



Measure M
Taxpayers Oversight Committee
at the Orange County Transportation Authority
600 S. Main Street, Orange CA, Room 103
December 11, 2012
6:00 p.m.
AGENDA



- 1. Welcome**
- 2. Pledge of Allegiance**
- 3. Approval of Minutes/Attendance Reports for September 27, 2012 & October 9, 2012**
- 4. Chairman's Report**
- 5. Action Items**
 - A. M1/M2 Quarterly Revenue & Expenditure Reports (June 2012)
Presentation – Ken Phipps, Executive Director, Finance & Administration
 - B. M1/M2 Quarterly Revenue & Expenditure Reports (Sept 2012)
Presentation – Ken Phipps, Executive Director, Finance & Administration
- 6. Presentation Items**
 - A. M2020 Plan of Finance
Presentation – Kirk Avila, Treasurer, Finance & Administration
 - B. I-5 South Projects Update
Presentation – Hamid Torkamanha, I-5 Project Manager, Development
Julie Toledo, I-5 Outreach Manager, External Affairs
 - C. SR-91 Projects Update
Presentation – Doug Pekrul, SR-91 Project Manager, Development
 - D. Annual Hearing Planning
Presentation – Alice Rogan, Strategic Communications Manager
- 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**

Special Meeting

**September 27, 2012
Meeting Minutes**

Committee Members Present:

Jan Grimes, Orange County Acting Deputy Auditor-Controller, Chair
Richard Egan, First District Representative
Howard Mirowitz, 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
Tony Rouff, Fifth District Representative

Committee Member(s) Absent:

Anh-Tuan Le, First District Representative
Jack Wu, Second District Representative

Orange County Transportation Authority Staff Present:

Marissa Espino, Strategic Communications Officer
Ryan Mahoney, Transportation Analyst
Kia Mortazavi, Executive Director, Planning
Ken Phipps, Executive Director of Finance and Administration
Alice Rogan, Strategic Communications Manager
Tami Warren, Measure M Program Manager

1. Welcome

Chair Jan Grimes began the meeting at 6:00 p.m. and welcomed everyone.

2. Pledge of Allegiance

Chair Jan Grimes asked everyone to stand and led the Pledge of Allegiance.

3. Chairman's Report

There was no Chairman's Report

4. Presentation Items

A. Proposed Amendment to the Measure M Investment Plan

Tami Warren gave an overview of the M2020 Plan. She informed the members the information being reviewed regarding the proposed amendment is for the benefit of the TOC and no action is required at this meeting; however, the committee could choose to vote on the matter. This item is also scheduled to be brought to the regular TOC meeting on October 9.

Ken Phipps reviewed the financial history of Measure M1. He outlined the key “Promises Made, Promises Kept” which included:

- Delivered more than \$4 billion of improvements
- Leveraged \$1.2 billion in external funds
- Accelerated M1 delivery with bonding
- Realized cost savings
- Provided mobility sooner

Ken Phipps concluded his presentation by saying the successful “Promises Made, Promises Kept” approach worked for M1 and OCTA is recommending this approach for M2.

Tami Warren explained the purpose of the TOC Special Meeting is to provide information about the amendment to address the \$709 million needed to cover the cost of delivering the entire freeway program. The proposed amendment would provide funding needed to deliver Project K and only covers the cost of Alternative 1 – adding a single general purpose lane in each direction on the I-405 – which is the Measure M2 commitment. The proposed amendment would allow OCTA to balance the freeway projects and move money from one project – Project J (SR-91) – and move it to Project K (I-405) so OCTA can deliver on the Measure M2 commitment. Any decision to go with another alternative on the I-405 will be handled by the OCTA Board and funded with separate financing because improvements above the one general purpose lane are beyond the Measure M2 promise.

The TOC members were given a document explaining cash flow for the M2 freeway projects “A” through “N.” This document shows Project J (SR-91) to have a remaining balance of \$847 million in nominal dollars after all projects are delivered. Project K (I-405) has a short fall. The suggested amendment is to move \$709 million in nominal dollars from Project J to Project K.

Kia Mortazavi said when Measure M was conceived, there were no plans to include state and federal funds – Measure M would cover everything. Now two years into M2, OCTA has received approximately \$673 million in terms of

programmed external revenue commitments. This has been extremely helpful in closing the gap in the revenue shortfall as a result of the downturn in the economy. Furthermore, the M2020 Plan assumes that starting in year 2018, \$30 million a year will be collected in external revenue totaling \$720 million throughout the life (2041) of the M2 program.

