



DATE: August 18, 2025

TO: **Orange County Transportation Authority**  
Robert L. Davis, Treasury and Public Finance Manager

FROM: **KNN Public Finance, LLC**  
Melissa Shick, Managing Director

RE: **NEW YORK CREDIT UPDATE | JULY 2025**  
**FINANCIAL ADVISOR REPORT TO OCTA**

It was a pleasure to have accompanied the Orange County Transportation Authority ("OCTA") on its annual credit update provided to the rating agencies in tandem with meetings with other financial and business partners in New York in July. The following memorandum provides an overview of the New York credit update trip, the content of the credit presentation and meeting discussions, and key themes that emerged from meaningful dialogue among Board Members, staff, credit analysts, and other market participants.

## 1. OVERVIEW

OCTA's annual trip to New York continues to be a highlight for the rating agencies and provides valuable in-person dialogue regarding the organization, the service area economy, the Measure M sales tax program, the Express Lanes programs, and associated borrowing programs. This year, OCTA met with credit analysts from two of the three rating agencies that provide credit ratings on the Measure M and Express Lanes outstanding debt – Moody's Investor's Service ("Moody's") and S&P Global Ratings ("S&P"). Fitch Ratings ("Fitch") was unavailable to meet in-person in New York, but staff intends to schedule a separate meeting with the Fitch credit analysts over the coming months to also provide its annual credit update.

The credit analysts thanked OCTA Board Members and staff for their continued commitment to the long-standing credit relationships and the value placed in fostering open and transparent communication regarding the organization's successes, opportunities, and challenges. Importantly, in today's post-pandemic, virtual world, it was evident that the in-person outreach and dialogue were welcomed and appreciated.

Complementing the meetings with the rating agencies, OCTA also met with MetLife Investment Management ("MetLife"), one of OCTA's four portfolio managers, representatives of Bank of America ("BoFA"), most recently senior underwriter on the issuance of OCTA's Measure M Refunding Bonds in March, and Stantec traffic and revenue consultant most recently providing an update to the 405 Express Lanes traffic and revenue forecast.

Considering the dialogue and conversation over the course of two days, two primary themes became evident. First, OCTA's core philosophy of "**Promises Made, Promises Kept**" remains apparent and is supported by the continued successful delivery of projects and programs under Measure M and the operation of the Express Lanes. Second, following many consecutive years of building and implementing projects and operations through delivery of the Measure M and Express Lanes programs, a developing and growing economy, and a post-pandemic recovery, OCTA is currently afforded by a steady-state environment – one of "**Stability and Strength.**"

## 2. OCTA PARTICIPANTS AND MEETING SCHEDULE

OCTA was represented by Board Members and key staff at credit rating and business meetings in New York. Board Members included Chair, Doug Chaffee, Vice Chair, Jamey Federico, and Chair of the Finance and Administration Committee, Michael Hennessey. OCTA staff members included Darrell Johnson, Chief Executive Officer, Andy Oftelie, Chief Financial Officer, Kirk Avila, General Manager of Express Lane Programs, and Robert Davis, Treasury and Public Finance Manager. OCTA was also represented by Melissa Shick, Managing Director, KNN Public Finance, LLC (municipal advisor on OCTA's issuance of Measure M Refunding Bonds in March).

The New York credit update meetings took place on July 30, 2025 and July 31, 2025, consisting of five meetings across the two days:

WEDNESDAY, JULY 30	
Moody's	Moody's provides ratings on the 91 Toll Revenue Bonds (Aa3) and the 405 Toll Revenue TIFIA Loan (Baa2). The Measure M Build America Bonds issued in 2010 were rated by Moody's but the Measure M Refunding Bonds in 2025 were not rated by Moody's.
S&P	S&P provides ratings on the Measure M Sales Tax Bonds - recently upgrading OCTA's sales tax rating to "AAA." S&P also rates the 91 Toll Revenue Bonds (AA-).
MetLife	MetLife is one of OCTA's four fixed income portfolio managers.
THURSDAY, JULY 31	
Bank of America	BofA has a long-standing history with OCTA and has served as underwriter on OCTA's Measure M Bonds and 91 Toll Revenue Bonds. Most recently, BofA served as senior manager on the Measure M Refunding Bonds in 2025.
Stantec	Stantec provides traffic and revenue forecasts for the 91 Express Lanes and the 405 Express Lanes and in 2025 provided an update to the 405 Express Lanes 2016 forecast.

