



Measure M
Taxpayers Oversight Committee
at the Orange County Transportation Authority
600 S. Main Street, Orange CA, Room 103



October 9, 2012

6:00 p.m.

AGENDA

- 1. Welcome**
- 2. Pledge of Allegiance**
- 3. Approval of Minutes/Attendance Report for August 14, 2012**
- 4. Chairman's Report**
- 5. Action Items**
 - A. M2020 Plan – M Amendment
Presentation – Tamara Warren, Manager, M Program Management Office
 - B. Fiscal Year 2012/2013 Local Jurisdiction Eligibility Report
Presentation – Tony Rouff, Chairman, Annual Eligibility Review Subcommittee
- 6. Presentation Items**
 - A. Project J (SR-91) Update
Presentation – Fernando Chavarria, Community Relations Officer, External Affairs
 - B. OC Bridges Update
Presentation – Ross Lew, Program Manager, Capital Projects
- 7. Annual Eligibility Review Subcommittee Report**
- 8. Audit Subcommittee Report**
- 9. Environmental Oversight Committee Member Report**
- 10. Committee Member Reports**
- 11. OCTA Staff Update**
- 12. Public Comments***
- 13. Adjournment**

*Public Comments: At this time, members of the public may address the Taxpayers 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 five (5) minutes per person and 20 minutes for all comments, 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 Taxpayers Oversight Committee

August 14, 2012
Meeting Minutes

Committee Members Present:

Richard Egan, First District Representative
Anh-Tuan Le, First District Representative
Howard Mirowitz, Second District Representative
Jack Wu, Second District Representative
Randy Holbrook, Third District Representative
Dowling Tsai, Third District Representative
Philip C. La Puma, PE, Fourth District Representative
John Stammen, Fourth District Representative
Katherine "Kate" Koster, Fifth District Representative Co-Chairman
Tony Rouff, Fifth District Representative

Committee Member(s) Absent:

Jan Grimes, Orange County Acting Deputy Auditor-Controller, Co-Chairman

Orange County Transportation Authority Staff Present:

Jennifer Bergener, Director of Rail Programs
Rose Casey, Director of Highways Program
Janice Kadlec, Public Reporter
Will Kempton, OCTA CEO
Kia Mortazavi, Executive Director, Planning
Andy Oftelie, Director of Finance and Administration
Ken Phipps, Executive Director of Finance and Administration
Alice Rogan, Strategic Communications Manager

1. Welcome

In the absence of Chair Jan Grimes, Co-Chair Howard Mirowitz began the meeting at 6:10 p.m. and welcomed everyone.

2. Pledge of Allegiance

Co-Chair Howard Mirowitz asked everyone to stand and led the Pledge of Allegiance.

3. Approval of the Minutes/Attendance Report for June 12, 2012

Co-Chair Howard Mirowitz requested the following correction to the first paragraph in under Audit Subcommittee Report in the June 12, 2012 Meeting Minutes: *"Howard Mirowitz reported the triennial performance assessment consultant is in the process of being selected. The Audit Subcommittee will not be meeting until October because*

OCTA staff determined a meeting would not be needed until that time. The Audit Subcommittee members asked staff to survey the group to determine if the members thought a meeting was needed and the results of the survey should be reported back to the Audit Subcommittee members. This was done, the results reported, and it was determined a meeting was needed. The meeting was held on August 9, 2012.

A motion was made by Richard Egan, seconded by Randy Holbrook, and carried unanimously to approve the June 12, 2012 Taxpayers Oversight Committee (TOC) minutes and attendance report as corrected.

4. Chairman's Report

There was no Chairman's Report.

5. CEO Report

Will Kempton thanked the TOC members for their dedication and appreciated their efforts. There are 19 successful Sales Tax Programs in the State of California and one of the reasons they are successful is because they all have some kind of taxpayers oversight built into their program. He welcomed the three new TOC members: Jack Wu, Philip La Puma, and Katherine Koster. He also acknowledged and welcomed Anh-Tuan Le as a returning member to the TOC.

Will Kempton gave a history of the Measure M1 and Measure M2 sales tax programs. He discussed the Sales Tax Program's Early Action Plan and highlighted the I-405 widening project and the High Speed Rail (HSR) Program.

Anh-Tuan Le said three years ago when he first talked to the TOC, Will Kempton talked about the Code of Conduct. He would like to put this on a future agenda and hear from the OCTA procurement and internal audit departments. Also, he would like to hear from Will Kempton on this subject. Will Kempton said he would be happy to speak to it at a future meeting. He has spent a number of years in and around State government and he knows the value of transparency, accountability, and proper behavior in terms of how business is done and a Code of Conduct is absolutely essential. He is a big fan of "lead by example." OCTA has a strong, positive Code of Conduct and it is expected the OCTA employees adhere to it.

Howard Mirowitz asked if OCTA had responded to the Grand Jury's report on Anaheim Regional Transportation Intermodal Center (ARTIC). Will Kempton said there has been no official response. Jennifer Bergener said OCTA is planning on responding within the next 30 to 45 days. Will Kempton said there is a 90 day timeframe to respond to the report.

Howard Mirowitz asked if there is any inconsistency in the position of OCTA criticizing the California HSR Authority and simultaneously supporting ARTIC. Will Kempton said the criticism from OCTA were comments on the HSR Authority's Business Plan. OCTA was never taken a position in opposition to HSR and the comments were valid

in terms of some of the things OCTA feels the agency needs to do to make HSR successful. OCTA legal counsel has advised ARTIC is a valid Project T project.

John Stammen asked if OCTA had ever received a formal response from the HSR Authority regarding the comments on their Business Plan. Will Kempton said the HSR Authority has not responded. He has a meeting tomorrow with Jeff Morales, the new CEO of the HSR Authority, and he intends to bring this up. There has been a response concerning the “deed” with some of the changes in the HSR Business Plan as a result of the input but there has never been a formal response.

John Stammen suggested after everything has settled down to let the public know what points the HSR did and didn't address in response to OCTA's letter. Will Kempton observed one question raised in the OCTA letter was a question relative to compliance of the HSR Business Plan with the actual wording of Proposition 1A – it will be interesting to see if they respond to this.

6. Presentation Items

A. Project T Update

Jennifer Bergener gave an update on Project T incorporating a background report on ARTIC.

Tony Rouff asked about the commitments OCTA had with the Orange County Flood Control District – were these assumed by the City of Anaheim when they purchased the property? Jennifer Bergener responded affirmatively this was one of the deed restrictions that Anaheim would maintain.

Co-Chair Howard Mirowitz asked if OCTA would be involved in the construction management of ARTIC. Jennifer Bergener said OCTA has a specific set of roles and responsibilities. OCTA will oversee all the transportation infrastructure phases.

Jack Wu said the City of Anaheim may be undergoing some changes on the City Council, are there any possibilities ARTIC will be undone. Jennifer Bergener said certainly anything can be undone, but they do not foresee this happening on this project. The city has a very aggressive construction schedule.

B. I-405 Improvement Project/Project K Update

Rose Casey gave an update on the I-405 Improvement Project/Project K.

Tony Rouff asked if the soundwalls along the corridor would be set at 12 feet maximum height and if residents wanted to go, higher the city must pay for it? Rose Casey said based on federal criteria the soundwalls along the corridor vary between 12 and 16 feet. OCTA will be contacting the property owners to ascertain their preferences for a soundwall. If all owners request a soundwall

higher than meets the federal criteria, staff will recommend the use of local funds to fund the portions of the soundwalls not eligible for federal funds.