A committee member asked if there was any indication the federal revenue commitments expected would be subject to risk. Kia Mortazavi said no indications at all, the bulk is bond funded and the bonds have been issued.

A committee member asked why Project J is coming in less than projected. Kia Mortazavi said Project J is the widening of the SR-91 from the SR-55 to the Riverside County line. The preliminary estimates for this project considered geological constraints in the area such as the mountains on the south side and the Santa Ana River on the north. Subsequently, Army Corps of Engineers realigned a portion of the Santa Ana River adjacent to the SR-91. This eliminated risk and associated costs with impacts, to the Santa Ana River, that may have occurred had OCTA had gone first. In addition, American Recovery and Reinvestment grants, Proposition 1B, and State Highway funds were used to construct the early Project J improvements resulting in Measure M savings.

A committee member asked why is Project K coming in so high. Kia Mortazavi said the original estimates were done early in the project development process before additional detailed studies were completed. Kia Mortazavi shared that there are three main reasons: 1) The estimates for this project were done in 2004 before the significant spike in the cost of materials; 2) There are 17 structures that need to be removed and the estimates for doing this didn't assume the ramps would need to be reconfigured; 3) They did not have the benefit of the high level of traffic analysis and engineering that has now been completed and the realization of the magnitude of sound walls, utilities, drainage channels, and interchange issues added to the costs.

A committee member asked if OCTA is taking into consideration the new environmental laws dealing with carbon credits. Kia Mortazavi said the revised estimates are based on the most recent project cost data available and there are contingencies built into the numbers. Also OCTA has a good working relationship with the environmental community because of the M2 commitment to put five percent of freeway project costs into environmental mitigation. OCTA has purchased open space to ensure protection. This was in exchange for the environmental community to work closely with OCTA to ensure the impacts of projects were covered and projects were able to move forward successfully.

A committee member asked if the cost of the project included financing costs. Ken Phipps said yes, the financing costs are built in. The net debt service is at the mode level not the project level, but it comes out of the project costs.

A committee member asked if any portion of the financing was done through the taxable bonds with a federal subsidy. Ken Phipps said yes through the Build America Bonds program (BABs). The committee member asked if there has been talk about the federal government withholding some of the subsidy going to the issuers of the taxable Build America Bonds if they do not come to some kind of resolution of the fiscal push at the end of the year. Ken Phipps said in this case they would need to make adjustments; this assumption was not built into it.

A committee member asked what the average additional non M1 revenue per year was. Ken Phipps said within the freeway program approximately \$60 million per year, or \$1.2 billion in external funds over the life of M1. The committee member observed that the \$30 million rate projection currently is about half of the rate of M1. Ken Phipps said yes. This is to be conservative in light of the current financial environment.

A committee member commented during M1 there were several times money was shifted between projects, but he believed in absolute dollars this proposed Amendment is bigger. Ken Phipps said in absolute dollars yes, but in terms of percentage no.

A committee member asked if the fence line for Alternative 1 is the same fence line as Alternative 3. Kia Mortazavi said he believed there was additional right of way for Alternative 3 because it goes farther south than Alternative 1. The committee member asked if the number of bridges being removed and replaced would be the same under Alternative 1 and 3. Kia Mortazavi said it would be very close to the same. The committee member said the point he wanted to make is the \$1.3 billion includes a substantial preparation/package of money that would be used for Alternative 3 even if Alternative 3 is not approved. What it does is provide for expansion but the same amount of concrete can be provided and not charge tolls if you had the space. Ken Phipps said if there was enough space and if there was funding. The committee member said he did not see a problem with Alternative 3 - it solves a lot of issues.

A committee member asked the cost of the segment connecting Riverside County to Orange County in Project J. Kia Mortazavi said Project J has three segments. Project one is an eastbound lane between the SR-241 and SR-71. Half in Riverside County and half in Orange County – paid for in federal dollars and no Measure M funds involved. The second phase is widening by one lane in each direction from SR-55 to SR-241 (under construction now). The last segment will be one lane in each direction between the SR-241 and the Riverside County line (SR-71). This project is being held until Riverside is ready to do their part of it (approximately 2025/2030).

Tami Warren clarified the dollar amounts in the handouts. The M2 Transportation Investment Plan amendment is to move \$572 million (in 2005 dollars) from Project J to Project K. This amount translates to \$709 million in nominal dollars or escalated dollars. She wanted to be sure committee members understood that the dollar amount needed is being reflected in 2005 dollars to be consistent with all other numbers in the investment plan.

