

SPECIAL MEETING AGENDA

- 1. Welcome**
- 2. Approval of Minutes for March 12, 2024**
- 3. Public Comments***
- 4. Action Item**
 - A. External Auditor Communication/OCLTA Compliance Audit and Measure M2 Agreed-Upon Procedures Reports, Year Ended June 30, 2023 - Crowe LLP
Jennifer Richards, Crowe LLP, Partner
 - Independent Auditor's Report on Compliance with the Measure M2 Ordinance and Report on Internal Control over Compliance, June 30, 2023
 - OCLTA Measure M2 Local Fair Share Agreed-Upon Procedures Report, Year Ended June 30, 2023
 - OCLTA Measure M2 Senior Mobility Program Agreed-Upon Procedures Report, Year Ended June 30, 2023
 - B. City of Cypress Maintenance of Effort Agreed-Upon Procedures Review –
BCA Watson Rice, LLP
Helen Chu, Partner, BCA Watson Rice LLP
 - City of Cypress Measure M2 Maintenance of Effort, Independent Accountant's Report on Applying Agreed-Upon Procedures, For the Year Ended June 30, 2023
 - C. Approve Selections for Fiscal Year 2023-24 Measure M2 Agreed-Upon Procedures
Janet Sutter, Executive Director, Internal Audit
 - Measure M Jurisdictions - Suggested Selection for Fiscal Year 2024
- 5. Presentation Item**
 - A. Quarterly M2 Revenue and Expenditure Report
Sean Murdock, Director, Finance and Administration
 - Quarterly M2 Revenue and Expenditure Report as of March 31, 2023
 - B. M2 Ordinance Compliance Matrix
Francesca Ching, Program Manager, Planning
 - Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2023
- 6. Adjournment**

The next TOC Audit Subcommittee meeting is scheduled for June 11, 2024

*Public Comments: At this time, members of the public may address the Taxpayer Oversight Committee (TOC) regarding any items within the subject matter jurisdiction of the TOC, provided that no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three (3) minutes per person, unless different time limits are set by the Chairman, subject to the approval of the TOC.

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA Clerk of the Board, telephone (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.

**Measure M Taxpayer Oversight Committee
Audit Subcommittee
Orange County Transportation Authority
550 S. Main Street, Orange, CA
Teleconference
March 12, 2024 @ 4:00 p.m.**

MEETING MINUTES

Committee Members Present:

Andrew Hamilton, Auditor-Controller, County of Orange
Mark W. Eisenberg, Fifth District Representative
Mark Kizzar, Second District Representative
Monica Shin, Second District Representative
Kirk Watilo, Third District Representative

Orange County Transportation Authority Staff Present:

Francesca Ching, Section Manager, M2 Program Management Office
Marissa Espino, Section Manager, Public Outreach
Andrew Oftelie, Chief Financial Officer, Finance and Administration
Alice Rogan, Director, External Affairs
Janet Sutter, Executive Director, Internal Audit
Rima Tan, Department Manager, Accounting & Financial Reporting

Guests:

Jennifer Richards, Partner, Crowe LLP
A.J. Johnson, Manager, Crowe LLP
Joseph Widjaja, Senior Manager, Crowe LLP

Recorder:

Teri Lepe, Executive Assistant, Internal Audit

1. Welcome

Mr. Andrew Hamilton, TOC Audit Subcommittee Chairman, called the Orange County Transportation Authority (OCTA) Taxpayer Oversight Committee (TOC) Audit Subcommittee (AS) meeting to order at 4:04 p.m.

2. Approval of the Minutes for June 23, 2023

A motion was made by Mr. Mark Kizzar, seconded by Mr. Mark Eisenberg, and carried with one abstention, to approve the June 13, 2023, TOC AS minutes.

3. Public Comments

No public comments were submitted prior to the meeting.

4. Action Items

A. External Auditor Communication/Annual Audit and Agreed-upon Procedures Reports - Crowe LLP

Ms. Janet Sutter, Executive Director, Internal Audit, introduced the review of the first set of the annual audits performed by Crowe LLP (Crowe). Ms. Sutter introduced Ms. Jennifer Richards, Partner, Crowe, and Mr. A.J. Johnson, Manager, Crowe, who presented a brief overview of the results of the Annual Financial Statement Audit, the report on the Internal Control Over Compliance issued to the Orange County Transportation Authority (OCTA), the Agreed-Upon Procedures (AUP) applied to the Article XIII-B (GANN) limits, and the Measure M2 Status Report which is provided to the committee to monitor the expenditures and revenues of the program.

Ms. Richards reported an unmodified opinion on the Orange County Local Transportation Authority (OCLTA) financial statements. The financial statements are presented fairly in all material respects and related to the applicable accounting standards. Nothing came to Crowe's attention as far as any deficiencies in the OCLTA's control over financial reporting. There were no findings on the recalculated GANN limits for the AUP, and although there were changes to AUPs for the M2 status report for clarification, there were no exceptions.

Committee Member Comments:

Mr. Hamilton commented that in the Independent Auditors Report on Internal Control Over Financial Reporting there are other things in that description. Then in mentioning the Independent Auditor's Report on Compliance, from his understanding, that's the Single Audit, the compliance audit for major federal programs. Ms. Richards responded that in relation to Crowe's opinion, it does cover compliance, but just broadly, and nothing came to Crowe's attention with regard to internal controls over compliance. There is more nuance in the Single Audit over federal awards that is specific to OCTA because that is where the federal awards are reported at.

Mr. Eisenberg commented on reviewing the notes to the Financial Statements, on page 17, there is a category or headnote titled Cash and Investments. Mr. Eisenberg asked if there is any indication that the cash reserves being maintained are seeing a better return today than in the past and whether that is sufficiently appreciable to affect the amount of money on hand, available for use, for the Measure M2 projects. Mr. Andrew Oftelie, Chief Financial Officer, Finance and Administration, responded that as interest rates are rising, higher returns are being seen. OCTA is limited under the California Government Code on what they can be invested in; only fixed income, short duration securities.

Mr. Eisenberg asked if that includes Treasuries. Mr. Oftelie responded yes; the majority are in Treasuries. However, protection of the asset is priority over yield and liquidity is also chosen over yield.

Mr. Eisenberg asked if the drop in revenues is being offset by an increase in interest and is it balancing out. Mr. Oftelie responded it is not in any material way. The amount of interest is much smaller than the amount of sales tax revenue OCTA receives. For Measure M2, roughly \$450 million dollars a year in sales tax and getting a few more percentage points on yield might be a few million dollars. We have seen three straight quarters of decline in sales tax in the tens of millions of dollars on an annual basis and we might get a few million dollars on a good year on interest earnings.

A motion on Item 4A to receive and file was made by Ms. Monica Shin, seconded by Mr. Hamilton, and passed unanimously.

B. Second Quarter Measure M2 Revenue and Expenditure Report

Ms. Rima Tan, Department Manager, Accounting & Financial Reporting, presented the update report on M2 Revenue and Expenditures as of December 2023.

Sales tax revenues collected were approximately \$108 million dollars in the second quarter, a decline of 3.5 percent compared to last year's second quarter, and fiscal year-to-date of 2.8 percent. No projects need to be adjusted at this time due to the decline in sales tax.

For Schedule 2, updated forecasts are anticipated to be received from Muni Services and the three universities in May or June, with an updated forecast to the TOC in fall of 2024.

For Schedule 3, project related expenditures were approximately \$64 million of which \$33 million was spent for Freeway mode, \$18 million for Streets and Roads, and \$13 million for the Transit mode. Most of the freeway mode expenditures were on two projects, the Interstate 5 South and Interstate 405. For Streets and Roads, monies were distributed to the cities through the Fair Share Program and for Transit, \$9 million was spent on OC Streetcar Project and \$3 million for Senior Mobility Program.

A motion on Item 4B to receive and file was made by Andrew Hamilton, seconded by Mark Kizzar. Motion passed unanimously.

5. Adjournment

The TOC AS meeting adjourned at 4:24 p.m. A special meeting of the TOC AS will be scheduled in April or May, 2024.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE MEASURE M2 ORDINANCE AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Directors
Orange County Local Transportation Authority
Orange, California

Report on Compliance with the Measure M2 Ordinance

We have audited Orange County Local Transportation Authority's ("OCLTA") compliance with the types of requirements described in the Orange County Local Transportation Authority, Ordinance No. 3 (the "Ordinance" or "M2 Ordinance"), that could have a direct and material effect on OCLTA's compliance with the Ordinance for the year ended June 30, 2023.

In our opinion, OCLTA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Ordinance for the year ended June 30, 2023.

Basis for Opinion on the Ordinance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the Ordinance. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of OCLTA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance. Our audit does not provide a legal determination of OCLTA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Ordinance.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on OCLTA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Ordinance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(Continued)

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about OCLTA's compliance with the requirements of the Ordinance.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Ordinance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding OCLTA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of OCLTA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Ordinance, but not for the purpose of expressing an opinion on the effectiveness of OCLTA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the Ordinance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the Ordinance will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the Ordinance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Ordinance. Accordingly, this report is not suitable for any other purpose.



Crowe LLP

Los Angeles, California
March 26, 2024

SUMMARY OF AGREED-UPON PROCEDURES REPORTS
Orange County Local Transportation Authority
Measure M2 Local Fair Share for the Year Ended June 30, 2023

City	Result	City Management Response
City of Aliso Viejo (Aliso Viejo)	Aliso Viejo reported 16 direct maintenance of effort (MOE) expenditures, totaling \$54,447, as indirect costs on its Expenditure Report.	Aliso Viejo concurs that costs were incorrectly categorized and will ensure future expenditure reports properly identify any indirect costs.
City of Anaheim (Anaheim)	Testing of direct MOE expenditures identified one expenditure related to parking structure rent, for \$44,528 that should have been reported as indirect.	Anaheim agreed that the expenditure, an internal governmental service charge, should have been reported as an indirect cost and will be reported properly going forward.
	Testing identified \$26,147 in indirect costs that Anaheim allocated based on a written cost allocation plan that was developed in 2016. While the methodology used is reasonable, the plan was based on an analysis of activities that took place over eight years ago.	Anaheim intends to review and update the MOE allocation plan, as necessary, and intends to do this every five years going forward.
	Testing identified 25 Local Fair Share (LFS) expenditures totaling \$34,188, that were reported by Anaheim as indirect expenditures, rather than direct expenditures, on their expenditure report.	Anaheim will report these expenses correctly going forward.
City of Buena Park (Buena Park)	Testing identified indirect costs and chargebacks that were not supported by a documented, reasonable methodology. These allocated costs and chargebacks were removed from the MOE, except for the allocated salary of one street maintenance superintendant who works exclusively on street and road related projects. After these adjustments, Buena Park continued to meet its MOE benchmark.	Buena Park provided one response to both exceptions, as follows: Buena Park accepts that its cost allocation methodology is no longer accepted by the Orange County Transportation Authority (OCTA), but maintains that the methodology is the same used and deemed acceptable during a prior review of the city in 2018. Buena Park has sample documentation to support that staff spent time working on street projects; however, the documentation was not accepted by the auditors due to challenges in quantifying the time spent. Buena Park maintains that it has provided compelling evidence of the resources dedicated and feels that disallowing the entirety of the costs is unreasonable. Buena Park will revise its indirect cost methodology to align with OCTA standards and recognizes the significance of ensuring the fair and reasonable allocation of resources while fulfilling Measure M2 (M2) objectives.
	Testing of LFS indirect expenditures identified \$387,576 in labor charges that were not supported by a documented, reasonable methodology. The allocated percentages for employee labor were based on a managerial assumption, rather than historical or current data. As such, sufficient information was not available to confirm these costs as fair and reasonable, and these allocations, except for the allocated salary of one street maintenance superintendant who works exclusively on street and roads-related projects, were not deemed allowable.	
City of Costa Mesa	None	None
City of Orange (Orange)	Testing identified a total of \$793,608 in indirect expenditures that were reported as direct expenditures.	Orange will implement procedures to ensure proper reporting of direct and indirect expenditures.
	Testing identified unsupported indirect cost allocations totaling \$1,576,443 to the MOE. After removing the unsupported costs, Orange no longer met its MOE benchmark.	Going forward, Orange will ensure that indirect charges are supported, documented, and use a reasonable allocation methodology.
	Testing identified 25 indirect expenditures totaling \$300,014, that should have been reported as direct.	Orange will implement procedures to ensure proper reporting of direct and indirect expenditures.
City of Santa Ana (Santa Ana)	Santa Ana reported MOE expenditures totaling \$14,667,250; however, the general ledger reflected total MOE expenditures of \$15,035,321, a variance of \$368,071. The variance was due to an error in not reporting the full transaction amount of eligible MOE expenditures.	Santa Ana will continue to review and monitor department procedures to ensure proper identification and tracking of MOE expenditures.
	Santa Ana's LFS fund balance of \$14,831,604 was reported on its expenditure report as \$14,831,335, a variance of \$269. The variance was due to Santa Ana not properly recording interest in the prior year.	Going forward, Santa Ana will ensure the beginning balance is accurately derived from the prior year report.

SUMMARY OF AGREED-UPON PROCEDURES REPORTS
Orange County Local Transportation Authority
Measure M2 Local Fair Share for the Year Ended June 30, 2023

City	Result	City Management Response
City of Santa Ana (Santa Ana)	Testing identified 25 indirect expenditures totaling \$483,501, that should have been reported as direct.	Santa Ana will continue to verify and classify expenditures as indirect in accordance with M2 LFS guidelines.
City of Stanton	None	None

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 LOCAL FAIR SHARE

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2023

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 LOCAL FAIR SHARE

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2023

The cities listed below were selected by the Audit Subcommittee of the Taxpayers Oversight Committee to perform agreed-upon procedures for the fiscal year ended June 30, 2023. Please refer to the individual divider tab for our report on each Agency.

Aliso Viejo

Anaheim

Buena Park

Costa Mesa

Orange

Santa Ana

Stanton

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
CITY OF ALISO VIEJO

Board of Directors
Orange County Local Transportation Authority and
the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Aliso Viejo's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2023. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2023. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, program, and expenditure number. The City recorded its MOE expenditures in its General Fund (101) and identified MOE expenditures by program code and expenditure code. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2023 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2022/2023. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2023, were \$548,429 (see Schedule A), which exceeded the MOE benchmark requirement of \$538,604. We agreed the total expenditures of \$548,429 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 12 direct MOE expenditures totaling \$357,901, which represented approximately 75% of direct MOE expenditures of \$475,422 for the fiscal year ended June 30, 2023. Crowe agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. Crowe determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$73,007 in indirect costs for MOE for the fiscal year ended June 30, 2023. We selected 16 indirect costs for inspection totaling \$54,447, representing 75% of the total MOE indirect costs. Upon inspection, we determined these charges were labor costs directly identifiable as street and road project labor costs. As such, these costs should have been reported as direct costs. No other exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2023 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

Findings: The City received \$2,484,025 for the past three fiscal years ended June 30, 2021, 2022, and 2023. We agreed the fund balance of \$806,084 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2023. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund 204 (Measure M2 Fund). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2023, were \$1,393,492 (see Schedule A), which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed on Schedule 4). No exceptions were found as a result of this procedure.

(Continued)

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without exception. We selected six direct Measure M2 Local Fair Share expenditures for inspection totaling \$1,224,903 representing approximately 88% of total direct Measure M2 Local Fair Share expenditures of \$1,393,492 for the Fiscal Year ended June 30, 2023. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2023. No exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$36,439 listed on the City's Expenditure Report (Schedule 2, line 4). The interest earned and the market value loss was \$64,375 and (\$27,936), respectively. We inspected the interest allocation methodology and recomputed the amount. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY23) by inspecting the OCLTA Board agenda and action items.

Findings: No exceptions were noted as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

(Continued)

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
March 11, 2024

CITY OF ALISO VIEJO, CALIFORNIA
 SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
 Year ended June 30, 2023
 (Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 73,007
Maintenance	
Overlay & Sealing	34,057
Storm Damage	3,973
Other Street Purpose Maintenance	<u>437,392</u>
Total Maintenance	<u>475,422</u>
Total MOE Expenditures	<u>\$ 548,429</u>
 Measure M2 Local Fair Share Expenditures (Schedule 4):	
#122 OCTA Los Alisos Blvd Signal Synchronization	\$ 10,561
#135 FY 22-23 Slury Seal	<u>1,382,931</u>
Total Measure M2 Local Fair Share Expenditures	<u>\$ 1,393,492</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u>\$ 1,941,921</u>

Note: The above amounts were taken directly from the financial records of the City of Aliso



March 11, 2024

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

MAYOR
Mike Munzing
MAYOR PRO TEM
Tiffany Ackley
COUNCILMEMBER
Ross Chun
COUNCILMEMBER
Max Duncan
COUNCILMEMBER
Richard Hurt
CITY MANAGER
David A. Doyle
CITY ATTORNEY
Scott C. Smith
CITY CLERK
Mitzi Ortiz, MMC

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Aliso Viejo as of and for the fiscal year ended June 30, 2023.

Procedure #4

Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$73,007 in indirect costs for MOE for the fiscal year ended June 30, 2023. We selected 16 indirect costs for inspection totaling \$54,447, representing 75% of the total MOE indirect costs. Upon inspection, we determined these charges were labor costs directly identifiable as street and road project labor costs. As such, these costs should have been reported as direct costs. No other exceptions were found as a result of this procedure.

City's Response:


The City concurs with the finding that costs were incorrectly categorized as indirect costs and should have been direct costs. Staff will ensure future expenditure reports will properly identify any indirect costs, if any.



David Doyle, City Manager



Ann Eifert, Director of Financial Services



Shaun Pelletier, City Engineer/Director of Public Works

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
CITY OF ANAHEIM

Board of Directors
Orange County Local Transportation Authority and
the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Anaheim's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2023. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2023. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, department, unit, and object code. The City records its MOE expenditures in its General Fund (101) and in the Public Works Department (412) followed by various unit codes and object codes. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2023 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2022/2023. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2023, were \$15,057,781 (see Schedule A), which exceeded the MOE benchmark requirement of \$11,725,957. We agreed the total expenditures of \$15,057,781 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling \$6,196,339, which represented approximately 41% of direct MOE expenditures of \$14,964,712 for fiscal year ended June 30, 2023. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. Upon inspection of our samples, we determined that there was one expenditure relating to parking structure rent, which totaled \$44,528 should have been reported as indirect costs. No other exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: We selected 25 indirect MOE costs for inspection totaling \$26,147, representing 28% of the total indirect MOE costs of \$93,069. These charges include payroll and benefits, monthly group insurance, and others. For indirect costs, the methodology used to allocate the actual costs to projects should be documented and represent a fair and reasonable allocation of costs. The City noted that all indirect expenditures were based on a written cost allocation plan developed in 2016. Through further inspection of the City's indirect cost allocation plan, Crowe determined the methodology was reasonable. However, the allocations was based upon an analysis of activities that took place over 8 years ago. No other exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2023 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

Findings: The City received \$12,329,260 for the past three fiscal years ended June 30, 2021, 2022, and 2023. We compared the fund balance of \$3,422,549 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 21) of \$3,422,549, with no differences. We determined funds were expended within three years of receipt. No exceptions were identified as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2023. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

(Continued)

Findings: The LFS expenditures were tracked in the City's general ledger by fund number, department number, and various unit and object codes. The City recorded its LFS expenditures in its Measure M2 Fair Share Fund (271) under the Public Works department (412), followed by a 4-digit unit code and a 4-digit object code. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2023, were \$4,384,847, which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without exception. We selected 15 direct Measure M2 Local Fair Share expenditures for inspection totaling \$3,195,620, representing approximately 75% of total direct Measure M2 Local Fair Share expenditures of \$4,232,656 for the fiscal year ended June 30, 2023. We agreed the dollar amount to supporting documentation and determined that expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$152,191 in indirect costs for LFS for the fiscal year ended June 30, 2023. We selected 25 Local Fair Share indirect costs for inspection totaling \$34,188, representing 22% of the total Local Fair Share indirect costs. Upon inspection, we determined these charges were labor costs directly identifiable as street and road project labor costs. As such, these costs should have been reported as direct costs. No other exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$263,385 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

(Continued)

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY23) by inspecting the OCLTA Board agenda and action items.

Findings: No exceptions were noted as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
March 12, 2024

CITY OF ANAHEIM, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2023
(Unaudited)

SCHEDULE A	
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 93,069
Construction & Right-of-Way	
Street Reconstruction	\$ 989,170
Signals, Safety Devices, & Street Lights	1,988,951
Total Construction	<u>\$ 2,978,121</u>
Maintenance	
Street Lights & Traffic Signals	\$ 5,601,390
Other Street Purpose Maintenance	6,385,201
Total Maintenance	<u>\$ 11,986,591</u>
Total MOE Expenditures	<u>\$ 15,057,781</u>
 Measure M2 Local Fair Share Expenditures (Schedule 4):	
Capital Project Administration	\$ 152,191
General Agency Coordination	4,790
Orangewood Ave Pavement Rehab (Haster to Lewis)	22,003
Orangewood Ave Pavement Rehab (Harbor to Haster)	43,738
Orange Ave Pavement Rehab (Magnolia to Gilbert)	8,320
Weir Canyon Road Pavement Rehab (Serrano to Parkglen)	1,375
Euclid Street Pavement Rehab (Glenoaks to 91 Freeway)	931,829
East Street Pavement Rehab (La Palma to 91 Freeway)	(130,188)
OCSD State College Pavement Rehab Project	117,011
Orangewood Pavement Rehab (Lakeview to Imperial)	5,906
La Palma Pavement Rehab (Lakeview to Imperial)	13,741
Euclid Pavement Rehab (Broadway to Lincoln)	895,890
East Street Pavement Rehab (Lakewood to Imperial)	34,219
Broadway Pavement Rehab (Anaheim to East)	61,285
Santa Ana Canyon Pavement Rehab	34,787
Weir Canyon Pavement Rehab (Serrano to Santa Ana Cyn)	742,078
Weir Canyon Pavement Rehab (Running Springs to South Limits)	1,234,759
South St Pavement Rehab (State College Blvd to Sunkist St)	31,296
Lincoln Pavement Rehab (Dale to Magnolia)	7,341
Ball Road Pavement Rehab (Claudina to State College)	5,144
Nohl Ranch, Imperial and Anaheim Hills Pavement Rehab	65,494
Brookhurst Pavement Rehab: 91 to North City Limits Fullerton	11,385
Cerritos Ave Pavement Rehab from Nutwood St to Euclid Street	77,198
Dupont Dr Pavement Rehab- South of Orangewood Avenue	13,255
Total Measure M2 Local Fair Share Expenditures	<u>\$ 4,384,847</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 19,442,628</u></u>

Note: The above amounts were taken directly from the financial records of the City of Anaheim and were not audited.



City of Anaheim

DEPARTMENT OF PUBLIC WORKS

Exhibit 1

March 12, 2024

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Anaheim as of and for the fiscal year ended June 30, 2023.

Procedure # 3

Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
- b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling \$6,196,339, which represented approximately 41% of direct MOE expenditures of \$14,964,712 for fiscal year ended June 30, 2023. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. Upon inspection of our samples, we determined that there was one expenditure relating to parking structure rent, which totaled \$44,528 should have been reported as indirect costs. No other exceptions were found as a result of this procedure.

City's Response:

The City acknowledged that this charge should have been reported as indirect costs. This parking structure expense is an internal governmental service charge, which is a charge for the cost of employee parking in the City's parking structure. It is the same as the facility rent that we pay. The Public Works Department considered these expenses as a Traffic Systems general indirect cost. Based on the audit recommendation, the Public Works Department will report this type of expense as indirect costs.

Procedure # 4

Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: We selected 25 indirect MOE costs for inspection totaling \$26,147, representing 28% of the total indirect MOE costs of \$93,069. These charges include payroll and benefits, monthly group insurance, and others. For indirect costs, the methodology used to allocate the actual costs to projects should be documented and represent a fair and reasonable allocation of costs. The City noted that all indirect expenditures were based on a written cost allocation plan developed in 2016. Through further inspection of the City's indirect cost allocation plan, Crowe determined the methodology was reasonable. However, the allocations was based upon an analysis of activities that took place over 8 years ago. No other exceptions were found as a result of this procedure.

City's Response:

In 2016, the Public Works Department requested an internal audit review to evaluate selected elements of the Maintenance of Effort (MOE) allocation basis. Based on that review, there were several changes implemented to the department's allocation. The memo dated May 4, 2016, outlines the recommended allocations from the internal audit review, which were subsequently implemented and have since remained in effect. Since then, there have been no operational or procedural changes within the department that would affect the MOE allocations. While there have not been any known material changes, the department intends to request an updated review of the MOE allocations by internal audit, updating current year allocations as needed. Additionally, the department commits to conducting this review every five years to ensure the maintenance of an appropriate MOE allocation basis.


Procedure # 8

Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$152,191 in indirect costs for LFS for the fiscal year ended June 30, 2023. We selected 25 Local Fair Share indirect costs for inspection totaling \$34,188, representing 22% of the total Local Fair Share indirect costs. Upon inspection, we determined these charges were labor costs directly identifiable as street and road project labor costs. As such, these costs should have been reported as direct costs. No other exceptions were found as a result of this procedure.

City's Response:

The Public Works Department reported the general accounting and finance expenses as indirect costs (Schedule 3, line 1). The expenses were direct labor costs charged to Local Fair Share. Based on the audit recommendation the Public Works Department will report the expenses as Other expenses (Schedule 3, line 17) in future M2 Expenditure Reports



Rudy Emami, Public Works Director



Deborah A. Moreno, Finance Director/Treasurer



Jim Vanderpool, City Manager
For

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
CITY OF BUENA PARK

Board of Directors
Orange County Local Transportation Authority and
the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Buena Park's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2023. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2023. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund and activity number. The City recorded its MOE expenditures in its General Fund (101) and expenditures are identified by various 6-digit activity numbers. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2023 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2022/2023. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2023, were \$5,142,741 (see Schedule A), which exceeded the MOE benchmark requirement of \$4,184,754. We agreed the total expenditures of \$5,142,741 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling \$1,033,865, which represented approximately 29% of direct MOE expenditures of \$3,606,939 for fiscal year ended June 30, 2023. Crowe agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. Crowe determined that the expenditures were properly classified as a local street and road expenditure and is allowable per the ordinance. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: We agreed the total indirect expenditures of \$1,535,802 to the amount reported on the City's Expenditure Report (Schedule 3, line 1) with no differences. We selected 25 indirect MOE costs for inspection totaling \$613,744, representing 41% of the total indirect MOE costs of \$1,535,802. These expenses included payroll and benefits, monthly building and equipment maintenance allocation, office supplies, and others. For indirect costs, the methodology used to allocate the actual costs to projects should be documented and represent a fair and reasonable allocation of costs. Specifically for the payroll and benefits related expenditures, we requested the City to provide a documented methodology used to support the employee percentage allocations to the MOE accounts and they were unable to provide such documentation that adequately supports the allocation percentages. It was noted that the allocation percentages for each employee were based on a Public Works managerial assumption of the time spent on each account and was not based on historical or current data. As such, we lack information necessary to confirm these costs as fair and reasonable and the entirety of these allocated costs were removed from the MOE, except for the allocated salary of one Street Maintenance Superintendent, who worked exclusively on street and road related projects. The total costs removed were \$998,755. In addition, chargebacks to payroll-related expenditures totaling \$252,192 were removed from the MOE. After the above adjustments, the City's MOE expenditures totaled \$4,396,178, which exceed the City's MOE benchmark of \$4,184,754. No other exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2023 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

Findings: The City received \$5,541,865 for the past three fiscal years ended June 30, 2021, 2022, and 2023. We agreed the fund balance of \$2,384,395 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences.

(Continued)

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2023. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

Findings: The City tracks its LFS expenditures in its Measure M2 Fund (25). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2023 was \$2,055,113 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven Year CIP, without any exception. We selected 5 Measure M2 Local Fair Share direct expenditures for inspection totaling \$1,528,585 representing approximately 92% of total Measure M2 direct Local Fair Share expenditures of \$1,639,630 for the fiscal year ended June 30, 2023. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$415,484 in indirect costs for LFS for the fiscal year ended June 30, 2023. We selected 25 indirect costs for inspection with a total amount of \$243,581 representing 59% of the total LFS indirect costs. Upon inspection, we determined these charges were labor cost allocations. For indirect costs, the methodology used to allocate the actual costs to projects should be documented and represent a fair and reasonable allocation of costs. We requested the City to provide the documented methodology used to support the labor cost allocations and the City was unable to provide such documentation. It was noted that the allocation percentages for each employee were based on the Public Works managerial assumption of the time being spent on each account and was not based on historical or current data. As such, sufficient information was not available to confirm these costs as fair and reasonable, and the entirety of these allocations, except for the allocated salary of one Street Maintenance Superintendent that worked exclusively on street and road related projects, were not deemed allowable per the Ordinance. The total disallowed was \$387,576. No other exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$43,807 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY23) by inspecting the OCLTA Board agenda and action items.

Findings: No exceptions were noted as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
April 9, 2024

CITY OF BUENA PARK, CALIFORNIA
 SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
 Year ended June 30, 2023
 (Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 1,535,802
Maintenance	
Street Lights & Traffic Signals	1,227,520
Other Street Purpose Maintenance	2,379,418
Total Maintenance	<u>\$ 3,606,938</u>
Total MOE Expenditures	<u>\$ 5,142,740</u>
 Measure M2 Local Fair Share Expenditures (Schedule 4):	
Malvern Avenue Rehabilitation	\$ 1,850,908
Orangethorpe Avenue Pavement Rehabilitation	150,144
Metrolink Improvements	<u>54,061</u>
Total Measure M2 Local Fair Share Expenditures	<u>\$ 2,055,113</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u>\$ 7,197,853</u>

Note: The above amounts were taken directly from the financial records of the City of Buena Park and were not audited.

April 9, 2024

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Buena Park as of and for the fiscal year ended June 30, 2023.

Procedure #4

Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: We agreed the total indirect expenditures of \$1,535,802 to the amount reported on the City's Expenditure Report (Schedule 3, line 1) with no differences. We selected 25 indirect MOE costs for inspection totaling \$613,744, representing 41% of the total indirect MOE costs of \$1,535,802. These expenses included payroll and benefits, monthly building and equipment maintenance allocation, office supplies, and others. For indirect costs, the methodology used to allocate the actual costs to projects should be documented and represent a fair and reasonable allocation of costs. Specifically for the payroll and benefits related expenditures, we requested the City to provide a documented methodology used to support the employee percentage allocations to the MOE accounts and they were unable to provide such documentation that adequately supports the allocation percentages. It was noted that the allocation percentages for each employee were based on a Public Works managerial assumption of the time spent on each account and was not based on historical or current data. As such, we lack information necessary to confirm these costs as fair and reasonable and the entirety of these allocated costs were removed from the MOE, except for the allocated salary of one Street Maintenance Superintendent, who worked exclusively on street and road related projects. The total costs removed were \$998,755. In addition, chargebacks to payroll-related expenditures totaling \$252,192 were removed from the MOE. After the above adjustments, the City's MOE expenditures totaled \$4,396,178, which exceed the City's MOE benchmark of \$4,184,754. No other exceptions were found as a result of this procedure.

City's Response:

See Procedure #8 response.