Co-Chair Howard Mirowitz asked which possible design options would reduce the cost of Alternative 2. Rose Casey said eliminating braided ramps at Magnolia/Warner would reduce the costs on all three Alternatives (a possible savings of \$45 to \$50 million). Another option would be to start the toll lanes north of Fairview Ave. for Alternative 3 (a possible \$100 million savings to Alternative 3 only).

Randy Holbrook asked if there was any reason they did not consider one toll lane, one High Occupancy Vehicle (HOV) lane, and the M2 lane as an option. Rose Casey said this was considered, but research and analysis shows that two Express Toll Lanes work best operationally.

Richard Egan asked of the 1216 responses received, were any of the responses directly from the cities or were they all responses from the public? Rose Casey said the summary included responses from the public and the cities.

Richard Egan asked if the design modification to not include Fairview Ave. in the toll facility (Alternative 3) would create a possible bottleneck. . Richard Egan said the current bottleneck is coming off SR-73 and transitioning to the I-405. It seemed to him there will still be a bottleneck trying to get past Fairview Ave. and start the I-405. In his opinion the biggest bottleneck is not being looked at and a smooth transition will not happen. Rose Casey said the critical bottleneck is between Euclid and the SR-22 where there is a lane reduction. There are alternatives that address this by adding a lane in this portion of the I-405. Alice Rogan said this list of alternatives will be sent to the TOC members.

Co-Chair Howard Mirowitz observed if \$140 million can be saved, wouldn't Alternative 2 be the best choice. Rose Casey said with the possible options, only \$40 - \$50 million would be saved in Alternative 2. A savings of \$100 million would be saved in Alternative 3 with the possible options. But the options are not interchangeable. Kia Mortazavi clarified Measure M calls for one lane in each direction on the I-405. Even if money can be saved in either of the alternatives, OCTA is tied to one multi-use lane under Measure M. Outside money would be needed to build Alternative 2 beyond the Measure M contribution. Alternative 3 pays for itself beyond the Measure M contribution.

Jack Wu asked who wanted Alternatives 2 and 3. Kia Mortazavi said when the project was looked at originally it was determined six lanes in each direction were needed in this portion of the Freeway to fix the existing problems.

Kate Koster asked for a clarification: Alternative 3 would add an Express Lane and a Toll Lane. Do the Measure M funds only apply to general purpose lanes?

Rose Casey said this is correct. Kate Koster said if Measure M is just for general purpose lanes, how is Measure M going to be used for the \$1.3 billion for Alternative 3. Rose Casey said the \$1.3 billion shown for Alternative 3 is only going to be used for the one general purpose lane in each direction.

Jack Wu asked what cities make up the six corridor cities and where do they stand. Rose Casey said the cities of Costa Mesa, Fountain Valley, Huntington Beach, Los Alamitos, Seal Beach and Westminster make up the Corridor Cities. Rose Casey said they have a letter from Corridor Cities group in support of Alternative 2 and against Alternative 3. This was given prior to OCTA looking at modifications to Alternative 3. Jack Wu asked what cities would the modifications to Alternative 3 affect. Rose Casey said the modifications would address Costa Mesa's issue (truncating Alternative 3 north of Fairview) and Fountain Valley's issue (eliminating the braided ramps at Magnolia/Warner to avoid impacting 4 businesses). Jack Wu asked if any of the cities like Alternative 1. Rose Casey said Seal Beach and Costa Mesa do not object to Alternative 1 after the proposed modifications.

Randy Holbrook asked if the proposed modification eliminating the "braided" connector be a hazard to traffic. Rose Casey said the ideal would be braided ramps because they are physically separated; however, the collector distributor system proposed works as well.

C. Sales Tax Forecast Update

Andy Oftelie presented an update of the Measure M2 Sales Tax Forecast.

Jack Wu said the CSUF forecast is consistently lower than the other Universities. What did Fullerton University see in their forecast that Chapman University and UCLA did not? Andy Oftelie said they assumed a higher unemployment rate than the other universities and they also expected a much larger impact on the expiration of the Bush tax cuts. Jack Wu asked if presidential politics played any part in their forecasts. Andy Oftelie said mention was made of it, but they did not predict any winners or losers.

Jack Wu asked if the State Board of Equalization provided a forecast. Andy Oftelie said they do provide a short term forecast.

John Stammen asked if in the next 30 years there any build out or flattening of the sales tax predicted. Andy Oftelie said no mention of this is being made at this time.

Kate Koster asked if the forecast included investments. Andy Oftelie said his presentation was sales tax revenues only.

D. M2020 Plan Update

Kia Mortazavi gave an update on the M2020 Plan.

Richard Egan said he thought the five percent of Measure M2 given for environmental programs allowed for some leeway in the Freeway Program's environmental clearing balance. Kia Mortazavi said the five percent of Measure M2 given to environmental programs was for permits for open space and impacts on resources. Environmental clearance and mitigation still need to be done for things like noise and traffic impacts.

Co-Chair Howard Mirowitz asked what the total estimated cost of the 14 freeway projects was. Kia Mortazavi said about \$3 billion. Howard Mirowitz asked what OCTA's existing authority to issue bonds is. Ken Phipps said \$350 million has already been issued. Howard Mirowitz asked is OCTA going to have to borrow another \$3 billion. Ken Phipps said not necessarily, the sales tax revenue stream needs to be balanced with the cash flow necessary for the projects. Looking three years out OCTA would have in excess of \$1 billion in debt in order to finance the M2020 Plan.

Jack Wu asked if the new governmental accounting standards have the potential of affecting OCTA's borrowing ability. Ken Phipps said it would impact OCTA slightly.

Co-Chair Howard Mirowitz asked about the strategy to go out and borrow sooner rather than later. Ken Phipps said the timing is good for borrowing right now because of the historically low interest rates. Before bonding can happen, the M2020 Plan needs to go to the OCTA Board for permission to bond. Kia Mortazavi said two things will need to be done: 1.) Authorization to issue bonds, and 2.) An amendment to Measure M2. The Measure M2 amendment is due to the I-405 funding deficit. Other freeway projects are significantly under budget and the amendment would request a transfer or a shift of \$700 million from SR-91 project (mostly completed) to the I-405 project. If the amendment is approved, the I-405 will still need another \$700 million from external sources, but currently OCTA has approximately \$690 million in commitments from Federal and State resources for this project.

Co-Chair Howard Mirowitz said in the material given to the TOC members attachments were referenced, but only available upon request. He was not able to request them before the meeting, but they would have been valuable to have. He would like to see Attachments A, B, and F. John Stammen proposed to make the entire package of material available on the computer so members can print what they want. Howard Mirowitz agreed. Alice Rogan said in order to keep the agenda packages less cumbersome, the longer attachments were available upon requests. In the future, they will create a link to the actual OCTA Board item posted on the OCTA Website and the attachments can be printed off the Board item.

7. Annual Eligibility Review Subcommittee Report

Tony Rouff said there was no Annual Eligibility Review Subcommittee Report.

8. Audit Subcommittee Report

Co-Chair Howard Mirowitz reported the Audit Subcommittee met on August 9. At this meeting they received a presentation on the OCTA Cost Allocation Plan, the methodology used in allocating funds to Measure M1 and Measure M2, and a status report on the Triennial Performance Review.