A committee member observed the material provided to the committee members had a description of Project J and Project K. What the relationship is to pages 40 and 41 (M2020 Plan) for Project K in the investment plan? The verbiage on page 40 and 41 talks of toll roads and Express Lanes and the material provided to the committee members does not mention toll roads or Express Lanes. What is the relationship between the two and will one not exist if the plan is approved?

Tami Warren said it was referenced on page 40 and 41 of the M2020 Plan because the alternatives are still under discussion for the I-405. The M2020 Plan talks about what is being looked at broadly by the Board in terms of I-405/Project K, but the amendment and funding being asked for with the amendment is for the M2 project (one general purpose lane in each direction) only. If the Board decides to go with Alternative 2 (two general purpose lanes) then the funding for the second general purpose lane will need to be found separately. If the Board decides to go with Alternative 3 (the Express Lanes) then funding needed to build the express lane would also be funded outside of M2 and in this case would be funded by users through bonding against future toll revenue.

A committee member asked what the Executive Committee recommended to the OCTA Board. Tami Warren said the Executive Committee recommended Alternative 1. At the Board meeting on September 24 the Board discussed the item but didn't make a decision. The Board postponed their decision until October 22. A committee member asked what the official description of Project K was. Tami Warren said the official description of the Measure M2 Project K was a single general purpose lane in each direction on the I-405 between SR-55 and I-605. She referenced the handout given to the TOC in their background material. The request for an amendment is "Alternative Neutral" it only covers the Measure M2 funded general purpose lane. The general purpose lane is in all three alternatives (1, 2, and 3), but funding from M2 will only cover the single general purpose lane.

The committee member said he has major issues with Alternative 3, but if it is going to die, the additional fence line provides for future needs in coping with traffic congestion. He does not feel it is OCTA's or the general taxpayers' benefit to telegraph the toll road option if it has not been approved. As a result, he made a motion if Alternate 3 is moved into Project K, the issue should be brought back to the TOC. This committee member said his problem with Alternative 3 is the original vote by the taxpayers covered a one lane addition to the project – there

was no mention of a toll lane. This decision was made based on configuration of the I-405 at that time which was four or five general purpose lanes and one carpool lane.

Alice Rogan said the discussion is starting to move out of the realm of the amendment discussion. The committee member said his motion is just to bring the discussion back to the TOC if Alternative 3 is approved. Alice Rogan said this is a policy discussion and the Board is the policy body for OCTA. It is in the realm of OCTA to always be looking for transportation solutions to move more people. There is a precedent doing something like this. In M1 there was a High Occupancy Vehicle (HOV) planned for SR-91, but express lanes were put in instead of the HOV lane using private funds. There is flexibility in Measure M - when the Ordinance is silent on something it does not mean it can't happen.

Ken Phipps clarified what the committee member was saying – if the Express Lane moves into the description of Project K, the committee member would not support this. The committee member said his basis for not supporting it would be the disappearance of the HOV lane. Ken Phipps said the addition of an Express Lane would never move into Project K but there may be an opportunity to build the Express Lane concurrently with Project K. If M2 would be paying to add an express lane, the TOC could protest it because it would not be an appropriate expenditure of M2 funds. This is not what is being proposed.

The OCTA Board is struggling with the concept of a HOV 2+ being part of a two lane Express Lane option where it would be a HOV 3+ lane. On the other side, the current HOV lanes are not meeting the federal standards and the federal government can come in and make them three plus HOV lanes and this could happen sometime within the next year. The committee member asked if HOV three is a federal issue. Ken Phipps said yes, the HOV lane was federally funded to meet a standard and the I-405 HOV lane no longer meets this standard. The committee member said he does not have a problem with converting a two plus HOV to a three plus HOV, he has a problem with converting an HOV lane into a toll lane. Kia Mortazavi said Alternative 3 allows for the Express Lanes to be HOV three plus free.

Kia Mortazavi said OCTA Board Director Campbell proposed an option: Select Alternative 3 and move forward with a caveat. If the federal government does not take any action on changing the HOV lane requirements from 2+ to 3+ then OCTA would build Alternative 1. If the federal government does step in and designate the HOV lane to HOV 3+ then the plan would be to build Alternative 3. The committee member asked to see some traffic count numbers from the 91 Express Lanes on the usage of the lanes.

A committee member observed currently OCTA is trying to balance two projects – Project K and Project J – but he sees deficits in other projects. When will the

other projects be balanced? Tami Warren said the other projects are not as far along as Project J and there is not enough information available to feel solid on the dollar amounts. The decision is to wait until the projects are further along to make any adjustments. Some of these adjustments will occur at the time of the M2 10-year review. The committee member asked if there were any interim reviews of the Investment Plan. Kia Mortazavi said the Investment Plan is reviewed regularly by staff. Additionally, the TOC gets quarterly revenue and expenditure reports and OCTA has an annual report distributed widely.