Procedure #8

Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$415,484 in indirect costs for LFS for the fiscal year ended June 30, 2023. We selected 25 indirect costs for inspection with a total amount of \$243,581 representing 59% of the total LFS indirect costs. Upon inspection, we determined these

charges were labor cost allocations. For indirect costs, the methodology used to allocate the actual costs to projects should be documented and represent a fair and reasonable allocation of costs. We requested the City to provide the documented methodology used to support the labor cost allocations and the City was unable to provide such documentation. It was noted that the allocation percentages for each employee were based on the Public Works managerial assumption of the time being spent on each account and was not based on historical or current data. As such, sufficient information was not available to confirm these costs as fair and reasonable, and the entirety of these allocations, except for the allocated salary of one Street Maintenance Superintendent that worked exclusively on street and road related projects, were not deemed allowable per the Ordinance. The total disallowed was \$387,576. No other exceptions were found as a result of this procedure.

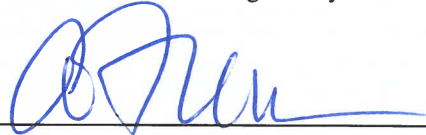
City's Response:

The City acknowledges and accepts that its current indirect cost methodology is no longer accepted by OCTA as a fair and equitable way to allocate costs and will implement corrective action to align with OCTA guidelines. The City maintains that its methodology for allocating labor costs was followed consistently for several years and had been previously audited by OCTA for the fiscal year ending June 30, 2018, with no finding related to its allocation plan. While the issue of overhead cost allocation was discussed at the M2 director's meetings, the City relied on past audits where the methodology was accepted, considering them as prior validation to continue employing the same approach under the assumption that it was acceptable and reasonable for OCTA.

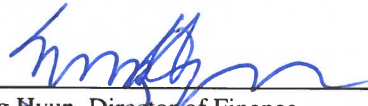
Furthermore, the City believes that the allocated overhead costs could have alternatively been classified as direct labor costs according to the gas tax guidelines. Extensive sample documentation was provided to support that direct staff time was dedicated to readily identifiable street projects. While the auditors and OCTA staff acknowledged that work was performed by City staff, they expressed that they could not accept the supporting documentation citing challenges in quantifying the time worked.

The City holds the view that OCTA guidelines do not necessarily mandate time sheets as the exclusive means to substantiate and quantify labor costs. It contends that the extensive documentation provided, which consists of legal notices, inspection reports, contracts, contractor correspondence, construction documents, agenda reports, and other supportive materials, is reasonable and sufficient to demonstrate the considerable staff resources directly involved with specific street-related projects and the costs reported for these activities are fair and reasonable. The documentation provided, though not in the form of traditional timesheets, offers compelling evidence of the resources dedicated to fulfilling Measure M2 LFS objectives. Disallowing the entirety of these costs not only disregards the substantial efforts invested by City personnel but also implies an unreasonable scenario where no engineering and inspection staff time was allocated to street activities.

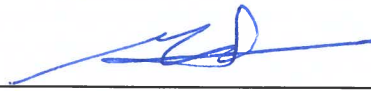
We acknowledge the need to revise our indirect cost methodology to align with OCTA standards and recognize the significance of ensuring fair and reasonable allocation of resources while fulfilling Measure M2 LFS objectives. As a part of this initiative, the City will begin using timecards to track direct costs and implement a cost allocation plan to track indirect costs associated with street projects. We are committed to working closely with OCTA to address concerns and implement necessary changes.



Aaron France, City Manager



Sung Hyun, Director of Finance



Mina Mikhael, Director of Public Works

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
CITY OF COSTA MESA

Board of Directors
Orange County Local Transportation Authority and
the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Costa Mesa's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2023. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2023. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, department, program, and expenditure number. The City recorded its MOE expenditures in its General Fund (101), Capital Improvement Fund (401), Equipment Replacement Fund (601), and is identified by a 5-digit department number, a 5-digit program number, and a 6-digit expenditure number. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2023 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2022/2023. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

(Continued)

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2023, were \$10,771,223 (see Schedule A), which exceeded the MOE benchmark requirement of \$8,607,340. We agreed the total expenditures of \$10,771,223 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling \$2,929,492, which represented approximately 31% of direct MOE expenditures of \$9,311,331 for the fiscal year ended June 30, 2023. Crowe agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. Crowe determined that the expenditures were properly classified as a local street and road expenditures and were allowable per the Ordinance. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2023. We agreed \$1,459,892 of indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$528,067 representing, 36% of the total MOE indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs included labor charges for the Public Works department. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were properly classified as indirect expenditures and based upon a reasonable and appropriate methodology. No exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2023 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

Findings: The City received \$9,215,661 for the past three fiscal years ended June 30, 2021, 2022, and 2023. We agreed the fund balance of \$6,457,271 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2023. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

(Continued)

Findings: The LFS expenditures were tracked in the City's general ledger by fund number, department number, and program number. The City recorded its LFS expenditures in its Measure M2 Fund (416). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2023, were \$1,323,633 (see Schedule A), which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected 15 Measure M2 Local Fair Share direct expenditures for inspection totaling \$1,007,581 representing approximately 76% of total Measure M2 direct Local Fair Share expenditures of \$1,323,633 for the fiscal year ended June 30, 2023. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2023. No exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$53,052 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY23) by inspecting the OCLTA Board agenda and action items.

Findings: No exceptions were found as a result of this procedure.

(Continued)

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
March 28, 2024

CITY OF COSTA MESA, CALIFORNIA
 SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
 Year ended June 30, 2023
 (Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 1,459,892
Construction & Right-of-Way	
Street Reconstruction	\$ 603,373
Signals, Safety Devices, & Street Lights	93,856
Pedestrian Ways & Bikepaths	629,199
Storm Drains	193,159
Total Construction	\$ 1,519,587
Maintenance	
Overlay & Sealing	\$ 679,382
Street Lights & Traffic Signals	2,347,369
Other Street Purpose Maintenance	4,764,993
Total Maintenance	\$ 7,791,744
Total MOE Expenditures	\$ 10,771,223
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Street Maintenance Citywide #400015	\$ 869,440
Bicycle/ Pedestrian Infra Improveent - #450015	71,108
Adams at Pinecreek Improveent (Intersection improve.) - #300174	47,626
Adams Ave Bicycle Facility Project (Class II Bike Lane) #450014	63,678
Neighborhood Traffic Improvement (Signs, approved speed humps) #300	85,019
Parkway Maintenance Program- Citywide -#500010	71,209
Citywide Traffic Signal Improvement #370058	64,175
West 19th St. Wallace Ave Traffic Signal #370059	51,378
Total Measure M2 Local Fair Share Expenditures	\$ 1,323,633
Total MOE and Measure M2 Local Fair Share Expenditures	\$ 12,094,856

Note: The above amounts were taken directly from the financial records of the City of Costa Mesa and were not audited.

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
CITY OF ORANGE

Board of Directors
Orange County Local Transportation Authority and
the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Orange's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2023. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2023. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, department, and object code. The City records its MOE expenditures in its General Fund (100), followed by various department codes and object codes. No exceptions were found as a result of this procedure. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2023 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2022/2023. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2023, were \$3,852,679 (see Schedule A) which exceeded the MOE benchmark requirement of \$3,392,885. We agreed the total expenditures of \$3,852,679 to the amount reported on the City's Expenditure Report (Schedule 3, line 18), with no differences. No exceptions were noted as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling \$781,753, which represented approximately 25% of direct MOE expenditures of \$3,069,840 for fiscal year ended June 30, 2023. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. Expenditures were properly classified as local street and road expenditures and were allowable per the Ordinance, except for nine charges, totaling \$61,537 which were found to be indirect cost allocations and should have been reported as indirect costs. Upon further inspection, we identified a total of \$793,608 in charges that should have been reported as indirect costs. See Procedure #4 for indirect cost testing. No other exceptions were found as a result of this procedures.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: We agreed total indirect expenditures of \$782,835 per the general ledger to the amount reported on the City's Expenditure Report (Schedule 3, line 1) with no differences. We selected 25 indirect MOE charges for inspection totaling \$582,141, representing 74% of the total indirect MOE costs reported of \$782,835. During testing of direct costs at Procedure #3, we identified an additional \$793,608 in indirect costs that were reported as direct costs. These expenses included allocations of payroll and benefits, debt service payments, liability insurance costs, data processing allocations, contracted services, monthly print shop/mail/phone charges, monthly office rental and various other charges. For indirect costs, the methodology used to allocate actual costs should be documented and represent a fair and reasonable allocation of costs. The City was unable to provide a documented methodology representing a fair and reasonable allocation of costs. After removing unsupported indirect cost allocations, totaling \$1,576,443, the City no longer meets the MOE benchmark. The shortfall equals \$1,116,649.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2023 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

Findings: The City received \$10,549,834 for the past three fiscal years ended June 30, 2021, 2022, and 2023. We agreed the fund balance of \$5,285,100 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2023. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

(Continued)

Findings: The City tracks its LFS expenditures in its Traffic Improvement Measure M2 Fund (263). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2023, was \$2,880,026 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven Year CIP, without any exception. We selected 20 Measure M2 Local Fair Share direct expenditures for inspection totaling \$1,928,551 representing approximately 78% of total Measure M2 direct Local Fair Share expenditures of \$2,479,629 for the fiscal year ended June 30, 2023. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$400,397 in indirect costs for LFS for the fiscal year ended June 30, 2023. We selected 25 indirect costs for inspection with a total amount of \$300,014 representing 75% of the total LFS indirect costs. Upon inspection, we determined these charges were labor costs and materials directly identifiable as street and road project labor costs. As such, these costs should have been reported as direct costs. No other exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$64,383 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY23) by inspecting the OCLTA Board agenda and action items.

Findings: No exceptions were noted as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
March 28, 2024

CITY OF ORANGE, CALIFORNIA
 SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
 Year ended June 30, 2023
 (Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 782,835
Construction & Right-of-Way	
Street Reconstruction	\$ 326,104
Signals, Safety Devices, & Street Lights	734,808
Pedestrian Ways & Bikepaths	46,803
Storm Drains	23,401
Total Construction	<u>\$ 1,131,116</u>
Maintenance	
Patching	\$ 572,449
Overlay & Sealing	31,446
Street Lights & Traffic Signals	1,240,495
Storm Damage	31,446
Other Street Purpose Maintenance	62,892
Total Maintenance	<u>\$ 1,938,728</u>
Total MOE Expenditures	<u><u>\$ 3,852,679</u></u>
Measure M2 Local Fair Share Expenditures (Schedule 4):	
00000 - Contractual Services (Part of Maintenance)	\$ 400,397
13115 - Reg Salaries - Misc-Pvmnt Mgt	550
13120 Pavement Management Program	1,611,554
16302 - Minor Traffic Control Devices - Various	51,963
16304 Biennial Traffic Signal Coordination	5,870
16469 - Traffic Signal Equip Painting	9,800
30150 - Local Roadway Safety Plan (LRSP)	7,809
30162 Citywide Bus Stop Enhancements	1,864
30167 - Katella Ave Street Rehabilitation	785,928
30168 - Walnut Ave Infrastructure Improvement	4,291
Total Measure M2 Local Fair Share Expenditures	<u>\$ 2,880,026</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 6,732,705</u></u>



March 28, 2024

Board of Directors,
Orange County Local Transportation Authority,
Taxpayers Oversight Committee of the Orange County Local Transportation Authority
Orange, California

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Orange as of and for the fiscal year ended June 30, 2023.

Procedure #3

Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
- b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling \$781,753, which represented approximately 25% of direct MOE expenditures of \$3,069,840 for fiscal year ended June 30, 2023. Crowe agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. Upon inspection of our samples, we determined that there were nine charges totaling \$61,537 that were allocated based on budgeted percentages. Upon further inspection, we noted that there were a total \$793,608 of direct costs that were based on these allocated budgeted percentages. As such, the entirety of these costs allocation reported as direct charges should have been reported as indirect costs. Refer to Procedure#4 for MOE indirect costs removed. No other exceptions were found as a result of this procedure.

City's Response:

City management acknowledges the findings and will implement procedures to ensure the reporting of M.O.E. expenditures and allocations are based on actuals and not budgeted percentages. City management will also implement procedures to ensure proper reporting of direct and indirect expenditures.



Procedure #4

Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: We agreed total indirect expenditures of \$782,835 per the general ledger to the amount reported on the City's Expenditure Report (Schedule 3, line 1) with no differences. We selected 25 indirect MOE charges for inspection totaling \$582,141, representing 74% of the total indirect MOE costs reported of \$782,835. During testing of direct costs at Procedure #3, we identified an additional \$793,608 in indirect costs that were reported as direct costs. These expenses included allocations of payroll and benefits, debt service payments, liability insurance costs, data processing allocations, contracted services, monthly print shop/mail/phone charges, monthly office rental and various other charges. For indirect costs, the methodology used to allocate actual costs should be documented and represent a fair and reasonable allocation of costs. The City was unable to provide a documented methodology representing a fair and reasonable allocation of costs. After removing unsupported indirect cost allocations, totaling \$1,576,443, the City no longer meets the MOE benchmark. The shortfall equals \$1,116,649.

City's Response:

City management acknowledges the findings. The City has eligible expenditures of approximately \$1.5 million in the Capital Project Fund that were supported by the General Fund but were not reported as M.O.E. eligible expenditures, therefore the exclusion of the unsupported indirect cost allocations caused the City to not meet the M.O.E benchmark. Going forward, City management will ensure indirect costs are supported, documented, and used reasonable allocation methodology. City management will also implement procedures to ensure proper reporting of all eligible expenditures in the future.

Procedure #8

Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$400,397 in indirect costs for LFS for the fiscal year ended June 30, 2023. We selected 25 indirect costs for inspection with a total amount of \$300,014 representing 75% of the total LFS indirect costs. Upon inspection, we determined these charges were labor costs and materials directly identifiable as street and road project labor costs. As such, these costs should have been reported as direct costs. No other exceptions were found as a result of this procedure.



City of Orange

Finance Department
300 E. Chapman Ave.
Orange, CA 92866

City's Response:

City management acknowledges the findings and will implement procedures to ensure proper reporting of direct and indirect expenditures.

Tom Kisela, City Manager

for

Christopher Cash, Public Works Director

Trang Nguyen, Finance Director



(714) 744-2230



www.cityoforange.org

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
CITY OF SANTA ANA

Board of Directors
Orange County Local Transportation Authority and
the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Santa Ana's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2023. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2023. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, accounting unit number, and account number. The City recorded its MOE expenditures in its General Fund (011), followed by an 8-digit accounting unit number, and a 5-digit account number. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2023 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2022/2023. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2023, were \$14,667,250 (see Schedule A), which exceeded the MOE benchmark requirement of \$9,040,904. Actual MOE expenditures per the general ledger expenditure detail totaled \$15,035,321, a variance of \$368,071. The variance was due to an error in not reporting the full transaction amount of eligible MOE expenditures. No other exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling \$4,809,685, which represented approximately 36% of direct MOE expenditures of \$13,382,349 for the fiscal year ended June 30, 2023. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2023. We agreed \$1,284,901 of indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$663,516 representing 52% of the total MOE indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs included Benefits Overhead, Insurance Charges, and Public Works Administrative Charges. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were properly classified as indirect expenditures and based upon a reasonable and appropriate methodology. No exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2023 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

Findings: The City received \$17,247,698 for the past three fiscal years ended June 30, 2021, 2022, and 2023. We agreed the fund balance of \$14,831,604 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20) of \$14,831,335, noting a difference of \$269. The difference was due to the City not properly recording the interest in the prior year. We determined funds were expended within three years of receipt. No other exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2023. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The City tracks its LFS expenditures in its Measure M2 Fund (032). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2023 were \$4,311,017 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed on Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected 14 Measure M2 Local Fair Share direct expenditures for inspection totaling \$3,173,277 representing approximately 93% of total direct Measure M2 Local Fair Share expenditures of \$3,412,496 for the fiscal year ended June 30, 2023. We agreed the dollar amount listed on the general ledger to supporting documentation and determined that the expenditures selected were related to projects listed on the Seven-Year CIP and were properly classified. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$898,521 in indirect costs for LFS for the fiscal year ended June 30, 2023. We selected 25 indirect costs for inspection with a total amount of \$483,501 representing 54% of the total indirect Local Fair Share costs. Upon inspection, we determined these charges were labor and material costs readily identified to specific LFS projects. As such, these costs should have been reported as direct costs. After further inspection, we determined that these LFS direct costs were allowable per the Ordinance. No other exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

(Continued)

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$16,818 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY23) by inspecting the OCLTA Board agenda and action items.

Findings: No exceptions were noted as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
April 3, 2024

CITY OF SANTA ANA, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2023
(Unaudited)

SCHEDULE A

Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 1,284,902
Construction & Right-of-Way	
Street Reconstruction	\$ 2,131,371
Total Construction	<u>\$ 2,131,371</u>
Maintenance	
Street Lights & Traffic Signals	\$ 4,733,905
Other Street Purpose Maintenance	6,517,072
Total Maintenance	<u>\$ 11,250,977</u>
Total MOE Expenditures	<u>\$ 14,667,250</u>
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Alley Improvements FY 18/19	\$ 6,980
Bike Lane Project Dev FY 22/23	1,628
Citywide Bike Rack & SARTC	(5,077)
Citywide Speed Limit Study	47,045
First ST CORR TRFF SYNCH	5,924
FY20/21 Loc St Prevent Maint	162,212
FY20/21 Pavement Management	29,949
FY21/22 Loc St Prevent Maint	2,217,075
FY21/22 Pavement Management	234,610
Lincoln Pedestrian Trail	1,980
Loc St Prevent Maint FY 22/23	93,939
Local St Prevent Maint FY17/18	15,554
Main St Rehab: Edingr to First	84,640
Main St Traffic Sig Synch	4,577
Pavement Management FY 22/23	101,780
Project Development FY 19/20	265
Project Development FY21/22	237,538
Right of Way Mgmnt FY 20/21	6,364
Right of Way Mgmnt FY 21/22	32,305
Right of Way Mgmnt FY 22/23	89,063
Safe Mobility SA Update	20,642
Santa Ana Blvd & 5th Bike Lane	333,398
Santa Clara Bk Ln Lincoln-Tust	214,684
Sgerstrom/Dyer TRFF SGL SYNC	9,082
Traffic Management Plan 20/21	40,212
Traffic Management Plan 21/22	22,119
Traffic Safety Dev FY 17/18	35,000
Traffic SGNL Equipment REP20/21	65,685
Traffic SGNL Equipment REP21/22	100,000
Traffic Sig Equip Rep 22/23	100,000
Tustin Ave Trff Sgl Sync	1,844
Total Measure M2 Local Fair Share Expenditures	<u>\$ 4,311,017</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u>\$ 18,978,267</u>

Note: The above amounts were taken directly from the financial records of the City of Santa Ana and were not audited.

MAYOR
Valerie Amezcua
MAYOR PRO TEM
Thai Viet Phan
COUNCILMEMBERS
Phil Bacerra
Johnathan Ryan Hernandez
Jessie Lopez
David Penalosa
Benjamin Vazquez



ACTING CITY MANAGER
Alvaro Nuñez
CITY ATTORNEY
Sonia R. Carvalho
CITY CLERK
Jennifer L. Hall

CITY OF SANTA ANA

PUBLIC WORKS AGENCY

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April 3, 2024

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
550 S. Main Street
Orange, CA 92868

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Santa Ana as of and for the fiscal year ended June 30, 2023.

Procedure #2

Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2023 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2022/2023. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2023, were \$14,667,250 (see Schedule A), which exceeded the MOE benchmark requirement of \$9,040,904. Actual MOE expenditures per the general ledger expenditure detail totaled \$15,035,321, a variance of \$368,071. The variance was due to an error in not reporting the full transaction amount of eligible MOE expenditures. No other exceptions were found as a result of this procedure.

City's Response: The City's Public Works Agency (PWA) will continue to review and monitor department procedures to ensure proper identification and tracking of Maintenance of Effort (MOE) expenditures.

SANTA ANA CITY COUNCIL

Valerie Amezcua
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Procedure #5

Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2023 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

Findings: The City received \$17,247,698 for the past three fiscal years ended June 30, 2021, 2022, and 2023. We agreed the fund balance of \$14,831,604 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20) of \$14,831,335, noting a difference of \$269. The difference was due to the City not properly recording the interest in the prior year. We determined funds were expended within three years of receipt. No other exceptions were found as a result of this procedure.

City's Response: The variance is attributed to an error in inputting numbers on the M2 report. Going forward, the City will ensure the beginning balance is accurately derived from the prior year's report.

Procedure 8

Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$898,521 in indirect costs for LFS for the fiscal year ended June 30, 2023. We selected 25 indirect costs for inspection with a total amount of \$483,501 representing 54% of the total indirect Local Fair Share costs. Upon inspection, we determined these charges were labor and material costs readily identified to specific LFS projects. As such, these costs should have been reported as direct costs. After further inspection, we determined that these LFS direct costs were allowable per the Ordinance. No other exceptions were found as a result of this procedure.

City's Response: The City's Public Works Agency (PWA) will continue to verify and classify expenditures as indirect costs in accordance with Measure M2 Local Fair Share guidelines.

SANTA ANA CITY COUNCIL

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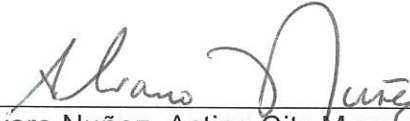
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Alvaro Nuñez, Acting City Manager



Kathryn Downs, Executive Director of Finance
and Management Services



Nabil Saba, P.E., Executive Director of Public
Works

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
CITY OF STANTON

Board of Directors
Orange County Local Transportation Authority and
the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Stanton's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2023. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2023. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, subdivision, and account numbers. The City records its MOE expenditures in its General Fund (101) and in their Street Maintenance Division (3500) followed by various account numbers. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2023 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2022/2023. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2023, were \$308,256 (see Schedule A), which exceeded the MOE benchmark requirement of \$285,869. We agreed the total expenditures of \$308,256 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling \$163,459, which represented approximately 53% of direct MOE expenditures of \$308,256 for fiscal year ended June 30, 2023. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2023. No exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2023 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

Findings: The City received \$1,900,509 for the past three fiscal years ended June 30, 2021, 2022, and 2023. We agreed the fund balance of \$1,043,222 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2023. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The City tracked its LFS expenditures in its Measure M2 Fund (220). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2023 were \$813,510 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

(Continued)

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
- b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven Year CIP, without any exception. We selected six Measure M2 Local Fair Share direct expenditures for inspection totaling \$745,653 representing approximately 92% of total Measure M2 direct Local Fair Share expenditures of \$813,510 for the fiscal year ended June 30, 2023. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2023. No exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$14,037 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY23) by inspecting the OCLTA Board agenda and action items.

Findings: No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, professional style.

Crowe LLP

Costa Mesa, California
March 13, 2024

CITY OF STANTON, CALIFORNIA
 SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
 Year ended June 30, 2023
 (Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Maintenance	
Patching	60,000
Other Street Purpose Maintenance	<u>248,256</u>
Total Maintenance	<u>308,256</u>
Total MOE Expenditures	<u>\$ 308,256</u>
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Fiscal Year 2021/22 Citywide Street Rehabilitation (2022-101)	\$ 737,370
Fiscal Year 2022/23 Citywide Street Rehabilitation (2023-101)	<u>76,140</u>
Total Measure M2 Local Fair Share Expenditures	<u>\$ 813,510</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u>\$ 1,121,766</u>

Note: The above amounts were taken directly from the financial records of the City of Stanton and were not audited.

SUMMARY OF AGREED-UPON PROCEDURES REPORTS
Orange County Local Transportation Authority
Measure M2 Senior Mobility Program for the Year Ended June 30, 2023

City	Result	City Management Response
City of Anaheim (Anaheim)	None	None
City of Fullerton (Fullerton)	One of four monthly reports tested were not submitted within 30 days of month end, as required.	Fullerton will ensure reports are submitted within 30 days of month-end, as required.
City of Laguna Beach (Laguna Beach)	Laguna Beach reported \$35,000 in Senior Mobility Program (SMP) expenditures on its expenditure report; according to Laguna Beach's general ledger, total SMP expenditures were \$34,992, a variance of \$8. Laguna Beach asserted that the variance related to rounding.	In the future, Laguna Beach will report amounts to the exact dollar.
	Laguna Beach reported an SMP fund balance of \$55,413 on its expenditure report; however, Laguna Beach's general ledger reflected a fund balance of \$55,421, a variance of \$8. Laguna Beach asserted that the variance related to rounding.	In the future, Laguna Beach will report amounts to the exact dollar.
	Laguna Beach did not allocate interest to the SMP program; instead, the city allocates interest to its Transit Fund as a whole.	Laguna Beach does not allocate interest income by object code, rather by fund, and the SMP object is within the Transit Fund. Laguna Beach will identify an appropriate methodology to allocate interest to the SMP program going forward.
City of Mission Viejo (Mission Viejo)	Mission Viejo reported SMP expenditures of \$99,054; however, actual expenditures totaled \$152,711.	Mission Viejo discovered there was an error in the worksheet calculating the Measure M2-funded portion and the matching portion, causing amounts in the monthly reports and year end report to be understated. Necessary corrections have been made Mission Viejo has reached out to the Orange County Transportation Authority (OCTA) to notify of the error and will be resubmitting revised monthly reports with correct amounts.
	Mission Viejo's total match expenditures amounted to \$26,829, which was only 18 percent of the total expenditures of \$152,711.	Mission Viejo acknowledged an error in the worksheet used to calculate total expenditures and track match expenditures. Mission Viejo reached out to OCTA to notify of the error and will be resubmitting revised monthly reports with correct amounts. The Internal Audit Department contacted Mission Viejo and confirmed that they are aware that the error resulted in the city not meeting match requirements. Per the SMP Guidelines, staff will be directed to withhold the additional two percent required match from a future payment.
	Mission Viejo's contract with Age Well for senior transportation services does not include language requiring that wheelchair accessible vehicles be made available and used as needed.	Age Well does utilize vans that accommodate wheelchair passengers. Mission Viejo will amend any new contracts to include this requirement.
	One of four monthly reports tested were not submitted within 30 days of month end, as required.	Mission Viejo acknowledged the exception and maintained that the report had been submitted; however, due to an error on the website the report needed to be resubmitted in March, 2023.
City of Newport Beach	None	None
City of Yorba Linda	None	None

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2023

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2023

The cities listed below were selected by the Audit Subcommittee of the Taxpayers Oversight Committee to perform agreed-upon procedures for the fiscal year ended June 30, 2023. Please refer to the individual divider tab for our report on each Agency.

Anaheim

Fullerton

Laguna Beach

Mission Viejo

Newport Beach

Yorba Linda

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF ANAHEIM

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Anaheim's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2023. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2023. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2023. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by fund, department codes, and object codes. The City recorded its Senior Mobility Program expenditures in its General Fund (101), department code (213), and object code (7837). The City reported \$109,591 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U), which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2023, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. For payments received during the fiscal year ended June 30, 2023, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$1,052,471 for the past three years fiscal years ended June 30, 2021, 2022, and 2023. We compared the fund balance of \$1,213,266 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$1,213,266; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$447,050 during the fiscal year ended June 30, 2023, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$51,834, which is calculated by the average daily cash balance of the fund and applying the City Treasurer's investment portfolio interest rates. The City reported \$51,834 of interest income for the year ended June 30, 2023, which agreed to the City's Expenditure Report (Schedule 2, line 8 for Project U). Additionally, we inquired of City personnel and inspected the City's general ledger detail regarding fare collection methodologies. Eligible participants of the Senior Mobility Program must purchase travel vouchers from the City prior to their trip. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2023.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching funds and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$28,776 which was approximately 21% of the total expenditures of \$138,367 (M2 funded portion of \$109,591 and City's matching portion of \$28,776) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

(Continued)

Findings: We selected nine Measure M2 Senior Mobility Program expenditures for inspection totaling \$85,772 representing approximately 78% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2023. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired with management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a form of state ID. The City then verifies that the applicant is a resident of the City of Anaheim and are 60 years of age or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines.

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2023. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether Contractor was selected using a competitive procurement process.
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on inquiry of City personnel, the City contracted with Parking Company of America, LLC (PCAM LLC) to provide senior transportation services under the Senior Mobility Program. From inspecting the PCAM LLC procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor, and determined that the requirements established in the Cooperative Agreement were met. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

Findings: We sampled four monthly summary reports (November 2022, December 2022, February 2023, and June 2023). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates. No exceptions were found as a result of this procedure.

(Continued)

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2022	December 31, 2022	December 29, 2022	-
December 2022	January 31, 2023	January 30, 2023	-
February 2023	March 31, 2023	March 28, 2023	-
June 2023	July 31, 2023	July 28, 2023	-

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
March 12, 2024

CITY OF ANAHEIM, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2023
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u>109,591</u>
Total Measure M2 Senior Mobility Program Expenditures	<u><u>\$ 109,591</u></u>

Note: The above amounts were taken directly from the financial records of the City of Anaheim and were not audited.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF FULLERTON

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Fullerton's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2023. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2023. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2023. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by account number. The City recorded its expenditures in the Parks and Recreation Fund (15) and the Measure M2 Fund (25), the Senior Programs Sub-program fund (516), followed by various 4-digit object codes. The City reported \$123,899 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U), which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2023, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. For payments received during the fiscal year ended June 30, 2023, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$507,301 for the past three fiscal years ended June 30, 2021, 2022, and 2023. We compared the fund balance of \$361,506 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 21) of \$361,506; no differences were identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$189,746 during the fiscal year ended June 30, 2023, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U). No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$123, which is calculated by taking the average monthly cash balance for the Senior Mobility Program and applying the average pooled money investment account allocation rates. The City allocated \$123 of interest income for the year ended June 30, 2023 which agreed to the amount reported on the City's Expenditure Report (Schedule 2, line 8 for Project U). Additionally, we inquired with City personnel and inspected the City's general ledger detail regarding fare collection methodologies. Eligible participants of the Senior Mobility Program will pay \$3 for trips in Fullerton and \$7 to locations outside the City. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2023.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching funds and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$232,517 which was approximately 65% of the total expenditures of \$356,416 (M2 funded portion of \$123,899 and City's matching portion of \$232,517) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

(Continued)

Findings: We selected 16 Measure M2 Senior Mobility Program expenditures for inspection totaling \$93,820 representing approximately 76% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended on June 30, 2023. We agreed the dollar amount to supporting documentation and determined that the expenditures were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired with management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a form of state ID. The City then verifies that the applicant is a resident of the City of Fullerton and are 60 years of age or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines.

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2023. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether Contractor was selected using a competitive procurement process.
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on inquiry of City personnel, the City contracted with Cabco Yellow, Inc. to provide senior transportation services under the Senior Mobility Program. From inspecting the Cabco Yellow Inc's procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor and determined that the requirements established in the Cooperative Agreement were met. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

(Continued)

Findings: We sampled four monthly summary reports (November 2022, December 2022, February 2023, and June 2023). Orange County Local Transportation Authority (OCLTA) staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2022	December 31, 2022	January 4, 2023	4
December 2022	January 31, 2023	January 31, 2023	-
February 2023	March 31, 2023	March 27, 2023	-
June 2023	July 31, 2023	July 28, 2023	-

Through inspection, we determined that one of the four reports were not submitted within 30 days of month end to OCLTA. No other exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
March 18, 2024

CITY OF FULLERTON, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2023
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u>123,899</u>
Total Measure M2 Senior Mobility Program Expenditures	<u>\$ 123,899</u>

Note: The above amounts were taken directly from the financial records of the City of Fullerton and were not audited.



CITY OF FULLERTON

Administrative Services Department

March 18, 2024

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of Fullerton as of and for the fiscal year ended June 30, 2023.