Also at the Subcommittee meeting Janet Sutter gave an update on the Internal Audit Department and update on the compliance audits. The nine cities being audited are Anaheim, Costa Mesa, Brea, Irvine, Laguna Niguel, Placentia, Santa Ana, and Stanton. There were little issues in most of the cities but the only big issue is in the City of Stanton where there were questions on a \$670,000 Smart Street project which appeared to have a conflict of interest.

9. Environmental Oversight Committee Report

There was no report.

10. Committee Member Reports

Anh Tuan Le said there will be a tremendous need for professional services for the upcoming projects and suggested that procurements need to have tight safeguards in place to avoid conflict of interest. He would like a presentation on this at a future meeting.

Anh Tuan Le said he had received comments from members of the public about the way the TOC Agenda lists Public Comments at the end of the meeting. They do not like waiting to the end of the meeting to speak especially when they don't know how long the meeting will go. This would be especially true about the I-405. The TOC hears a presentation on the I-405 Project, but does not hear what the public thinks about the project. Alice Rogan said the OCTA Board, not the TOC, will make the decision on the alternatives for I-405 project. Anh Tuan Le said he was thinking of the upcoming vote on the Measure M Amendment – he would like to hear what other people think.

Kate Koster asked if there is any reason the public comments are held at the end of the meeting instead of the beginning. Jack Wu said Public Comments should be based on the information they hear at the meeting. Maybe after the items are presented, the Chair could ask for Public Comments. Alice Rogan said the Chair can take public comments following an item at the TOC meetings if necessary. Regarding the 405 alternatives, the important place for members of the public to speak is at the board meetings – this is where the policy decisions are made.

Co-Chair Howard Mirowitz agreed if members of the public want to influence the decision process they need to be in front of the Board. The TOC is not the decision maker on the alternatives.

Randy Holbrook referenced the TOC meeting where people wanted to speak about HSR and ARTIC. The people who wanted to speak all thought the TOC was going to make a decision regarding the project when in reality the TOC would only make a decision on if it was a valid project according to the M2 Ordinance.

Co-Chair Howard Mirowitz said the TOC's function is oversight and whether or not the Local Transportation Authority is proceeding in accordance with the M1 and M2 Ordinance.

Anh Tuan Le said he thought hearing from different members of the public would help form the TOC's questions on projects whether or not the TOC would be making the decision. Howard Mirowitz said he is not discouraging any one from attending the TOC meetings.

Richard Egan said the I-405 project has had numerous public meetings and he did not think it was the TOC's responsibility to rehash the great public outreach efforts preformed by OCTA staff. No changes can be made by the TOC. He also suggested, related to Anh-Tuan Le's previous comments, that procurement procedures should reviewed by the Audit Subcommittee rather than the full committee.

Tony Rouff asked if the TOC had a member who would be attending the Environmental Oversight meetings. Alice Rogan said Phillip La Puma would be the TOC's representative.

11. OCTA Staff Update

There was nothing to report.

12. Public Comments

There were no Public Comments.

13. Adjournment

The Measure M Taxpayers Oversight Committee meeting adjourned at 8:40 p.m. The next meeting will be October 9, at the OCTA offices.

Taxpayers Oversight Committee

Fiscal Year 2012-2013

Attendance Record



X = Present E = Excused Absence * = Absence Pending Approval U = Unexcused Absence -- = Resigned

Meeting Date	10-Jul	14-Aug	27-Sep	9-Oct	13-Nov	11-Dec	8-Jan	12-Feb	12-Mar	9-Apr	14-May	11-Jun
Richard Egan		X										
Randy Holbrook		X										
Katherine Koster		X										
Philip La Puma		X										
Anh-Tuan Le		X										
Howard Mirowitz		X										
Tony Rouff		X										
John Stammen		X										
Jan Grimes		*										
Dowling Tsai		X										
Jack Wu		X										


Absences Pending Approval

<u>Meeting Date</u>	<u>Name</u>	<u>Reason</u>
August 14, 2012	Jan Grimes	Out of Town

Action Items



September 24, 2012

To: Members of the Board of Directors 
From: Will Kempton, Chief Executive Officer
Subject: Measure M2 M2020 Plan Implementing Actions

Overview

Building on the completion of the Measure M2 Early Action Plan, the development of an M2020 Plan began in November 2011, and the draft plan was presented to the Board of Directors on August 27, 2012. The Final M2020 Plan was adopted by the Board of Directors on September 10, 2012, and the implementing actions were deferred for two weeks to address Board Members comments. The implementing actions are presented for Board of Directors' consideration.

Recommendations

- A. Direct staff to develop a detailed plan of finance to meet the anticipated cash flow requirements of the M2020 Plan in accordance with the financing policy guidelines on page 12 of the M2020 Plan, and return for review and approval within 90 days.
- B. Direct staff to initiate the process to amend the Measure M2 Transportation Investment Plan related to the Interstate 405 Project K and the State Route 91 Project J, and set a date of November 9, 2012, for a public hearing and Board of Directors action to adopt amendments to the Measure M2 Transportation Investment Plan.

Background

On February 27, 2012, a Measure M2 (M2) Board of Directors (Board) workshop was held. Staff shared that early actions to accelerate programs and projects allowed the Orange County Transportation Authority (OCTA) to respond to the impacts of the economic downturn and resulting decrease in sales tax revenue. Staff further shared that despite the downturn, it is projected that OCTA can deliver M2 as promised with careful management of project costs and leveraging additional state and federal funds. In addition, OCTA could expedite delivery to further capitalize on competitive construction costs and deliver mobility benefits years earlier by getting additional projects shelf ready.

The workshop focused on options for accelerating delivery of the freeway program.

An update on the streets and roads, transit, and environmental program elements of the plan was presented to the Board in June. On August 27, 2012, staff presented the Draft M2020 Plan based on the aforementioned reports and recommended advancement of major M2 projects and programs between now and the year 2020. On September 10, 2012, staff presented the Final M2020 Plan (M2020 Plan) for consideration by the Board. The Board adopted the M2020 Plan and deferred implementing actions for two weeks as discussed below.

Discussion

With the adoption of the M2020 Plan, two actions need to be completed in order to move forward with the plan. These include amending the M2 Transportation Investment Plan and developing a plan of finance to allow for acceleration of the M2 Freeway Program as defined in M2020. The funding assumptions that define the two implementing actions are described below.

M2020 Plan Funding Assumptions

The revenue assumptions with the M2020 Plan are based on the latest M2 revenue forecasts prepared by three local universities and future state and federal funding projections consistent with current trends. The project/program costs are in year-of-expenditure (YOE) dollars. Revenues and expenses are merged into a high-level cash flow model that will be subsequently refined in the upcoming plan of finance. Bond assumptions are also included to address projected negative ending balances by year (compared to a pay-as-you-go scenario). Bond assumptions are constrained to minimum debt coverage ratios, and the appendix of the M2020 Plan includes a more detailed discussion on assumed revenues, costs, and debt service. The M2020 funding assumptions will be kept up-to-date as new revenue and cost information becomes available. Changes will be presented to the Board as stand-alone items or M2 quarterly reports as appropriate.