## 3. RATING AGENCY MEETINGS

The Treasury/Public Finance Department, with support from many departments throughout OCTA, worked diligently during the Spring and Summer to update and assemble a comprehensive 70-slide PowerPoint presentation – the July 2025 Credit Update. The PowerPoint presentation was formally presented to Moody's and S&P; however, OCTA shared and referenced aspects of the presentation topics during other meetings over the course of the two days.

The July 2025 Credit Update was organized as follows:

SECTION	PRESENTER	SLIDES
1. Orange County Transportation Authority	Doug Chaffee, Chair	2-9
1. Orange County Transportation Authority	Jamey Federico, Vice Chair	10-13
2. Orange County Economy	Michael Hennessey, Committee Chair Finance & Administration	14-24
3. Agency Update	Darrell Johnson, Chief Executive Officer	25-34
4. Measure M Program	Andrew Oftelie, Chief Financial Officer	35-42
5. Express Lanes Programs	Kirk Avila, General Manager, Express Lanes Programs	43-61
6. Debt Programs	Robert Davis, Treasury and Public Finance Manager	62-70

MEETING WITH MOODY'S:

Moody's was represented by Kurt Krummenacker (Manager, Americas Project Finance and Infrastructure), Cintia Nazima (Vice President – Senior Analyst, Global Project & Infrastructure Finance), Aysha Seedat (Analyst, Global Project & Infrastructure Finance), and Moses Kopmar (Credit Sector Strategist), who participated virtually.

*SECTION 1: ORANGE COUNTY TRANSPORTATION AUTHORITY.* Chair Chaffee led the initial presentation discussion with Moody's. The Chair introduced the presentation participants and importantly provided context of his background serving as Chair of the Orange County Transportation Authority Board of Directors and Chair of its Executive Committee. Chair Chaffee highlighted that while elected to serve as the Chair of the Board in 2025, he has served on the OCTA Board since 2019. Additionally, he emphasized the privilege of also serving as Chair of the Southern California Regional Rail Authority Board of Directors (or Metrolink) and as Member of the Board of Directors of the Foothill/Eastern Transportation Corridor Agency. Chair Chaffee's introductory remarks set the stage for CEO Johnson's discussion of the 241/91 Express Lanes Connector project and underscored OCTA's commitment to inter-governmental coordination and agreements to advance transformative regional projects.

As Chair, Chaffee spoke to the importance of continuity at the Board and staff level while welcoming new Board members and succession planning at the executive management level. He noted there were two new key executive leadership transitions (Executive Director for Planning and Executive Director for Government Relations) since the last meeting with Moody's – positions now held by staff members that have been with OCTA for over ten years. Chair Chaffee concluded his remarks by speaking to the 2025 Board and CEO Initiatives that are aligned with OCTA's mission to deliver a balanced, sustainable, and equitable transportation system that enhances quality of life and keeps Orange County moving.

Vice Chair Federico began his discussion providing an overview of the 2025 Grand Jury Report and related findings. Each area of strength mentioned in the 2025 Grand Jury Report underscored stability across the OCTA organization – governance, finance, and services – foreshadowing Director Hennessey's theme of "Stability and Strength" that would be discussed in the Orange County Economy section that followed. With Moody's, Vice Chair Federico led a robust discussion around OCTA's Reserve Policy which is designed to mitigate financial risks to the organization. Importantly, Vice Chair Federico described OCTA's decision to self-insure and increase the minimum General Liability Reserve from \$7.1 million to \$32.1 million to include \$25 million for large, unpredictable claims.