Procedure # 11

Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

Findings: We sampled four monthly summary reports (November 2022, December 2022, February 2023, and June 2023). Orange County Local Transportation Authority (OCLTA) staff confirmed that reports were received on the following dates:

Table with 4 columns: Reporting Month, Due Date, Date Received, Days Late. Rows include November 2022, December 2022, February 2023, and June 2023.

Through inspection, we determined that one of the four reports were not submitted within 30 days of month end to OCTA. No other exceptions were found as a result of this procedure.

City's Response:

The City will ensure that operations reports are submitted within 30 days.

[Signature]
Eric J. Levitt, City Manager

[Signature]
Daisy Perez, Deputy City Manager

[Signature]
Ellis Chang, Director of Administrative Services

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF LAGUNA BEACH

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Laguna Beach's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2023. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2023. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2023. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by fund, department codes, and object code. The City recorded its Senior Mobility Program expenditures in its Transit Fund (310), under Public Works department code (30), and various division and object codes. The City reported \$35,000 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U). The total SMP expenditures per the City's general ledger was \$34,992 which caused a variance of \$8. No other exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2023, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. For payments received during the fiscal year ended June 30, 2023, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$146,694 for the past three years fiscal years ended June 30, 2021, 2022, and 2023. We compared the fund balance of \$55,421 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$55,413 noting a difference of \$8. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$54,868 during the fiscal year ended June 30, 2023, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No other exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: We obtained and inspected the City's interest allocation methodology. We identified that interest was not allocated to the SMP program in accordance with the City's interest allocation practice. We noted that the City only allocated interest to the Transit fund as a whole and that no interest had been recorded directly for the SMP fund balance. As a result, the City reported \$0 of interest income for the year ended June 30, 2023 which agreed to the City's Expenditure Report (Schedule 2, line 8 for Project U). We inquired of City personnel and inspected the City's general ledger detail regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year. No other exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2023.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching funds and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$105,931 which was approximately 75% of the total expenditures of \$140,923 (M2 funded portion of \$34,992 and City's matching portion of \$105,931) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

(Continued)

Findings: We selected four Measure M2 Senior Mobility Program expenditures for inspection totaling \$34,922 representing almost 100% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2023. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired with management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a form of state ID. The City then verifies that the applicant is a resident of the City of Laguna Beach and are 60 years of age or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines.

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2023. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether Contractor was selected using a competitive procurement process.
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on discussion with City personnel, the City contracted with Sally's Fund to provide senior transportation services under the Senior Mobility Program. From inspecting the Sally's Fund procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor and determined that the requirements established in the Cooperative Agreement were met. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

(Continued)

Findings: We sampled four monthly summary reports (November 2022, December 2022, February 2023, and June 2023). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates. No exceptions were found as a result of this procedure.

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2022	December 31, 2022	December 22, 2022	-
December 2022	January 31, 2023	January 31, 2023	-
February 2023	March 31, 2023	March 23, 2023	-
June 2023	July 31, 2023	July 19, 2023	-

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
March 28, 2024

CITY OF LAGUNA BEACH, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2023
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u>34,992</u>
Total Measure M2 Senior Mobility Program Expenditures	<u><u>\$ 34,992</u></u>

Note: The above amounts were taken directly from the financial records of the City of Laguna Beach and were not audited.



March 28, 2024

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of Laguna Beach as of and for the fiscal year ended June 30, 2023.

Procedure #2

Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2023. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by fund, department codes, and object code. The City recorded its Senior Mobility Program expenditures in its Transit Fund (310), under Public Works department code (30), and various division and object codes. The City reported \$35,000 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U). The total SMP expenditures per the City's general ledger was \$34,992 which caused a variance of \$8. No other exceptions were found as a result of this procedure.

City's Response: The City will report amounts up to the exact dollar for future reporting requirements.

Procedure# 3

Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2023, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. For payments received during the fiscal year ended June 30, 2023, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$146,694 for the past three years fiscal years ended June 30, 2021, 2022, and 2023. We compared the fund balance of \$55,421 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$55,413 noting a difference of \$8. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$54,868 during the fiscal year ended June 30, 2023, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No other exceptions were identified as a result of this procedure.

City's Response: The City will report amounts up to the exact dollar for future reporting requirements.

Procedure #4

Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: We obtained and inspected the City's interest allocation methodology.that interest was not allocated to the SMP program in accordance with the City's interest allocation practice. We noted that the City only allocated interest to the Transit fund as a whole and that no interest had been recorded directly for the SMP fund balance. As a result, the City reported \$0 of interest income for the year ended June 30, 2023 which agreed to the City's Expenditure Report (Schedule 2, line 8 for Project U). We inquired of City personnel and inspected the City's general ledger detail regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year. No other exceptions were found as a result of this procedure.

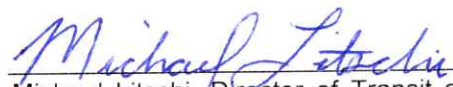
City's Response: The City currently does not allocate interest income by object, rather by fund. The SMP program is an object within the Transit Fund, and therefore interest income is not allocated or reported specifically on the M2 report for the SMP object since it was not reported in the past. The City will identify an appropriate methodology to allocate interest to the SMP program going forward.



Gavin Curran, Acting City Manager



Julie Nemes, Director of Finance & Technology



Michael Litschi, Director of Transit and Community Services

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF MISSION VIEJO

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Mission Viejo's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2023. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2023. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2023. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by account number. The City recorded its expenditures in the Senior Mobility Grant Fund (278), followed by a 3-digit program code, and a 4-digit account number. The City reported \$99,054 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) for fiscal year 2023. However, after further inspection, we noted that this amount included the M2 funded portion and the City's matching portion. The actual total SMP expenditures per the general ledger detail was \$152,711 (M2 funded portion of \$125,882 and the City's matching portion of \$26,829). No other exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2023, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. For payments received during the fiscal year ended June 30, 2023, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$451,710 for the past three fiscal years ended June 30, 2021, 2022, and 2023. We compared the fund balance of \$612,715 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$612,715; no differences were identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$168,953 during the fiscal year ended June 30, 2023, to the general ledger detail and to the amount listed of \$168,953, as received on the City's Expenditure Report (Schedule 2, line 8 for Project U). No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$10,538, which is calculated by taking the monthly fund balance for the Senior Mobility Program and applying the pooled money investment account allocation percentages. The City reported \$10,538 of interest income for the year ended June 30, 2023 which agreed to the City's Expenditure Report (Schedule 2, line 8 for Project U). The City did not charge fares for senior transportation services to the City's senior center. However, they charged \$20 for trips to/from John Wayne and \$5 for all other one-way trips. We deemed that the fare collection methodology was adequate to ensure the program revenue was credited to the Measure M2 Senior Mobility Program Fund. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2023.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching, and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$26,829 which was approximately 18% of the total expenditures of \$152,711 (M2 funded portion of \$125,882 and City's matching portion of \$26,829) which agreed to the City's general ledger detail of the M2 total expenditures. However, we noted that the City's contribution was below the 20% matching rule. No other exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

(Continued)

Findings: We selected 24 Measure M2 Senior Mobility Program expenditures for inspection totaling \$74,130 representing approximately 59% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2023. We agreed the dollar amount listed on the general ledger to supporting documentation and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired with management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide their birth date and address. The City then verifies that the applicant is a resident of Mission Viejo, and 60 years of age or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. Approved applicants are then required to attend an in-person appointment to review the program's usage, during which their age and residency are verified again using documents like a driver's license, passport, or water bill. Every two years, active participants are contacted to confirm their continued residency in Mission Viejo and their interest in remaining in the program. A unique ID number is printed on the participant's photo ID card which must be provided when booking a ride with California Yellow Cab. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines.

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, \$7,809 of administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2023, which does not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether Contractor was selected using a competitive procurement process.
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with City personnel, the City contracted with CABCO Yellow, Inc. in July 2021, and Age Well Senior Services, Inc. in November 2021, to provide senior transportation services under the Senior Mobility Program. From inspection of the procurement supporting documentation, we concluded that both service providers were selected using a competitive procurement process. and that the City has continued to extend its existing contracts. Per inspection of the original contract for CABCO Yellow Inc. we found language requiring that wheelchair accessible vehicles be made available and used as needed. However, from inspection of the Age Well contracts, we were unable to find the language requiring that wheelchair accessible vehicles be made available and used as needed. No other exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.

(Continued)

Findings: We obtained and inspected the insurance coverage for the contractor and determined that the requirements established in the Cooperative Agreement were met. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

Findings: We sampled four monthly summary reports (November 2022, December 2022, February 2023, and June 2023). Orange County Local Transportation Authority (OCLTA) staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2022	December 31, 2022	March 9, 2023	68
December 2022	January 31, 2023	January 11, 2023	-
February 2023	March 31, 2023	March 8, 2023	-
June 2023	July 31, 2023	July 11, 2023	-

Through inspection, we determined one out of four reports were not submitted within 30 days of month end to OCLTA. No other exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
April 3, 2024

CITY OF MISSION VIEJO, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2023
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u>125,882</u>
Total Measure M2 Senior Mobility Program Expenditures	<u><u>\$ 125,882</u></u>

Note: The above amounts were taken directly from the financial records of the City of Mission Viejo and were not audited.



City of Mission Viejo

Administrative Services Department

Trish Kelley
Mayor

Bob Ruesch
Mayor Pro Tem

Wendy Bucknum
Council Member

Brian Goodell
Council Member

Cynthia Vasquez
Council Member

April 3, 2024

EXHIBIT 1

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of Mission Viejo as of and for the fiscal year ended June 30, 2023.

Procedure #2

Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2023. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by account number. The City recorded its expenditures in the Senior Mobility Grant Fund (278), followed by a 3-digit program code, and a 4-digit account number. The City reported \$99,054 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) for fiscal year 2023. However, after further inspection, we noted that this amount included the M2 funded portion and the City's matching portion. The actual total SMP expenditures per the general ledger detail was \$152,711 (M2 funded portion of \$125,882 and the City's matching portion of \$26,829). No other exceptions were found as a result of this procedure.

City's Response:

Exception noted. The City discovered there was an error on the worksheet calculating the M2 funded portion and the City matching portion causing the number reported on the monthly reports and at YE to be understated. The necessary corrections to the worksheet have been made and the City reached out to OCTA notifying them of the error. The City will be resubmitting the revised monthly reports to OCTA for FY22/23 with the correct amounts.



City of Mission Viejo

Administrative Services Department

Trish Kelley
Mayor

Bob Ruesch
Mayor Pro Tem

Wendy Bucknum
Council Member

Brian Goodell
Council Member

Cynthia Vasquez
Council Member

Procedure #5

Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2023.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching, and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$26,829 which was approximately 18% of the total expenditures of \$152,711 (M2 funded portion of \$125,882 and City's matching portion of \$26,829) which agreed to the City's general ledger detail of the M2 total expenditures. However, we noted that the City's contribution was below the 20% matching rule. No other exceptions were found as a result of this procedure.

City's Response:

Exception noted. The City discovered there was an error on the worksheet calculating the M2 funded portion and the City matching portion causing the number reported on the monthly reports and at YE to be understated. This error caused the matching contributions to be less than the 20% required. The necessary corrections to the worksheet have been made and the City reached out to OCTA notifying them of the error. The City will be resubmitting the revised monthly report to OCTA for FY22/23 with the correct amounts.

Procedure #9

Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:

- a. Determine whether Contractor was selected using a competitive procurement process.
- b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with City personnel, the City contracted with CABCO Yellow, Inc. in July 2021, and Age Well Senior Services, Inc. in November 2021, to provide senior transportation services under the Senior Mobility Program. From inspection of the procurement supporting documentation, we concluded that both service providers were selected using a competitive



City of Mission Viejo

Administrative Services Department

Trish Kelley
Mayor

Bob Ruesch
Mayor Pro Tem

Wendy Bucknum
Council Member

Brian Goodell
Council Member

Cynthia Vasquez
Council Member

procurement process. and that the City has continued to extend its existing contracts. Per inspection of the original contract for CABCO Yellow Inc. we found language requiring that wheelchair accessible vehicles be made available and used as needed. However, from inspection of the Age Well contracts, we were unable to find the language requiring that wheelchair accessible vehicles be made available and used as needed. No other exceptions were found as a result of this procedure.

City's Response:

Age Well currently uses vans that accommodate wheelchair passengers. The City will amend any new contracts to include the following wording: wheel chair accessible vehicles to be made available and used as needed.

Procedure #11

Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

Findings: We sampled four monthly summary reports (November 2022, December 2022, February 2023, and June 2023). Orange County Local Transportation Authority (OCLTA) staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2022	December 31, 2022	March 9, 2023	68
December 2022	January 31, 2023	January 11, 2023	-
February 2023	March 31, 2023	March 8, 2023	-
June 2023	July 31, 2023	July 11, 2023	-

Through inspection, we determined one out of four reports were not submitted within 30 days of month end to OCLTA. No other exceptions were found as a result of this procedure.

City's Response:

Exception noted. Per Community Services, the November 2022 report was submitted on time but due to an error on OCTA's website the City had to resubmit the report in March of 2023. Email documentation to support this claim was not saved. Going forward the City will be saving all of the emails and/or correspondence of submissions on a share folder for future reference.



City of Mission Viejo

Administrative Services Department

Trish Kelley
Mayor

Bob Ruesch
Mayor Pro Tem

Wendy Bucknum
Council Member

Brian Goodell
Council Member

Cynthia Vasquez
Council Member

DocuSigned by:

Dennis Wilberg

Dennis Wilberg, City Manager

DocuSigned by:

Cheryl Dyas

Cheryl Dyas, Director of Administrative Services

DocuSigned by:

Mark Nix

Mark Nix, Director of Recreation & Community Services

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF NEWPORT BEACH

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Newport Beach's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2023. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2023. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2023. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

(Continued)

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by account number. The City recorded its expenditures in the General Fund (010), under the Oasis Transportation organizational code (0107033), followed by various 6-digit account numbers. The City reported \$192,278 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U), which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2023, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. For payments received during the fiscal year ended June 30, 2023, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$514,071 for the past three years fiscal years ended June 30, 2021, 2022, and 2023. We compared the fund balance of \$0 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$0; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$192,278 during the fiscal year ended June 30, 2023, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$1,562, which was calculated based on the percentage of pooled cash held in each fund monthly. The interest percentage is then applied to the monthly cash balance of the Senior Mobility Program (SMP). We recalculated each month's interest rate, which was then applied to the SMP cash balance. The City allocated \$1,562 of interest income for the year ended June 30, 2023, which agreed to the amount reported on the City's Expenditure Report (Schedule 2, line 8 for Project U). Additionally, we inquired of City personnel and inspected the City's general ledger detail regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2023.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching funds and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$669,735 which was approximately 78% of the total expenditures of \$862,013 (M2 funded portion of \$192,278 and City's matching portion of \$669,735) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

(Continued)

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
- b. Determine whether the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We selected 14 Measure M2 Senior Mobility Program expenditures for inspection totaling \$187,989 representing approximately 98% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2023. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired with management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a form of state ID. The City then verifies that the applicant is a resident of the City of Newport Beach and are 60 years of age or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines.

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2023. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether Contractor was selected using a competitive procurement process.
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on our inspection of the general ledger expenditure detail and through discussion with City personnel, the City did not contract with a third-party service provider for senior transportation service. No exceptions were noted as a result of our procedures.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the City of Newport Beach. We noted that the City used in-house staff to provide services for the Senior Mobility Program and determined that the requirements established in the Cooperative Agreement were met. No exceptions were found as a result of this procedure.

(Continued)

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

Findings: We sampled four monthly summary reports (November 2022, December 2022, February 2023, and June 2023). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates.

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2022	December 31, 2022	December 19, 2022	-
December 2022	January 31, 2023	January 26, 2023	-
February 2023	March 31, 2023	March 17, 2023	-
June 2023	July 31, 2023	July 21, 2023	-

No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City’s management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
March 18, 2024

CITY OF NEWPORT BEACH, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2023
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u>192,278</u>
Total Measure M2 Senior Mobility Program Expenditures	<u><u>\$ 192,278</u></u>

Note: The above amounts were taken directly from the financial records of the City of Newport Beach and were not audited.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF YORBA LINDA

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Yorba Linda's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2023. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2023. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2023. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by account number. The City recorded its expenditures in the General Fund (101), followed by a 7-digit organizational code, and a 6-digit object code. The City reported \$123,061 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U), which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2023, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. For payments received during the fiscal year ended June 30, 2023, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$277,348 for the past three fiscal years ended June 30, 2021, 2022, and 2023. We compared the fund balance of \$125,275 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$125,275; no differences were identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$103,737 during the fiscal year ended June 30, 2023, to the general ledger detail and to the amount listed of \$103,737, as received on the City's Expenditure Report (Schedule 2, line 8 for Project U). No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$2,889, which is calculated by taking the monthly fund balance for the Senior Mobility Program and applying the pooled money investment account allocation percentages. The City reported \$2,889 of interest income for the year ended June 30, 2023 which agreed to the City's Expenditure Report (Schedule 2, line 8 for Project U). Additionally, we inquired of City personnel and inspected the City's general ledger detail regarding fare collections methodologies. The City charged \$1.00 for each one-way trip which was directly given to the driver by the participant. The total fares were then deducted from the total trip cost and counted towards the City's contribution. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2023.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching funds and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$32,231 which was approximately 21% of the total expenditures of \$155,292 (M2 funded portion of \$123,061 and City's matching portion of \$32,231) which agrees to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

(Continued)

Findings: We selected six Measure M2 Senior Mobility Program expenditures for inspection totaling \$95,763 representing approximately 78% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2023. Crowe agreed the dollar amount listed on the general ledger to invoices provided by the City and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired with management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a form of state ID. The City then verifies that the applicant is a resident of the City of Yorba Linda and are 60 years of age or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines.

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2023. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether Contractor was selected using a competitive procurement process.
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on inquiry of City personnel, the City contracted with CABCO Yellow, Inc. to provide senior transportation services under the Senior Mobility Program. From inspecting the CABCO Yellow, Inc. procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor, and determined that the requirements established in the Cooperative Agreement were met. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

(Continued)

Findings: We sampled four monthly summary reports (November 2022, December 2022, February 2023, and June 2023). OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2022	December 31, 2022	December 15, 2022	-
December 2022	January 31, 2023	January 18, 2023	-
February 2023	March 31, 2023	March 8, 2023	-
June 2023	July 31, 2023	July 13, 2023	-

Through inspection, we determined that all four reports were submitted within 30 days of the following month end. No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
March 20, 2024

CITY OF YORBA LINDA, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2023
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u>123,061</u>
Total Measure M2 Senior Mobility Program Expenditures	<u><u>\$ 123,061</u></u>

Note: The above amounts were taken directly from the financial records of the City of Yorba Linda and were not audited.

CITY OF CYPRESS

MEASURE M2 MAINTENANCE OF EFFORT

Independent Accountant's Report on Applying Agreed-Upon Procedures

For the Year Ended June 30, 2023



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Orange County Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Orange County Local Transportation Authority (OCLTA), related to the City of Cypress' (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Measure M2) as of and for the fiscal year ended June 30, 2023. The City's management is responsible for compliance with the Ordinance.

The OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with Measure M2 Maintenance of Effort (MOE) requirements as of and for the fiscal year ended June 30, 2023. We make no representations regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings are as follows:

- 1) Obtain the Settlement Agreement between OCTA and the City and identify the required minimum amount to be spent on MOE expenditures.

Findings: Per the Settlement Agreement between OCTA and the City, the required minimum amount to be spent on MOE expenditures is \$4,988,926, which includes the minimum required MOE expenditures for FY 2022/2023 of \$3,607,878 and a shortfall from FY 2021/2022 of \$1,381,048.

- 2) Describe which funds the City used to track all street and road expenditures and inquire how the City identifies MOE expenditures in the general ledger.

Findings: MOE expenditures were tracked in the City's general ledger by fund (three digits), programs (five digits), and in some cases, a sub-program (four digits). There are two types of expenditures recorded in the City's general ledger applied against the MOE – right-of-way maintenance operating expenditures and capital project expenditures funded by the general fund.

Expenditures for personnel, supplies, and services in the following maintenance operating program (70212) are applied against the MOE and recorded in the City's General Fund (111).

- Street Maintenance (111-70212-7212)
- Street Cleaning (111-70212-7213)
- Traffic Safety (111-70212-7214)
- Tree Maintenance (111-70212-7216)
- Parkway Maintenance (111-70212-7217)
- Sidewalk Repair (111-70212-7238)

Expenditures for street right-of-way Capital Improvement Program projects paid using the City's General Funds are applied against the MOE and recorded in the City's Capital Projects Fund (415). For FY 2022/2023, the following street projects (80100) and parkway projects (80500) were fully or partially funded with General Fund monies.

- Residential Street Resurfacing (415-80100-8011)
- Arterial Street Rehabilitation (415-80100-8012)
- Sidewalk/Concrete Repair (415-80500-8051)
- Tree Planting (415-80500-8055)

Additionally, a portion of personnel costs charged to storm drain maintenance (261-70281) is applied to the MOE for annual catch basin cleaning and recorded in the Storm Drainage Fund (261).

Furthermore, indirect costs are computed separately, utilizing the indirect cost rates derived from the City's FY 2021/2022 Cost Allocation Plan finalized in October 2023. These rates are applied to the actual FY 2022/2023 direct labor and fringe charges associated with the Right-of-Way Maintenance Operating expenditures and the Storm Drain Maintenance expenditures related to annual catch basin cleaning are included in the MOE for FY 2022/2023.

- 3) Obtain the details of MOE expenditures for the Fiscal Year ended June 30, 2023, and agree the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, Line 18). Explain any differences.

Findings: The City's Expenditure Report (Schedule 3, Line 18) recorded total MOE expenditures of \$5,108,162. The details of MOE expenditures for the Fiscal Year ended June 30, 2023, also totaled \$5,108,162. No discrepancies were identified between the City's Expenditure Report and the detailed MOE expenditures breakdown.

- 4) Select a sample of MOE expenditures from the City's general ledger expenditure detail, ensuring adequate coverage. Describe the number and percentage of total expenditures selected for testing. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers, timecards, journal vouchers, or other appropriate supporting documentation.
 - b. Verify that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 50 direct MOE expenditures totaling \$2,552,782, which represents approximately 64.8% of direct MOE expenditures of \$3,936,940 for the fiscal year ended June 30, 2023. No exceptions were found as a result of this procedure.

- 5) Identify whether or not indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, Line 1). Explain any differences. If applicable, obtain details of the indirect costs charged and select a sample of charges for inspection, ensuring adequate coverage. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: For FY 2022/2023, indirect costs of \$1,171,222 were included within the overall MOE expenditures of \$5,108,162. These indirect costs agreed with the amount reported in the City's Expenditure Report (Schedule 3, line 1).

In FY 2022/2023, the calculation of indirect costs was conducted separately, utilizing the indirect cost rates/percentages determined in the City's FY 2021/2022 Cost Allocation Plan, and the indirect cost rates/percentages were applied to the actual direct labor and fringe costs associated with the Right-of-Way Maintenance Operating expenditures and the Storm Drain Maintenance expenditures related to annual catch basin cleaning.

The City engaged an external contractor, Revenue and Cost Specialist, LLC to develop a cost allocation plan utilizing actual audited amounts from FY 2021/2022. The indirect cost rates/percentages derived from this plan were applied to calculate the indirect costs for FY 2022/2023. This cost allocation process adhered to Office of Management and Budget guidelines and underwent thorough review and certification by the City.

The methodology used to calculate and allocate the \$1,171,222 in indirect cost to MOE expenditures appears to be reasonable, appropriate, and adequately supported.

- 6) The auditor report should include details of any ineligible and/or questioned costs and report the remaining total MOE expenditures after the removal of such items. This should be compared to the amount required to be spent per procedure 1) above.

Findings: Based on our procedures performed, no ineligible and/or questioned costs were detected.

We were engaged by OCTA to perform this agreed-upon procedure engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with Measure M2 MOE requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the management and the board of directors of OCTA and the City and is not intended to be and should not be used by anyone other than those specified parties.

BCA Watson Rice, LLP

Torrance, California
March 18, 2024

Measure M Jurisdictions - Selection for Fiscal Year 2024

Agency	Local Fair Share						Senior Mobility Program & Senior Non-Emergency Medical Transport				
	Last AUP Review	No. of Findings Last AUP	Annual Allocation FY 6/30/23	Allocations FY 6/30/24 as of 4/29/24	Allocations Since Inception as of 4/29/24	% of Total	Last AUP Review	No. of Findings Last AUP	Allocations FY 6/30/23	Allocations FY 6/30/24 as of 4/29/24	Expenditures Per Agency Self-Report as of 4/29/24
Aliso Viejo	2023	1	917,418.46	634,682.19	8,844,477.71	1.24%	n/a	0	36,345.86	24,477.83	20,486.40
Anaheim	2023	3	7,870,539.27	5,427,856.84	74,346,023.49	10.45%	2023	0	393,656.51	265,115.82	117,458.14
Brea	2020	1	1,318,335.23	927,226.54	12,715,977.73	1.79%	2020	2	61,793.18	41,615.85	35,142.42
Buena Park	2023	2	2,097,910.12	1,430,152.96	19,796,581.08	2.78%	2017	1	105,771.49	71,233.93	58,989.24
Costa Mesa	2023	0	3,453,031.16	2,358,150.82	32,533,283.95	4.57%	2020	0	126,843.71	85,425.43	113,445.88
x Cypress	2022	2	993,177.97	-	10,645,612.65	1.50%	2020	0	63,180.36	-	51,134.20
Dana Point	2019	1	788,807.98	548,634.14	7,468,427.93	1.05%	2019	2	71,931.95	48,444.02	51,630.90
Fountain Valley	2021	0	1,450,531.90	999,953.27	13,806,915.52	1.94%	2019	0	116,049.98	78,156.19	56,591.80
Fullerton	2021	1	3,105,310.99	2,132,615.82	29,111,990.04	4.09%	2023	1	189,745.95	127,788.22	128,551.75
Garden Grove	2019	0	3,466,400.59	2,387,753.58	33,173,804.47	4.66%	2022	1	227,183.41	153,001.21	88,133.87
Huntington Beach	2019	2	4,565,131.77	3,095,921.50	43,394,403.81	6.10%	2022	2	336,247.15	226,452.38	136,595.00
Irvine	2022	1	7,113,607.58	4,893,342.01	62,372,261.92	8.77%	2021	1	244,928.42	164,951.95	122,954.24
Laguna Beach	2022	2	582,807.23	405,342.29	5,629,886.47	0.79%	2023	3	54,868.07	36,952.02	30,823.35
Laguna Hills	2020	4	779,257.93	530,760.99	7,537,258.34	1.06%	2020	3	51,209.04	34,487.76	12,075.48
Laguna Niguel	2021	1	1,535,200.23	1,059,199.51	14,800,025.65	2.08%	2017	4	107,762.55	72,574.86	15,941.03
Laguna Woods	2021	0	310,074.74	212,362.83	2,851,524.95	0.40%	2017	0	125,228.14	84,337.40	186,902.39
La Habra	2019	2	1,251,959.56	855,116.62	11,820,078.47	1.66%	2019	2	79,677.93	53,660.70	55,905.46
Lake Forest	2020	0	1,925,867.11	1,318,772.86	17,869,248.66	2.51%	2018	0	97,580.14	65,717.30	49,592.18
La Palma	2020	1	326,586.03	221,188.29	3,461,000.77	0.49%	n/a				
Los Alamitos	2022	3	302,401.50	208,136.38	2,887,076.98	0.41%	n/a				
Mission Viejo	2019	2	2,094,371.01	1,422,974.62	20,558,682.13	2.89%	2023	4	168,953.19	113,784.90	61,622.42
Newport Beach	2021	2	2,525,260.67	1,733,275.25	24,424,229.14	3.43%	2023	0	192,278.45	129,493.78	65,458.25
Orange	2023	3	3,875,255.46	2,700,821.07	36,935,362.79	5.19%	2022	1	182,628.72	122,994.97	119,568.86
Placentia	2020	3	1,110,093.68	768,371.96	10,350,330.79	1.46%	2020	1	78,630.00	52,954.94	87,937.83
Rancho Santa Margarita	2022	0	977,506.20	664,702.22	9,410,665.42	1.32%	2021	0	38,738.63	26,089.31	60,709.00
San Clemente	2019	1	1,351,718.49	914,095.03	12,660,136.91	1.78%	2019	0	105,221.31	70,863.42	28,872.47
San Juan Capistrano	2022	0	903,916.88	613,240.13	8,495,186.19	1.19%	2017	3	67,137.65	45,215.19	58,493.84
Santa Ana	2023	3	6,210,093.49	4,171,799.64	61,389,381.99	8.63%	2022	2	280,104.07	188,641.69	115,934.96
Seal Beach	2019	2	556,194.38	377,474.94	5,468,552.34	0.77%	2021	2	97,518.99	65,676.13	31,070.40
Stanton	2023	0	701,618.42	478,534.91	6,666,442.38	0.94%	2020	0	46,851.39	31,553.01	5,585.28
Tustin	2020	2	2,164,234.24	1,481,629.85	20,156,183.28	2.83%	2019	2	81,703.94	55,025.15	54,012.66
Villa Park	2022	2	122,021.95	84,174.66	1,163,078.38	0.16%	n/a	0	16,059.59	10,815.65	10,245.00
Westminster	2019	1	1,945,276.54	1,313,949.55	18,903,660.56	2.66%	2021	1	152,867.39	102,951.60	52,472.23
Yorba Linda	2021	3	1,412,867.18	971,972.78	13,467,973.02	1.89%	2023	0	103,736.75	69,863.59	116,661.42
County Unincorporated	2019	0	5,758,635.48	3,829,322.15	46,243,134.09	6.50%	n/a				
County - SNEMT							2020	0	4,288,164.12	2,887,950.00	1,059,592.64
Total			75,863,421.42	51,173,508.20	711,358,860.00	100%			8,390,598.03	5,608,266.20	3,260,590.99

- Selected for AUP Review on May 14, 2024
- Five years since last AUP - Local Fair Share
- Seven years since last AUP - Senior Mobility Program
- Five years since last AUP - SNEMT

x Currently not eligible to receive M2 Funds - Funds Withheld

Measure M2
Schedule of Revenues, Expenditures and Changes in Fund Balance
as of March 31, 2024
(Unaudited) Quarterly Report

<i>(\$ in thousands)</i>	Quarter Ended March 31, 2024	Year to Date March 31, 2024	Period from Inception to March 31, 2024
		(A)	(B)
Revenues:			
Sales taxes	\$ 113,344	\$ 332,019	\$ 4,273,077
Other agencies' share of Measure M2 costs:			
Project related	9,488	16,592	854,678
Non-project related	-	-	454
Interest:			
Operating:			
Project related	1,690	1,669	6,766
Non-project related	5,851	16,973	100,289
Bond proceeds	-	3,574	98,820
Debt service	495	1,133	2,891
Commercial paper	-	-	393
Right-of-way leases			
Project related	19	56	1,721
Non-project related	-	-	17
Proceeds on sale of assets held for resale	-	-	13,428
Donated assets held for resale			
Project related	-	-	2,071
Miscellaneous:			
Project related	-	-	331
Non-project related	-	-	129
Total revenues	130,887	372,016	5,355,065
Expenditures:			
Supplies and services:			
Sales tax administration fees	882	2,646	41,545
Professional services:			
Project related	10,249	21,465	560,306
Non-project related	378	1,027	38,957
Administration costs:			
Project related	2,991	8,973	126,187
Non-project related:			
Salaries and Benefits	1,172	3,384	43,734
Other	1,648	5,076	72,530
Other:			
Project related	144	273	6,581
Non-project related	10	58	5,432
Payments to local agencies:			
Project related	32,710	65,264	1,393,478
Capital outlay:			
Project related	34,817	63,382	2,305,273
Non-project related	-	(100)	31
Debt service:			
Principal payments on long-term debt	20,920	20,920	116,405
Interest on long-term debt and commercial paper	16,976	33,952	353,528
Total expenditures	122,897	226,320	5,063,987
Excess (deficiency) of revenues over (under) expenditures	7,990	145,696	291,078
Other financing sources (uses):			
Transfers out:			
Project related	(13,911)	(24,814)	(522,226)
Transfers in:			
Project related	1,452	3,421	352,104
Non-project related	-	(453)	-
Bond proceeds	-	-	804,625
Payment to refunded bond escrow agent	-	-	(45,062)
Total other financing sources (uses)	(12,459)	(21,846)	589,441
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	\$ (4,469)	\$ 123,850	\$ 880,519