For M2020 freeway program development, forecasted revenues and costs through 2041 were also tested. This effort was conducted to ensure the complete M2 Freeway Program could be delivered consistent with commitments provided to the voters as part of the M2 approval in November 2006. The funding assumptions in the freeway mode assume \$1.994 billion in total revenue, with costs for the same period totaling \$2.973 billion. This leaves a funding shortfall of close to a billion dollars (\$979 million), with the shortfall

beginning in fiscal year (FY) 2015-16 and continuing through the life of the program. To bridge this funding gap and keep projects on schedule, bonding, as well as an expectation for receipt of external funding to augment the program, will be required. Although the full program (through 2041) is deliverable, the program remains tight, and this is particularly true in the freeway mode.

The 2041 plan relies on the future receipt of \$720 million in state and federal revenues. This assumes \$30 million a year in federal and/or state funds are available from 2018 to 2041 for freeway projects. Even with these assumptions, there will be several points in the program with low year-by-year ending balances. The M2 Freeway Program ending cash balance is estimated to be \$94.75 million in 2041, which is 1.2 percent of the freeway program value. The balance allows OCTA flexibility to respond to economic uncertainties and/or unforeseen M2 project needs. Attachment A provides a summary of the projected M2 Freeway Program revenues, estimated costs, and ending balances by year throughout the life of M2.

With careful management of the projects and use of financial resources, the full scope of the Measure M Program can be delivered as promised.

Implementing Actions

The M2020 Plan has incorporated a sound funding foundation of matching state, federal, and local funds that are likely available including prior one-time sources such as Proposition 1B Corridor Mobility Improvement Account and American Recovery and Reinvestment Act funds, as well as State Transportation Improvement Program funds. Nearly all of the M2 transit, streets and roads, and environmental programs have matching requirements which leverage additional funds to deliver M2.

Beyond these known and projected commitments and requirements, there are two steps that must be taken to complete the funding and financing picture for the M2020 Plan.

Step 1: Amendment to the M2 Transportation Investment Plan

Forecasted and already completed project costs within the freeway program have been updated. The new forecast includes latest project cost information prepared during the project development process, final costs on near and already completed projects, as well as accounting for external factors such as the current bidding environment and cost of

materials and resources for future projects. In particular, Project J - State Route 91 (SR-91) has benefited significantly.

With the exception of one project, all of the projects within the Project J line item are either complete or in construction (complete by the end of the year). The remaining project, the SR-91 between State Route 241 (SR-241) and Interstate 15 (I-15), needs to be implemented in concert with the Riverside County Transportation Commission (RCTC). The timing for the ultimate project, according to the 91 Implementation Plan, is in late 2030.

The SR-91 received \$138 million in external funds, realized bid, project cost savings, and cost sharing savings working with RCTC. This has resulted in savings of \$847 million after allowing for the final project. Although freeway project completion costs in a 30-year program will continue to fluctuate, an amendment to the M2 Transportation Investment Plan is recommended to balance the plan of projects.

The most recent cost estimates for Project K - Interstate 405 (I-405) is \$1.2 billion (YOE) with intended design-build method of delivery, or \$1.3 billion (YOE) with traditional design-bid-build delivery method. It is recommended to use the greater amount to ensure either delivery method is fundable. With the high cost of the project, securing contracts sooner rather than later is important to keep the overall cost of the project down. With Project K ready to move forward to the next step in delivery, action is needed at this time to address the needed funding and to reduce the inflation risk.

Requested Amendment

Staff is recommending that \$709 million, a portion of the \$847 million projected savings for Project J, be allocated to Project K. This action will still maintain a balance of M2 funding of over \$139 million to ensure completion of the projects. Staff proposes that the \$139 million stay in the Project J line item at this time.

Revised project costs are reflected for Project J and for Project K (pages 12 and 13 of the M2 Transportation Investment Plan) (Attachment A). In addition, a revised page 31 of the M2 Transportation Investment Plan is included (Attachment B). The project costs reflected in the M2 Transportation Investment Plan are in 2005 dollars (the year the plan was developed). In order to keep the numbers consistent, the actual amendment is shown in 2005 dollars. This translates from \$709 million in nominal dollars to \$572.8 million in 2005 dollars.

The M2 Ordinance allows for such adjustments which are defined in Section 12 of the Orange County Local Transportation Authority Ordinance No. 3. This involves approval by the Taxpayers Oversight Committee and a public review period.

Step 2: Plan of Finance

A plan of finance is needed to ensure that the cash flow requirements from FY 2012-13 through FY 2020-21 for the M2020 Plan are met.

Significant expenditures are anticipated for highway project development, design, right-of-way, and construction and programming of road, transit, and environmental funds. Detailed year-by-year cash flow needs for all of these elements are being compiled and refined, but the aggregate financing needed to deliver the M2020 Plan is currently estimated at \$1.7 billion. The amount and timing of financing needs to be refined to ensure that debt costs are minimized to the extent possible.

It is recommended that a financing plan for the M2020 Plan be prepared and presented to the Finance and Administration Committee and the Board for review and approval. This should be completed within 90 days of final plan adoption by the Board.

The finance plan will consist of the following:

- Best available cost estimates for each M2020 project and program, including annual cash flow estimates;
- Latest cost and revenue estimates to YOE values;
- Refinement of revenue estimates for state, federal, and other non-M2 revenue sources;
- Analysis of financing options, including major risk factors and recommendation of a preferred strategy;
- Updated M2 revenue forecasts/bonding capacity.

The following are the recommended policies to guide the preparation and maintenance of the plan of finance. Additional detail is included in the M2020 Plan.

1. Aggressively seek and utilize first all available local, state, and federal funds and grants.
2. Utilize debt financing subject to the following conditions:
 - Debt financing can be shown to meet the requirements of Section 5 of the Orange County Local Transportation

Authority Ordinance No. 3, and is the most cost effective option to meet the need.

- Financing costs accrue appropriately to the M2 mode for which borrowing occurs.

It should be noted that the M2020 Plan includes funding to deliver the Measure M commitment of one general purpose lane in each direction (Alternative 1) for Project K. If an alternative other than Alternative 1 is selected as the locally preferred alternative, then a separate funding source and separate plan of finance, for improvements beyond Alternative 1, will be required.

Additionally, in the event that further external funds become available for freeways (i.e. federal, state, or local funds), the freeway projects included in the plan that will be environmentally cleared and, therefore, shelf ready, would be available for additional early delivery. Projects recommended to move forward would be brought before the Board and would be based on readiness, as well as project cost vs. the external funding available. The list of projects is shown in the table below and ranked by project cost. Pending a positive funding outlook, the earliest start timeframe to begin final design is also noted.

M2 Freeway Projects Cleared Through Environmental	Early Start Design	Cost (2011 \$ M)
B - Interstate 5 (I-5) Widening (State Route 55 [SR-55] to I-405)	Q4, 2015	424.8
L - I-405 Widening (SR-55 to I-5)	Q4, 2015	322.9
I - SR-91 Widening (State Route 57 [SR-57] to SR-55)	Q4, 2015	307.2
J - SR-91 Widening (SR-241 to I-15)	TBD	124.0
G - SR-57 Northbound (NB) Widening (Lambert Road to County Line)	Q4, 2015	82.4
F - SR-55 Widening (I-5 to State Route 22)	Q3, 2016	70.5
D - I-5/EI Toro Road Interchange Improvements	Q4, 2015	60.1
M - Interstate 605/Katella Avenue Interchange Improvements	Q2, 2016	22.2
G - SR-57 NB Widening (Orangewood Avenue to Katella Avenue)	Q1, 2016	14.7
TOTAL		\$1,428.8

To address a Board Member question raised at the September 10, 2012 meeting regarding Project S – Transit Extensions to Metrolink, staff proposes to include language in the plan of finance. The proposed language will address the concern that if federal New Starts funding is not available, OCTA will look to other state and federal sources to backfill. For example, the plan could include up to \$80 million in future Congestion Mitigation and Air Quality funds to be used in advance of New Starts grants. In addition, staff is working with the cities of Santa Ana/Garden Grove and Anaheim to further refine annual cash flow requirements which could result in additional M2 project funding being available. This updated information will be presented in the plan of finance.