The discussion surrounding insurance prompted Moody's inquiry around other insurance coverages – notably cyber insurance. CFO Oftelie spoke to OCTA's cyber insurance coverage. Moody's indicated that generally, when an organization has taken the step to procure cyber insurance, it implies that diligence regarding cyber safety has been conducted throughout an organization, which CFO Oftelie confirmed.

*SECTION 2: ORANGE COUNTY ECONOMY.* In speaking of the Orange County economy and beginning with a discussion of the steady-state population in the County, Director Hennessey set the stage for the presentation theme of "Stability and Strength." While the 1990s experienced an average annual population growth of 1.5%, Director Hennessey highlighted that since the 1990's, Orange County's has experienced a leveling population growth with annual population estimates remaining steady.

Director Hennessey provided a comprehensive review of employment changes in the economy, including changes over a longer-term history and changes over the past year. The gains and losses

in employment over the last year were discussed with Moody's – depicting the overall change in employment dynamic in the County. Director Hennessey specifically spoke to the Leisure and Hospitality sector, which suffered the most job losses during the pandemic, but now continues to show strength, with employment in this sector exceeding the pre-pandemic levels. During the discussion of the composition of employment in the County, Moody's was particularly interested in employment projections moving forward and changes in the employment composition. Director Hennessey estimated that the health services sector would continue to grow due to an aging population.

New economic development projects in the County, including OCVIBE, the OC Riverwalk, Disneyland Forward, and Dana Point Harbor Revitalization were presented this year. Moody's was impressed by the level of planned economic development in the County. As part of this discussion, Moody's inquired about the 2028 Olympics and asked if the activity around development was driven by anticipated Olympic activity. CEO Johnson discussed the use of the Honda Center/Anaheim Arena as a venue for Olympics.

Director Hennessey concluded his remarks by characterizing the Orange County economy as an environment of ongoing "Strength and Stability" – a shift from historic "boom" eras.

*SECTION 3: AGENCY UPDATE.* CEO Johnson's agency updates consisted of OC Streetcar and OC Bus, highlighted freeway and managed lanes projects, and the approved FY 2025-26 Budget.

Regarding OC Streetcar, Moody's inquired about the extent of the delay and design issues. CEO Johnson summarized the project challenges to be three-fold: i) utility issues; ii) defaults in design; and iii) soil composition. Moody's appreciated the further context and understood that there could be an extended period of legal disputes with the contractor and design firm.

The Caltrans I-5 managed lanes project was discussed in depth with Moody's with CEO Johnson noting that the project is currently in the environmental phase. CEO Johnson discussed the timing of the environmental review process noting that the state's process will utilize a Vehicle Miles Traveled ("VMT") analysis. Moody's asked for follow-up information on VMT, which CEO Johnson noted he would provide. Consistent with the discussion with Moody's last year, CEO Johnson underscored that OCTA is committed to supporting Caltrans on the project and providing express lanes "best practices" to ensure the project's success.

The 241/91 Express Connector project was also presented in detail – focusing on the multi-agency aspects of the project, including TCA, RCTC, and OCTA. Both CEO Johnson and Kirk Avilia spoke about the status of the project and the open policy issues under the Master Agreement and Operating Agreement. Moody's inquired about traffic demand management during peak hours to which CEO Johnson underscored that "dynamic pricing will rule" along with restrictions for HOV and transit and vanpool only. Mr. Avila emphasized that OCTA is committed to ensuring that the project will not negatively impact the 91 Express Lanes and General Purpose Lanes traffic patterns.

CEO Johnson concluded his discussion by reviewing the FY 2025-26 Budget. The Moody's analysts inquired about the overall affordability of programs and services. CEO Johnson discussed the transit system and fare structure, including free passes to youth and students and fare capping at \$5/day and \$69/month. On the toll side, discounts are shifting to occupancy-based from income-based with the clean air vehicle discount scheduled to sunset.