Measure M2
Schedule of Calculations of Net Revenues and Net Financing Expenditures
as of March 31, 2024
(Unaudited) Quarterly Report

<i>(\$ in thousands)</i>	Quarter Ended March 31, 2024 (actual)	Year to Date March 31, 2024 (actual)	Period from Inception through March 31, 2024 (actual)	Period from April 1, 2024 through March 31, 2041 (forecast)	Total
	(C.1)	(C.1)	(D.1)	(E.1)	(F.1)
Revenues:					
Sales taxes	\$ 113,344	\$ 332,019	\$ 4,273,077	\$ 10,486,063	\$ 14,759,140
Operating interest	5,851	16,973	100,289	550,657	650,946
Subtotal	<u>119,195</u>	<u>348,992</u>	<u>4,373,366</u>	<u>11,036,720</u>	<u>15,410,086</u>
Other agencies share of M2 costs	-	-	454	-	454
Right-of-way leases	-	-	17	-	17
Miscellaneous	-	-	129	-	129
Total revenues	<u>119,195</u>	<u>348,992</u>	<u>4,373,966</u>	<u>11,036,720</u>	<u>15,410,686</u>
Administrative expenditures:					
Sales tax administration fees	882	2,646	41,545	86,212	127,757
Professional services	378	1,027	35,182	87,736	122,918
Administration costs:					
Salaries and Benefits	1,172	3,384	43,734	107,292	151,026
Other	1,648	5,076	72,530	178,683	251,213
Other	10	58	2,412	6,055	8,467
Capital outlay	-	(100)	31	-	31
Environmental cleanup	377	1,849	51,155	209,688	260,843
Total expenditures	<u>4,467</u>	<u>13,940</u>	<u>246,589</u>	<u>675,666</u>	<u>922,255</u>
Net revenues	<u>\$ 114,728</u>	<u>\$ 335,052</u>	<u>\$ 4,127,377</u>	<u>\$ 10,361,054</u>	<u>\$ 14,488,431</u>
<hr/>					
(C.2) (D.2) (E.2) (F.2)					
Financing expenditures:					
Debt interest expense	16,976	33,952	353,528	340,639	694,167
Professional services	-	-	3,775	-	3,775
Other	-	-	3,020	-	3,020
Total financing expenditures	<u>16,976</u>	<u>33,952</u>	<u>360,323</u>	<u>340,639</u>	<u>700,962</u>
Interest revenue:					
Interest revenue from bond proceeds	-	3,574	98,820	59,321	158,141
Interest revenue from debt service funds	495	1,133	2,891	4,817	7,708
Interest revenue from commercial paper	-	-	393	-	393
Total bond revenues	<u>495</u>	<u>4,707</u>	<u>102,104</u>	<u>64,138</u>	<u>166,242</u>
Net financing expenditures:	<u>\$ 16,481</u>	<u>\$ 29,245</u>	<u>\$ 258,219</u>	<u>\$ 276,501</u>	<u>\$ 534,720</u>

Measure M2
Schedule of Revenues and Expenditures Summary
as of March 31, 2024
(Unaudited) Quarterly Report

Project	Description	Total Net Revenues	Net Revenues	Expenditures	Reimbursements	(J) - (K) = (L)
		Inception to March 31, 2041 (actual) + (forecast)	Inception to March 31, 2024 (actual)	Inception to March 31, 2024 (actual)	Inception to March 31, 2024 (actual)	Net M2 Cost Inception to March 31, 2024 (actual)
(G)		(H)	(I)	(J)	(K)	(L)
	(\$ in thousands)					
Freeways (43% of Net Revenues)						
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 571,063	\$ 162,681	\$ 10,910	\$ 8,786	\$ 2,124
B	I-5 Santa Ana/SR-55 to El Toro	364,751	103,908	32,762	21,387	11,375
C	I-5 San Diego/South of El Toro	761,823	217,023	390,966	53,014	337,952
D	I-5 Santa Ana/San Diego Interchange Upgrades	313,477	89,302	3,130	527	2,603
E	SR-22 Garden Grove Freeway Access Improvements	145,803	41,536	5	-	5
F	SR-55 Costa Mesa Freeway Improvements	444,700	126,684	110,152	47,186	62,966
G	SR-57 Orange Freeway Improvements	314,328	89,544	57,656	13,982	43,674
H	SR-91 Improvements from I-5 to SR-57	170,104	48,458	34,959	824	34,135
I	SR-91 Improvements from SR-57 to SR-55	506,059	144,163	59,262	57,189	2,073
J	SR-91 Improvements from SR-55 to County Line	427,933	121,907	18,483	17,005	1,478
K	I-405 Improvements between I-605 to SR-55	1,303,483	371,326	1,509,214	302,005	1,207,209
L	I-405 Improvements between SR-55 to I-5	388,445	110,658	9,247	6,954	2,293
M	I-605 Freeway Access Improvements	24,301	6,923	7,961	16	7,945
N	All Freeway Service Patrol	182,254	51,919	11,881	-	11,881
	Freeway Mitigation	311,501	88,739	61,654	7,612	54,042
	Subtotal Projects	6,230,025	1,774,771	2,318,242	536,487	1,781,755
	Net financing expenditures	-	-	177,243	-	177,243
	Total Freeways	\$ 6,230,025	\$ 1,774,771	\$ 2,495,485	\$ 536,487	\$ 1,958,998
	%					50.4%
Street and Roads Projects (32% of Net Revenues)						
O	Regional Capacity Program	\$ 1,448,861	\$ 412,743	\$ 814,217	\$ 507,884	\$ 306,333
P	Regional Traffic Signal Synchronization Program	579,519	165,090	114,408	22,160	92,248
Q	Local Fair Share Program	2,607,918	742,928	717,330	77	717,253
	Subtotal Projects	4,636,298	1,320,761	1,645,955	530,121	1,115,834
	Net financing expenditures	-	-	51,932	-	51,932
	Total Street and Roads Projects	\$ 4,636,298	\$ 1,320,761	\$ 1,697,887	\$ 530,121	\$ 1,167,766
	%					30.0%

Measure M2
Schedule of Revenues and Expenditures Summary
as of March 31, 2024
(Unaudited) Quarterly Report

Project	Description	Total Net Revenues	Net Revenues	Expenditures	Reimbursements	(J) - (K) = (L)
		Inception to March 31, 2024 (actual) + (forecast)	Inception to March 31, 2024 (actual)	Inception to March 31, 2024 (actual)	Inception to March 31, 2024 (actual)	Net M2 Cost Inception to March 31, 2024 (actual)
(G)		(H)	(I)	(J)	(K)	(L)
	(\$ in thousands)					
Transit Projects (25% of Net Revenues)						
R	High Frequency Metrolink Service	\$ 1,445,006	\$ 399,056	\$ 434,705	\$ 98,980	\$ 335,725
S	Transit Extensions to Metrolink	1,278,993	364,352	211,605	2,133	209,472
T	Metrolink Gateways	74,054	39,451	98,220	60,956	37,264
U	Expand Mobility Choices for Seniors and Persons with Disabilities	502,388	137,351	132,605	88	132,517
V	Community Based Transit/Circulators	289,692	82,526	20,094	1,998	18,096
W	Safe Transit Stops	31,975	9,109	1,470	26	1,444
	Subtotal Projects	3,622,108	1,031,845	898,699	164,181	734,518
	Net financing expenditures	-	-	29,044	-	29,044
	Total Transit Projects	\$ 3,622,108	\$ 1,031,845	\$ 927,743	\$ 164,181	\$ 763,562
	%					19.6%

Measure M2 Program

	\$ 14,488,431	\$ 4,127,377	\$ 5,121,115	\$ 1,230,789	\$ 3,890,326
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Project	Description	Total Net Revenues	Net Revenues	Expenditures	Reimbursements	(J) - (K) = (L)
		Inception to March 31, 2024 (actual) + (forecast)	Inception to March 31, 2024 (actual)	Inception to March 31, 2024 (actual)	Inception to March 31, 2024 (actual)	Net M2 Cost Inception to March 31, 2024 (actual)
(G)		(H.1)	(I.1)	(J)	(K)	(L)
	(\$ in thousands)					
Environmental Cleanup (2% of Revenues)						
X	Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 308,202	\$ 87,467	\$ 51,155	\$ 310	\$ 50,845
	Net financing expenditures	-	-	-	-	-
	Total Environmental Cleanup	\$ 308,202	\$ 87,467	\$ 51,155	\$ 310	\$ 50,845
	%					1.2%

Taxpayer Safeguards and Audits

	Collect Sales Taxes (1.5% of Sales Taxes)	\$ 221,387	\$ 64,096	\$ 41,545	\$ -	\$ 41,545
	%					1.0%
	Oversight and Annual Audits (1% of Revenues)	\$ 154,101	\$ 43,734	\$ 43,734	\$ (0)	\$ 43,734
	%					1.0%

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Ordinance No. 3 Tracking Matrix
For Period Ending December 31, 2023

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2023 Response
1.00	Administrative and General Requirements						
2.00	Has a transportation special revenue fund ("Local Transportation Authority [LTA] Special Revenue Fund") been established to maintain all Revenues?	Sec. 10.1	F & A	One-time, start-up	Completed	Sean Murdock	Yes. The LTA Fund (Fund 17) was established for this purpose. A discussion of the fund and its purpose can be found in the Orange County Local Transportation (OCLTA) audited financial statements. Please reference: "Fiscal Year 2022-23 Single Audit and Agreed-Upon Procedures Reports," dated January 22, 2024.
3.00	Have the imposition, administration and collection of the tax been done in accordance with all applicable statutes, laws, rules, and regulations prescribed and adopted by California Department of Tax and Fee Administration (formerly State Board of Equalization)?	Sec. 3	F & A	Recurring	Completed to date	Sean Murdock	Yes. See independent auditor's findings related to applying Agreed-Upon Procedures (AUP) to the Measure M2 (M2) Status Report. Please reference: "Fiscal Year 2022-23 Single Audit and Agreed-Upon Procedures Reports," dated January 22, 2024.
4.00	Have Net Revenues been allocated solely for the transportation purposes described in the Ordinance?	Sec. 4	F & A	Recurring	Completed to date	Sean Murdock	Yes. See independent auditor's findings related to applying AUP to the M2 Status Report. Please reference: "Fiscal Year 2022-23 Single Audit and Agreed-Upon Procedures Reports," dated January 22, 2024.
5.00	"Pay as you go" financing is the preferred method of financing transportation improvements and operations under the Ordinance. Before issuing bonds, has the Authority determined the scope of expenditures made "pay-as-you-go" financing unfeasible?	Sec. 5	F & A, Planning	Recurring	Completed to date	Sean Murdock	Yes. Please reference: "Plan of Finance for Early Action Plan," Attachment D, dated November 9, 2007. "Renewed Measure M Early Action Plan Review," dated December 14, 2009. "Paying for Measure M2 Projects – Bond Financing," legal memo, dated March 5, 2012.
6.00	Have maintenance of effort (MOE) levels been established for each jurisdiction for fiscal year (FY) 2010-2011 pursuant to Ordinance No. 2?	Sec. 6	Planning	One-time, start-up	Completed	Adriann Cardoso/ Charvalen Alacar	Yes. The MOE benchmark for each jurisdiction was originally established under Ordinance No. 2. MOE for FY 2010-11 was established and adopted by the Orange County Transportation Authority (OCTA) Board of Directors (Board) as part of the M2 Eligibility Guidelines. Please reference: "Measure M2 Local Agency Eligibility Guidelines and Requirements," dated January 25, 2010.
7.00	Have city MOE levels been adjusted by July 1, 2014, and every three years thereafter using the Caltrans Construction Cost Index (CCI)?	Sec. 6	Planning	Recurring	Completed to date	Adriann Cardoso/	No. There have been four MOE benchmark adjustments that have occurred by July 1 of 2014, 2017, 2020, and 2023. However, the 2020

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Ordinance No. 3 Tracking Matrix
For Period Ending December 31, 2023

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2023 Response
						Charvalen Alacar	<p>MOE benchmark adjustment did not use the Caltrans CCI due to the coronavirus (COVID-19) pandemic. See Item 7.01.</p> <p>The most recent adjustment was approved by the Board on April 10, 2023. At the time, several cities had not adopted their final FY 2021-22 Annual Comprehensive Financial Report (ACFR). Draft ACFR or general fund revenue (GFR) trial balance figures were provided and used to calculate an estimated benchmark. OCTA later received final FY 2021-22 ACFRs from all jurisdictions, and revisions to four of the cities' MOE benchmarks were required due to changes in GFR. Separately, based on revised information provided by the City of San Clemente, their MOE benchmark also required adjustment. These adjustments were approved by the Board July 10, 2023.</p> <p>Please reference: "Fiscal Year 2023-24 Measure M2 Maintenance of Effort Adjustment and Updates to the Eligibility, Countywide Pavement Management Plan, and Local Signal Synchronization Plan Guidelines," dated April 10, 2023. "Measure M2 Eligibility Recommendations for Fiscal Year 2021-22 Expenditure Reports and Maintenance of Effort Benchmark Adjustments," dated July 10, 2023.</p> <p>Please also reference the following: "Fiscal Year 2014-15 Measure M2 Eligibility Guidelines Update," dated April 14, 2014. "Fiscal Year 2014-15 Maintenance of Effort Benchmark Adjustments," dated August 11, 2014, to see adjustments made for the cities of La Habra, Laguna Woods, Los Alamitos, and Yorba Linda. "Fiscal Year 2017-18 Measure M2 Maintenance of Effort Adjustment and Updates to the Eligibility and Local Signal Synchronization Plan Guidelines," dated April 10, 2017. "Measure M2 Eligibility Review Recommendations for Fiscal Year 2015-16 Expenditure Reports and City of San Juan Capistrano's Maintenance of Effort Benchmark," dated May 8, 2017.</p>

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Ordinance No. 3 Tracking Matrix
For Period Ending December 31, 2023

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2023 Response
							"Fiscal Year 2018-19 Measure M2 Eligibility and Countywide Pavement Management Plan Guidelines and City of Placentia's Maintenance of Effort Benchmark," dated April 9, 2018.
7.01	Were MOE benchmarks adjusted to address COVID-19 impacts for FY 2019-20, FY 2020-21, and FY 2021-22?	Sec. 6	Planning	FY 2019-20 FY 2020-21 FY 2021-22	Completed	Francesca Ching & Adriann Cardoso/Charvalen Alacar	<p>Yes. The Board approved two amendments to Ordinance No. 3 to assist local jurisdictions meet the MOE requirement for FY 2019-20, FY 2020-21, and FY 2021-22.</p> <p>Please reference:</p> <p>"Fiscal Year 2020-21 Updates to the Measure M2 Eligibility, Local Signal Synchronization Plan, and Pavement Management Plan Guidelines," dated April 13, 2020.</p> <p>"Proposed Amendment to the Orange County Local Transportation Authority M2 Ordinance No. 3," dated May 11, 2020.</p> <p>"Public Hearing to Amend the M2 Orange County Local Transportation Authority Ordinance No. 3," dated June 22, 2020.</p> <p>"Measure M2 Annual Eligibility Review," dated December 14, 2020, to see adjustments made for the cities of Buena Park and Villa Park.</p> <p>"Proposed Amendment to the Orange County Local Transportation Authority M2 Ordinance No. 3," dated April 12, 2021.</p> <p>"Public Hearing to Amend the M2 Orange County Local Transportation Authority Ordinance No. 3," dated May 24, 2021.</p>
8.00	Have MOE requirements been met annually by each jurisdiction?	Sec. 6	Planning	Recurring	Completed to date	Adriann Cardoso/Charvalen Alacar	<p>No. Three cities have been found ineligible to receive net M2 revenues based upon failing to meet and/or substantiate MOE expenditures to meet requirements. The Board suspended all disbursements of M2 funding and required the cities to sign separate settlement agreements that identified steps to regain compliance.</p> <p>On May 13, 2019, the Board found the cities of Stanton and Santa Ana ineligible based on AUP findings for FY 2017-18.</p> <p>Please reference:</p> <p>"Measure M2 Eligibility for the City of Santa Ana," and "Measure M2 Eligibility for the City of Stanton," dated May 13, 2019.</p> <p>"Settlement Agreement and Release of Claims," dated July 22, 2019, for the City of Stanton.</p> <p>"Settlement Agreement and Release of Claims," dated October 22, 2019, for the City of Santa Ana.</p>

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							<p>On April 13, 2020, the Board determined the cities of Santa Ana and Stanton eligible to receive M2 net revenues again based on second AUP findings that each city fulfilled the settlement agreement terms and their respective MOE requirements. Payments were reinitiated and suspended funds that were held in reserve were disbursed. Please reference: “Measure M2 Eligibility for the City of Santa Ana,” and “Measure M2 Eligibility for the City of Stanton,” dated April 13, 2020.</p> <p>On May 22, 2023, the Board found the City of Cypress (Cypress) ineligible based on the AUP findings for FY 2021-22. Once it is determined via application of AUP that the city has fulfilled the settlement agreement terms and MOE requirement, OCTA staff will take a recommendation to the next regularly scheduled Board meeting to re-establish eligibility for Cypress. Please reference: “Measure M2 Eligibility for the City of Cypress,” dated May 22, 2023. “Settlement Agreement and Release of Claims,” dated August 14, 2023.</p> <p>For the remaining 32 jurisdictions, MOE requirements have been met annually. Please reference: “Measure M2 Annual Eligibility Review Subcommittee Recommendations for Fiscal Year 2011-12 Expenditure Reports,” dated March 11, 2013. “Measure M2 Eligibility Findings for Fiscal Year 2012-13 Expenditure Reports,” dated March 10, 2014. “Measure M2 Eligibility Review Recommendations for Fiscal Year 2013-14 Expenditure Reports,” dated May 11, 2015. “Measure M2 Eligibility Review Recommendations for Fiscal Year 2014-15 Expenditure Reports,” dated May 9, 2016. “Measure M2 Eligibility Review Recommendations for Fiscal Year 2015-16 Expenditure Reports and City of San Juan Capistrano’s Maintenance of Effort Benchmark,” dated May 8, 2017.</p>

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							<p>“Measure M2 Eligibility Review Recommendations for Fiscal Year 2016-17 Expenditure Reports,” dated June 11, 2018. “Measure M2 Eligibility Review Recommendations for Fiscal Year 2017-18 Expenditure Reports,” dated July 8, 2019. “Measure M2 Eligibility Review Recommendations for Fiscal Year 2018-19 Expenditure Reports,” dated June 8, 2020. “Measure M2 Eligibility Review Recommendations for Fiscal Year 2019-20 Expenditure Reports,” dated June 14, 2021. “Measure M2 Eligibility Review Recommendations for Fiscal Year 2020-21 Expenditure Reports,” dated June 13, 2022. “Measure M2 Eligibility Recommendations for Fiscal Year 2021-22 Expenditure Reports and Maintenance of Effort Benchmark Adjustments,” dated July 10, 2023.</p>
9.00	<p>Have Revenues expended for salaries and benefits of Authority administrative staff remained within the one percent per year limit?</p>	Sec 7	F & A	Recurring	Action plan in place	Sean Murdock/ Rima Tan	<p>Yes. These are tracked on a FY basis. Expenditures were 1% for the FY period between July 1, 2022, and June 30, 2023. Since inception, we encountered periods when expenditures needed to be covered by borrowings to meet the one percent of net revenue requirement. OCTA has Board approval to borrow from the Orange County Unified Transportation Trust (OCUTT), and to repay those funds with interest in future periods when administrative expenditures underrun revenue in any given year of the program. Please reference: “Orange County Transportation Authority Summary of Measure M2 Administrative Costs from Inception through June 30, 2023”</p>
10.00	<p>Has the Authority, to the extent possible, used existing state, regional and local planning and programming data and expertise to carry out the purposes of the Ordinance?</p>	Sec. 7	Planning	Recurring	Completed to date	Francesca Ching	<p>Yes. OCTA, as appropriate, looks to other existing resources to ensure that work is not duplicative and that expenses are kept to a minimum. In cases where OCTA does not have the expertise available, OCTA contracts with other external agencies. For example, OCTA regularly has cooperative agreements with Caltrans, local universities, Army Corp of Engineers, and contracts with private sector experts as needed to meet the requirements of the Ordinance.</p>

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11.00	Have expenses for administrative staff and for project implementation incurred by the Authority, including contracted expenses, been identified in an annual report pursuant to Ordinance No. 3, Sec. 10.8?	Sec. 7 and Sec. 10.8	External Affairs	Recurring	Completed to date	Alice Rogan & Jennifer Beaver	<p>Yes. Annual reports identify expenses for administrative staff and for project implementation incurred by the Authority, including contracted expenses. Measure M1 (M1) Annual reports from the years 2008 - 2011 included minor updates on M2 Early Action Plan progress and funding. Please reference:</p> <p>"Measure M Annual Report 2008." "Measure M Annual Report 2009." "Measure M Annual Report 2010." "Measure M Annual Report 2011." "Measure M Annual Report 2012." "Measure M Annual Report 2013." "Measure M Annual Report 2014." "Measure M Annual Report 2015." "Measure M Annual Report 2016." "Measure M Annual Report 2017." "Measure M Annual Report 2018." "Measure M Annual Report 2019." "Measure M Annual Report 2020." "Measure M Annual Report 2021." "Measure M Annual Report 2022." "Measure M Annual Report 2023."</p>
12.00	Has the 2006-2007 Authority appropriations limit been set at \$1,123 million?	Sec. 8	F & A	One-time, start-up	Completed	Sean Murdock	<p>Yes. Please reference: "Resolution of the Orange County Local Transportation Authority Measure M Establishing Appropriations Limit for Fiscal Year 2006-07," dated June 12, 2006.</p>
13.00	Has the Authority's appropriations limit been adjusted annually?	Sec. 8	F & A	Recurring	Completed to date	Sean Murdock	<p>Yes. Please reference: "Resolution of the Orange County Local Transportation Authority/Renewed Measure M Establishing Appropriations Limit for Fiscal Year 2011-12," dated June 13, 2011.</p>

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							<p>"Resolution of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limitation for Fiscal Year 2012-13," dated June 11, 2012.</p> <p>"Resolution of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2013-14," dated May 24, 2013.</p> <p>"Resolution of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2014-15," dated June 9, 2014.</p> <p>"Resolution of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2015-16," dated June 22, 2015.</p> <p>"Resolution of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2016-17," dated June 13, 2016.</p> <p>"Resolution of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2017-18," dated June 12, 2017.</p> <p>"Resolution of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2018-19," dated June 11, 2018.</p> <p>"Resolution No. 2019-027 of the Orange County Local Transportation Authority - Measure M2 Establishing Appropriations Limit for Fiscal Year 2019-20," dated June 10, 2019.</p> <p>"Resolution No. 2020-022 of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2020-21," dated June 22, 2020.</p> <p>"Resolution No. 2021-043 of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2021-22," dated June 28, 2021.</p> <p>"Resolution No. 2022-029 of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2022-23," dated June 13, 2022.</p>

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							"Resolution No. 2023-025 of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2023-24," dated June 12, 2023.
14.00	<p>Has the County of Orange Auditor-Controller, in the capacity as Chair of the Taxpayer Oversight Committee (TOC), annually certified that the Revenues were spent in compliance with the Ordinance?</p>	Sec. 10.2	External Affairs	Recurring	Completed to date	Alice Rogan	<p>Yes. Each year since 2007, the County Auditor-Controller has annually certified that revenues were spent in compliance with the Ordinance. For this reporting period, County Auditor-Controller Andrew Hamilton certified on June 23, 2023.</p> <p>Please reference:</p> <p>"Measure M Taxpayers Oversight Committee Annual Public Hearing Results and Compliance Findings," dated March 10, 2008.</p> <p>"Measure M Taxpayers' Oversight Committee Annual Public Hearing Results and Compliance Findings," dated March 23, 2009.</p> <p>"Measure M Taxpayers Oversight Committee Annual Public Hearing Results and Compliance Findings," dated March 8, 2010.</p> <p>"Measure M Taxpayers Oversight Committee Annual Public Hearing Results and Compliance Findings," dated March 14, 2011.</p> <p>"Measure M Taxpayers Oversight Committee Annual Public Hearing Results and Compliance Findings," dated February 13, 2012.</p> <p>"Measure M Taxpayers Oversight Committee Annual Public Hearing Results and Compliance Findings," dated March 11, 2013.</p> <p>"Measure M Taxpayer Oversight Committee Annual Public Hearing Results and Compliance Findings," dated March 10, 2014.</p> <p>"Taxpayer Oversight Committee Measure M Annual Public Hearing Results and Compliance Findings," dated February 23, 2015.</p> <p>"Taxpayer Oversight Committee Measure M Annual Public Hearing Results and Compliance Findings," dated April 25, 2016.</p> <p>"Taxpayer Oversight Committee Measure M Annual Public Hearing Results and Compliance Findings," dated April 24, 2017.</p> <p>"Taxpayer Oversight Committee Measure M2 Annual Public Hearing Results and Compliance Finding," dated April 23, 2018.</p> <p>"Taxpayer Oversight Committee Measure M2 Annual Public Hearing Results and Compliance Finding," dated June 24, 2019.</p>

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							<p>"Taxpayer Oversight Committee Measure M2 Annual Public Hearing Results and Compliance Findings," dated June 22, 2020.</p> <p>"Taxpayer Oversight Committee Measure M2 Annual Public Hearing Results and Compliance Finding," dated June 28, 2021.</p> <p>"Taxpayer Oversight Committee Measure M Annual Public Hearing Results and Compliance Finding," dated June 27, 2022.</p> <p>"TOC M2 Annual Public Hearing Compliance Memo," dated June 23, 2023.</p>
15.00	<p>Have receipt, maintenance, and expenditure of Net Revenues been distinguishable in each jurisdiction's accounting records from other funding sources, and distinguishable by program or project?</p>	Sec. 10.3	F&A, Internal Audit	Recurring	Action plan in place	Sean Murdock	<p>Yes. Local jurisdictions submit expenditure reports annually that distinguish funding sources and tie to accounting records that are subject to AUP. Starting with the 2011 version of the annual expenditure report, local jurisdictions' finance directors are also required to attest to this requirement and each year hereafter. Jurisdictions are also subject to AUP that cover this requirement. Internal Audit, through an external auditing firm, applies AUP to 8 to 10 jurisdictions per year covering this matter. Expenditure reports for each jurisdiction are reviewed by staff and the TOC. The jurisdictions subject to AUP are selected by the TOC Audit Subcommittee. The City of Cypress was found ineligible to receive M2 funds by the OCTA Board on May 22, 2023, due to the city not meeting the MOE requirement. The TOC approved 34 of 35 jurisdictions' FY 2021-22 Expenditure Reports on June 13, 2023, and approved by the Board on July 10, 2023.</p> <p>Please reference:</p> <p>"Measure M2 Eligibility for the City of Cypress" dated May 22, 2023.</p> <p>"Taxpayer Oversight Committee Agenda Packet," dated June 13, 2023.</p> <p>"Measure M2 Annual Eligibility Recommendations for Fiscal Year 2021-22 Expenditure Reports and Maintenance of Effort Benchmark Adjustments," dated July 10, 2023.</p>
16.00	<p>Has interest earned on Net Revenues allocated pursuant to the Ordinance been expended only for those purposes for which Net Revenues were allocated?</p>	Sec. 10.3	F & A	Recurring	Completed to date	Sean Murdock	<p>Yes. See independent auditor's findings related to applying AUP to the M2 Status Report.</p> <p>Please reference:</p> <p>"Fiscal Year 2022-23 Single Audit and Agreed-Upon Procedures Reports," dated January 22, 2024.</p>

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17.00	Have jurisdictions used Net Revenues only for transportation purposes authorized by the Ordinance?	Sec. 10.4	F&A, Internal Audit	Recurring	Action plan in place	Sean Murdock	Yes. See notes in Item 15.00.
18.00	If any jurisdiction used Net Revenues for other than transportation purposes, have they fully reimbursed the Authority the Net Revenues misspent and been deemed ineligible to receive Net Revenues for a period of five years?	Sec. 10.4	F & A	Recurring	N/A	Sean Murdock	Not applicable. There have been no such occurrences to date.
19.00	Has a TOC been established to provide an enhanced level of accountability for expenditures of Revenues and to help ensure that all voter mandates are carried out as required?	Sec. 10.5	External Affairs	One-time, start-up	Completed	Alice Rogan	Yes. The Citizens Oversight Committee (COC) established under M1 was transitioned into the TOC in August 2007. The transition was mentioned in the OCTA staff update portion of the June 12, 2007, COC meeting minutes, included in the August 28, 2007, TOC meeting agenda packet. The TOC has since met regularly to provide an enhanced level of accountability for expenditures of revenues and to help ensure that all voter mandates are carried out as required. Please reference: "Taxpayers Oversight Committee Agenda Packet," dated August 28, 2007, for the June 12, 2007, meeting minutes.
20.00	Have performance assessments to evaluate efficiency, effectiveness, economy, and program results been conducted every three years?	Sec. 10.6	PMO	Recurring	Completed to date	Francesca Ching	Yes. To date, five Triennial M2 Performance Assessments have been conducted. The fifth performance assessment covering FY 2018-19 to FY 2020-21 was presented to the Board on April 25, 2022. Please reference: "Measure M2 Triennial Performance Assessment Status Report," for FY 2006-07 to FY 2008-09, dated November 22, 2010. "Measure M2 Performance Assessment Report," for FY 2009-10 to FY 2011-12, dated April 8, 2013. "Measure M2 Performance Assessment Report," FY 2012-13 to FY 2014-15, dated August 8, 2016. "Measure M2 Performance Assessment Report," for FY 2015-16 to FY 2017-18, dated March 11, 2019. "Measure M2 Performance Assessment Report," for FY 2018-19 to FY 2020-21, dated April 25, 2022.
21.00	Have the performance assessments been provided to the TOC?	Sec. 10.6	PMO, External Affairs	Recurring	Completed to date	Francesca Ching & Alice Rogan	Yes. To date, five performance assessments have been provided to the TOC. Please reference:

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							<p>"Taxpayers Oversight Committee Agenda Packet 2010," dated December 14, 2010.</p> <p>"Taxpayers Oversight Committee Agenda Packet 2013," dated April 9, 2013.</p> <p>"Taxpayers Oversight Committee Agenda Packet 2016," dated June 14, 2016.</p> <p>"Taxpayers Oversight Committee Agenda Packet 2019," dated April 9, 2019.</p> <p>"Taxpayers Oversight Committee Agenda Packet 2022," dated April 12, 2022.</p>
22.00	Have quarterly status reports regarding the major projects detailed in the Plan been brought before the Authority in public meetings?	Sec. 10.7	PMO	Recurring	Completed to Date	Francesca Ching	<p>Yes. Quarterly reports have consistently been brought before the Board. The reports are posted on the OCTA website and saved in the M2 Document Center. The latest report was presented to the Board on March 11, 2024.</p> <p>Please reference the following reports for calendar year 2023:</p> <p>"Measure M2 Quarterly Progress Report for the Period of January 2023 through March 2023," dated June 12, 2023.</p> <p>"Measure M2 Quarterly Progress Report for the Period of April 2023 through June 2023," dated September 25, 2023.</p> <p>"Measure M2 Quarterly Progress Report for the Period of July 2023 through September 2023," dated December 11, 2023.</p> <p>"Measure M2 Quarterly Progress Report for the Period of October 2023 through December 2023," dated March 11, 2024.</p>
23.00	Has the Authority published an annual report on how revenues have been spent and on progress toward implementation and publicly reported on the findings?	Sec. 10.8	External Affairs	Recurring	Completed to date	Alice Rogan & Jennifer Beaver	<p>Yes. See Item 11.00. These annual reports were prepared and made public since FY 2010-11. The FY 2022-23 information can be found on the 2023 infographic and M2 website.</p>
24.00	Has the Authority, every ten years, conducted a comprehensive review of all projects and programs implemented under the Plan to evaluate the performance of the overall program?	Sec. 11	PMO	Recurring	Completed to date	Francesca Ching	<p>Yes. The first comprehensive Ten-Year Review was conducted for the period covering November 8, 2006, through June 30, 2015. The final report was presented to the Board on October 12, 2015.</p> <p>Please reference:</p> <p>"Measure M2 Ten-Year Review Report," dated October 12, 2015.</p>
25.00	If the Authority has amended the Ordinance, including the Plan, has the Authority followed the process and notification	Sec. 12	PMO, External Affairs	Recurring	Completed to Date	Francesca Ching & Alice Rogan	<p>Yes. There have been five amendments to Ordinance No. 3.</p>

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	<p>requirements in Ordinance No. 3, Sec. 12, including approval by not less than two-thirds vote of the TOC?</p>						<p>For Amendment #1 (November 9, 2012) to the Plan (Freeway Category), OCTA followed the Plan amendment process and notification requirements (including TOC approval on October 9, 2012). Please reference: “Public Hearing to Amend the Measure M2 Transportation Investment Plan for the Freeway Program,” dated November 9, 2012, for Amendment #1.</p> <p>For Amendment #2 (November 25, 2013) to the Ordinance (Attachment C), OCTA followed the Ordinance amendment process and notification requirements (did not require TOC approval). Please reference: “Public Hearing on Proposal to Amend Orange County Local Transportation Authority Ordinance No. 3 to Modify Taxpayer Oversight Committee Membership Eligibility,” dated November 25, 2013, for Amendment #2.</p> <p>For Amendment #3 (December 14, 2015, corrected on March 14, 2016) to the Plan (Transit Category) and Ordinance (Attachment B), OCTA followed the Plan amendment process and notification requirements (including TOC approval on November 10, 2015). Please reference: “Public Hearing to Amend the Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan for the Transit Program,” dated December 14, 2015, for Amendment #3. “Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan Amendment Update,” dated March 14, 2016, for corrections to the Amendment.</p> <p>For Amendments #4 (June 22, 2020) and #5 (May 24, 2021) to the Ordinance (Attachment C), OCTA followed the Ordinance amendment process and notification requirements (did not require TOC approval). Please reference:</p>

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							"Public Hearing to Amend the M2 Orange County Local Transportation Authority Ordinance No. 3," dated June 22, 2020, for Amendment #4. "Public Hearing to Amend the M2 Orange County Local Transportation Authority Ordinance No. 3," dated May 24, 2021, for Amendment #5.
26.00	General Requirements – Allocation of Net Revenues						
27.00	Have at least five percent of the Net Revenues allocated for Freeway Projects been used to fund Programmatic Mitigation of Freeway Projects, and have these funds derived by pooling funds from the mitigation budgets of individual Freeway Projects?	Att. B, Sec. II.A.5	F & A	30-year	Completed to date	Sean Murdock	Yes. See independent auditor's findings related to applying AUP to the M2 Status Report. Please reference: "Fiscal Year 2022-23 Single Audit and Agreed-Upon Procedures Reports," dated January 22, 2024.
28.00	Has the Authority used Revenues as follows: <ul style="list-style-type: none"> - First, paid the California Department of Tax and Fee Administration (formerly State Board of Equalization) for services and functions? - Second, paid the administrative costs of the Authority? - Third, satisfied the annual allocation of two percent of Revenues for Environmental Cleanup? - Fourth, satisfied the debt service requirements of all bonds issued pursuant to the Ordinance that are not satisfied out of separate allocations? 	Att. B, Sec. IV.A.1-4	F & A	Recurring	Completed to date	Sean Murdock	Yes. See independent auditor's findings related to applying AUP to the M2 Status Report. Please reference: "Fiscal Year 2022-23 Single Audit and Agreed-Upon Procedures Reports," dated January 22, 2024.
29.00	After providing for the use of Revenues as described above, has the Authority allocated Net Revenues as follows: <ul style="list-style-type: none"> - Freeway Projects – 43%? - Streets and Roads Projects – 32%? - Transit Projects – 25%? 	Att. B, Sec. IV.B.1-3	F & A	Recurring	Completed to date	Sean Murdock	Yes. See independent auditor's findings related to applying AUP to the M2 Status Report. Please reference: "Fiscal Year 2022-23 Single Audit and Agreed-Upon Procedures Reports," dated January 22, 2024.
30.00	Has the allocation of the 32 percent for Streets and Roads Projects been made as follows: <ul style="list-style-type: none"> - Regional Capacity Program projects – 10% of Net Revenues? - Regional Traffic Signal Synchronization Program projects – 4% of Net Revenues? - Local Fair Share (LFS) Program projects – 18% of Net Revenues? 	Att. B, Sec. IV.C.1-3	F & A	Recurring	Completed to date	Sean Murdock	Yes. See independent auditor's findings related to applying AUP to the M2 Status Report. Please reference: "Fiscal Year 2022-23 Single Audit and Agreed-Upon Procedures Reports," dated January 22, 2024.

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31.00	If the percentage basis of the allocation of Net Revenues in any given year is different than required by Sections B and C (except for LFS Program projects), have the percentage allocations set forth in Sections B and C been achieved during the duration of the Ordinance?	Att. B, Sec. IV.D	F & A	30-year	Underway	Sean Murdock	The percentage basis allocation is not an annual requirement but must be achieved during the duration of the Ordinance.
32.00	Have Net Revenues allocated for the LFS Program pursuant to Att. B, Sec. IV.C been paid to Eligible Jurisdictions within 60 days of receipt by the Authority?	Att. B, Sec. IV.E	F & A	Recurring	Completed to date	Sean Murdock	Yes. See General Accounting payments for LFS funds for FY 2022-23. Also note AUP to the M2 Status Report. Please reference: "Fiscal Year 2022-23 Single Audit and Agreed-Upon Procedures Reports," dated January 22, 2024. "Fiscal Year 2022-23 Project Q Local Fair Share Payments"
33.00	If the Authority exchanged Net Revenues from a Plan funding category for federal, state or other local funds, has the Authority and the exchanging public agency used the exchanged funds for the same program or project authorized for the use of the funds prior to the exchange, have such federal, state or local funds received by the Authority been allocated to the same Plan funding category that was the source of the exchanged Net Revenues?	Att. B, Sec. IV.F	Planning, F & A	Recurring	N/A	Sean Murdock	Not applicable to date because there have been no exchanges.
34.00	Has the Authority followed the requirement that in no event shall an exchange of funds reduce the Net Revenues allocated for Programmatic Mitigation of Freeway Projects?	Att. B, Sec. IV.F	Planning, F & A	Recurring	N/A	Sean Murdock	Not applicable to date because there have been no exchanges.
35.00	Has the Authority, upon review and acceptance of any Project Final Report, allocated the balance of Net Revenues, less the interest earned on the Net Revenues allocated for the project?	Att. B, Sec. IV.H	Planning	Recurring	Completed to Date	Adriann Cardoso/ Charvalen Alacar	Yes. As projects are completed, any unused funds from each project are made available for other projects within the same category, as needed. Examples below: "Public Hearing to Amend the Measure M2 Transportation Investment Plan for the Freeway Program," dated November 9, 2012. "Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan Amendment Update," dated March 14, 2016. There have been no reallocations across categories (43% Freeway, 32% Streets and Roads, and 25% Transit), in accordance with overall requirements in Att. B, Sec IV.B.

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36.00	Requirements Related to All Freeway Projects						
37.00	Have Freeway Projects been planned, designed and constructed with consideration for their aesthetic, historic and environmental impacts on nearby properties and communities?	Att. A, p. 5 Freeway Projects Overview	Capital Programs – Highways	Recurring	Completed to Date	Rose Casey	Yes. Freeway Projects are developed with input from cities, the public, other stakeholders, and various interest groups. For example, landscaping and aesthetics are prepared with input from city representatives and the public to ensure that each city is given an opportunity to include its own “theme” while preserving the overall uniformity on the freeways throughout Orange County. For an example, please reference: “FI103 Project Report Final,” dated June 24, 2020.
38.00	Has a Master Agreement for environmental and programmatic mitigation of freeway projects between OCLTA and state and federal resource agencies been executed?	Att. A, p.5 Freeway Projects Overview	Planning	One-time, start-up	Completed	Dan Phu	Yes. The Memorandum of Agreement and Planning Agreement, executed in January 2010, served as the Master Agreement. Please reference: “Memorandum of Agreement (MOA) Among the Orange County Transportation Authority (“OCTA”), the United States Fish and Wildlife Service (“USFWS”), the California Department of Fish and Game (“CDFG”), and the California Department of Transportation (“CALTRANS”) Regarding the Mitigation for Freeway Improvement Projects Under the Renewed Measure M Ordinance Environmental Mitigation Program,” C-9-0278, dated January 21, 2010. “Planning Agreement by and among Orange County Transportation Authority, California Department of Transportation, California Department of Fish and Game, and United States Fish and Wildlife Service for the Orange County Transportation Authority/California Department of Transportation Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP),” C-9-0279, dated January 21, 2010.
39.00	Has the OCLTA made every effort to maximize Orange County’s share of state and federal freeway dollars?	Att. B, Sec. II.A.1	Govt Relations, Planning	Recurring	Completed to date	Aдрианн Cardoso	Yes. Since 2006, OCTA has received and programmed \$1.750 billion for freeway projects included in the M2 Plan: federal - \$695 million and state - \$1.054 billion. Please reference: “2025 Federal Transportation Improvement Program and Financial Plan,” dated February 12, 2024.

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40.00	Have all major approval actions for Freeway Projects, including project concept, location, and any change in scope, been agreed upon by California Department of Transportation (Caltrans), the Authority, project sponsors, and where appropriate, the Federal Highway Administration (FHWA) and/or the California Transportation Commission (CTC)?	Att. B, Sec. II.A.2	Capital Programs - Highways	Recurring	Completed to Date	Rose Casey	Yes. Coordination with the agencies listed is constant, and the required approval actions are obtained from the appropriate agencies. Project concept, location, and scope are determined when the preferred alternative is selected and identified in the final approved environmental document (ED). The Final ED is approved by Caltrans, which includes delegated National Environmental Policy Act (NEPA) authority from FHWA. The environmental documents are also provided to the CTC. Scope changes will often require changes to the Cooperative Agreement between OCTA and Caltrans. Design modifications and exceptions to design requirements are coordinated with Caltrans District 12 and Headquarters (Sacramento), which has the delegated authority from FHWA to approve design exceptions. Project Change Requests are required to be approved by both OCTA and Caltrans when a change in scope is large enough to warrant a change in project funding. Approval by the CTC may also be required if state funds are requested, or a baseline agreement amendment is required.
41.00	Has the Authority, prior to allocation of Net Revenues for any Freeway Project, obtained written assurances from the appropriate state agency that after the project is constructed to at least minimum acceptable state standards, the State shall be responsible for maintenance and operation?	Att. B, Sec. II.A.3	Capital Programs - Highways	Recurring	Completed to Date	Rose Casey	Yes. Construction Cooperative Agreements between OCTA and Caltrans include language that assigns maintenance and operations to Caltrans. For an example, please reference Attachment A, article 30 of the agreement (C-0-2726), which was executed on June 13, 2021. Please reference: "Cooperative Agreement with the California Department of Transportation for the State Route 55 Improvement Project Between Interstate 405 and Interstate 5," dated January 11, 2021.
42.00	Have Freeway Projects been built largely within existing rights of way using the latest highway design and safety requirements?	Att. B, Sec. II.A.4	Capital Programs - Highways	Recurring	Completed to Date	Rose Casey	Yes. Keeping generally within existing right-of-way (ROW) is one of the largest project parameters. For example, elimination of braided ramps on the I-405 Improvement Project was approved in the final environmental impact report (EIR)/environmental impact statement (EIS) to reduce the full ROW acquisitions while still ensuring that the design meets Caltrans design and safety standards. Keeping the ROW impacts to some partial acquisitions and primarily temporary construction easements while adding four lanes to the Interstate 405 (I-405) is a major accomplishment for a \$2.16 billion project, the largest project in the M2 freeway program, highlighting the importance placed on working within ROW constraints.

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							Please reference: "San Diego Freeway (I-405) Improvement Project Final Environmental Impact Report/Environmental Impact Statement," dated March 26, 2015.
43.00	To the greatest extent possible within the available budget, have Freeway Projects been implemented using Context Sensitive Design? ("Context Sensitive Design features" are further described in the referenced provision.)	Att. B, Sec. II.A.4	Capital Programs - Highways	Recurring	Completed to Date	Rose Casey	Yes. Freeway projects include many context sensitive design features, from the Planning stages, through Environmental, Design, and Construction. The project team, including Public Outreach, coordinates with local cities and other agencies on landscaping, aesthetics, and soft/hardscape features. For example, the construction of soundwalls requires public input, in the form of a soundwall survey, to determine if soundwalls will be built. Aesthetics of soundwalls, retaining walls and bridges take into account City and community preferences. Please reference: "San Diego Freeway (I-405) Improvement Project Final Environmental Impact Report/Environmental Impact Statement," dated March 26, 2015.
44.00	Have Freeway Projects, to the greatest extent possible within the available budget, been planned, designed, and constructed using a flexible community-responsive and collaborative approach to balance aesthetic, historic and environmental values with transportation safety, mobility, maintenance, and performance goals?	Att. B, Sec. II.A.4	Capital Programs - Highways	Recurring	Completed to Date	Rose Casey	Yes. Community Outreach is a constant on all the Freeway Projects. Open Houses, City Council presentations, local agency meetings, and other forms of Outreach are deployed in order to obtain community feedback so that modifications are made, where possible, to retain these values. All design features and proposed changes are reviewed and approved by Caltrans to ensure safety, mobility, maintenance, and performance goals. Please reference: "San Diego Freeway (I-405) Improvement Project Final Environmental Impact Report/Environmental Impact Statement," dated March 26, 2015.
45.00	Have the Net Revenues allocated to Freeway Projects for use in funding Programmatic Mitigation for Freeway Projects been subject to the following:	Att. B, Sec. II.A.5	Planning		Completed	Dan Phu	See notes in Items 45.01 to 45.09.
45.01	Has a Master Environmental Mitigation and Resource Protection Plan and Agreement (Master Agreement) between the Authority and state and federal resources been developed?	Att. B, Sec. II.A.5.a	Planning	One-time, start-up	Completed	Dan Phu	Yes. See notes in Item 38.00. The Memorandum of Agreement and Planning Agreement executed in January 2010, served as the Master Agreement. Please reference:

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							<p>“Memorandum of Agreement (MOA) Among the Orange County Transportation Authority (“OCTA”), the United States Fish and Wildlife Service (“USFWS”), the California Department of Fish and Game (“CDFG”), and the California Department of Transportation (“CALTRANS”) Regarding the Mitigation for Freeway Improvement Projects Under the Renewed Measure M Ordinance Environmental Mitigation Program,” C-9-0278, dated January 21, 2010.</p> <p>“Planning Agreement by and among Orange County Transportation Authority, California Department of Transportation, California Department of Fish and Game, and United States Fish and Wildlife Service for the Orange County Transportation Authority/California Department of Transportation Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP),” C-9-0279, dated January 21, 2010.</p>
45.02	<p>Does the Master Agreement include commitments by the Authority to provide programmatic environmental mitigation of Freeway Projects?</p>	Att. B, Sec. II.A.5.a.(i)	Planning	One-time, start-up	Completed	Dan Phu	<p>Yes. The Memorandum of Agreement and Planning Agreement executed in January 2010, served as the Master Agreement. See notes in Item 1.00 within the Agreement which refers to commitments by OCTA to provide programmatic environmental mitigation of Freeway Projects.</p> <p>Please reference:</p> <p>“Memorandum of Agreement (MOA) Among the Orange County Transportation Authority (“OCTA”), the United States Fish and Wildlife Service (“USFWS”), the California Department of Fish and Game (“CDFG”), and the California Department of Transportation (“CALTRANS”) Regarding the Mitigation for Freeway Improvement Projects Under the Renewed Measure M Ordinance Environmental Mitigation Program,” C-9-0278, dated January 21, 2010.</p> <p>“Planning Agreement by and among Orange County Transportation Authority, California Department of Transportation, California Department of Fish and Game, and United States Fish and Wildlife Service for the Orange County Transportation Authority/California Department of Transportation Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP),” C-9-0279, dated January 21, 2010.</p>

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45.03	Does the Master Agreement include commitments by state and federal agencies to reduce project delays associated with permitting and streamline the process for Freeway Projects?	Att. B, Sec. II.A.5.a.(ii)	Planning	One-time, start-up	Completed	Dan Phu	<p>Yes. The Memorandum of Agreement and Planning Agreement executed in January 2010, served as the Master Agreement. See Items 6 and 8 within the Agreement as it relates to commitments by state and federal agencies to reduce project delays associated with permitting and streamline the process for Freeway Projects.</p> <p>Please reference: “Memorandum of Agreement (MOA) Among the Orange County Transportation Authority (“OCTA”), the United States Fish and Wildlife Service (“USFWS”), the California Department of Fish and Game (“CDFG”), and the California Department of Transportation (“CALTRANS”) Regarding the Mitigation for Freeway Improvement Projects Under the Renewed Measure M Ordinance Environmental Mitigation Program,” C-9-0278, dated January 21, 2010. “Planning Agreement by and among Orange County Transportation Authority, California Department of Transportation, California Department of Fish and Game, and United States Fish and Wildlife Service for the Orange County Transportation Authority/California Department of Transportation Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP),” C-9-0279, dated January 21, 2010.</p>
45.04	Does the Master Agreement include an accounting process for mitigation obligations and credits that will document net environmental benefit from regional, programmatic mitigation in exchange for net benefit in the delivery of transportation improvements through streamlined and timely approvals and permitting?	Att. B, Sec. II.A.5.a.(iii)	Planning	One-time, start-up	Completed	Dan Phu	<p>Yes. Development of the Natural Community Conservation Plan (NCCP)/Habitat Conservation Plan (HCP) set forth the process to meet this provision (Sections 5 and 6). The Final NCCP/HCP was approved by the Board and the Final EIR/EIS was certified by the Board on November 28, 2016.</p> <p>Please reference: “Final Natural Community Conservation Plan/Habitat Conservation Plan and Associated Environmental Impact Report/Environmental Impact Statement for the Measure M2 Environmental Mitigation Program,” dated November 28, 2016.</p> <p>The corresponding state and federal wildlife agency permits were received in June 2017. Please reference:</p>

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							<p>"Implementing Agreement for the Orange County Transportation Authority Natural Community Conservation Plan (NCCP)/Habitat Conservation Plan (HCP) by and among the California Department of Fish and Wildlife, the United States Fish and Wildlife Service, the Orange County Transportation Authority, and the California Department of Transportation," dated June 19, 2017.</p> <p>An accounting process is folded into the NCCP/HCP for mitigation obligations and credits. An annual report is required and will document freeway project level impacts as well as mitigation performed for those freeway projects. The first annual report was completed in 2019 and included activities related to the NCCP/HCP from 2011 through 2018. The future annual reports will only include one year's activities in relation to the NCCP/HCP. Actual impacts will be compared against assumptions made within the NCCP/HCP. Net environmental benefits from the NCCP/HCP are summarized in Table ES-1 of the NCCP/HCP. Biological permits from the wildlife regulatory agencies were issued in advance, therefore streamlining the delivery of the transportation projects.</p>
45.05	<p>Does the Master Agreement include a description of the specific mitigation actions and expenditures to be undertaken and a phasing, implementation, and maintenance plan?</p>	Att. B, Sec. II.A.5.a.(iv)	Planning	One-time, start-up	Completed	Dan Phu	<p>Yes. The Memorandum of Agreement and Planning Agreement, executed in January 2010, included this provision. Please reference: "Memorandum of Agreement (MOA) Among the Orange County Transportation Authority ("OCTA"), the United States Fish and Wildlife Service ("USFWS"), the California Department of Fish and Game ("CDFG"), and the California Department of Transportation ("CALTRANS") Regarding the Mitigation for Freeway Improvement Projects Under the Renewed Measure M Ordinance Environmental Mitigation Program," C-9-0278, dated January 21, 2010. "Planning Agreement by and among Orange County Transportation Authority, California Department of Transportation, California Department of Fish and Game, and United States Fish and Wildlife Service for the Orange County Transportation Authority/California Department of Transportation Natural Community Conservation</p>

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							Plan/Habitat Conservation Plan (NCCP/HCP) ," C-9-0279, dated January 21, 2010.
45.06	Does the Master Agreement include appointment by the Authority of a Mitigation and Resource Protection Oversight Committee to make recommendations to the Authority on the allocation of Net Revenues for programmatic mitigation and to monitor implementation of the Master Agreement?	Att. B, Sec. II.A.5.a.(v)	Planning	One-time, start-up	Completed	Dan Phu	Yes. The Environmental Oversight Committee (EOC) makes recommendations to the Authority on the allocation of Net Revenues for programmatic mitigation and also monitors the implementation of the Environmental Mitigation Program which is based on the Master Agreement. Please reference: "Memorandum of Agreement (MOA) Among the Orange County Transportation Authority ("OCTA"), the United States Fish and Wildlife Service ("USFWS"), the California Department of Fish and Game ("CDFG"), and the California Department of Transportation ("CALTRANS") Regarding the Mitigation for Freeway Improvement Projects Under the Renewed Measure M Ordinance Environmental Mitigation Program," C-9-0278, dated January 21, 2010. "Planning Agreement by and among Orange County Transportation Authority, California Department of Transportation, California Department of Fish and Game, and United States Fish and Wildlife Service for the Orange County Transportation Authority/California Department of Transportation Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP)," C-9-0279, dated January 21, 2010.
45.07	Was an EOC appointed and does it consist of no more than 12 members and is comprised of representatives of the Authority, Caltrans, state and federal resource agencies, non-governmental environmental organizations, the public and the TOC?	Att. B, Sec. II.A.5.a.(v)	Planning, External Affairs	One-time, start-up	Completed	Dan Phu & Marissa Espino	Yes. Creation of the EOC occurred in 2007 with applicant scoring and selection for membership by the Transportation 2020 Committee on October 15, 2007. The first EOC meeting took place on November 13, 2007. Please reference: "Renewed Measure M Environmental Committees Selection Process," dated October 22, 2007. "Environmental Oversight Committee Agenda," dated November 13, 2007. "Environmental Oversight Committee Agenda Packet," dated January 16, 2008, for the November 13, 2007, meeting minutes.

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							<p>"Status Report on Renewed Measure M Environmental Programs," dated August 25, 2008.</p> <p>"Membership Appointments for the Measure M2 Environmental Oversight Committee" dated June 12, 2023.</p>
45.08	<p>Was the Master Agreement developed as soon as practicable following the approval of the ballot proposition by the electors?</p>	Att. B, Sec. II.A.5.b	Planning	One-time, start-up	Completed	Dan Phu	<p>Yes. The Memorandum of Agreement and Planning Agreement process began in early 2008.</p> <p>Please reference:</p> <p>"Memorandum of Agreement (MOA) Among the Orange County Transportation Authority ("OCTA"), the United States Fish and Wildlife Service ("USFWS"), the California Department of Fish and Game ("CDFG"), and the California Department of Transportation ("CALTRANS") Regarding the Mitigation for Freeway Improvement Projects Under the Renewed Measure M Ordinance Environmental Mitigation Program," C-9-0278, dated January 21, 2010.</p> <p>"Planning Agreement by and among Orange County Transportation Authority, California Department of Transportation, California Department of Fish and Game, and United States Fish and Wildlife Service for the Orange County Transportation Authority/California Department of Transportation Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP)," C-9-0279, dated January 21, 2010.</p>
45.09	<p>Have the Authority and state and federal resource agencies developed the Master Agreement prior to the implementation of Freeway Projects?</p>	Att. B, Sec. II.A.5.b	Planning	One-time, start-up	Completed	Dan Phu	<p>Yes. The Memorandum of Agreement and Planning Agreement process began in early 2008 and was fully executed by OCTA and state and federal resources agencies in January 2010. During this timeframe, the Early Action Plan also authorized the project development processes for various M2 freeway projects, which included preliminary engineering, environmental studies, and final design work. The initiation of this work also maximized OCTA's ability to compete for state and federal funds (i.e., CMIA and federal stimulus). With the exception of the eastbound State Route 91 (SR-91) lane addition between SR-241 and SR-71 and the SR-22 access improvements, the rest of the M2 freeway projects did not begin construction until after January 2010. The Eastbound SR-91 lane addition project began construction in late 2009 and utilized primarily American Recover and Reinvestment Act (ARRA) federal stimulus funds and the SR-22 improvements were amended into M1 and completed</p>

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							early in 2007 as a “bonus project” as part of the SR-22 design-build project. Please reference: “Memorandum of Agreement (MOA) Among the Orange County Transportation Authority (“OCTA”), the United States Fish and Wildlife Service (“USFWS”), the California Department of Fish and Game (“CDFG”), and the California Department of Transportation (“CALTRANS”) Regarding the Mitigation for Freeway Improvement Projects Under the Renewed Measure M Ordinance Environmental Mitigation Program,” C-9-0278, dated January 21, 2010. “Planning Agreement by and among Orange County Transportation Authority, California Department of Transportation, California Department of Fish and Game, and United States Fish and Wildlife Service for the Orange County Transportation Authority/California Department of Transportation Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP),” C-9-0279, dated January 21, 2010.
46.00	Requirements Related to Specific Freeway Projects						
47.00	Project A						
48.00	Have Santa Ana Freeway (I-5) improvements between the Costa Mesa freeway (SR-55) and “Orange Crush” (SR-57) described in Project A been built:	Att. A, p. 7, Project A	Capital Programs-- Highways	30-year	Modified; Completed	Rose Casey	See notes in Items 48.01 to 48.03.
48.01	At the SR-55/I-5 interchange area between the Fourth Street and Newport Boulevard ramps on I-5?	Att. A, p. 7	Capital Programs-- Highways	30-year	Modified	Rose Casey	See notes in Item 48.02.
48.02	On SR-55 between Fourth Street and Edinger Avenue?	Att. A, p. 7	Capital Programs-- Highways	30-year	Modified	Rose Casey	No. Project A improvement limits do not include SR-55 between Fourth Street and Edinger Avenue (agreed to by cities and Caltrans) due to lack of support/consensus between Caltrans and local jurisdictions which is a requirement of M2. There are some improvements included in Project F on SR-55 between I-405 and I-5.
48.03	On I-5 between SR-55 and SR-57?	Att. A, p. 7	Capital Programs-- Highways	30-year	Completed	Rose Casey	Yes. Construction on this project began in December 2018 and was completed in January 2021. Please reference: “FA101 Project Plans, pgs. 001-567,” dated October 9, 2017.

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							"FA101 Information Handout," dated August 27, 2018. "FA101 Notice to Bidders and Special Provisions," dated August 27, 2018. "FA101 Project Plans, Addendum 01," dated September 25, 2018. "FA101 Project Plans, Addendum 02," dated October 5, 2018. "FA101 Final Project Schedule Status Sheet," Project Controls schedule dated February 1, 2021.
49.00	Have the Project A improvements, as built, increased capacity and reduced congestion?	Att. A, p. 7, Project A	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes. The project added capacity with a second carpool lane and reduced congestion upon construction completion as identified during the environmental phase.
50.00	Project B						
51.00	Have new lanes been built and interchanges improved on the Santa Ana Freeway (I-5) between the Costa Mesa freeway (SR-55) to El Toro "Y"?	Att. A, p. 7, Project B	Capital Programs - Highways	30-year	Underway	Rose Casey	<p>The environmental phase for the project was completed in January 2020. The project was split into two segments for design and construction. Final Design for Segment 1 (I-405 to Yale Avenue) began in October 2021 and Segment 2 (Yale Avenue to SR-55) began in May 2021. Both segments are anticipated to begin construction in 2026.</p> <p>Please reference: "FB101 Final Environmental Schedule Status Sheet," Project Controls schedule dated February 1, 2020.</p>
52.00	Have the Project B improvements as built increased capacity and reduced congestion?	Att. A, p. 7, Project B	Capital Programs - Highways	30-year	Underway	Rose Casey	See notes in Item 51.00. The project will add capacity with one additional general-purpose lane in each direction and relieve congestion upon construction completion as identified during the environmental phase.
53.00	Project C						
54.00	Have Santa Ana Freeway (I-5) improvements south of the El Toro "Y" been built with:	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Underway	Rose Casey	See notes in Items 54.01 to 54.02.
54.01	New lanes from the vicinity of the El Toro Interchange in Lake Forest to the vicinity of SR-73 in Mission Viejo?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Underway	Rose Casey	The I-5, SR-73 to El Toro Road project (including interchange improvements at Avery Parkway and La Paz Road) completed the environmental phase in May 2014. The project was divided into three segments for design and construction. All three segments are currently under construction. This project adds a general-purpose lane in each direction, extends the second HOV lane in both directions from El Toro Road to Alicia Parkway, reconstructs the La Paz Road and Avery Parkway interchanges, and adds auxiliary lanes where needed.