Next Steps

The M2020 Plan has been developed to capitalize on projects and programs that can be advanced, providing mobility sooner to Orange County residents. To implement the M2020 Plan, an amendment to the M2 Transportation Investment Plan is needed.

The process and timing for amending the M2 Transportation Investment Plan is shown below:

Actions	Date
OCTA Board adopted the M2020 Plan	September 10, 2012
OCTA Board considers approval implementing actions for M2020; includes initiating an amendment and setting a public hearing date	September 24, 2012
Proposed amendment sent to local agencies for public review prior to public hearing	September 25, 2012
Taxpayers Oversight Committee hears amendment proposal	September 27, 2012
Taxpayers Oversight Committee considers/acts on amendment (requires two-thirds vote)	October 9, 2012
Public hearing on amendment and roll call vote by Board (requires two-thirds vote)	November 9, 2012
Adopted amendment transmitted to local agencies	November 10, 2012
Amendment effective 45 days following adoption	January 24, 2013

Subsequent to Taxpayers Oversight Committee approval and adoption by the Board, the M2020 Plan-recommended M2 Transportation Investment Plan amendment will be distributed to local jurisdictions and key stakeholders. A draft letter to local jurisdictions is included as Attachment D. The plan of finance for the M2020 Plan will be presented to the Board for review and consideration within 90 days.

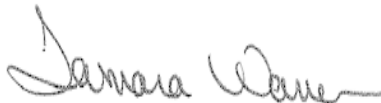
Summary

The M2020 Plan, adopted by the Board on September 10, 2012, will expedite freeway program delivery, provide flexibility to address project funding needs, and coordinate Metrolink services with through services to San Diego. The plan needs two implementing actions in order to move forward. An amendment is needed to the M2 Transportation Investment Plan, and a plan of finance needs to be developed. These are presented for Board consideration.

Attachments

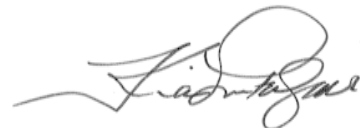
- A. Projected M2 Freeway Program Revenues, Estimated Costs, and Ending Balances
- B. Revised Project J and Project K Descriptions (Pages 12 – 13)
- C. Revised M2 Transportation Investment Plan (Page 31)
- D. Draft Notification Letter for Proposed Measure M2 Transportation Investment Plan Amendment, dated September 25, 2012

Prepared by:



Tamara Warren
Manager, Program Management Office
(714) 560-5590

Approved by:

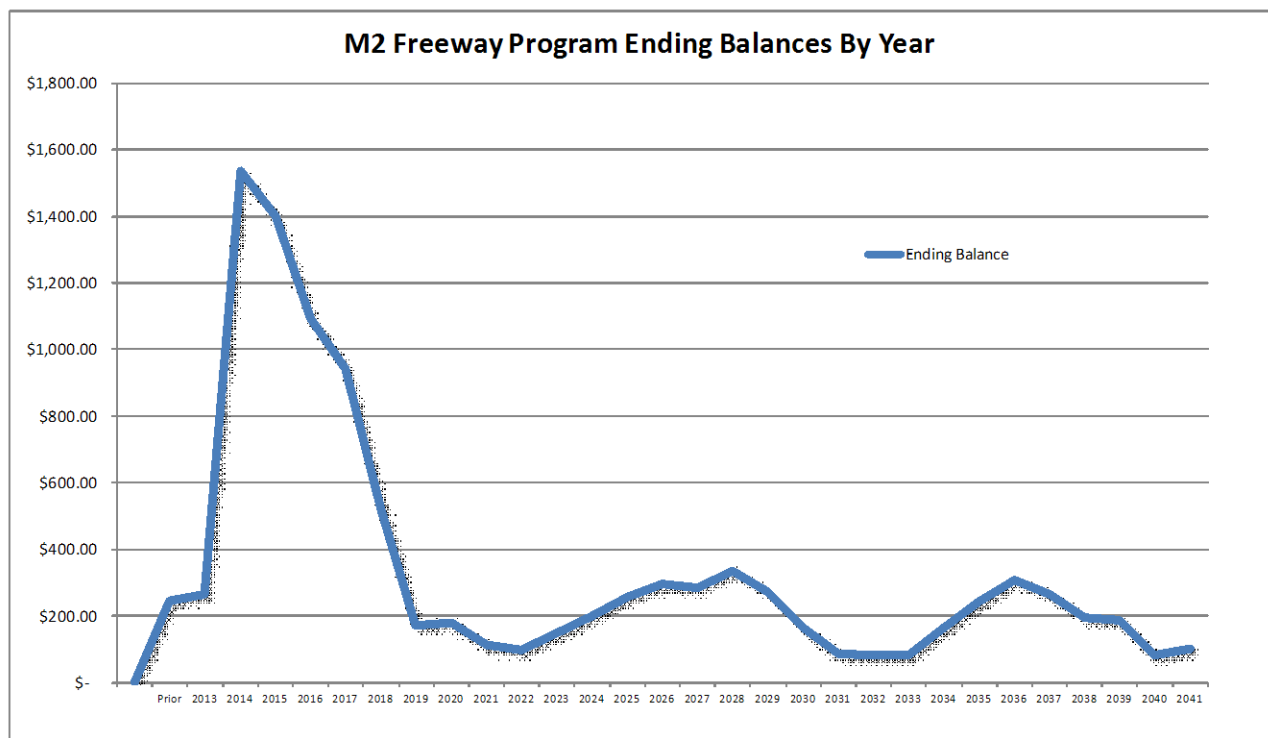


Kia Mortazavi
Executive Director, Planning
(714) 560-5741

Projected M2 Freeway Program Revenues, Estimated Costs, and Ending Balances

(Millions of Dollars; Year of Expenditure)

M2 Freeway Project	M2 Projected Revenue <u>A</u>	Programmed Other Revenue <u>B</u>	Estimated Costs (YOE) <u>C</u>	Project Revenues - Costs <u>D = A + B - C</u>
Project A (I-5, SR-55 to SR-57)	\$ 581.76	\$ 46.36	\$46.35	581.76
Project B (I-5, SR-55 to "Y")	\$ 371.58		\$728.12	(356.54)
Project C (I-5, South of "Y")	\$ 776.09	208.04	\$818.06	166.07
Project D (I-5 interchanges)	\$ 319.35	86.21	\$225.35	180.21
Project E (SR-22 access improvements)	\$ 148.53	25.60	25.60	148.53
Project F (SR-55 improvements)	\$ 453.03		\$423.39	29.64
Project G (SR-57 improvements)	\$ 320.21	106.30	\$356.51	70.01
Project H (SR-91, I-5 to SR-57)	\$ 173.29	34.95	\$72.77	135.47
Project I (SR-91, SR-57 to SR-55)	\$ 515.54	27.93	\$600.69	(57.22)
Project J (SR-91, SR-55 to OC/RC line)	\$ 1,144.95	137.62	\$435.50	847.07
Project K (I-405, I-605 to SR-55)	\$ 618.89		\$1,327.62	(708.73)
Project L (I-405, SR-55 to I-5)	\$ 395.72		\$784.34	(388.62)
Project M (I-605 access improvements)	\$ 24.76		\$50.06	(25.30)
Project N (Freeway Service Patrol)	\$ 185.67		185.67	-
Mitigation Program @ 5%	317.34		317.34	-
Subtotal M2 Revenues and Costs:	\$ 6,346.70	\$ 673.01	\$ 6,397.37	\$ 622.35
Projected Bond Interest Costs:			\$ 1,247.60	
Column D: Current Projected Balance:	\$ 6,346.70	\$ 673.01	\$ 7,644.97	\$ (625.25)
Additional Revenue to Delivery Program:		\$ 720.00		
Column D: 2041 Projected Balance:	\$ 6,346.70	\$ 1,393.01	\$ 7,644.97	\$ 94.75