*SECTION 4: MEASURE M PROGRAM.* CFO Otelie provided an update on the Measure M2 program emphasizing "Promises Made, Promises Kept." Despite modest decline in sales tax

revenues and a lower total sales tax revenue forecast of \$14 billion over the 30-year measure from prior estimates, the M2 program remains deliverable. CFO Ofelie shared important insight with regard to actual sales tax revenues under Measure M2, including commentary on the portion of growth relative to inflationary growth and real growth. The Moody's analysts were struck by the actual sales tax revenue growth post-pandemic as compared to the 2019 sales tax revenue forecast. The pandemic year of 2019-20 was the only year in which sales tax revenues fell below the 2019 forecast (at a manageable 4.3% decline). Fiscal years 2021-22 through 2023-24 far exceeded 2019 forecast expectations. CFO Ofelie highlighted that M2 sales tax receipts have increased 36% since the pandemic, reinforcing the program's stability despite recent softening in year-over-year growth.

*SECTION 5: EXPRESS LANES PROGRAMS.* Kirk Avila, the General Manager of Express Lanes Programs briefed the credit analysts on updates related to OCTA's 91 Express Lanes and 405 Express Lanes Programs. As Moody's provides a rating on the 91 Toll Revenue Bonds and the 405 Toll Revenue TIFIA Loan, Mr. Avila provided important operational and credit detail on the two Express Lanes programs. Moody's credit analysts were impressed by the numerous milestones completed over the last year in terms of i) automation; ii) traffic volume and toll revenues; and iii) 405 Express Lanes operations.

Specific to automation, Mr. Avila highlighted the new video wall at the Traffic and Operations Center (which Moody's provided favorable comments) and the final acceptance for the Electronic Toll and Traffic Management lane system. Mr. Avila presented several slides on the continued growth and new highs related to the 91 Express Lanes traffic volume and revenue performance. In this regard, he spent time reviewing year over year changes in traffic volume with the Moody's analysts. Mr. Avila pointed out that the largest growth in traffic volumes has not necessarily been driven by peak commute hours (5am – 9am Westbound and 3pm – 6pm Eastbound). Instead, Mr. Avila highlighted that growth has been driven by flexibility in work schedules and off-peak commuting – pointing to increased traffic volumes of approximately 20% on Fridays between 9am and 3pm in the Westbound direction.

Moody's was also pleased to learn that the 405 Express Lanes had completed its first full fiscal year of operations and to hear about the growth experienced since Mr. Avila presented to Moody's in July 2024. Mr. Avila reviewed slides that indicated that transactions, trips (defined as 6 transactions or access points), and revenues were all higher in the months of December 2024 through May 2025 from FY 2024 data. Moody's asked about the percentage of drivers utilizing the entire 405 facility in a single trip – Mr. Avila noted that approximately 37%-38% of users access the entire facility.

In July 2024, Mr. Avila informed the credit analyst that Santec would be preparing an updated traffic and revenue study on the 405 Express Lanes. In the July 2025 meeting with Moody's, Mr. Avila provided an overview of the updated forecast relative to the forecast provided in 2016 noting the updated forecast "is lower but more realistic" now that actual operational data is available. Mr. Avila also addressed questions regarding the forecast and different commute patterns with new the remote work environment.

*SECTION 6: DEBT PROGRAMS.* Robert Davis, Manager of the Treasury/Public Finance Department, highlighted key aspects of the 91 Express Lanes Debt for Moody's given their outstanding credit rating on the program. Notable to Moody's was the improved credit metrics just in the last year: i) estimated FY 2024-25 debt service coverage ratio is projected to be 8.05x – up from 7.13x in FY 2023-24 and ii) the maintenance of additional reserves funded by OCTA - \$31.3 million Capital Reserve and \$248.8 million SR-91 Corridor Projects Reserve. Overall, Mr. Davis underscored the agency's robust debt service coverage ratios with no plans for additional debt across all credits.