The committee member asked what would trigger a revision. Kia Mortazavi said when there are a number of big projects ready to go and they are sure of the costs. Looking ahead, the next time something like this will happen will be in the general range of three to four years.

The committee member observed he saw a public notice for this project asking for comments. Why will this occur after the TOC is being asked to vote? Tami Warren said as part of the amendment process, the Board sends the amendment to the TOC; if the TOC supports the amendment, it will go to the public for their opinion. The Public Hearing for this amendment is set for November 9.

A committee member asked if the TOC is to assume the Board approves of the amendment if they send it to the TOC. Alice Rogan said generally speaking yes.

Jan Grimes said there are a few TOC members absent and asked if a vote could be taken. Alice Rogan said there are only two members absent and legally only a two thirds majority of those present is needed.

A motion was made, seconded, and approved unanimously to vote on the amendment that evening. *NOTE: Although the committee assumed they voted unanimously to approve the Amendment to the Measure M Investment Plan to move \$709 million in nominal dollars from Project J to Project K, in actuality, the committee didn't vote on the amendment, but only on taking the vote. As a result, the amendment was brought back to the TOC at their October 9, 2012 meeting for consideration. On October 9, the committee voted unanimously to approve the amendment. This time there were 10 members present.*

Tami Warren said the next step will be to write a letter to the OCTA Board letting the Board know the TOC approved the amendment. The public hearing for the amendment is scheduled for November 9 and, based on the hearing, the Board will consider adopting the amendment. The amendment will become effective on December 24, 45 days after adoption.

A committee member withdrew his previous motion to bring the amendment back to the TOC if Alternate 3 is moved into Project K based on lack of support.

5. OCTA Staff Update

There was nothing to report.

6. Public Comments

There were no Public Comments

7. Adjournment

The Measure M Taxpayers Oversight Committee meeting adjourned at 7:20 p.m.
The next meeting will be October 9, at the OCTA offices.

Measure M Taxpayers Oversight Committee

**October 9, 2012
Meeting Minutes**

Committee Members Present:

Jan Grimes, Orange County Acting Deputy Auditor-Controller, Co-Chairman
Richard Egan, First District Representative
Howard Mirowitz, Second District Representative, Co Chairman
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
Tony Rouff, Fifth District Representative

Committee Member(s) Absent:

Anh-Tuan Le, First District Representative

Orange County Transportation Authority Staff Present:

Ellen Burton, Executive Director, External Affairs
Rose Casey, Director of Highways Program
Fernando Chavarria, Community Relations Officer, External Affairs
Marissa Espino, Strategic Communications Officer
Janice Kadlec, Public Reporter
Ross Lew, Program Manager, Capital Projects
Kia Mortazavi, Executive Director, Planning
Ken Phipps, Executive Director of Finance and Administration
Tamara Warren, Manager, M Program Management Office

1. Welcome

Chair Jan Grimes began the meeting at 6:00 p.m. and welcomed everyone.

2. Pledge of Allegiance

Chair Jan Grimes asked everyone to stand and led the Pledge of Allegiance.

3. Approval of the Minutes/Attendance Report for August 14, 2012

A motion was made by Richard Egan, seconded by Kate Koster, and carried unanimously to approve the August 14, 2012 Taxpayers Oversight Committee (TOC) minutes and attendance report. Chair Jan Grimes abstained from voting as she was not at the August 14, 2012 meeting.

4. Chairman's Report

Chair Jan Grimes reported Alice Rogan would not be attending the meeting because of a bicycle accident earlier in the week. Marissa Espino said Alice should be healed in time for the next TOC meeting on December 11, 2012.

5. Action Items

A. M2020 Plan – M Amendment

Chair Jan Grimes explained the TOC is being asked to revisit the M Amendment item that was voted on at the September 27 TOC meeting and to take another vote.

Tamara Warren said, after reviewing the meeting recording, the vote that occurred at the September meeting was really just a vote to vote on the M2 Amendment. The TOC did not actually vote on the M2 Amendment. Tamara Warren said she would be happy to make another presentation on the Amendment, or the TOC can vote on it without repeating the M2 Amendment Presentation.

A motion was made by Kate Koster, seconded by Jack Wu, and carried unanimously to approve the amendment to the M2 Transportation Investment Plan to decrease the funding in Project J by \$572.8 million (2005 dollars) and increase the funds in Project K by \$572.8 million (2005 dollars).