Projected revenue by project at 95% of line item estimates to account for mitigation program at 5% of freeway program revenue.

June 2012 revenue estimate.

Assumes \$30 million per year (additional external revenue) from 2018 to 2041 (\$720 million).

Project E was completed as part of the SR-22 widening project.



Freeway Projects

Riverside Freeway (SR-91)

Project J

Riverside Freeway (SR-91) Improvements from Costa Mesa Freeway (SR-55) to the Orange/ Riverside County Line

Description:

This project adds capacity on SR-91 beginning at SR-55 and extending to I-15 in Riverside County.

The first priority will be to improve the segment of SR-91 east of SR-241. The goal is to provide up to four new lanes of capacity between SR-241 and Riverside County Line by making best use of available freeway property, adding reversible lanes, building elevated sections and improving connections to SR-241. These projects would be constructed in conjunction with similar coordinated improvements in Riverside County extending to I-15 and provide a continuous set of improvements between SR-241 and I-15. The portion of improvements in Riverside County will be paid for from other sources. Specific improvements will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

This project also includes improvements to the segment of SR-91 between SR-241 and SR-55. The concept is to generally add one new lane in each direction and improve the interchanges.

Today, this freeway carries about 314,000 vehicles every day. This volume is expected to increase by 36 percent, bringing it up to 426,000 vehicles by 2030.

Cost:

The estimated cost for these improvements to the SR-91 is ~~\$925.0~~ million.
\$352.2



Freeway Projects

San Diego Freeway (I-405)

Project **K**

San Diego Freeway (I-405) Improvements between the I-605 Freeway in Los Alamitos area and Costa Mesa Freeway (SR-55)

Description:

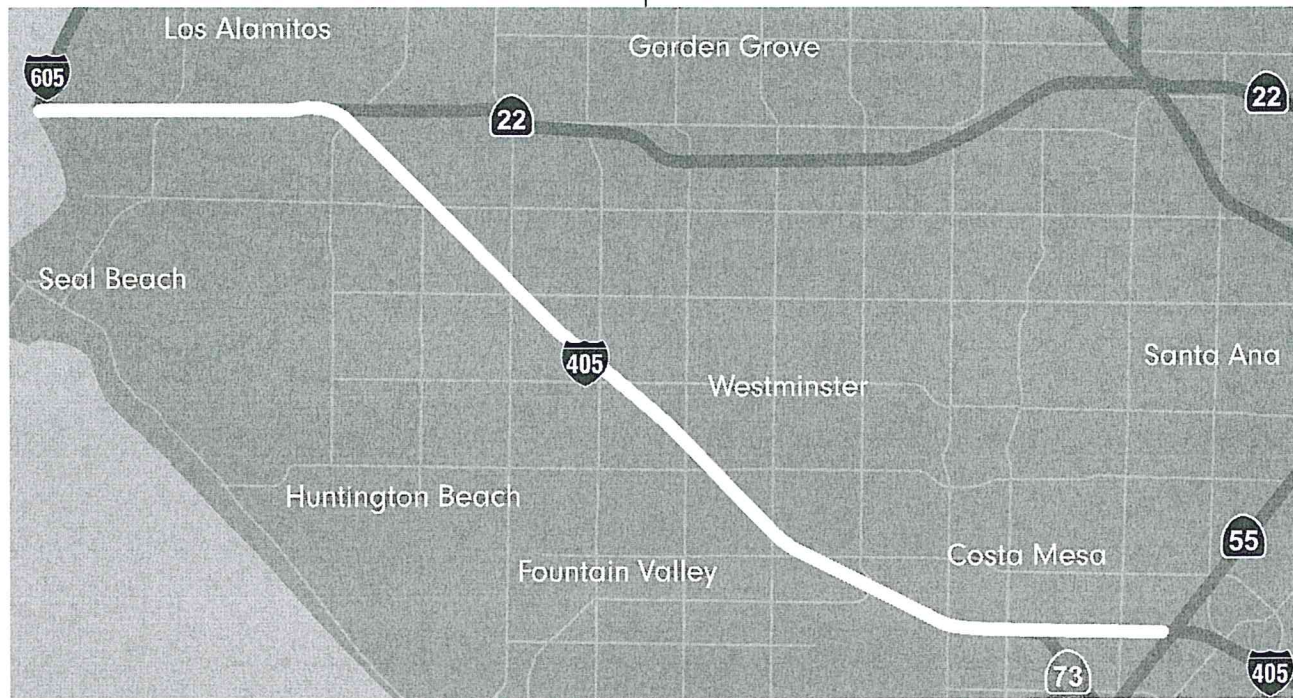
Add new lanes to the San Diego Freeway between I-605 and SR-55, generally within the existing right-of-way. The project will make best use of available freeway property, update interchanges and widen all local overcrossings according to city and regional master plans. The improvements will be coordinated 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. The improvements will adhere to recommendations of the Interstate 405 Major Investment Study

(as adopted by the Orange County Transportation Authority Board of Directors on October 14, 2005) and will be developed in cooperation with local jurisdictions and affected communities.

Today, I-405 carries about 430,000 vehicles daily. The volume is expected to increase by nearly 23 percent, bringing it up to 528,000 vehicles daily by 2030. The project will increase freeway capacity and reduce congestion. Near-term regional plans also include the improvements to the I-405/SR-73 interchange as well as a new carpool interchange at Bear Street using federal and state funds.