MEETING WITH S&P:

S&P was represented by Quinn Rees (Senior Analyst, Americas Public Finance States & Transportation Team) and Thomas Zemetis (Director and Analytical Lead, States & Transportation Team, Public Finance - The Americas). The discussion topics and credit themes at the S&P meeting were consistent with that of the Moody's meeting. Highlighted below are discussion points that were of particular interest to S&P.

*SECTION 1: ORANGE COUNTY TRANSPORTATION AUTHORITY.* Chair Chaffee opened the meeting with S&P by thanking the analysts for their recent credit evaluation of OCTA's sales tax credit and upgrading the credit to "AAA" and assigning the "AAA" rating on the Measure M Refunding Bonds. Quinn Rees, who was present at the credit update meeting, served as the primary credit analyst on the Measure M Refunding Bonds and noted that for her personally OCTA's "AAA" upgrade was her first assignment of a "AAA" across her portfolio of credits.

Also in his introductory remarks, Chair Chaffee noted his role not only on the OCTA Board but also on the Metro Link Board and TCA Board. He highlighted the inter-governmental agency coordination and the recent efforts taken to advance multi-jurisdiction agreements and projects.

Chair Chaffee provided a summary of the presentation content, including stable Board leadership and Executive Management team, a strong, resilient economy that has recovered from the temporary downturn during the pandemic, and sales tax collections have significantly exceeded pre-pandemic projections. He noted that the FY 2025-26 Budget was approved and from the Board's perspective it is a budget that keeps the focus on customers and constituents but is fiscally responsible.

Chair Chaffee concluded with a discussion of the 2025 Board and CEO Initiatives. He noted that his role is to work collaboratively with fellow Board members, OCTA's executive staff, and local and regional partners to shape a unified vision for the year. The 2025 initiatives emphasize fiscal and environmental responsibility, customer-focused service, community engagement, and delivery on voter-approved commitments, particularly through the Measure M2 program – "Promises Made, Promises Kept."

Vice Chair Federico began his discussion with the review of the 2025 Grand Jury Report. In addition to the presentation of the organizational strengths included in the report, he pointed to the areas of improvement also noted in the report – one being the Coastal Rail and limited ability to address infrastructure threats. On the following slide, Vice Chair Federico provided a thoughtful discussion of the Coastal Rail Resiliency and the near-term and longer-term strategies to protect service. Importantly, Vice Chair Federico emphasized the Federal and State commitment to the repair – minimizing the risk to OCTA's core operations. S&P analysts inquired about OCTA's payment risk as a contracting agency in the event Federal funding towards the project is diverted. Vice Chair Federico reiterated the Federal commitment in tandem with the State commitment totaling over \$300 million in emergency repair funding.

S&P was intrigued by the new OCTA headquarters acquisition and the projected savings compared to leasing over the same period. This led to a broader discussion around commercial office space, vacancy rates, work patterns, and commute patterns in Orange County.

*SECTION 2: ORANGE COUNTY ECONOMY.* Director Hennessey began the discussion of Orange County's economy noting that while geographically small, the County's economy is mighty – 3<sup>rd</sup> most populous and 2<sup>nd</sup> most dense county in the state – "punching well above its weight economically."

Director Hennessey reviewed wealth indicators in the County depicted by per capita personal income and median household income. In 2023, per capita income in the County reached approximately \$89,000, which reflects both high wage sectors and a relatively affluent population. He noted that Orange County's position above the state and national averages reflects its deep base of high-wage employment in sectors such as professional services, technology, and health care. Additionally, Orange County's median household income at \$110,042 is the highest among the major Southern California counties, including Los Angeles, Riverside, and San Diego. Alongside wealth indicators Director Hennessey reviewed home prices in the County. The change/increase in median home prices in Orange County from June 2007 to March 2025 is notably higher than the major Southern California counties, including Los Angeles, Riverside, and San Diego.

