025
  - Facilities technicians and parts clerks (41 employees)
    - Collective Bargaining Agreement effective through March 31, 2024
- Administrative Employees (532.5 + 18 LOSSAN employees)
  - Employees are not represented
  - Compensation governed by the Personnel and Salary Resolution, which is approved annually as part of the budget
  - Salary grade ranges are developed based upon scope, level of work performed, and external market data
    - Recommend 4 percent adjustment to grade ranges

Personnel and Salary Resolutions

- Pertaining to Administrative employees
  - Employees are at-will
  - Administrative employees do not receive cost-of-living adjustments, step increases, or automatic increases of any type
- Merit Pool of 4.5 percent
  - Salary increases are based on a pay-for-performance program
  - Every employee has a performance plan and receives an annual performance review
  - Base-building adjustment to annual salary
- Bonus Pool of 4 percent
  - Non-base building – does not increase annual salary
  - Bonuses are given throughout the year for specific, exceptional performance in a defined goal area
  - Part of employee rewards and recognition strategy

Recommendations

- Approve by Resolution OCTA's FY 2023-24 budget
- Approve the Personnel and Salary Resolution for FY 2023-24
- 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
- Approve FY 2023-24 Orange County Transportation Authority member agency contribution to the Southern California Regional Rail Authority (SCRRA), operating subsidy, in an amount up to $50,750,849, including authorization of federal funding to be drawn down directly by the SCRRA, in an amount up to $9,534,777. In addition, approve the capital and rehabilitation expenditure budget contingent upon all member agencies' approval of their respective capital and rehabilitation budgets. OCTA's portion of the costs for capital is $4,129,290 and $25,543,785 for rehabilitation. Also, authorize a working capital reserve contribution of up to $7,150,000 to facilitate the funding of capital expenditures and lessen the necessity of using operating funds to front capital expenditures.

Next Steps

- Public Hearing – Board (public hearing and approval) June 12
- Back-up Public Hearing – Board (public hearing and approval) June 26

1. **Question: In what format was the proposed budget information provided to the Orange County Transportation Authority (OCTA) Board Members?**

   Answer: The Clerk of the Board emailed a dropbox link that contained the proposed budget information on May 3, 2023.

2. **Question: What was the reasoning behind reducing coach operators by eight full-time equivalent (FTE) positions in the proposed budget?**

   Answer: The coach operator count is based on the amount of service, overtime assumptions, and hiring assumptions which include attrition and recruiting efforts. This fluctuates annually based on the service delivery plan and OCTA's ability to retain and attract coach operators.

3. **Question: Are the reduced coach operator FTE's OCTA positions?**

   Answer: Yes. All positions in the budget are directly employed by OCTA and do not include any contracted positions. These positions are currently vacant. As a result, no employees are being laid off.

4. **Question: What are the costs of the zero-emission buses in comparison to compressed natural gas (CNG) buses and what is the reason for mixing different types of zero-emission buses?**

   Answer: The current cost of a 40-foot CNG bus is approximately $700,000. The costs of the zero-emissions vehicles are as follows:

   - Hydrogen Fuel Cell 40-foot bus = $1.4 million each
   - Battery Electric 40-foot bus = $1.2 million each

   OCTA is piloting both technologies to see what fits best for the organization in the long term. In doing so, capabilities related to the number of buses that can be fueled, as well as the number of buses that could be charged, were taken into consideration when determining how many buses to purchase as part of the expanded pilot.