Cost:

The estimated cost for these improvements to the I-405 is ~~\$500.0~~ million.
\$1,072.8





Measure M Investment Summary

LOCATION	PROJECTS	COSTS 2005 estimates in millions	
Freeway Projects (in millions)		\$4,871.1	
I-5 Santa Ana Freeway Interchange Improvements	A	\$470.0	
I-5 Santa Ana/San Diego Freeway Improvements	B C D	1,185.2	
SR-22 Garden Grove Freeway Access Improvements	E	120.0	
SR-55 Costa Mesa Freeway Improvements	F	366.0	
SR-57 Orange Freeway Improvements	G	258.7	
SR-91 Riverside Freeway Improvements	H I J	1,481.5	<u>908.7</u>
I-405 San Diego Freeway Improvements	K L	819.7	<u>1,392.5</u>
I-605 Freeway Access Improvements	M	20.0	
All Freeway Service Patrol	N	150.0	
Streets & Roads Projects (in millions)		\$3,625.0	
Regional Capacity Program	O	\$1,132.8	
Regional Traffic Signal Synchronization Program	P	453.1	
Local Fair Share Program	Q	2,039.1	
Transit Projects (in millions)		\$2,832.0	
High Frequency Metrolink Service	R	\$1,014.1	
Transit Extensions to Metrolink	S	1,000.0	
Metrolink Gateways	T	226.6	
Expand Mobility Choices for Seniors and Persons with Disabilities	U	339.8	
Community Based Transit/Circulators	V	226.5	
Safe Transit Stops	W	25.0	
Environmental Cleanup (in millions)		\$237.2	
Clean Up Highway and Street Runoff that Pollutes Beaches	X	\$237.2	
Taxpayer Safeguards and Audits (in millions)		\$296.6	
Collect Sales Taxes (State charges required by law)		\$178.0	
Oversight and Annual Audits		118.6	
Total (2005 dollars in millions)		\$11,861.9	

DRAFT

September 25, 2012

The Honorable Name
Mayor of
Address
City, State ZIP

RE: Proposed Measure M2 Transportation Investment Plan Amendment

Dear Mayor Name:

On September 10, 2012, the Orange County Local Transportation Authority Board of Directors (Board) approved the Measure M2 (M2) M2020 Plan, and on September 24, 2012, the Board directed staff to proceed with the necessary actions to implement its provisions. This includes initiating the process to amend the Measure M2 Transportation Investment Plan to balance the plan of projects in the freeway mode. The M2020 Plan sets a course for advancement of major M2 projects and programs between now and the year 2020. The Final M2020 Plan and staff report is available on the Orange County Transportation Authority's (OCTA) website, www.octa.net/M2020.

With the cost of the M2 Interstate I-405 (I-405) project (Project K) at \$1.3 billion in year-of-expenditure (YOE) dollars, securing contracts sooner, rather than later is important to keep the overall cost of the project down. With Project K ready to move forward to the next step in delivery, action is needed at this time to address this funding need and to reduce the inflation risk.

To address the \$709 million need in YOE dollars for Project K and as a result of capturing additional external funds and project cost savings on State Route 91 (SR-91) (Project J), staff is recommending that \$709 million, a portion of the \$847 million in savings currently allocated to Project J, be allocated to Project K. This action will still maintain a balance of M2 funding of over \$139 million for future SR-91 improvements beyond funding needed for projects identified.

In support of the proposed amendment, revised project costs are reflected for Project J and for Project K (pages 12 and 13 of the M2 Transportation Investment Plan) (attached). In addition, a revised page 31 of the M2 Transportation Investment Plan is included (attached). The project costs reflected in the M2 Transportation Investment Plan are in 2005 dollars (the year the plan was developed). In order to keep the numbers consistent, the actual amendment is shown in 2005 dollars. This translates from \$709 in nominal dollars to \$572.8 in 2005 dollars.

The M2 Ordinance allows for such adjustments which are defined in Section 12 of the Orange County Local Transportation Authority Ordinance No.3. This involves approval by the Taxpayers Oversight Committee (TOC) and a public review period.

It should be noted that the M2020 Plan includes funding to deliver the Measure M commitment of one general purpose lane in each direction (Alternative 1) for Project K (I-405). This project is still under environmental review, and the ultimate selection of a locally preferred alternative by the California Department of Transportation (Caltrans) is expected in early 2013. If an alternative other than Alternative 1 is selected as the locally preferred alternative, then a separate funding source and separate plan of finance, for improvements beyond Alternative 1, will be required.

This amendment will allow OCTA to accelerate the Measure M Freeway Program as defined in the M2020 Plan. The M2020 Plan is focused on capturing savings as a result of securing contracts sooner, and delivering improvements and mobility as early as possible. This is important to keeping the overall cost of the program down.

In accordance with the M2 Ordinance, the amendments will be brought before the Measure M TOC prior to the public hearing. The public hearing has been set for November 9, 2012. If adopted by the TOC and the Board, the amendment will take effect on January 24, 2013.

Measure M has been a critical element of Orange County's efforts to fund a broad range of needed transportation projects. Through our partnerships with the cities, the County of Orange, Caltrans, and other agencies, OCTA has been successful in keeping our commitments made to the voters. Your continued support and active involvement in the delivery of the Measure M Program is appreciated.

Should your agency have any comments or questions on these amendments, please contact Tami Warren, Measure M2 Program Manager, Program Management Oversight, at (714) 560-5590.

Sincerely,

Paul G. Glaab
OCTA Chairman


PGG:tw
Enclosures

c: OCTA Board of Directors
Executive Staff
City Councils
City Managers
Ryan Chamberlain, Caltrans District 12 Director
TOC Members



MEMORANDUM

September 21, 2012

To: Members of the Board of Directors
From: Will Kempton, Chief Executive Officer 
Subject: **M2020 Board of Directors and Public Speaker Questions**

On September 10, 2012, the Board of Directors (Board) adopted the M2020 Plan and deferred a decision on the recommended implementing actions until September 24, 2012. During the M2020 Plan presentation, several questions and comments were made by Board Members, as well as members of the public. Responses to questions are provided below.

1. How can the M2020 Plan be amended?

The M2020 Plan sets the course for the next eight years. Although the plan is set, there are opportunities for adjustments as needed. Adjustments would need to ensure the integrity of the plan is maintained and that changes would not jeopardize the Orange County Transportation Authority's (OCTA) ability to deliver the entire Measure M2 (M2) Plan to the voters as promised. A good example is the Early Action Plan (EAP). The EAP was adopted by the Board in 2007. In 2010, the plan was amended to include additional projects as a result of receiving additional revenue. If additional revenue were to become available or in the event of a significant downturn in revenue, then an amendment or adjustment to the M2020 Plan would likely be made at that time.

2. Can M2 cost savings pay for the incremental cost of Interstate 405 Alternative 2?

The M2 Investment Plan includes Project K (Alternative 1) which would provide for one general purpose (GP) lane in each direction. Alternative 2 would provide for two GP lanes in each direction and is above the M2 commitment made to the voters. If the Board decided to pursue Alternative 2, it would require amending the M2 Transportation Investment Plan to include two lanes, and shifting M2 or other state/federal funds from other projects. Adding the incremental cost of Alternative 2 to the M2020 plan would consume the entire amount of projected freeway program balance. This would severely limit the ability of the OCTA Board to consider advancing other M2 freeway projects in the future. In addition, OCTA would

have no flexibility to respond to downward changes in revenue that may occur in the future. For example, M1 freeway program balance dropped by \$142.5 million between 2007 and 2012 (from a forecasted \$172.5 million in 2007 to \$30 million in 2012).

In developing the M2020 Plan, OCTA has used conservative revenue and cost assumptions, consistent with past practice in delivery of M1. At the same time, OCTA has taken an ambitious approach towards project delivery to capitalize on favorable construction and bond markets. M2 is the primary funding during the M2020 period. A conservative amount of new external funds are assumed in the M2020 period due to continuing flux in state and federal transportation funding legislation. As such, availability of any additional M2 funding capacity in the M2020 period is critical to the success of the overall plan.

3. How will future inflation impact the M2020 Plan?

The M2020 Plan includes assumptions for project cost escalations, as well as growth in revenues. The M2020 Plan accelerates projects to capitalize on the current low bid climate and the low cost of debt. While sales tax revenues and expenses have trended toward similar levels of inflation in the past, recent experience in cost spikes for structural steel, pavement materials, and other construction items underscore the need to carefully manage costs, expedite projects to the extent possible, and lock-in low debt costs. As part of the existing M2 quarterly reports, the Board will be kept updated on the progress of the plan, any major shifts in assumptions, and the need for adjustments.