The discussion of both wealth factors and home prices led to a discussion of commute patterns. Director Hennessey highlighted that there are a greater number of commuters from Los Angeles to Orange County than from Orange County to Los Angeles – underscoring the strength of the job market in the County but also reflective of home prices and affordability in Orange County.

*SECTION 3: AGENCY UPDATE.* CEO Johnson's agency update provided an opportunity to review ridership trends with S&P. He highlighted that adjustments and growth to the bus system and routes has led to an adjustment/increase in ridership. S&P noted that OCTA's total system ridership changes from the pandemic levels were higher than that of its regional peers. CEO Johnson also noted in discussion of the FY 2025-26 Budget that additional OC Bus service will be implemented to meet increasing demand.

The Caltrans I-5 managed lanes project was also discussed in depth with S&P particularly focused on the state-managed project. CEO Johnson emphasized that while Caltrans is managing the project, OCTA is committed to ensuring the success of the project delivery and implementation.

The 241/91 Express Connector project was presented in detail, S&P inquired on the details of the Master Agreement and Operating Agreement and CEO Johnson noted that the agreement terms are mostly worked out with policy issues being the primary open areas. Kirk Avila confirmed that the overall agreement was thoroughly thought through with the key objective to ensure "that there will be no impact to the 91 Express Lanes or 91 General Purpose Lanes as a result of the project."

In his concluding remarks on the FY 2025-26 Budget, CEO Johnson summarized the budget priorities, including continued investment in zero-emission buses, stable operations for the 91 Express Lanes and new 405 Express Lanes, modest increases in bus and rail services, and ongoing delivery of M2 commitments, ensuring that voter promises are being met. The discussion of the FY 2025-26 Budget prompted further discussion with S&P regarding federal funding risk and funding uncertainty at the federal and state level.

*SECTION 4: MEASURE M PROGRAM.* CFO Oftelie presented the M2 program updates to S&P with the context that in February 2025 CFO Oftelie also presented in detail to S&P on the M2 sales tax program to secure a rating on the Measure M Refunding Bonds.

During CFO Oftelie's discussion of the M2 program updates, S&P inquired further about Metrolink. CFO Oftelie's update provided an overview of some of the challenges with Metrolink to ensure the long-term sustainability of Metrolink primarily driven by ridership. S&P was most interested in the Measure M2 contribution to Metrolink. CFO Oftelie noted that the primary goal is to increase ridership and a longer-term funding plan could be utilized if needed. Though, CFO Oftelie confirmed that any long-term funding plan would not limit OCTA's ability to deliver the M2 Program in full.

CFO Oftelie also discussed OCTA's sales tax forecast methodology which entails receiving short term forecasts from MuniServices, and long-term forecasts from UCLA, Cal State Fullerton, and Chapman University, of which OCTA uses the average. S&P found the M2 sales tax revenue forecasting methodology to be thoughtful and appreciated seeing the year over year forecast, which reflected slow but positive, consistent growth and underscored the program's projected long-term "Stability and Strength". S&P made the linkage that the M2 sales tax growth forecasts are reflective of the broader economic conditions Director Hennessey highlighted in his discussion.

*SECTION 5: EXPRESS LANES PROGRAMS.* Kirk Avila provided a briefing on the Express Lanes Programs focusing primarily on the 91 Express Lanes given S&P does not provide a rating on the 405 Toll Revenue TIFIA Loan debt. Traffic volumes and toll revenues on the 91 Express Lanes were reviewed with S&P – highlighting the continued growth in utilization and operations. As with Moody's, Mr. Avila led a detailed discussion of the days and time in which the growth has occurred on the 91. Given the growth reflects flexibility in work schedules and higher traffic volumes away from peak commute times, S&P engaged in further discussion on remote work environments and the impact on traffic patterns.