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							<p>Segment 1, I-5 between SR-73 and Oso Parkway (including improvements to Avery Parkway Interchange): Construction began in February 2020 and is anticipated to be complete in late 2024. Please reference: "FC102 Project Plans, pgs. 0001-1351," dated May 13, 2019. "FC102 Information Handout," dated August 26, 2019. "FC102 Notice to Bidders and Special Provisions," dated August 26, 2019. "FC102 Project Plans, Addendum 01," dated September 25, 2019. "FC102 Project Plans, Addendum 02," dated October 8, 2019. "FC102 Project Plans, Addendum 03," dated October 10, 2019.</p> <p>Segment 2, I-5 between Oso Parkway and Alicia Parkway (including improvements to La Paz Interchange): construction began in April 2019 and is anticipated to be complete in late 2024. Please reference: "FC105 Project Plans, pgs. 0001-1494," dated June 4, 2018. "FC105 Information Handout," dated November 5, 2018. "FC105 Notice to Bidders and Special Provisions," dated November 5, 2018. "FC105 Project Plans, Addendum 01," dated December 20, 2018. "FC105 Project Plans, Addendum 02," dated January 4, 2019. "FC105 Project Plans, Addendum 03," dated January 10, 2019. "FC105 Project Plans, Addendum 04," dated January 14, 2019.</p> <p>Segment 3, I-5 between Alicia Parkway and El Toro Road: Construction began in January 2021 and is anticipated to be complete in late 2024. Please reference: "FC106 Project Plans, pgs. 0001-1119," dated March 30, 2020. "FC106 Information Handout," dated May 11, 2020. "FC106 Notice to Bidders and Special Provisions," dated May 11, 2020. "FC106 Project Plans, Addendum 01," dated June 23, 2020. "FC106 Project Plans, Addendum 02," dated June 25, 2020.</p>

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54.02	New lanes between Pacific Coast Highway and Avenida Pico?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Completed	Rose Casey	<p>Yes. The I-5, Avenida Pico to San Juan Creek Road (including interchange improvements at Avenida Pico) was divided into three segments for design and construction. This project added a new HOV lane in both directions of I-5 between PCH and Avenida Pico, reconstructed the Avenida Pico Interchange, and reconstructed on- and off-ramps along the project area. Construction on all three segments is complete.</p> <p>Segment 1, I-5, Avenida Pico to Avenida Vista Hermosa project (including interchange improvements at Avenida Pico): Construction began in December 2014 and was completed in August 2018. Please reference: "FC101 Project Plans, pgs. 001-635," dated March 10, 2014. "FC101 Information Handout," dated September 2, 2014. "FC101 Notice to Bidders and Special Provisions," dated September 2, 2014. "FC101 Project Plans, Addendum 01," dated October 13, 2014. "FC101 Final Project Schedule Status Sheet," Project Controls schedule dated October 1, 2018.</p> <p>Segment 2, I-5, Avenida Vista Hermosa to PCH: Construction began in July 2014 and was completed in July 2017. Please reference: "FC103 Project Plans, pgs. 001-780," dated August 26, 2013. "FC103 Information Handout," dated February 3, 2014. "FC103 Notice to Bidders and Special Provisions," dated February 3, 2014. "FC103 Project Plans, Addendum 01," dated March 14, 2014. "FC103 Project Plans, Addendum 02," dated March 17, 2014. "FC103 Project Plans, Addendum 03," dated April 7, 2014. "FC103 Final Project Schedule Status Sheet," Project Controls schedule dated August 1, 2017.</p> <p>Segment 3, I-5, PCH to San Juan Creek Road: Construction began in December 2013 and was completed in July 2018. Please reference:</p>

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							"FC104 Project Plans, pgs. 001-595," dated April 29, 2013. "FC104 Information Handout," dated August 19, 2013. "FC104 Notice to Bidders and Special Provisions," dated August 19, 2013. "FC104 Project Plans, Addendum 01," dated September 27, 2013. "FC104 Project Plans, Addendum 02," dated October 18, 2013. "FC104 Final Project Schedule Status Sheet," Project Controls schedule dated September 1, 2018.
54.03	Major improvements at local interchanges as determined in Project D?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Underway	Rose Casey	Avenida Pico, Avery Parkway and La Paz Road are incorporated into project C. (See notes in Items 54.01 and 54.02 for main the latest status which includes these interchanges and notes in Item 56.00 for remaining interchanges.)
55.00	Have the Project C improvements as built increased capacity and reduced congestion?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Underway	Rose Casey	See notes in Items 54.01 and 54.02. The I-5 HOV Improvement projects (between San Juan Creek Road and Avenida Pico) increased capacity and reduced congestion as identified during the environmental phase. The additional general-purpose lane to be added in each direction from SR-73 to El Toro Road will also relieve congestion once constructed.
56.00	Project D						
57.00	Have key I-5 interchanges such as Avenida Pico, Ortega Highway, Avery Parkway, La Paz Road, El Toro Road, and others been updated and improved to relieve street congestion around older interchanges and on ramps?	Att. A, p. 8, Project D	Capital Programs - Highways	30-year	Underway	Rose Casey	See notes in Items 54.01 and 54.02 for status of Avenida Pico, Avery Parkway and La Paz Road interchanges. I-5, Ortega Highway Interchange: Construction began in September 2012 and was completed in January 2016. Please reference: "FD101 Project Plans, pgs. 001-515," dated April 9, 2012. "FD101 Information Handout," dated June 4, 2012. "FD101 Notice to Bidders and Special Provisions," dated June 4, 2012. "FD101 Project Plans, Addendum 01," dated July 2, 2012. "FD101 Project Plans, Addendum 02," dated July 19, 2012. "FD101 Project Plans, Addendum 03," dated July 20, 2012. "FD101 Final Project Schedule Status Sheet," Project Controls schedule dated February 1, 2016. I-5, El Toro Road Interchange: The environmental phase began in April 2017. In December 2019, the completion of the environmental phase

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							<p>had been stalled due to lack of consensus on an alternative with the stakeholder cities. OCTA, in conjunction with Caltrans and the cities, completed an Alternatives Assessment, which identified two new Alternatives that were agreed to by Caltrans and staff from all cities. In May 2022, the Board received a presentation on the results of the Alternatives Assessment Study and approved in August 2022 to move forward with two new alternatives. Environmental work restarted in January 2023 and is anticipated to be completed in April 2026.</p> <p>Please reference: "Amendment to Cooperative Agreement with the California Department of Transportation for Preparation of the Project Report and Environmental Document for the Interstate 5/El Toro Road Interchange Project," dated August 8, 2022. "Update on Interstate 5/El Toro Road Interchange Project," dated June 12, 2023.</p>
58.00	Project E						
59.00	Have interchange improvements on the Garden Grove Freeway (SR-22) been constructed at the following interchanges:	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Rose Casey	<p>Yes. This project was completed in 2007. Improvements were made to the three interchanges listed below to reduce freeway and street congestion in the area. The project was completed early as a "bonus project" provided by the original Measure M.</p> <p>Please reference: "F7100 EA 0J9601 SR-22 As Built Plans Approved," dated November 30, 2006.</p>
59.01	Euclid Street?	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes. See notes in Item 59.00.
59.02	Brookhurst Street?	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes. See notes in Item 59.00.
59.03	Harbor Boulevard?	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes. See notes in Item 59.00.

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60.00	Project F						
61.00	Have new lanes, including merging lanes to smooth traffic, been added to the Costa Mesa Freeway (SR-55) between SR-22 and I-405 generally constructed within existing ROW?	Att. A, p. 9, Project F	Capital Programs - Highways	30-year	Underway	Rose Casey	<p>There are two segments for Project F.</p> <p>SR-55, I-405 and I-5: Construction began in June 2022 and is anticipated to be complete in early 2027. The project will generally be constructed within the existing ROW; however, ROW is required at 33 properties. Please reference: “FF101 Project Plans, pgs. 0001-2208,” dated August 23, 2021. “FF101 Information Handout,” dated December 6, 2021. “FF101 Notice to Bidders and Special Provisions,” dated December 6, 2021. “FF101 Project Plans, Addendum 01,” dated December 22, 2021. “FF101 Project Plans, Addendum 02,” dated January 28, 2022. “FF101 Project Plans, Addendum 03,” dated February 9, 2022. “FF101 Project Plans, Addendum 04,” dated February 25, 2022.</p> <p>SR-55, I-5 and SR-91: The environmental phase began in January 2017 and was completed in March 2020. Final design began in August 2022. Construction is anticipated to begin in 2026. Please reference: “FF102 SR-55, I-5 to SR-91 Project Report,” dated March 30, 2020.</p>
62.00	Have operational improvements been made to the SR-55 between SR-91 and SR-22?	Att. A, p. 9, Project F	Capital Programs - Highways	30-year	Underway	Rose Casey	<p>See notes in Item 61.00. Operations will improve upon construction completion as identified during the environmental phase.</p>
63.00	Have these improvements increased freeway capacity and reduced congestion?	Att. A, p. 9, Project F	Capital Programs - Highways	30-year	Underway	Rose Casey	<p>See notes in Item 61.00. These improvements will increase capacity and reduce congestion upon construction completion as identified during the environmental phase.</p>
64.00	Project G						
65.00	Have the following improvements been made to the Orange Freeway (SR-57):	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Underway	Rose Casey	<p>There are a total of five project segments for Project G: Orangewood Avenue to Katella Avenue, Katella Avenue to Lincoln Avenue, Orangethorpe Avenue to Yorba Linda Boulevard, Yorba Linda Boulevard to Lambert Road, and Lambert Road to the Orange/Los Angeles County line. Operational improvements will also be made to the Lambert Road interchange.</p>

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							See notes in Items 65.01 to 65.03.
65.01	A new northbound lane between Oranewood Avenue and Lambert Road?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Underway	Rose Casey	<p>See notes in Item 65.00.</p> <p>SR-57 northbound, Katella Avenue to Lincoln Avenue: Construction began in November 2011 and was completed in April 2015. Please reference: "FG101 Project Plans, pgs. 001-527," dated April 18, 2011. "FG101 Information Handout," dated July 18, 2011. "FG101 Notice to Bidders and Special Provisions," dated July 18, 2011. "FG101 Project Plans, Addendum 01," dated August 22, 2011. "FG101 Project Plans, Addendum 02," dated August 26, 2011. "FG101 Project Plans, Addendum 03," dated August 30, 2011. "FG101 Final Project Schedule Status Sheet," Project Controls schedule dated May 1, 2015.</p> <p>SR-57 northbound, Orangethorpe Avenue to Yorba Linda Boulevard: Construction began in October 2010 and was completed in November 2014. Please reference: "FG102 Project Plans, pgs. 001-100," dated December 14, 2009. The Project Plans were split into several files. Pages 101 to 960 can be found in the Document Center. "FG102 Information Handout," dated May 10, 2010. "FG102 Notice to Bidders and Special Provisions," dated May 10, 2010. "FG102 Project Plans, Addendum 01," dated June 14, 2010. "FG102 Project Plans, Addendum 01 – Plans," dated June 14, 2010. "FG102 Project Plans, Addendum 02," dated August 2, 2013. "FG102 Final Project Schedule Status Sheet," Project Control schedule dated December 15, 2014.</p> <p>SR-57 northbound, Yorba Linda Boulevard to Lambert Road: Construction began in November 2010 and was completed in May 2014. Please reference:</p>

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							<p>“FG103 Project Plans, pgs. 001-100,” dated January 25, 2010. The Project Plans were split into several documents. Pages 101 to 856 can be found in the Document Center.</p> <p>“FG103 Information Handout,” dated May 24, 2010.</p> <p>“FG103 Notice to Bidders and Special Provisions,” dated May 24, 2010.</p> <p>“FG103 Project Plans, Addendum 01,” dated May 28, 2010.</p> <p>“FG103 Project Plans, Addendum 02,” dated June 30, 2010.</p> <p>“FG103 Project Plans, Addendum 02 – Plans,” dated June 20, 2010.</p> <p>“FG103 Project Plans, Addendum 03,” dated July 9, 2010.</p> <p>“FG103 Final Project Schedule Status Sheet,” Project Controls schedule dated June 1, 2014.</p> <p>SR-57 northbound, Oranewood Avenue to Katella Avenue: The environmental phase was completed in March 2019. Final Design began in March 2022 and is anticipated to begin construction in 2025.</p> <p>Please reference: “FG104 Project Study Report,” dated March 29, 2019.</p>
65.02	Improvements to the Lambert Interchange?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Underway	Rose Casey	<p>See notes in Item 65.00. The lead agency for the Lambert Road interchange project is the City of Brea. The project is currently in construction and anticipated to be complete in March 2024.</p> <p>“Plans Sheets” can be found on Caltrans’ website using Contract No. 12-0C1104, Invitation for Bids dated February 13, 2019.</p>
65.03	Addition of a northbound truck climbing lane between Lambert Road and Tonner Canyon?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Underway	Rose Casey, Dan Phu	<p>See notes in Item 65.00. The fifth project on SR-57 includes improvements to the Lambert Road interchange (see above – 65.02) and a northbound truck climbing lane between Lambert Road and Tonner Canyon Road. Development of the Project Initiation Document (PID) is currently underway and anticipated to be completed in 2025. The environmental phase for this project is anticipated to begin after approval of the PID and once completed, the design and construction schedules will be determined.</p>
66.00	Have these improvements increased freeway capacity and reduced congestion?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Underway	Rose Casey	<p>The three completed segments of northbound lanes on SR-57 from Katella Avenue to Lincoln Avenue and Orangethorpe Avenue to Lambert Road have increased capacity with the addition of a general-purpose lane and reduced congestion as identified during the environmental phase. The remaining projects will increase capacity and relieve</p>

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							congestion upon construction completion as identified during the environmental phase. See notes in Items 65.01 to 65.03.
67.00	Project H						
68.00	Have improvements been made on the Riverside Freeway (SR-91) from the I-5 to the SR-57?	Att. A, p. 11, Project H	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes. This project provided an additional general-purpose lane in the westbound direction by connecting existing auxiliary lanes through the interchanges within the project limits to create a fourth continuous westbound general-purpose lane. Westbound auxiliary lanes were added and exit ramps were modified to two-lane exit ramps. Construction began in February 2013, and was completed in June 2016. Please reference: "FH101 Project Plans, pgs. 001-885," dated August 13, 2012. "FH101 Information Handout," dated October 1, 2012. "FH101 Notice to Bidders and Special Provisions," Invitation for Bids dated October 1, 2012. "FH101 Project Plans, Addendum 01," dated November 7, 2012. "FH101 Project Plans, Addendum 02," dated November 26, 2012. "FH101 Final Project Schedule Status Sheet," Project Controls schedule dated July 1, 2016.
68.01	Has capacity been added in the westbound direction?	Att. A, p. 11, Project H	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes. Capacity was provided in the westbound direction as identified during the environmental phase. See notes in Item 68.00.
68.02	Have operational improvements been provided at on and off ramps?	Att. A, p. 11, Project H	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes. Operational improvements were provided at on- and off-ramps with the addition of auxiliary lanes. See notes in Item 68.00.
69.00	Project I						
70.00	On the Riverside Freeway (SR-91) from the SR-57 to the SR-55, has the interchange complex been improved, including nearby local interchanges such as Tustin Avenue and Lakeview Avenue?	Att. A, p. 11, Project I	Capital Programs - Highways	30-year	Underway	Rose Casey	There are two projects for Project I: the portion between SR-55 and Tustin Avenue, which was completed in July 2016, and the portion from west of State College Boulevard to east of Lakeview Avenue, which provides SR-91 freeway mainline widening in the eastbound direction, and modifications to various interchanges, connectors, ramps, and intersections. The project was split into three segments for the design

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							<p>and construction phases. The design phase for all three segments was initiated in 2020.</p> <p>See notes in Item 71.00.</p>
71.00	On the SR-91, has capacity been added between the SR-55 and the SR-57?	Att. A, p. 11, Project I	Capital Programs - Highways	30-year	Underway	Rose Casey	<p>SR-91, SR-55 to Tustin Avenue: This project added a westbound auxiliary lane from the westbound SR-55/westbound SR-91 connector to Tustin Avenue off-ramp and an exit bypass lane on westbound SR-91 to Tustin Avenue off-ramp. Construction began in November 2013 and was completed in July 2016.</p> <p>Please reference: "FI102 Project Plans, pgs. 001-357," dated April 15, 2013. "FI102 Information Handout," dated June 17, 2013. "FI102 Notice to Bidders and Special Provisions," dated June 17, 2013. "FI102 Project Plans, Addendum 01," dated July 26, 2013. "FI102 Project Plans, Addendum 02," dated August 2, 2013. "FI102 Final Project Schedule Status Sheet," Project Controls schedule dated August 1, 2016.</p> <p>The environmental phase of the SR-91, SR-55 to SR-57 project began in January 2015 and completed in June 2020. This project was broken into three segments for the design and construction phases. These phases will be funded using net excess 91 Express Lanes revenue as directed by the Board on November 14, 2016. The 91 Express Lanes revenue accelerates project completion, reducing risk and escalation cost.</p> <p>Segment 1, SR-91, SR-55 to Lakeview Avenue: This project will provide westbound operational improvements including the realignment of the existing westbound SR-91 on- and off-ramps and the addition of a new on-ramp from Lakeview Avenue overcrossing bridge to connect direction to southbound SR-55. Design began in March 2020 and is anticipated to begin construction in 2024.</p> <p>Segment 2, SR-91, La Palma Avenue to SR-55: This project will provide an additional eastbound general-purpose lane, replace the eastbound shoulder, and restore auxiliary lanes as needed throughout the project</p>

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							<p>limits. Design began in June 2020 and is anticipated to begin construction in early 2026.</p> <p>Segment 3: SR-91 Acacia Street to La Palma Avenue: This project will provide westbound operational improvements by adding a fourth general-purpose lane along westbound SR-91 from the northbound SR-57 to westbound SR-91 connector, extend the southbound SR-57 to westbound SR-91 connector auxiliary lane through the State College Boulevard interchange. Design began in November 2020 and is anticipated to begin construction in early 2026.</p> <p>Please reference: "Measure M2 Delivery Plan – Next 10," dated November 14, 2016. "Measure M2 Updated Next 10 Delivery Plan," dated November 13, 2017. "Measure M2 2018 Update: Next 10 Delivery Plan," dated September 10, 2018. "Measure M2 2019 Update: Next 10 Delivery Plan," dated November 11, 2019. "FI103 Final Project Report," dated June 24, 2020.</p>
72.00	Project J						
73.00	Have up to four new lanes on SR-91 between SR- 241 (SR-241) and the Riverside County Line been added?	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Underway	Rose Casey	<p>There are three project segments for Project J.</p> <p>SR-91 eastbound, SR-241 to SR-71: This project added one eastbound lane. Construction began in September 2009 and was completed in January 2011.</p> <p>Please reference: "FJ100 Project Plans, pgs. 001-717," dated March 9, 2009. "FJ100 Notice to Bidders and Special Provisions," dated June 8, 2009. "FJ100 Project Plans, Addendum 01," dated June 19, 2009. "FJ100 Project Plans, Addendum 02," dated July 14, 2009. "FJ100 Project Plans, Addendum 03," dated July 27, 2009. "FJ100 Final Project Schedule Status Sheet," Project Controls schedule dated February 1, 2011.</p>

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							<p>SR-91, SR-55 to SR-241: This project added one new lane in both directions and improved key interchanges. Construction began in May 2011 and was completed in March 2013. Please reference: "FJ101 Project Plans, pgs. 001-100," dated October 25, 2010. The Project Plans were split into several files. Pages 101 to 949 can be found in the Document Center. "FJ101 Information Handout," dated February 22, 2011. "FJ101 Notice to Bidders and Special Provisions," dated February 22, 2011. "FJ101 Project Plans, Addendum 01," dated March 25, 2011. "FJ101 Project Plans, Addendum 01 – Plans," dated March 25, 2011. "FJ101 Project Plans, Addendum 02," dated April 7, 2011. "FJ101 Final Project Schedule Status Sheet," Project Controls schedule dated April 1, 2013.</p> <p>SR-91, SR-241 to SR-71: This project will add a sixth lane to match up with an additional lane to be added by Riverside County Transportation Commission (RCTC) from the County line to SR-71. OCTA and RCTC are working together ensuring synchronization between the two counties. See notes in Item 75.00 for a link to the latest SR-91 Implementation Plan. Construction on the sixth lane in the westbound direction as part of the SR-91 Corridor Operations Project (COP) between Green River Road and SR-241 was completed in January 2022. An alternatives analysis study of the eastbound direction began in May 2020 to better understand possible improvements given the difficult topography and other constraints. The alternatives analysis report was completed in April 2022. RCTC is leading the effort to proceed with the environmental phase of the eastbound SR-91 COP project, which began in June 2023. Please reference: "Construction Update – 91 Corridor," dated June 29, 2023.</p>
74.00	Was the following taken into consideration: Making best use of available freeway property, adding reversible lanes, building elevated sections, and improving connections to SR-241?	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Underway	Rose Casey	When a project goes through the environmental phase, all viable alternatives are considered, and the best alternative is determined at that time. This is true for this project. OCTA is also working with the

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							Transportation Corridor Agencies, who is the named lead on the design and construction of the SR-91/SR-241 Direct Connector Project. Please reference: "Framework for Implementation of the State Route 241/91 Express Lanes Connector," dated October 28, 2019.
75.00	Were the projects constructed with similar coordinated improvements in Riverside County extending to I-15 with the funding for those in Riverside County paid for from other sources?	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Underway	Rose Casey	Yes. The SR-91 Implementation Plan, required by the state legislature to be updated annually, requires coordination between the two counties. Orange County and Riverside County are working cooperatively on all SR-91 projects. Project improvements within Riverside County limits are not paid for by Measure M. Please reference: "Draft 2023 State Route 91 Implementation Plan," dated August 14, 2023.
76.00	Also, was one new lane added in each direction on SR-91 between SR-241 and SR-55 and were the interchanges improved?	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes. This project was completed in March 2013. Improvements to the Lakeview Avenue Interchange, Imperial Highway, and Weir Canyon were included in this project. See notes in Item 73.00.
77.00	Project K						
78.00	Have new lanes been added to the San Diego Freeway (I-405) between the I-605 and the SR-55?	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Modified; Underway	Rose Casey	<p>On October 22, 2012, the Board recommended Alternative 1 from the EIR/EIS, which adds a general-purpose lane in each direction on I-405 between Euclid Street and I-605, as the preferred alternative. On December 9, 2013, the Board reaffirmed the recommendation of Alternative 1 and directed that the alternative be built in a manner that does not preclude additional freeway capacity in the future. On July 25, 2014, Caltrans recommended that OCTA select the alternative that would add an additional lane of capacity to be combined with the HOV lanes on I-405 from SR-73 to I-605 in addition to the general-purpose lanes previously recommended by OCTA. On September 22, 2014, the Board reasserted its position and directed staff to proceed with the M2 commitment to add one general-purpose lane in each direction.</p> <p>The environmental phase was completed in May 2015. OCTA implemented the preferred alternative using the design-build delivery method and acquired all necessary ROW. The addition of one general-purpose lane in each direction on I-405 from Euclid Street to I-605 is M2 Project K. The addition of a second lane in the median, which when</p>

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							<p>combined with the existing HOV lane, becomes the two-lane express facility in each direction, is funded with non-M2 funding sources. The Board awarded the design-build construction contract in November 2016. Construction began in January 2017. Substantial completion and opening of the 405 Express Lanes was accomplished on December 1, 2023. Miscellaneous construction activities remaining include landscaping, installation of remaining bridge lighting, cultural resources restoration, and punch-list items.</p> <p>Please reference the following staff reports: "Selection of Locally Preferred Alternative for the Interstate 405 Improvement Project Between State Route 55 and Interstate 605," dated October 22, 2012. "Update on the Interstate 405 Improvement Project," dated December 9, 2013. "Update on the Interstate 405 Improvement Project Between State Route 55 and Interstate 605," dated September 22, 2014. "Interstate 405 Improvement Project Update," dated November 27, 2023.</p>
79.00	Has the project made best use of available freeway property, updated interchanges and widened all local overcrossings according to city and regional master plans?	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Underway	Rose Casey	Yes. The majority of the ROW needed are temporary construction easements and some partial fee acquisitions. Local interchanges and overcrossings were improved and widened according to city and regional master plans.
80.00	Have the improvements been coordinated with other planned I-405 improvements in the I-405/SR-22/I-605 interchange area to the north and I-405/SR-73 improvements to the south?	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Underway	Rose Casey	Yes. The I-405 improvements have been coordinated with the West County Connector improvements at the I-405/SR-22/I-605 interchange that have been completed. A new direct connector linking the I-405 Express Lanes with SR-73 to the south has been completed.
81.00	Have the improvements adhered to recommendations of the I-405 Major Investment Study adopted by the Board on October 14, 2005?	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Underway	Rose Casey	<p>Yes. The improvements added one general-purpose lane in each direction as recommended in the I-405 Major Investment Study. Please reference: "Final Recommendation for the San Diego Freeway (I-405) Major Investment Study," dated October 14, 2005.</p>

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82.00	Project L						
83.00	Have new lanes been added to the San Diego Freeway (I-405) between the SR-55 and the I-5?	Att. A, p. 14, Project L	Capital Programs - Highways	30-year	Underway	Rose Casey	A project study report was completed in 2013. The environmental phase began in December 2014 and was completed in August 2018. Project B (I-5, I-405 to SR-55) is a parallel project designated for construction. As a result, Project L will follow to avoid excessive inconvenience to the public. Additionally, a significant Caltrans safety project is scheduled to take place within the Project L project limits and will require additional coordination. Please reference: "Measure M2 2023 Update: Next 10 Delivery Plan," dated November 13, 2023. "FL101 Final Project Report," dated September 5, 2018.
84.00	Have chokepoints at interchanges been improved and merging lanes added near on/off ramps such as Lake Forest Drive, Irvine Center Drive and SR-133 to improve the overall freeway operations in the I405/I-5 El Toro "Y" area?	Att. A, p. 14, Project L	Capital Programs - Highways	30-year	Underway	Rose Casey	The project includes on- and off-ramp realignment at various locations, as well as auxiliary lanes between on- and off-ramps where required. See notes in Item 83.00.
85.00	Project M						
86.00	Have freeway access and arterial connections to I-605 serving the communities of Los Alamitos and Cypress been improved?	Att. A, p. 15, Project M	Capital Programs – Highways	30-year	Underway	Rose Casey	The project study report was approved in May 2015. The environmental phase began in August 2016 and was completed in October 2018. Final design began in December 2020 with construction anticipated to begin in late 2024. "Final Project Report," dated November 8, 2018.
87.00	Has the project been coordinated with other planned improvements to the SR-22 and I-405?	Att. A, p. 15, Project M	Capital Programs - Highways	30-year	Underway	Rose Casey	The project takes into consideration the I-405 Design-Build construction project and other projects as identified during the environmental phase.
88.00	Project N						
89.00	Are basic freeway service patrols available Monday through Friday during peak commute hours?	Att. A, p. 15, Project N	Executive Office	30-year	Completed to date	Patrick Sampson	Yes. Freeway Service Patrol (FSP) operates service on all Orange County Freeways during peak commute hours. Midday and weekend service was added in June 2012. A statewide benefit/cost analysis is performed annually and is incorporated into future service planning. Recent modifications include reallocating service hours from peak hour to midday service to address changes in commute traffic patterns. Four contracted tow companies

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							provide FSP service; current FSP agreements provide FSP services through October 2, 2027, and December 1, 2029. Please reference: "Agreements for Freeway Service Patrol Services," dated March 13, 2023. M2 funds supplement Caltrans State Highway Account, Caltrans Road Repair and Recovery Act of 2017 (SB1), and Orange County Service Authority for Freeway Emergencies funds as the last dollars in, to ensure that appropriate service levels are maintained.
90.00	Requirements for Eligible Jurisdictions						
91.00	In order to be eligible to receive Net Revenues, has each jurisdiction satisfied the following requirements:	Att. B, Sec. III.A	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	See notes in Items 91.01 to 91.19.
91.01	Complied with the conditions and requirements of the Orange County Congestion Management Program (CMP)?	Att. B, Sec. III.A.1	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. Required in odd years only. This requirement was submitted to OCTA and was presented to the Board on February 12, 2024, as part of the Annual Eligibility Review. The next CMP submittal is due in 2025. Please reference: "Measure M2 Annual Eligibility Review," dated February 12, 2024.
91.02	Assessed traffic impacts of new development and required new development to pay a fair share of improvements attributable to it?	Att. B, pp B-7 to 10, Sec. III.A.2	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. This is required biennially except when there is an updated mitigation fee program (MFP). This requirement was submitted to OCTA and was presented to the Board on February 12, 2024, as part of the Annual Eligibility Review. The next submittal is due in 2025 unless there is an updated MFP. Please reference: "Measure M2 Annual Eligibility Review," dated February 12, 2024.
91.03	Adopted and maintained a Circulation Element of its General Plan consistent with the MPAH?	Att. B, Sec. III.A.3	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. This is required biennially. This requirement was submitted to OCTA and was presented to the Board on February 12, 2024, as part of the Annual Eligibility Review. The next submittal is due in 2025. Please reference: "Measure M2 Annual Eligibility Review," dated February 12, 2024.
91.04	Adopted and updated biennially a six-year Capital Improvement Program that includes all capital transportation projects?	Att. B, Sec. III.A.4	Planning	Recurring	Completed to date	Adriann Cardoso/	Yes. OCTA requires an annual seven-year CIP. This requirement was submitted to OCTA and was presented to the Board on February 12, 2024, as part of the Annual Eligibility Review.

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						Charvalen Alacar	Please reference: "Measure M2 Annual Eligibility Review," dated February 12, 2024.
91.05	Participated in Traffic Forums as described in Attachment B?	Att. B, Sec. III.A.5	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. This is an annual requirement. Local jurisdictions must attend at least one traffic forum on an annual basis to remain eligible for M2 net revenues. This requirement was presented to the Board on February 12, 2024, as part of the Annual Eligibility Review. Please reference: "Measure M2 Annual Eligibility Review," dated February 12, 2024.
91.06	Adopted and maintained a Local Traffic Signal Synchronization Plan (LSSP) that identifies signalization street routes and signals; a three-year plan showing costs, available funding and phasing of capital, operations and maintenance of the street routes and traffic signals; and included information on how the street routes and signals may be synchronized with signals and routes in adjoining jurisdictions; and is consistent with the Traffic Signal Synchronization Master Plan?	Att. B, Sec. III.A.6	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. This is required every three years. This requirement was adopted by local jurisdictions' governing bodies and was presented to the Board on February 12, 2024, as part of the Annual Eligibility Review. The next submittal is due in 2026. Please reference: "Measure M2 Annual Eligibility Review," dated February 12, 2024.
91.07	Adopted and updated biennially a Pavement Management Plan (PMP) and issued, using a common format approved by the Authority, a report every two years regarding the status of road pavement conditions and implementation of the PMP?	Att. B, Sec. III.A.7	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. 14 jurisdictions update PMPs on odd-year cycle, while 21 jurisdictions update on an even-year cycle as part of the M2 Annual Eligibility Review. Odd-year cycle reports were presented to the Board on February 12, 2024, as part of the Annual Eligibility Review. Even-year cycle reports were last presented to the Board on November 14, 2022. All prior reports to date have been submitted and approved per the requirements and noted in previous year tracking matrices. Please reference: "Measure M2 Annual Eligibility Review," dated February 12, 2024 (for odd-year agencies). "Measure M2 Annual Eligibility Review," dated November 14, 2022 (for even-year agencies).
91.08	Has the Authority, in consultation with the Eligible Jurisdictions, defined a countywide management method to inventory, analyze and evaluate road pavement conditions	Att. B, Sec. III.A.7.a	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. The Countywide PMP Guidelines which implement Att. B, Sec. III. A.7.a. b. and c. were developed by OCTA staff in consultation with the Technical Advisory Committee (TAC) and approved by the Board on May 24, 2010.