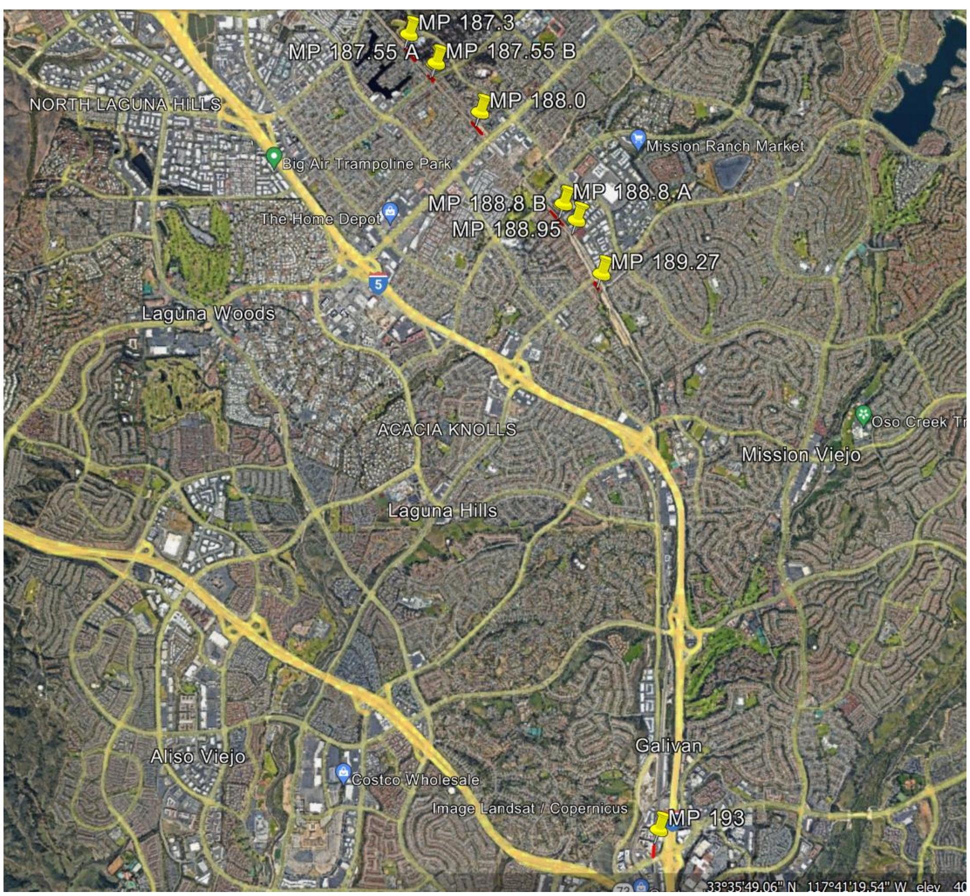
5. **Question: Can the 18 percent of Measure M2 (M2) sales tax dollars allocated to Local Fair Share be adjusted?**

   Answer: No. The percentage of the allocation cannot be adjusted. The percentage is codified in OCTA's M2 ordinance.

6. **Question: Can you provide some more information on two allocations in the Regional Rail Capital Program ("Coastal Slope Stabilization" & "Mission Viejo/Laguna Niguel Slope Stabilization")?**

Answer: There is $3.7 million in the proposed budget for "Coastal Slope Stabilization". Of the $3.7 million budgeted, $2 million is to retain a consultant to do the Phase I Study which will address short-term, medium-term, and long-term solutions. This effort will be largely funded with Surface Transportation Block Grant revenues. The remaining $1.7 million largely relates to Cyprus Shores follow on landscape mitigation and closeout activities for ground anchors related to the emergency tie-back effort in San Clemente. A second study related to the potential relocation of the rail line is not in the proposed budget as it has not yet been determined which agency would lead that effort.

The $5.7 million budget request for the Mission Viejo/Laguna Niguel Slope Stabilization project relates to preventive activities previously identified for corrective work along the OCTA-owned rail right-of-way. This effort will provide slope and drainage improvements along rail right-of-way in the locations pinned in the map below.



7. **Question: Why are we not designating for future 405 Express Lanes project expenses?**

   Answer: The 91 Express Lanes is a mature tolled facility, having been in operations for the past 27.5 years. As such, excess revenues are generated on an annual basis and are invested in the State Route 91 corridor on improvement projects. The 405 Express Lanes will commence operations in late 2023 and is expected to experience a multi-year ramp-up period as customers incorporate the new Express Lanes into their travel options. Ramp-up periods are common for new tolled facilities. The FY 2023-24 405 Express Lanes project budget is assumed to be balanced based upon the forecasted revenues and expenditures.

   Furthermore, it is important to note that OCTA currently has a $629 million Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for the 405 Express Lanes. Any excess revenues generated in the first five years after opening must be held in a Distribution Lock-Up Fund. After five years, OCTA will have access to the funds, however half of all excess revenues will need to go towards paying down the existing loan. In future fiscal years, as the TIFIA loan is paid down and 405 Express Lanes revenues exceed expenditures, staff will set aside designations for future expenditures.

8. **Question: What purpose does the Call Box Program serve in this modern age of cell phones?**

   Answer: The Call Box Program receives approximately 1,000 calls per year from motorists. Every few years, OCTA staff evaluates cellular service carrier coverage, call box call volumes, and other metrics to consider reductions in the number of call boxes. OCTA has reduced the number of call boxes from more than 1,200 at the program's inception to just under 300 today. It is important to note that the program exists as some of the individuals making calls do not have a cell phone, their cell phone is not charged, or their cellular carrier does not have a good signal in the area (like on Santiago Canyon Road, Carbon Canyon, Ortega Highway, and some areas of the toll roads); making this service essential for them. Additionally, Service Authority for Freeway Emergencies funds ($1 registration fee) are dedicated funds that may only be used for Motorist Aid programs. These funds cannot be used anywhere else.