4. Can more M2 funding be made available for Project S – Transit Extensions to Metrolink?

The M2020 Plan assumes up to \$575 million in M2 and external funding (including \$58 million in local match funds) for both projects. A plan of finance for the M2020 Plan will be developed and brought to the Board for approval in the coming months. Staff proposes to include language in this plan that will address the concern that if federal New Starts funding is not available, OCTA will look to other state and federal sources to backfill. For example, the plan could include up to \$80 million in future Congestion Mitigation and Air Quality funds to be used in advance of New Starts grants. In addition, staff is working with the cities of Santa Ana/Garden Grove and Anaheim to further refine annual cash flow requirements which could result in additional M2 project funding being available.

5. Can bus rapid transit (BRT) service be funded with M2 Project S funds?

Yes. BRT is an eligible expense under Project S, which provides competitive funding for local jurisdictions to broaden reach of the rail system. To date, OCTA has approved two fixed guideway projects for study and ultimate implementation through a competitive call for projects. Additionally, through another competitive call for projects, OCTA received proposals and awarded funds for the implementation of rubber tire projects. Early in the planning process, BRT was considered by local jurisdictions during Step One of the Go Local Program. However, this type of service was not pursued by local jurisdictions. While local agencies did not propose BRT as part of the latest round of rubber tire call for projects, there may be future opportunities to consider BRT contingent on local agencies' interest and funding availability.

6. Can M2 Project U funds be used to offset or minimize the impacts of fare increases on low income communities?

No. M2, Project U was passed by the voters to specifically expand mobility choices for seniors and persons with disabilities. The plan did not include funds to offset or minimize the impacts of fare increases on low income communities.

7. What's included in the M2020 Plan for the freeway mitigation program?

The intent of the plan is to continue moving forward with the environmental mitigation program as planned. Future expenditures will be discussed and brought through the Environmental Oversight Committee (EOC) to ensure interested parties are represented. The M2020 Plan envisions executing the Natural Community Conservation Plan/ Habitat Conservation Plan implementing agreement, completing the resource management plans, and establishing and maintaining long-term endowment accounts for acquisition properties. Once these actions are in place, the remaining needs and funding available will be known and through the EOC, recommendations for the next steps will be determined.

If you have any questions, please contact Kia Mortazavi, Executive Director, Planning, at (714) 560-5741.

WK:tw

c: Executive Staff



October 9, 2012

To: Taxpayers Oversight Committee

From: Annual Eligibility Review Subcommittee

Subject: Fiscal Year 2012-13 Renewed Measure M Annual Eligibility Review Subcommittee Recommendations and Fiscal Year 2011-12 Recommendation for city of Huntington Beach's Expenditure Report

Overview

The Measure M and Measure M2 ordinances require all local jurisdictions in Orange County to annually satisfy eligibility requirements in order to receive fair share and competitive grant net revenues. The Annual Eligibility Review subcommittee review process for Pavement Management Plans for Fiscal Year 2012-13 has been completed.

In addition, the Annual Eligibility Review subcommittee has completed the review of two revised Mitigation Fee Programs and Huntington Beach's Expenditure Report for Fiscal Year 2011-12 as the city follows a federal fiscal year that ends on September 30, 2011.

Recommendations

1. Approve Huntington Beach's Expenditure Report for Fiscal Year 2011-12.
2. Approve Pavement Management Plans for even numbered year agencies, revised Mitigation Fee Programs, and find all local jurisdictions eligible to receive fair share and competitive grant net revenues for Fiscal Year 2012-13.

Background

The Board of Directors authorized an amendment to Ordinance No. 2 (Measure M) that finds agencies which qualify as an "Eligible Jurisdiction" under Ordinance No. 3 (Measure M2) to also be an "Eligible Agency" under Ordinance No. 2.

The Taxpayer's Oversight Committee (TOC) is responsible for reviewing local agencies Local Signal Synchronization Plan, Mitigation Fee Program, Expenditure Report, Congestion Management Plan, and Pavement Management Plan (PMP) for compliance with Ordinance No. 3. The three eligibility components due this eligibility cycle include the PMPs for even numbered year agencies (Attachment A), revised Mitigation Fee Programs, and City of Huntington Beach's Expenditure Report for FY 2011-12.

Discussion

The Annual Eligibility Review (AER) subcommittee has been designated by the TOC to review the eligibility submittals with support from Orange County Transportation Authority (OCTA) staff. The AER subcommittee members include Tony Rouff (Chair), John Stammen, Dowling Tsai, Katherine Koster, and Jack Wu.

Local jurisdictions are required to annually submit eligibility packages by June 30th. OCTA staff and consultant reviewed the PMP submittals to ensure each eligibility package was complete and accurate. The AER subcommittee convened on September 19, 2012 to review and discuss the PMP certifications, summary table of PMP elements, and two revised Mitigation Fee Programs. The AER subcommittee found the PMP submittals, and the revised Mitigation Fee Programs to be in compliance with the Ordinance and recommend to the TOC for eligibility approval. In addition, Huntington Beach's Expenditure Report from FY 2011-12 was submitted, reviewed, and accepted by the AER subcommittee.

Upon TOC approval, OCTA staff will present the eligibility findings to the Highways Committee on December 3, 2012 and to the OCTA Board of Directors on December 10, 2012. Eligibility determination is conditional upon review of the Expenditure Reports due December 31, 2012.

Summary

The Annual Eligibility Review subcommittee reviewed the City of Huntington Beach's Expenditure Report for FY 2011-12 and found compliant with the Ordinance. Additionally, all local jurisdictions in Orange County submitted FY 2012-13 Measure M eligibility packages. The Annual Eligibility Review subcommittee reviewed Pavement Management Plan documentation and the revised Mitigation Fee Programs; and all local jurisdictions meet the eligibility requirements for Fiscal Year 2012-13.

Attachments

- A. Local Jurisdiction Periodic Component Submittal Schedule

TABLE 2-2
Local Jurisdiction Periodic Component Submittal Schedule

Local Jurisdiction	Updated PMP
Aliso Viejo	June Even Year
Anaheim	June Odd Year
Brea	June Odd Year
Buena Park	June Even Year
Costa Mesa	June Even Year
County of Orange	June Even Year
Cypress	June Odd Year
Dana Point	June Odd Year
Fountain Valley	June Even Year
Fullerton	June Even Year
Garden Grove	June Even Year
Huntington Beach	June Even Year
Irvine	June Odd Year
Laguna Beach	June Even Year
Laguna Hills	June Even Year
Laguna Niguel	June Even Year
Laguna Woods	June Even Year
Lake Forest	June Odd Year
La Habra	June Odd Year
La Palma	June Even Year
Los Alamitos	June Odd Year
Mission Viejo	June Even Year
Newport Beach	June Odd Year
Orange	June Even Year
Placentia	June Even Year
Rancho Santa	June Even Year
San Clemente	June Odd Year
San Juan Capistrano	June Odd Year
Santa Ana	June Even Year
Seal Beach	June Even Year
Stanton	June Odd Year
Tustin	June Odd Year
Villa Park	June Even Year
Westminster	June Even Year
Yorba Linda	June Even Year