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	and a common method to measure improvement of road pavement conditions?						The PMP guidelines were last revised and approved by the Board on April 10, 2023. Please reference: "Countywide Pavement Management Program Guidelines," dated May 24, 2010. "Fiscal Year 2023-24 Measure M2 Maintenance of Effort Adjustment and Updates to the Eligibility, Countywide Pavement Management Plan Guidelines, and Local Signal Synchronization Guidelines," dated April 10, 2023.
91.09	Included in its PMP: -Current status of pavement on roads -Six-year plan for road maintenance and rehabilitation, including projects and funding -Projected road conditions resulting from the maintenance and rehabilitation plan -Alternative strategies and costs necessary to improve road pavement conditions	Att. B, Sec. III.A.7.b-c	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. All local jurisdictions have adopted PMPs fully compliant with Att. B, Sec. III. A. 7, inclusive. All prior reports to date have been submitted and approved per the requirements and noted in previous year tracking matrices. Please reference: "Measure M2 Annual Eligibility Review," dated February 12, 2024 (for odd-year agencies). "Measure M2 Annual Eligibility Review," dated November 14, 2022 (for even-year agencies).
91.10	Adopted an annual Expenditure Report to account for Net Revenues, developer/traffic impact fees, and funds expended by the Eligible Jurisdiction which satisfy the MOE requirements?	Att. B, Sec. III.A.8	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. The Board was presented with annual Expenditure Reports for FY 2021-22 on July 10, 2023, for all local jurisdictions, excluding the City of Cypress which is currently ineligible. See notes in Item 8.00. Please reference: "Measure M2 Eligibility Review Recommendations for Fiscal Year 2021-22 Expenditure Reports and Maintenance of Effort Benchmark Adjustments," dated July 10, 2023.
91.11	Submitted the Expenditure Report by the end of six months following the end of the jurisdiction's FY and included all Net Revenue fund balances and interest earned, and expenditures identified by type and program and project?	Att. B, Sec. III.A.8	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. All local agencies have submitted the Expenditure Reports by the end of six months following the end of the jurisdiction's FY. Please reference: "Measure M2 Eligibility Review Recommendations for Fiscal Year 2021-22 Expenditure Reports and Maintenance of Effort Benchmark Adjustments," dated July 10, 2023. Expenditure Reports for FY 2022-23 were due to OCTA by December 31, 2023, will be presented to the AER Subcommittee and

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							TOC in May/June of 2024, and are anticipated to be approved by the Board in July of 2024.
91.12	Provided the Authority with a Project Final Report within six months following completion of a project funded with Net Revenues?	Att. B, Sec. III.A.9	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. An ongoing monitoring report is tracked frequently and uploaded annually to the M2 Document Center. Please reference: "M2 Eligibility Compliance Final Report 180-Day Tracking Report," dated December 31, 2023.
91.13	Agreed that Net Revenues for Regional Capacity Program projects and Traffic Signal Synchronization Program projects shall be expended or encumbered no later than the end of the FY for which the Net Revenues are programmed, subject to extensions?	Att. B, Sec. III.A.10.a	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. Net revenues are being expended and encumbered as required. They are monitored through the M2 Master Tracker Database and the Semi-Annual Review (SAR) Process.
91.14	Any requests for extensions of the encumbrance deadline for no more than 24 months were submitted to the Authority no less than 90 days prior to the deadline?	Att. B, Sec. III.A.10.a	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. These requests are monitored through the M2 Master Tracker Database and the SAR Process.
91.15	Agreed that Net Revenues for any program or project other than Regional Capacity Program projects or Traffic Signal Synchronization Program projects shall be expended or encumbered within three years of receipt, subject to extension?	Att. B, Sec. III.A.10.b	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. Net revenues are being expended and encumbered consistent with these requirements. They are monitored through the M2 Master Tracker Database and the SAR Process.
91.16	Agreed that if the above time limits were not satisfied, to return to the Authority any retained Net Revenues and interest earned on them to be available for allocation to any project within the same source?	Att. B, Sec. III.A.10.c	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. Local agencies that did not meet the three-year expenditure deadline were not paid for expenditures incurred beyond the expenditure deadline. This is continuously monitored via Local Program's payment processes and also documented in the M2 Master Tracker Database. To date, no agencies have run into this issue. As a result, no SMP and LFS funds have been returned with interest.
91.17	Annually certified MOE requirements of Ordinance No. 3, Sec. 6?	Att. B, Sec. III.A.11	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. Local jurisdictions must annually submit an MOE Certification Form certifying that they have budgeted sufficient funds to meet the MOE benchmark. This requirement was submitted to OCTA and was

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							presented to the Board on February 12, 2024, as part of the Annual Eligibility Review. Please reference: "Measure M2 Annual Eligibility Review," dated February 12, 2024.
91.18	Agreed that Net Revenues were not used to supplant developer funding which has or will be committed for any transportation project?	Att. B, Sec. III.A.12	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. This is required annually. This was presented to the Board for approval on February 12, 2024, as part of the Annual Eligibility Review. Please reference: "Measure M2 Annual Eligibility Review," dated February 12, 2024.
91.19	Considered as part of its General Plan, land use planning strategies that accommodate transit and non-motorized transportation?	Att. B, Sec. III.A.13	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. This is required annually. This was presented to the Board for approval on February 12, 2024, as part of the Annual Eligibility Review. Please reference: "Measure M2 Annual Eligibility Review," dated February 12, 2024.
92.00	Requirements Related to Specific Streets and Roads Projects						
93.00	Project O - Regional Capacity Program						
94.00	Prior to the allocation of Net Revenues for any Street and Road Project, has the Authority, in cooperation with affected agencies, determined the entity(ies) to be responsible for the maintenance and operation thereof, utilizing maintenance and operating agreements with each agency receiving streets and roads funding?	Att. B, Sec. II.C	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. OCTA relies on California Streets and Highways Code Sections 900-909 and 1800-1813 for Counties and Cities, respectively, which establishes the authority and obligations of local agencies to construct, maintain, and operate local streets and roads. For road projects implemented by OCTA on behalf of local agencies (e.g., select grade separations), OCTA enters cooperative agreements for construction and maintenance prior to implementation. Please reference: C-9-0413 Anaheim; C-9-0412 Placentia; C-9-0576 Fullerton
95.00	Has each eligible jurisdiction contributed local matching funds equal to 50 percent of Project O project or program costs?	Att. A, p. 18, Project O and Att. B, p. B-12, Sec. V.A.1	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes, except when a match reduction has been approved (see notes in Item 96.00). Funding recommendations for the 2023 call were approved by the Board on April 10, 2023. Additional information on each fund source and percentage is available online on OC Fund Tracker. Please reference: "Comprehensive Transportation Funding Programs - 2023 Call for Projects Programming Recommendations," dated April 10, 2023.
96.00	Alternatively, have jurisdictions who qualified for a ten- and/or five-percent reductions as provided in Attachment B met those reduced match level requirements?	Att. A, p. 18, Project O and Att. B, Sec. V.A.1.a-c	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. Funding recommendations for the 2023 call were approved by the Board on April 10, 2023. Additional information on each fund source and percentage is available online on OC Fund Tracker. Please reference:

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							"Comprehensive Transportation Funding Programs - 2023 Call for Projects Programming Recommendations," dated April 10, 2023.
97.00	Has a countywide competitive procedure for Project O been adopted by the Authority?	Att. B, Sec. V.A.2	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. The Board approved the revised Comprehensive Transportation Funding Program (CTFP) Guidelines and issued the 2024 CTFP annual call on August 14, 2023. Please reference: "Release 2024 Annual Call for Projects for Measure M2 Comprehensive Transportation Funding Programs," dated August 14, 2023.
98.00	Have eligible Jurisdictions been consulted by the Authority in establishing criteria for determining priority for Project O allocations?	Att. B, Sec. V.A.2	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. The TAC recommended approval of modifications to the 2024 CTFP Guidelines on June 28, 2023, prior to the Board approval on August 14, 2023. Please reference: "Technical Advisory Committee Agenda Packet," dated June 28, 2023. "Technical Advisory Committee Agenda Packet," dated October 25, 2023, for the June 28, 2023 meeting minutes.
99.00	Has funding under Project O been provided for construction of railroad over or underpass grade separations where high volume streets are impacted by freight trains along the Burlington Northern Santa Fe Railroad in northern Orange County?	Att. A, p. 18, Project O	Capital Programs, Planning	30-year	Completed	Rose Casey & Adriann Cardoso	Yes. The Board authorized use of \$152.6 million in M2 funds as match for Trade Corridor Improvements Fund funding for seven grade separation projects. Please reference: "Capital Programming Update," dated June 13, 2022. All seven grade separations have been completed and are open to traffic. Please reference: "OC Bridges Railroad Grade Separation Completion," staff presentation dated December 11, 2017.
100.00	Project P - Regional Traffic Signal Synchronization Program						
101.00	Have the Cities, the County of Orange and Caltrans, as required, worked together to prepare a common Traffic Signal Synchronization Master Plan and the necessary governance and legal arrangements before receiving funds, and has the Authority adopted and maintained the Master Plan which was a part of the MPAH?	Att. A, p. 19, Project P and Att. B, Sec. V.B.1	Planning	One-time, start-up	Completed	Anup Kulkarni	Yes. Please reference: "Guidelines for the Preparation of the Local Signal Synchronization Plans," dated July 26, 2010.

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102.00	Does the Master Plan include synchronization of street routes and traffic signals within and across jurisdictional boundaries and the means of implementing, operating, and maintaining the programs and projects including necessary governance and legal arrangements?	Att. A, p. 19, Project P and Att. B,V.B.1	Planning	One-time, start-up	Completed	Anup Kulkarni	Yes. Please reference: " Guidelines for the Preparation of the Local Signal Synchronization Plans ," dated July 26, 2010.
103.00	Has a countywide, competitive procedure been adopted by the Authority in consultation with eligible jurisdictions in establishing criteria for determining priority for allocations?	Att. B, Sec. V.B.2.a	Planning	Recurring	Completed to date	Anup Kulkarni	Yes. Procedures are developed by staff in consultation with the local jurisdictions and then approved by the Board for each call with the priority for allocation updated as well. Please reference: " Release 2024 Annual Call for Projects for Measure M2 Comprehensive Transportation Funding Programs ," dated August 14, 2023, see "CTFP Guidelines – 2024 Call," chapter 8 in Attachment B.
104.00	Has the Authority given priority to programs and projects which include two or more jurisdictions?	Att. B, Sec. V.B.2.b	Planning	Recurring	Completed to date	Anup Kulkarni	Yes. Please reference: " Release 2024 Annual Call for Projects for Measure M2 Comprehensive Transportation Funding Programs ," dated August 14, 2023, see "CTFP Guidelines – 2024 Call," chapter 8, page 8-18 in Attachment B.
105.00	Has the Authority encouraged the State to participate in the Regional Traffic Signal Synchronization Program and given priority to use of transportation funds as match for the State's discretionary funds used for implementing Project P?	Att. B, Sec. V.B.2.c	Planning	Recurring	Completed to date	Anup Kulkarni	Yes. Project P allows state participation and allows for match to be fulfilled with both in-kind and cash. Match beyond 20 percent (including State discretionary funds) is provided additional priority in the evaluation. Please reference: " Release 2024 Annual Call for Projects for Measure M2 Comprehensive Transportation Funding Programs ," dated August 14, 2023, see "CTFP Guidelines – 2024 Call," chapter 8, page 8-5 and 8-18 in Attachment B.
106.00	Has each local jurisdiction contributed matching local funds equal to 20 percent of the program or project cost? (May be satisfied all or in part with in-kind services provided by the Eligible Jurisdiction including salaries and benefits)	Att. A, p. 19, Project P and Att. B,V.B.3	Planning	Recurring	Completed to date	Anup Kulkarni	Yes. Project P requires a minimum 20 percent match. Please reference: " Release 2024 Annual Call for Projects for Measure M2 Comprehensive Transportation Funding Programs ," dated August 14, 2023, see "CTFP Guidelines – 2024 Call," chapter 8, page 8-4, 8-16, 8-18, 8-19, and 8-20 in Attachment B.
107.00	Has the project provided funding for ongoing maintenance and operation of the synchronization plan?	Att. A, p. 19, Project P	Planning	Recurring	Completed to date	Anup Kulkarni	Yes. Project P requires ongoing maintenance and monitoring of the synchronization and provides funding for this task. Please reference:

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							"Release 2024 Annual Call for Projects for Measure M2 Comprehensive Transportation Funding Programs," dated August 14, 2023, see "CTFP Guidelines – 2024 Call," chapter 8, page 8-2 in Attachment B.
108.00	Have local jurisdictions publicly reported on the status and performance of their signal synchronization efforts at least every three years?	Att. A, p. 19, Project P and Att. B, Sec. V.B.4	Planning	Recurring	Completed to date	Anup Kulkarni	Yes. Status and performance of their signal synchronization efforts were reported in the LSSP Updates that were completed June 30, 2023. The next submittal is due June 2026. Please reference: "Measure M2 Annual Eligibility Review," dated February 12, 2024.
109.00	Has signal equipment to give emergency vehicles priority at intersections been an eligible expense for projects implemented as part of this program?	Att. A, p. 19, Project P	Planning	Recurring	Completed to date	Anup Kulkarni	Yes. Project P includes signal equipment to give emergency vehicles priority at intersections as an eligible expense. Please reference: "Release 2024 Annual Call for Projects for Measure M2 Comprehensive Transportation Funding Programs," dated August 14, 2023, see "CTFP Guidelines – 2024 Call," chapter 8, page 8-14 in Attachment B.
110.00	Have eligible jurisdictions and Caltrans, with the County of Orange and the Orange County Division of League of Cities, established boundaries for Traffic Forums?	Att. B, Sec. III.A.5	Planning	Recurring	Completed to date	Anup Kulkarni	Yes. See the guidelines for the preparation of the original LSSP that went to the Board on July 26, 2010, and also see the latest M2 Eligibility and LSSP Guidelines from April 10, 2023. Please reference: "Guidelines for the Preparation of the Local Signal Synchronization Plans," dated July 26, 2010. "Fiscal Year 2023-24 Measure M2 Maintenance of Effort Adjustment and Updates to the Eligibility, Countywide Pavement Management Plan, and Local Signal Synchronization Plan Guidelines," dated April 10, 2023.
111.00	Project Q - LFS Program						
112.00	Are LFS funds distributed by a formula that accounts for the following factors and weightings: <ul style="list-style-type: none"> - Population - 50%? - Street mileage - 25%? - Amount of sales tax collection in each jurisdiction - 25%? 	Att. A, p. 20, Project Q Att. B, Sec. 5.C.1-3	Planning, F&A	Recurring	Completed to date	Sean Murdock	Yes. See General Accounting payments for LFS funds for FY 2022-23. Also see the AUP to the M2 Status Report for FY 2022-23 related LFS disbursements. Please reference: "Fiscal Year 2022-23 Single Audit and Agreed-Upon Procedures Reports," dated January 22, 2024. "Fiscal Year 2022-23 Project Q Local Fair Share Payments"

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113.00	General Requirements Related to Transit Projects						
114.00	Have Metrolink extensions been evaluated against well-defined and well-known criteria detailed in the Renewed Measure M Transportation Investment Plan?	Att. A, p.23, Project S	Operations/ Planning	Recurring	Completed to date	Johnny Dunning & Adriann Cardoso/ Charvalen Alacar	Yes. The Board approved Project S funding guidelines for fixed guideway projects on September 13, 2010. Project S guidelines for Bus and Station Van Extension projects were approved by the Board on December 12, 2011. Please reference: "Measure M2 Project S Funding Guidelines for Preliminary Engineering (Guideways Only)," dated September 13, 2010. "Project S 2012 Guidelines for Bus and Station Van Extension Projects," dated December 12, 2011.
115.00	Has the Authority made every effort to maximize state and federal transit dollars?	Att. B, Sec. II.B.1	Planning	Recurring	Completed to date	Adriann Cardoso	Yes. Consistent with Board approved programming policies, OCTA has maximized state and federal transit dollars for rail capital projects, as well as rail rehab projects. To date, OCTA has programmed \$625 million in state, \$868 million in federal, and \$90 million in other local funds which will be used for rail capital projects in place of M2 funds. A regular review of project funding and status occurs monthly, and all programming actions are made in accordance with the Board policies to maximize state and federal funding. Further, OCTA has received \$12 million in grant funding from the State to prepare environmental studies to support coastal regional rail resiliency and another \$5 million to study long-term solutions for coastal rail. Please reference: "2025 Federal Transportation Improvement Program and Financial Plan," dated February 12, 2024.

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116.00	<p>Prior to the allocation of Net Revenues for a Transit Project, has the Authority obtained a written agreement from the appropriate jurisdiction that the project will be constructed, operated, and maintained to minimum standards acceptable to the Authority?</p>	Att. B, Sec. II.B.2	Operations, Capital Programs & Planning	Recurring	Completed to date	Johnny Dunning, Jim Beil & Adriann Cardoso/Charvalen Alacar	<p>Yes. As transit projects are approved for development and/or funding by the Board to be implemented or in any way augmented by OCTA or Board-approved funding, necessary agreements are entered into with each jurisdiction to define roles and responsibilities during project phases as well as post-completion. At any given time, there are multiple agreements in place for projects. To date, there are active agreements in place for all funded capital projects. See example such as the Anaheim Canyon Station Project contract C-4-1714. Agreements for all transit projects can be found in the M2 Document Center.</p>
117.00	<p>Requirements Related to Specific Transit Projects</p>						

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118.00	Has a series of new, well-coordinated, flexible transportation systems, each one customized to the unique transportation vision the station serves, been developed?	Att. A, p. 21 - General Transit, Att. A, p. 23, Project S	Capital Programs & Operations (for Project S)	30-year	Underway	Jim Beil & Adriann Cardoso/Charvalen Alacar	<p>Yes. The Board approved the Project S funding guidelines on September 13, 2010, and December 12, 2011 (See notes in Item 114.00). On November 22, 2010, the Board evaluated and awarded Project S funds to the City of Anaheim and the City of Santa Ana for preliminary engineering of fixed-guideway projects. However, on June 27, 2016, the Board approved an amendment to Agreement C-1-3115 with City of Anaheim to conclude all planning efforts on their fixed-guideway project. The Santa Ana-Garden Grove OC Streetcar project has an executed Full Funding Grant Agreement with Federal Transit Administration (FTA) and is in the construction phase. On July 23, 2012, four rubber-tire projects were approved for the first call. Three projects were cancelled and one (City of Anaheim) was implemented and completed (as of June 30, 2020). The City of Anaheim project has continued (as of July 1, 2020) under a Project V grant. No other rubber-tire project calls are anticipated at this time.</p> <p>Please reference: "Measure M2 Project S Programming Recommendations," dated November 22, 2010. "Project S Bus and Station Van Extension – 2012 Call for Projects Programming Recommendations," dated July 23, 2012. "Comprehensive Transportation Funding Programs Semi-Annual Review – September 2015," dated December 14, 2015. "Anaheim Rapid Connection and Future Transit Connectivity to OC Streetcar," dated June 27, 2016.</p>
119.00	Project R - High Frequency Metrolink Service						

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120.00	Has Project R increased rail services within the county and provided frequent Metrolink service north of Fullerton to Los Angeles?	Att. A, p. 23, Project R	Operations	30-year	Completed to date	Johnny Dunning	<p>Yes. Through the completion of the Metrolink Service Expansion Program (MSEP) capital activities, additional service has been added, providing more intra-county trains. MSEP improvements have added infrastructure to support as many as 76 trains a day, but the Comprehensive Business Plan currently shows that only 59 are sustainable based on projected revenues and operating funds, and that number has been added over the past several years. Ten intra-county trains and two Inland Empire-OC trains have been added since July 2011.</p> <p>Effective October 14, 2019, two of the existing MSEP trains serving Laguna Niguel to Fullerton were extended to serve Los Angeles. A new round trip on the 91 Line was also implemented, providing additional service between Los Angeles and Riverside via Fullerton.</p> <p>In March 2020, all Metrolink services were impacted by the statewide enforcement of stay-at-home orders that resulted from the COVID-19 pandemic. As of December 31, 2023, the three lines serving Orange County (Orange County, Inland Empire-Orange County, and the 91/Perris Valley lines) are operating 45 weekday trains, a 17 percent reduction from the 54 daily trains being run prior to the pandemic. As ridership continues to recover, Metrolink and OCTA will continue to reassess the service needs in Orange County.</p> <p>Please reference: "Metrolink Service Expansion Program Update," dated November 26, 2012. "Metrolink Fiscal Year 2021-22 Performance Report," dated October 24, 2022. "Metrolink Proposed FY24 Budget," dated May 8, 2023. "Public Hearing on Orange County Transportation Authority's Fiscal Year 2023-24 Budget and Personnel and Salary Resolution," dated June 12, 2023. "Metrolink Mid-Year Report," dated January 11, 2024.</p>
121.00	Has Project R provided for track improvements, more trains, and other related needs to accommodate the expanded service?	Att. A, p. 23, Project R	Capital Programs - Rail	30-year	Completed to date	Jim Beil	<p>Yes. Project R has made numerous improvements to passenger rail infrastructure, with more on the way. This is an ongoing program of improvements as needed, based on available Project R and state and</p>

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							<p>federal funding. Current projects include track, signal, and rail crossing improvements to enhance rail operations and safety. Construction of the Laguna Niguel to San Juan Capistrano passing siding was completed in November 2020, construction for the replacement of the San Juan Creek railroad bridge is anticipated to begin in 2024, and work to finalize a south County rail corridor climate change assessment was completed in January 2021. There have also been various safety and security improvements completed. Project development began on numerous Metrolink Southern California Optimized Rail Service (SCORE) projects in Orange County which include the Orange County Maintenance Facility, and numerous track and signal improvements to increase rail operations capacity.</p> <p>For 2023 status of Project R improvements, please reference: "Second Quarter Fiscal Year 2023-24 Capital Action Plan Performance Metrics Report," dated February 12, 2024.</p>
122.00	<p>Has the service included upgraded stations and added parking capacity; safety improvements and quiet zones along the tracks; and frequent shuttle service and other means to move arriving passengers to nearby destinations?</p>	Att. A, p. 23, Project R	Capital Programs - Rail	30-year	Completed to date	Jim Beil	<p>Yes. Construction has been completed on the Orange Metrolink Station parking structure (February 2019), pedestrian access improvements to the undercrossing at Laguna Niguel/Mission Viejo (LN/MV) Station (September 2017), a new second elevator at the Fullerton Station (May 2019), lighting enhancements at San Clemente Pier (March 2017), new and rehabilitated detectable tiles on train platforms at all stations (June 2021), and an additional passenger platform and station track at Anaheim Canyon Station (January 2023). Project development is underway on a new Metrolink station in the City of Placentia, and environmental clearance work began on the Irvine Station improvements including track and station reconfigurations (which is part of the Metrolink SCORE program).</p> <p>Please reference: "Second Quarter Fiscal Year 2023-24 Capital Action Plan Performance Metrics Report," dated February 12, 2024.</p>
123.00	<p>Has Project R included funding for improving grade crossings and constructing over or underpasses at high volume streets that cross Metrolink tracks?</p>	Att. A, p. 23, Project R	Capital Programs - Rail	30-year	Awaiting Funding Availability	Jim Beil/Jason Lee	<p>Yes. Grade separation environmental documents are completed for the 17th Street grade separation project in Santa Ana, and State College Boulevard project in Anaheim. There are five other grade separations</p>

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							with PSR or PSR equivalents completed and awaiting funding to proceed further.
124.00	Project S - Transit Extensions to Metrolink						
125.00	Has a competitive program been established for local jurisdictions to broaden the reach of the rail system to other activity centers and communities?	Att. A, p. 23, Project S	Planning	30-year	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. Project S Guidelines were developed for both fixed guideway and rubber tire projects and are included in OCTA's CTFP Guidelines which specifies the criteria for projects to be evaluated when competing for funding. The CTFP Guidelines are updated annually, with the latest revision to the Project S guidelines in August 2017. Please reference: "Measure M2 Comprehensive Transportation Funding Programs – 2018 Annual Call for Projects," dated August 14, 2017.
126.00	Have proposals for extensions been developed and supported by local jurisdictions and evaluated against well-defined and well-known criteria as follows: <ul style="list-style-type: none"> - Traffic congestion relief? - Project readiness with priority to projects that can be implemented within the first five years of the Plan? - Local funding commitments and the availability of right of way? - Proven ability to attract other financial partners, both public and private? - Cost-effectiveness? - Proximity to jobs and population centers? - Regional as well as local benefits? - Ease and simplicity of connections? - Compatible, approved land uses? - Safe and modern technology? - A sound, long-term operating plan? 	Att. A, p. 23, Project S	Planning	30-year	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. Following the criteria identified in the Ordinance as well as the guidelines specified for Project S in the CTFP Guidelines adopted by the Board, the first round of applications for fixed guideway funding were evaluated on November 22, 2010. The same process was followed for the Rubber Tire call under Project S. The Board approved the Project S Guidelines for the Bus and Station Extension Projects Linking to the Metrolink Corridor on December 12, 2011. All projects recommended to move forward and those not recommended to move forward are presented to the Board as part of the call programming recommendations staff reports. On June 27, 2016, the Board approved an amendment to Agreement C-1-3115 with City of Anaheim to conclude all planning efforts on their fixed-guideway project. Please reference: "Measure M2 Project S Funding Guidelines for Preliminary Engineering (Guideways Only)," dated September 13, 2010. "Project S 2012 Guidelines for Bus and Station Van Extension Projects," dated December 12, 2011. "Project S Bus and Station Van Extension - 2012 Call for Projects Programming Recommendations," dated July 23, 2012. "Fixed-Guideway Policy Decisions Overview," dated May 12, 2014.

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							<p>"Santa Ana/Garden Grove Fixed-Guideway Proposed Financial and Implementation Plans," dated August 11, 2014.</p> <p>"Memorandum of Understanding with the City of Santa Ana for the Santa Ana/Garden Grove Streetcar Project," dated July 13, 2015.</p> <p>"Anaheim Rapid Connection and Future Transit Connectivity to OC Streetcar," dated June 27, 2016.</p>
126.01	<p>Has Project S, as required, not been used to fund transit routes that are not directly connected to or that would be redundant to the core rail service on the Metrolink corridor?</p>	Att. A, p. 23, Project S	Planning	30-year	Completed to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. Any Project S funds that have been approved by the Board have been consistent with the program guidelines and as such have only been made available for guideway projects and rubber tire projects that directly connect to an existing Metrolink station. On August 11, 2014, the Board approved the use of Project S funds for operations of fixed-guideway projects. The most recent OC Streetcar Project funding plan (revised) was approved by the Board on April 24, 2023.</p> <p>Please reference the following for documentation of compliance:</p> <p>"Measure M2 Project S Programming Recommendations," dated November 22, 2010.</p> <p>"Measure M2 Project S Cooperative Agreements with Cities of Anaheim and Santa Ana for Funding the Preliminary Engineering Phase of Proposed Fixed Guideway Systems," dated March 14, 2011.</p> <p>"Project S Bus and Station Van Extension - 2012 Call for Projects Programming Recommendations," dated July 23, 2012.</p> <p>"Santa Ana/Garden Grove Fixed-Guideway Proposed Financial and Implementation Plans," dated August 11, 2014.</p> <p>"OC Streetcar Project Revised Funding Plan," dated July 9, 2018.</p> <p>"OC Streetcar Cost and Schedule Update," dated December 13, 2021.</p> <p>"OC Streetcar Revised Funding Plan and Amendments to Supporting Agreements," dated April 24, 2023.</p>
126.02	<p>Has the emphasis been on expanding access to the core rail system and on establishing connections to communities and major activity centers that are not immediately adjacent to the Metrolink corridor?</p>	Att. A, p. 23, Project S	Planning	30-year	Completed to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. Planning activities completed to date have been done with an emphasis on expanding access to the core rail system and establishing connections to communities and major activity centers. The OC Streetcar alignment fits this criterion. A key aspect of that evaluation</p>

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							includes detailed study on passengers making connections at the existing stations. Please reference: "Completion of Milestones for the Santa Ana/Garden Grove Fixed-Guideway Project," dated September 22, 2014.
126.03	Have multiple transit projects been funded with no single project being awarded all the funding under this project?	Att. A, p. 23, Project S	Planning	30-year	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. There have been two fixed-guideway projects and four rubber tire projects awarded funding by the Board. Currently one fixed guideway project concept is advancing through the program (OC Streetcar). The rubber tire services have either been completed, cancelled, or extended through Project V. Please reference the following for documentation of compliance: "Measure M2 Project S Programming Recommendations," dated November 22, 2010. "Project S Bus and Station Van Extension - 2012 Call for Projects Programming Recommendations," dated July 23, 2012.
127.00	Have Eligible Jurisdictions, in order to be eligible to receive Net Revenues for Transit Extensions, executed written agreements between the Authority and eligible jurisdictions regarding the respective roles and responsibilities pertaining to construction, ownership, operation and maintenance of the Transit Extensions to Metrolink?	Att. B, Sec. VI.A.2	Planning & Capital Programs - Rail	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. Upon each award of funding from the Board, a cooperative agreement has been executed with each agency to define roles, responsibilities, and terms of funding. On March 14, 2011, and May 20, 2011, respectively, agreements were executed with the cities of Anaheim (C-1-2448) and Santa Ana (C-1-2447) to define roles and responsibilities related to funding the preliminary engineering phase of their respective proposed fixed-guideway projects (Anaheim Rapid Connection [ARC] and OC Streetcar). On August 11, 2014, the Board authorized the CEO to negotiate and execute a cooperative agreement with the Cities of Santa Ana and Garden Grove to define roles and responsibilities for project development through construction of the OC Streetcar (Santa Ana/Garden Grove Fixed-Guideway Project). On August 1, 2015 and May 9, 2016, respectively, agreements were executed with the cities of Santa Ana (C-5-3583) and Garden Grove (C-5-3807) to define roles for the design phase of the OC Streetcar project. On March 17, 2017, an agreement was executed with the City of Santa Ana (C-6-1433) for use

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							<p>of public ROW for the construction, operations and maintenance of the OC Streetcar Project. On April 18, 2017 and May 8, 2017, respectively, agreements were executed with the cities of Santa Ana (C-6-1516) and Garden Grove (C-7-1556) to define roles for the construction phase of the OC Streetcar Project. On June 1, 2017, an amended and restated agreement was executed with the City of Santa Ana (C-94-859) for the Santa Ana Regional Transportation Center and the OC Streetcar.</p> <p>On December 14, 2016, an amendment was executed with the City of Anaheim (C-1-3115) to conclude all planning efforts on the ARC fixed-guideway project, and to determine OCTA would serve as the lead agency for any future phases of the project.</p> <p>For the Rubber Tire Program, Cooperative Agreements were established on September 18, 2012, and October 4, 2012, respectively, with the cities of Anaheim (C-2-1668) and Lake Forest (C-2-1667). As of 2020, all agreements have either been cancelled or completed. Note: The Anaheim project was extended under the Project V program.</p>
128.00	<p>Has a countywide competitive procedure for Project S been prepared in consultation with eligible jurisdictions and adopted by the Authority which included an evaluation process and methodology applied equally to all candidate projects?</p>	Att. B, Sec. VI.B.3	Planning	One-time	Completed to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. Project S Guidelines were developed for both fixed guideway and rubber tire projects in consultation with local jurisdictions.</p> <p>On September 13, 2010, the Board approved Project S funding guidelines for fixed-guideway projects, and on November 22, 2010, the Board evaluated and awarded funds to Anaheim and Santa Ana for preliminary engineering of fixed-guideway projects.</p> <p>The same process was followed for the rubber tire projects under Project S. On December 12, 2011, the Board approved the Project S Guidelines for the Bus and Station Extension Projects Linking to the Metrolink Corridor, and on July 23, 2012, funds were awarded to Anaheim and Lake Forest based on Board-approved criteria. Please reference:</p>