*SECTION 6: DEBT PROGRAMS.* Robert Davis began his presentation by briefing the S&P analysts on the success of the Measure M Refunding Bond transaction that priced and closed in March 2025. In the context of that transaction, S&P upgraded the Measure M sales tax credit to "AAA." Other successes of the transaction that Mr. Davis highlighted were: i) achieving net present value savings of \$10.5 million (or 4.3%), ii) eliminating federal sequestration risk through the refunding of the 2010 BABs; and iii) improving bondholder protection by adjusting the additional bonds test from 1.3x to 2.0x. Mr. Davis concluded his remarks by reviewing OCTA's liquidity profile and cash balance of \$3.2 billion as of June 30, 2025. "Stability and Strength" is more than apparent in OCTA's debt and treasury profile.

#### 4. OTHER MEETINGS

Themes evident in discussions with the rating analysts relative to OCTA, its projects and programs, and the broader economic environment were also evident through discussions with OCTA's business partners. Notably, the theme of "Strength and Stability" was apparent throughout dialogue during meetings relative to OCTA's short-term portfolio, Measure M debt program, and 405 Express Lanes operations.

##### MEETING WITH METLIFE:

MetLife was represented by Scott Pavlak (Portfolio Manager, Head of Short Duration Fixed Income), Erin Klepper (Portfolio Specialist, Short Duration Fixed Income), John Palphreyman (Portfolio Manager, Short Duration Fixed Income) and David Wheeler (Credit Sector Strategist). The MetLife representatives provided a short-term market update, focusing on Federal Reserve policy, treasury supply, and expectations for the future direction of short-term interest rates. MetLife also presented the performance of the short duration portfolio managed on behalf of OCTA.

##### MEETING WITH BOFA:

BofA was represented by banking team members Kevin O'Brien, Managing Director, Relationship Manager, Bryon Rockwell, Managing Director, Co-Head of Western Region Public Finance Group, and Kirubiel Ayele, Director, Quantitative & Sales Tax Specialist. Joining the banking team were Sandra Brinkert, Senior Vice President, Credit and Investor Strategies, Brendan Troy, Managing Director, Lead Fixed Rate Underwriter, and Kirsten Adelhock, Director, Head of Marketing.

Given BofA's recent role serving as senior managing underwriter on the Measure M Refunding Bonds earlier this year, the discussion with BofA focused on investor marketing activities, the pricing and underwriting process, and overall success of the transaction. By way of reference, the Measure



M Refunding Bonds refunded OCTA's outstanding Build America Bonds and due to marketing efforts, the Measure M high credit ratings (at AAA (S&P) and AA+ (Fitch)), and the market environment at pricing, OCTA secured net present value savings that exceeded the savings target established by the Board and overall saving expectations. BofA provided a thoughtful discussion of the investor outreach and pricing process – highlighting key milestones of the transaction that led to the overall success of the transaction. Board members and staff were highly engaged in the discussion.

#### MEETING WITH STANTEC:

Stantec was represented by Sheldon Mar, (Project Manager), Rick Gobeille (Principal in Charge), Adam Mangano-Drenkard (Technical Lead), and Shanay Patel (Transportation Planner). The Stantec representatives presented detailed slides and data in connection with the updated traffic and revenue study on the 405 Express Lanes that was finalized earlier this year. OCTA representatives and Stantec representatives discussed dynamics associated with traffic patterns on certain days of the week and at certain times – reflecting a shift in work and commute schedules.

## 5. CONCLUSION

The success of the July 2025 Credit Update is reflective of the relentless “Stability and Strength” of the OCTA organization supported by the leadership of Chair Chaffee, Vice Chair Federico, and Director Hennessey, and the dedication and commitment of the OCTA staff. The comprehensive and transparent July 2025 Credit Update provided valuable information to the rating agencies – information that cannot necessarily be gleaned from publications, reports, and data. The value of the annual in-person dialogue cannot be understated, which over the years has fostered long-standing relationships with the rating agency credit analysts that OCTA is afforded today.

Respectfully Submitted by KNN Public Finance, LLC:



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