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							“Measure M2 Project S Funding Guidelines for Preliminary Engineering (Guideways Only),” dated September 13, 2010. “Measure M2 Project S Programming Recommendations,” dated November 22, 2010. “Project S 2012 Guidelines for Bus and Station Van Extension Projects,” dated December 12, 2011. “Project S Bus and Station Van Extension - 2012 Call for Projects Programming Recommendations,” dated July 23, 2012.
129.00	Project T - Convert Metrolink Stations to Regional Gateways						
130.00	Has the program provided local improvements necessary to connect planned future high speed rail systems to stations on the Orange County Metrolink route?	Att. A, p. 24, Project T	Planning & Capital Programs - Rail	30-year	Completed	Jim Beil & Adriann Cardoso/ Charvalen Alacar	<p>Yes. The Anaheim Regional Transportation Intermodal Center (ARTIC), designed to accommodate future High-Speed rail service and will serve as the southern terminus for the California High Speed Rail in Orange County, opened in December 2014.</p> <p>Upon completion, the Board moved the remainder of Project T funding to Project R and Project U. Please reference: “Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan Amendment Update,” dated March 14, 2016.</p>
131.00	Have eligible Jurisdictions, in order to be eligible to receive Net Revenues, executed written agreements with the Authority regarding the respective roles and responsibilities pertaining to construction, ownership, operation and maintenance of the facilities?	Att. B, Sec. VI.B.2	Capital Programs – Rail	Recurring	Completed	Jim Beil/George Olivo	<p>Yes. As part of each project’s development process, OCTA enters into cooperative agreements with host cities. These agreements define roles and responsibilities for the representative phase as well as ongoing maintenance of improvements. All train stations have an operations agreement with the respective cities.</p> <p>The operations and maintenance agreement with the City of Anaheim (C-3-2137) was executed on December 31, 2014.</p>
132.00	Has a countywide competitive procedure for Project T been prepared in consultation with eligible jurisdictions and adopted	Att. B, Sec. VI.B.3	Planning	One-time	Completed	Adriann Cardoso/ Charvalen Alacar	<p>Yes. A call was issued in consultation with local jurisdictions and funds were awarded based on Board-approved criteria on January 26, 2009. Please reference: “Renewed Measure M Project T Funding Guidelines.”</p>

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	by the Authority which included an evaluation process and methodology applied equally to all candidate projects?						<p>These guidelines were modified on February 14, 2011. Please reference: "Measure M2 Project T Program Guideline Modifications," dated February 14, 2011.</p> <p>On December 14, 2015, an Ordinance Amendment was approved by the Board to closeout Project T. Please reference: "Public Hearing to Amend the Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan for the Transit Program," dated December 14, 2015.</p>
133.00	Project U - Expand Mobility Choices for Seniors and Persons with Disabilities						
134.00	Has one percent of Net Revenues been allocated to the County to augment existing senior non-emergency medical transportation (SNEMT) services funded with Tobacco Settlement funds?	Att. B, Sec. VI.C.3.a	F&A	Recurring	Completed to date	Sean Murdock & Joanne Jacobsen	<p>Yes. See General Accounting payments for SNEMT funds for FY 2022-23. Also see the AUP to the M2 Status Report for FY 2022-23 related to SNEMT. Please reference: "Fiscal Year 2022-23 Measure M2 Project U Senior Non-Emergency Medical Transportation Payments" "Fiscal Year 2022-23 Single Audit and Agreed-Upon Procedures Reports," dated January 22, 2024.</p>
135.00	Has the County continued to fund these services in an amount equal to the same percentage of the total annual Tobacco Settlement funds received by the County?	Att. B, Sec. VI.C.3.a	F&A	Recurring	Completed to Date	Sean Murdock & Joanne Jacobsen	<p>Yes. The County is required to allocate at least 5.27% of Tobacco Settlement Revenue (TSR) funds to meet their MOE obligation under M2. The County allocation for FY 2022-23 was 5.74%. See supporting documentation from the County showing Measure H Tobacco Settlement Revenues allocated to SNEMT. Please reference: "Fiscal Year 2022-23 Senior Non-Emergency Medical Transportation Maintenance of Effort Verification," correspondence dated January 26, 2024.</p>

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136.00	Have Net Revenues been annually allocated to the County in an amount no less than the Tobacco Settlement funds annually expended by the County for these services and no greater than one percent of Net Revenues plus any accrued interest?	Att. B, Sec. VI.C.3a	F&A	Recurring	Completed to date	Sean Murdock & Joanne Jacobsen	Yes. The M2 SNETM funding allocation to the County for FY 2022-23 of \$4,288,164 exceeded TSR funding of \$1,783,497. Therefore, the M2 funding is no less than the TSR funding, and no more than 1% of net revenue as required under the Ordinance. Please reference: "Fiscal Year 2022-23 Measure M2 Project U Senior Non-Emergency Medical Transportation Payments" "Fiscal Year 2022-23 Senior Non-Emergency Medical Transportation Maintenance of Effort Verification," correspondence dated January 26, 2024.
137.00	Has one percent of Net Revenues been allocated to continue and expand the Senior Mobility Program (SMP) provided by the Authority in 2006 with allocations determined pursuant to criteria and requirements as adopted by the Authority?	Att. B, Sec. VI.C.3.b	F&A, Transit	Recurring	Completed to date	Sean Murdock & Joanne Jacobsen	Yes. See General Accounting payments for SMP funds for FY 2022-23. Also see the AUP applied to the FY 2022 M2 Status Report. Please reference: "Fiscal Year 2022-23 Project U Senior Mobility Program Payments" "Fiscal Year 2022-23 Single Audit and Agreed-Upon Procedures Reports," dated January 22, 2024.
138.00	Has one and forty-seven hundredths percent (Ordinance amendment on 12/14/15 to increase allocation from 1% to 1.47%) of Net Revenues been allocated to partially fund bus and ACCESS fares for seniors and persons with disabilities in an amount equal to the percentage of funding as of the effective date of the Ordinance and to partially fund train and other transit fares for seniors and persons with disabilities as determined by the Authority?	Att. B, Sec. VI.C.3.c	F&A, Transit	Recurring	Completed to date	Sean Murdock & Joanne Jacobsen	Yes. See General Accounting Fare Stabilization Revenue Allocation chart. In addition to the 1%, the Board approved an amendment to the M2 Ordinance No. 3 on December 14, 2015 (updated on March 14, 2016), which increased the Fare Stabilization allocation from 1% to 1.47% of Net Revenues. Please reference: "Measure M2 Fare Stabilization Update," dated June 23, 2014. "Measure M2 Fare Stabilization Update," dated September 28, 2015. "Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan Amendment Update," dated March 14, 2016. "Fiscal Year 2022-23 Measure M2 Fare Stabilization Payments"
139.00	In the event any Net Revenues to be allocated for seniors and persons with disabilities pursuant to the requirements of subsections a., b., and c. remain after the requirements are satisfied, have the remaining Net Revenues been allocated for	Att. B, Sec. VI.C.3.d	F&A, Transit	Recurring	Underway	Sean Murdock	The requirements of each of the programs have not been satisfied, however, excess revenues for the programs will remain within each individual program to be used to pay for future program expenditures should the need arise.

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	other transit programs or projects for seniors and persons with disabilities as determined by the Authority?						
140.00	Project V - Community Based Transit/Circulators						
141.00	Have all such projects [within Project V], in order to be considered for funding, met performance criteria for ridership, connection to bus and rail services, and financial viability?	Att. A, p. 25, Project V	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. Per the Project V Guidelines adopted by the Board on November 13, 2023, performance criteria for ridership, connections to bus and rail services and financial viability were specifically required to be defined as part of the application process prior to competing and receiving funding. Please reference: "2024 Project V Community-Based Transit/Circulators Program Guidelines and Call for Projects," dated November 13, 2023.
142.00	Have all such projects been competitively bid?	Att. A, p. 25, Project V	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. Per Project V Guidelines adopted by the Board, projects are required to follow competitive procedures including procurement. Local agencies followed the procedures, where applicable, based on the nature of their projects and the procurement policies. 2024 Project V Guidelines include administrative priority to engage in competitive procurements and re-procurements for all continuing existing services by June 30, 2026. Please reference: "2024 Project V Community-Based Transit/Circulators Program Guidelines and Call for Projects," dated November 13, 2023.
143.00	As a condition of being funded, have such projects been determined not to duplicate or compete with existing transit services?	Att. A, p. 25, Project V	Planning, Transit	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. OCTA staff evaluated all project applications before preparing final recommendations for the Board to ensure that proposed services would continue funding existing successful services, new special event services, expand new share-ride hailing options, and allow for future planning. The Board approved project allocations on April 13, 2020. OCTA staff will continue to monitor the projects to ensure that services funded with Project V do not duplicate existing transit services.

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							<p>The same requirements to ensure that services funded with Project V do not duplicate existing transit services is also included in the 2024 Project V Guidelines as a measure of evaluation for the 2024 call.</p> <p>Please reference: "2020 Measure M2 Community-Based Transit Circulators (Project V) Call for Projects Programming Recommendations," dated April 13, 2020. "2024 Project V Community-Based Transit/Circulators Program Guidelines and Call for Projects," dated November 13, 2023.</p>
144.00	<p>For any of its projects to be eligible for funding, has the Eligible Jurisdiction executed a written agreement with the Authority regarding the respective roles and responsibilities pertaining to construction, ownership, operation, and maintenance of the project?</p>	Att. B, Sec. VI.D.2	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. OCTA executed Cooperative Funding Agreements with each local agency and identified roles and responsibilities pertaining to operation, construction, maintenance, and uses of the facilities and vehicles. All M2 funding agreements and Letter agreements are available in the M2 Document Center. A list of the corresponding contract numbers can be found in the Document Center.</p> <p>Please reference: "Project V Cooperative Agreements," dated December 4, 2023.</p>
145.00	<p>Have any allocations of Net Revenues to such projects been determined pursuant to a countywide competitive procedure adopted by the Authority?</p>	Att. B, Sec. VI.D.3	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. The Board approved updated Project V Guidelines on November 13, 2023, and also issued a call on that date.</p> <p>Please reference: "2024 Project V Community-Based Transit/Circulators Program Guidelines and Call for Projects," dated November 13, 2023.</p>
146.00	<p>Does the competitive procedure include an evaluation process and methodology applied equally to all candidate Community Based Transit/Circulator projects?</p>	Att. B, Sec. VI.D.3	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. See 2024 Project V Guidelines adopted by the Board on November 13, 2023.</p> <p>Please reference: "2024 Project V Community-Based Transit/Circulators Program Guidelines and Call for Projects," dated November 13, 2023.</p>
147.00	<p>Have Eligible Jurisdictions been consulted by the Authority in the development of the evaluation process and methodology?</p>	Att. B, Sec. VI.D.3	Planning	One-time	Completed to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. Typically, OCTA has requested letters of interest prior to Project V calls and holds workshops with interested parties to discuss potential changes to the guidelines prior to taking those guidelines to the Board. In the most recent cycle, two workshops were conducted in the fall of 2023 (October 11, 2023, and October 30, 2023). The first workshop was focused on providing guidance to local agencies to help them understand CTFP Guidelines revisions and provide feedback regarding</p>

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							<p>application development, evaluation process and methodology. The second workshop was to allow potential Project V vendors to share presentations with the agencies, showcasing their capabilities and experience, with time allowed for questions and answers.</p> <p>Please reference: "Local Jurisdictions' Interest in Project V Call for Projects," dated August 14, 2023. "2024 Project V Community-Based Transit/Circulators Program Guidelines and Call for Projects," dated November 13, 2023.</p>
148.00	Project W - Safe Transit Stops						
149.00	<p>Have amenities been provided at the 100 busiest transit stops across the County? Were they designed to ease transfer between bus lines and provide amenities such as improved shelters, lighting, current information on bus and train timetables and arrival times, and transit ticket vending machines?</p>	Att. A, p. 25, Project W	Planning	30-year	Completed to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. The Board approved Project W CTFP Guidelines revisions and also approved the issuance of 2019 Project W call, in order to allocate funds for the Top 100 Busiest Stops in Orange County.</p> <p>Please reference: "2019 Project W Safe Stops Call for Projects," dated October 22, 2018.</p> <p>On June 24, 2019, the Board approved Project W funds for 36 stops.</p> <p>Please reference: "Measure M2 Project W Safe Transit Stops – 2019 Programming Recommendations," dated June 24, 2019.</p> <p>Project W funding is eligible for projects that install new transit shelters at locations where there are no shelters present, and replace aging shelters, shade, and amenities that have become run down over time. The Board directed staff to issue another Project W call in 2020 to again consider the needs at the 100 busiest bus stops in order to ensure that all eligible entities have another opportunity to apply for funding and improve bus stops. On September 14, 2020, the Board approved a third allocation of Project W funds for 35 stops.</p> <p>Please reference: "Measure M2 Project W Safe Transit Stops – 2020 Programming Recommendations," dated September 14, 2020.</p> <p>Please also reference:</p>

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							<p>“Measure M2 Project W Safe Transit Stops,” dated March 10, 2014. “Measure M2 Project W Safe Transit Stops – 2014 Programming Recommendations,” dated July 14, 2014. “Comprehensive Transportation Funding Programs Semi-Annual Review – March 2015,” dated June 8, 2015.</p>
150.00	Requirements Related to Project X						
151.00	Have Environmental Cleanup funds been used on a countywide, competitive basis to meet federal Clean Water Act standards for controlling transportation-generated pollution as called for in Attachment A?	Att. A, p. 27, Project X	Planning	30-year	Completed to date	Dan Phu	<p>Yes. The Board has authorized several countywide competitive calls for both a Tier 1 and Tier 2 Environmental Cleanup Program (ECP {Project X}) providing funding to improve water quality. To date, 13 rounds of funding under the Tier 1 grants program have been awarded by the Board. A total of 222 projects in the amount of over \$36 million have been awarded since 2011. There have been two rounds of funding under the Tier 2 grants program. A total of 22 projects in the amount of \$27.89 million have been awarded by the Board since 2013. To date, all Orange County cities plus the County of Orange have received funding under this program. The next Tier 1 and Tier 2 calls are anticipated to be released in early 2024.</p> <p>For the most recent Tier 1 and Tier 2 guidelines, please reference: “Measure M2 Environmental Cleanup Program (Project X) - Tier 1 2023 Grant Program Call for Projects,” dated February 13, 2023. “Measure M2 Environmental Cleanup Allocation Program – Funding Program Guidelines Revisions and Tier 2 Grant Program Call for Projects,” dated June 10, 2013.</p> <p>For the most recent Tier 1 and Tier 2 programming recommendations, please reference: “Measure M2 Environmental Cleanup Program – Fiscal Year 2013-14 Tier 2 Water Quality Grant Funding Allocations,” dated April 14, 2014. “Comprehensive Transportation Funding Programs - Project X Tier 1 2023 Call for Projects Programming Recommendations,” dated August 14, 2023.</p>
152.00	Does the program augment, not replace existing transportation related water quality expenditures and emphasize high impact capital improvements over local operations and maintenance costs?	Att. A, p. 27, Project X	Planning	30-year	Completed to date	Dan Phu	<p>Yes. This requirement is specified in Chapter 11 of the CTFP guidelines. As a note, Chapter 11 of the CTFP guidelines gets periodic updates to improve on the process. Please reference:</p>

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							See notes in Item 151.00 for Tier 1 and Tier 2 Guideline Revisions and Call.
153.00	Has a comprehensive countywide capital improvement program for transportation related water quality improvements been developed?	Att. A, p. 27, Project X	Planning	One-time, start-up	Completed	Dan Phu	Yes. The Board approved a two-tiered funding program for water quality improvement projects. These guidelines are incorporated into Chapter 11 of the CTFP guidelines. To date, 13 rounds of funding under the Tier 1 program and two rounds under the Tier 2 have been allocated for these purposes. Please reference: See notes in Item 151.00 for Tier 1 and Tier 2 Guideline Revisions and Call. "Measure M2 Environmental Cleanup Program – A Two-Tier Grant Funding Approach," dated May 24, 2010.
154.00	Has a competitive grant process to award funds to the highest priority, most cost-effective projects been developed?	Att. A, p. 27, Project X	Planning	One-time, start-up	Completed	Dan Phu	Yes. The Tier 1 and Tier 2 project evaluation criteria were adopted by the Board and integrated as Chapter 11 of the CTFP guidelines. As a note, Chapter 11 of the CTFP guidelines gets periodic updates to improve on the process. Please reference: See notes in Item 151.00 for Tier 1 and Tier 2 Guideline Revisions and Call.
155.00	Has a matching requirement to leverage federal, state, and local funds for water quality improvement been established?	Att. A, p. 27, Project X	Planning	One-time, start-up	Completed	Dan Phu	Yes. The Tier 1 and Tier 2 project evaluation criteria were adopted by the Board. These matching requirements are specified in Chapter 11 of the CTFP guidelines. As a note, Chapter 11 of the CTFP guidelines gets periodic updates to improve on the process. Please reference: See notes in Item 151.00 for Tier 1 and Tier 2 Guideline Revisions and Call.
156.00	Has an MOE requirement been established to ensure that funds augment, not replace existing water quality programs?	Att. A, p. 27, Project X	Planning	One-time, start-up	Completed	Dan Phu	Yes. These are specified in Chapter 11 of the CTFP guidelines. Also, this becomes part of the evaluation process for candidate projects. Please reference: See notes in Item 151.00 for Tier 1 and Tier 2 Guideline Revisions and Call.
157.00	Has there been annual reporting on actual expenditures and assessment of water quality benefits provided?	Att. A, p. 27, Project X	Planning, External Affairs	Recurring	Completed to date	Dan Phu & Marissa Espino	Yes. The M2 Annual Report includes reporting on ECP actual expenditures. The Environmental Cleanup Allocation Committee (ECAC) has developed a database to estimate the trash removed by the funded

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							Tier 1 and Tier 2 projects to report on benefits of the program. The benefits are reported in the M2 Quarterly Reports and as standalone updates to the ECAC and Board. Please reference: "Measure M Annual Report 2023." "M2 Quarterly Progress Report for the Period of October 2023 to December 2023," dated March 11, 2024.
158.00	If there has been any misuse of these funds, have penalties been imposed?	Att. A, p. 27, Project X	Planning	Recurring	N/A	Dan Phu	Not applicable because there has been no finding of misuse of funds to date. Assessment of appropriate use occurs through the initial and final payment processes and SAR process.
159.00	Has an ECAC, including the following 12 voting members, but not including any elected public officer, been established: <ul style="list-style-type: none"> - One representative of the County of Orange? - Five representatives of cities (one per supervisorial district)? - One representative of the Caltrans? - Two representatives of water or wastewater public entities? - One representative of the development industry? - One representative of private or non-profit organizations involved in water quality protection/enforcement matters? 	Att. B, Sec. VII.B.1.i-vii	Planning, External Affairs	Recurring	Completed to date	Dan Phu & Marissa Espino	Yes. Creation of ECAC occurred in 2008. The initial roster was presented to the Board on August 25, 2008, as Attachment B to the Staff Report. Please reference: "Status Report on Renewed Measure M Environmental Programs," dated August 25, 2008. "Membership Appointments for the Measure M2 Environmental Cleanup Allocation Committee," dated June 12, 2023.
160.00	Does the ECAC also include one representative of the Santa Ana Regional Water Quality Control Board and one representative of the San Diego Regional Water Quality Control Board as non-voting members?	Att. B, Sec. VII.B.1.i-vii	Planning, External Affairs	Recurring	Completed	Dan Phu	Yes. Creation of ECAC occurred in 2008. The initial roster was presented to the Board on August 25, 2008, as Attachment B to the Staff Report. Member rosters for each year are saved in the M2 Document Center. Please reference: "Status Report on Renewed Measure M Environmental Programs," dated August 25, 2008. "Membership Appointments for the Measure M2 Environmental Cleanup Allocation Committee," dated June 12, 2023.
161.00	Has the ECAC recommended to the Authority for the Authority's adoption the following:	Att. B, Sec. VII.B.2.	Planning	One-time, start-up	Completed	Dan Phu	See notes in Items 161.01 to 161.04.

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161.01	A competitive grant process for the allocation of Environmental Cleanup Revenues as set forth in Attachment B.	Att. B, Sec. VII.B.2.a	Planning	One-time, start-up	Completed	Dan Phu	Yes. The ECAC created guidelines that were approved by the Board on February 14, 2011. This is also included in Chapter 11 of the CTFP. Please reference: “Measure M2 Environmental Cleanup Allocation Program – Incorporation into the Comprehensive Transportation Funding Program and Tier 1 Grant Program 2011 Call for Projects,” dated February 14, 2011. “Measure M2 Environmental Cleanup Program (Project X) - Tier 1 2023 Grant Program Call for Projects,” dated February 13, 2023, see attached Guidelines Chapter 11.
161.02	A process requiring that allocated Environmental Cleanup Revenues supplement and not supplant other applicable funding sources.	Att. B, Sec. VII.B.2.b	Planning	One-time, start-up	Completed	Dan Phu	Yes. The ECAC ensures that as part of the application process, projects meet the criteria specified in the Ordinance. This is part of the guidelines which are included in Chapter 11 of the CTFP. Please reference: “Measure M2 Environmental Cleanup Program (Project X) - Tier 1 2023 Grant Program Call for Projects,” dated February 13, 2023, see attached Guidelines Chapter 11.
161.03	Allocation of Environmental Cleanup Revenues for proposed projects and programs.	Att. B, Sec. VII.B.2.c	Planning	Recurring	Completed to date	Dan Phu	Yes. The ECAC reviews applications and makes recommendations on funding allocation, which is then approved by the Board. Please reference: “Comprehensive Transportation Funding Programs – Project X Tier 1 2023 Call for Projects Programming Recommendations,” dated August 14, 2023.

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2023 Response
161.04	An annual reporting procedure and method to assess water quality benefits provided by the projects and programs.	Att. B, Sec. VII.B.2.d	Planning, External Affairs	Recurring	Completed to date	Dan Phu	Yes. The ECAC has developed a database to estimate the trash removed by the funded Tier 1 and Tier 2 projects to report on benefits of the program. This is an ongoing process and the latest water quality benefits are reported in the M2 Quarterly Reports and as standalone updates to the ECAC and Board. Please reference: "Environmental Cleanup Allocation Committee Agenda," dated December 11, 2014. "OCTA Measure M2 Tier 1 and Tier 2 – Potential Water Resources Benefits of Funded Projects," memo from Geosyntec Consultants, dated April 22, 2015. "Measure M2 Environmental Cleanup Program Updates and Next Steps," dated December 11, 2017. "Measure M2 Quarterly Progress Report for the Period of October 2023 through December 2023," dated March 11, 2024.
162.00	Safeguards and Audits						
163.00	The requirements listed in Attachment A page 28-29 are covered in other areas of the matrix as they relate to quarterly and annual reporting.	Att. A, p.28-29					
164.00	Requirements Related to the Taxpayers Oversight Committee (TOC)						
165.00	Was a Taxpayers Oversight Committee established for the purpose of overseeing compliance with the Ordinance as specified in Attachment B, Section IV and organized and convened before any Revenues were collected or spent pursuant to the Ordinance?	Att. C, Sec. I	External Affairs	One-time, start-up	Completed	Alice Rogan	Yes. The TOC updated the former procedures from the M1 COC to accommodate additional responsibilities under M2 in August 2008. Please reference: "Taxpayers Oversight Committee Agenda Packet," dated August 12, 2008.
166.00	Has the TOC been governed by its 11 members and the provisions relating to membership (including initial and ongoing appointment, geographic balance, terms, resignation, removal, reappointment, and vacancies) consistent with Attachment C of the Ordinance been followed?	Att. C, Secs. II, and III	External Affairs	Recurring	Completed to date	Alice Rogan	Yes. The TOC is governed by 11 members and the provisions relating to membership (including initial and ongoing appointment, geographic balance, terms, resignation, removal, reappointment, and vacancies), are consistent with Attachment C of the Ordinance. Please reference: "Taxpayer Oversight Committee Term History (1997-2023)," dated December 21, 2023.

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2023 Response
167.00	Has the Committee carried out the following duties and responsibilities:	Att. C, Sec. IV	External Affairs	Recurring		Alice Rogan	See notes in Items 167.01 to 167.11.
167.01	Did the initial Members of the TOC adopt procedural rules and regulations as are necessary to govern the conduct of Committee meetings as described in Attachment C?	Att. C, Sec. IV.A	External Affairs	One-time, start-up	Completed	Alice Rogan	<p>Yes. The TOC updated the former procedures from the M1 COC to accommodate additional responsibilities under M2 in August 2008. Please reference: "Taxpayer Oversight Committee Agenda Packet," dated August 12, 2008. "Taxpayer Oversight Committee Agenda Packet," dated October 14, 2008, for the August 12, 2008, meeting minutes.</p> <p>On June 14, 2016, the TOC updated the committee's Mission Statement and Policies and Procedures to remove responsibilities due to the close-out of M1. Please reference: "Taxpayer Oversight Committee Agenda Packet," dated June 14, 2016. "Taxpayer Oversight Committee Agenda Packet," dated August 9, 2016, for the June 14, 2016, meeting minutes.</p>
167.02	Did the Committee approve by a vote of not less than 2/3 of all Committee members, any amendments to the Plan which changed the funding category, programs or projects identified on page 31 of the Plan?	Att. C, Sec. IV.B	External Affairs	Recurring	Completed to date	Alice Rogan	<p>Yes. The TOC approved the first amendment to the M2 Transportation Investment Plan on October 9, 2012, and the third amendment on November 10, 2015 (Ordinance amendments do not require TOC approval). Please reference: "Public Hearing to Amend the Measure M2 Transportation Investment Plan for the Freeway Program," dated November 9, 2012, for Amendment #1. "Public Hearing to Amend the Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan for the Transit Program," dated December 14, 2015, for Amendment #3.</p>
167.03	Did the TOC receive and review, as a condition of eligibility for M2 funds, from each jurisdiction the following documents as defined in Att. B, Sec. I?	Att. C, Sec. IV.C and Att. B, Sec. III	Planning, External Affairs	Recurring	Completed to date	Alice Rogan & Adriann Cardoso/	The Annual Eligibility Review Subcommittee reviewed applicable eligibility requirements on June 1, 2023, and October 23, 2023. The full TOC approved them on June 13, 2023 and December 12, 2023. Also see notes in Items 167.04 to 167.08 below.

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2023 Response
						Charvalen Alacar	Please reference: "Taxpayer Oversight Committee Annual Eligibility Review Subcommittee Agenda Packet," dated June 1, 2023. "Taxpayer Oversight Committee Agenda Packet," dated June 13, 2023. "Taxpayer Oversight Committee Annual Eligibility Review Subcommittee Agenda Packet," dated October 23, 2023. "Taxpayer Oversight Committee Agenda Packet," dated December 12, 2023.
167.04	CMP?	Att. C, Sec. IV.C.1 and Att. B, Sec. III.A.1	Planning, External Affairs	Recurring	Completed to date	Alice Rogan & Adriann Cardoso/ Charvalen Alacar	This is required on odd numbered years. The TOC reviewed the CMP on December 12, 2023. Eligibility determination was presented to the Board on February 12, 2024, as part of the M2 Annual Eligibility Review. The next submittal is due in 2025. Please reference: "Taxpayer Oversight Committee Agenda Packet," dated December 12, 2023. "Measure M2 Annual Eligibility Review," dated February 12, 2024.
167.05	MFP?	Att. C, Sec. IV.C.2 and Att. B, Sec. III.A.2	Planning, External Affairs	Recurring	Completed to date	Alice Rogan & Adriann Cardoso/ Charvalen Alacar	This is required on a biennial basis. The TOC reviewed the MFP on December 12, 2023. Eligibility determination was presented to the Board on February 12, 2024, as part of the M2 Annual Eligibility Review. The next submittal is due in 2025. Please reference: "Taxpayer Oversight Committee Agenda Packet," dated December 12, 2023. "Measure M2 Annual Eligibility Review," dated February 12, 2024.
167.06	Expenditure Report?	Att. C, Sec. IV.C.3 and Att. B, Sec. III.8	Finance and Administration, External Affairs	Recurring	Completed to date	Alice Rogan & Sean Murdock	Yes. This is required on an annual basis. The TOC reviewed the FY 2021-22 Expenditure Reports on June 13, 2023, for the 34 eligible local agencies, and eligibility determination was presented to the Board on July 10, 2023. The City of Cypress was found ineligible to receive M2 funds by the OCTA Board on May 22, 2023, due to the city not meeting the MOE requirement. FY 2022-23 Expenditure Reports are due December 31, 2024. Please reference: "Taxpayer Oversight Committee Agenda Packet," dated June 13, 2023.

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2023 Response
							"Measure M2 Eligibility Recommendations for Fiscal Year 2021-22 Expenditure Reports and Maintenance of Effort Benchmark Adjustments," dated July 10, 2023.
167.07	LSSP?	Att. C, Sec. IV.C.4 and Att. B, Sec. III.A.6	Planning, External Affairs	Recurring	Completed to date	Alice Rogan & Adriann Cardoso/ Charvalen Alacar	<p>Yes. This is required every three years. The TOC reviewed the LSSP on December 12, 2023. Eligibility determination was presented to the Board on February 12, 2023, as part of the Annual M2 Eligibility Review. The next submittal is due in 2026.</p> <p>Please reference: "Taxpayer Oversight Committee Agenda Packet," dated December 12, 2023. "Measure M2 Annual Eligibility Review," dated February 12, 2024.</p>
167.08	PMP?	Att. C, Sec. IV.C.5 and Att. B, Sec. III.7	Planning, External Affairs	Recurring	Completed to date	Alice Rogan & Adriann Cardoso/ Charvalen Alacar	<p>Yes. 14 agencies update PMPs on odd-year cycle, while 21 agencies update on even-year cycle as part of the Annual Eligibility Review. The TOC reviewed the PMPs for odd-year agencies on December 12, 2023, and an eligibility determination was presented to the Board on February 12, 2024, as part of the M2 Annual Eligibility Review. The TOC reviewed the PMPs for even-year agencies on October 11, 2022, and an eligibility determination was presented to the Board on November 14, 2022, as part of the M2 Annual Eligibility Review.</p> <p>Please reference: "Taxpayer Oversight Committee Agenda Packet," dated December 12, 2023 (for odd-year PMPs). "Measure M2 Annual Eligibility Review," dated February 12, 2024 (for odd-year PMPs). "Taxpayer Oversight Committee Agenda Packet," dated October 11, 2022 (for even-year PMPs). "Measure M2 Annual Eligibility Review," dated November 14, 2022 (for even-year PMPs).</p>

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2023 Response
167.09	Has the Committee reviewed yearly audits and held an annual hearing to determine whether the Authority is proceeding in accordance with the Plan?	Att. C, Sec. IV.D	External Affairs	Recurring	Completed to date	Alice Rogan	Yes. The last Annual Hearing and Compliance Review was completed on June 13, 2023. Please reference: "Taxpayer Oversight Committee Agenda Packet," dated June 13, 2023. "Taxpayer Oversight Committee Agenda Packet," dated July 11, 2023, for June 13, 2023, meeting minutes.
167.10	Has the Chair annually certified whether the Revenues have been spent in compliance with the Plan?	Att. C, Sec. IV.D	External Affairs	Recurring	Completed to date	Alice Rogan	Yes. See notes in Item 14.00. A memo from the TOC Chairman was sent to the Board on June 23, 2023. Please reference: "Taxpayer Oversight Committee Measure M2 Annual Public Hearing Compliance Memo," dated June 23, 2023.
167.11	Has the Committee received and reviewed the performance assessment conducted by the Authority at least once every three years to review the performance of the Authority in carrying out the purposes of the Ordinance?	Att. C, Sec. IV.E	External Affairs	Recurring	Completed to date	Francesca Ching & Alice Rogan	Yes. The TOC has received and reviewed the performance assessments conducted by the Authority at least once every three years to review the performance of the Authority in carrying out the purposes of the Ordinance. Please reference: "Taxpayer Oversight Committee Agenda Packet," dated December 14, 2010. "Taxpayer Oversight Committee Agenda Packet," dated April 9, 2013. "Taxpayer Oversight Committee Agenda Packet," dated June 14, 2016. "Taxpayer Oversight Committee Agenda Packet," dated April 9, 2019. "Taxpayer Oversight Committee Agenda Packet," dated April 12, 2022.