B. Fiscal Year 2012/2013 Local Jurisdiction Eligibility Report

Tony Rouff, Chairman of the Annual Eligibility Review (AER) Subcommittee, reported Subcommittee members Kate Koster, John Stammen, Dowling Tsai, Jack Wu, and he met and reviewed the required documents provided by the local jurisdictions. These documents included pavement management plans for even numbered year agencies, mitigation plans for the cities of Brea and Huntington Beach, and the City of Huntington Beach's expenditure report for Fiscal Year (FY) 2011/12. The AER Subcommittee found all local jurisdictions submitted the necessary documents required to meet the eligibility requirements in the Measure M2 Ordinance for the FY 2012/13. They recommended all jurisdictions in Orange County be conditionally eligible for FY 2012/13 Measure M funds pending the review of their expenditure reports in December 2012 (except the City of Huntington Beach which will be reviewed in 2013 because their fiscal year is on a different cycle).

A motion was made by Jack Wu, seconded by Kate Koster, and carried unanimously to:

- A. Approve the City of Huntington Beach's expenditure report for Fiscal Year (FY) 2011/12.

- B. Approve the Pavement Management Plans for even numbered year agencies, Mitigation Plans for the cities of Brea and Huntington Beach, find all jurisdiction in Orange County conditionally eligible for FY 2012/13 Measure M funds pending review of their expenditure reports in December 2012 (except the City of Huntington Beach which will be reviewed in 2013 because their fiscal year is on a different cycle) and forward these findings to the OCTA Board Highways Committee and the Board of Directors for approval.

6. Presentation Items

A. Project J (SR-91) Update

Fernando Chavarria gave an update on a portion of Project J under construction – the SR-91 between the SR-55 and the 241 Toll Road.

Tony Rouff asked if the work being done on the truck weigh stations were part of Measure M2 Project J. Fernando Chavarria said yes they were.

B. OC Bridges Update

Ross Lew gave an update on the Orange County Bridges Program which consists of seven grade crossings for the Burlington Northern and Santa Fe (BNSF) Railroads.

Phillip La Puma asked for an explanation of the work being done on Orangethorpe Avenue. Ross Lew said in preparation for the grade separation, there are a number of utilities which need to be relocated.

Phillip La Puma observed, as a homeowner in the Orangethorpe Avenue area, the soundwalls installed work very well and the TLM track laying machine being used was also not very noisy.

Randy Holbrook observed the schedule for the Orangethorpe and Tustin Bridge construction was considerably longer and asked why. Ross Lew said these projects were bigger projects because they would be going over the tracks and Orangethorpe would be a very large span. The bridge sites for these two projects are longer than the Placentia and Kraemer sites.

Randy Holbrook asked if the Orangethorpe Bridge was going to be similar to the Imperial Bridge. Ross Lew said it would be similar.

Tony Rouff asked if the Sand Canyon Bridge project was funded differently than the other six bridges. Ross Lew said the other bridges have variable funding sources – local, state, and federal. The Sand Canyon Bridge has only local and state funding.

Tony Rouff asked if there are any other grade separation projects. Ross Lew said there were no other grade separations planned for the Orangethorpe corridor. Rose Casey said there is a grade separation planned for State College Blvd. in the City of Anaheim.

Howard Mirowitz asked if there had been a change in management for the Sand Canyon project. Ross Lew said there has not been a change in management; OCTA is a partner with the City of Irvine on this project. Irvine managed the first phase of the project up until the end of the design phase. Once construction started, OCTA took the lead in partnership with the city in terms of construction and construction management.

Howard Mirowitz asked who is in charge of the entire project. Rose Casey said OCTA is the lead implementing agency for construction, but the City of Irvine is helping with outreach. They have a contract with a designer for any questions on the project and they are also coordinating with the utilities for relocation payments.

7. Annual Eligibility Review Subcommittee Report

Tony Rouff had nothing further to report.

8. Audit Subcommittee Report

Chair Jan Grimes said the Audit Subcommittee met before the regular TOC meeting. The agenzized Procurement Report was tabled until the next Audit Subcommittee meeting, but the subcommittee did receive an update from CH2M Hill on the M2 Performance Assessment. This is a performance assessment on all of the M2 work done from 2009 to 2012 covering project delivery, program management and responsiveness, compliance with the Ordinance, fiscal responsibility, and transparency and accountability. The draft report should be out by the first part of December 2012 with a final report expected by the end of December 2012.

Chair Jan Grimes said there was also an Audit update given by Janet Sutter, Executive Director of Internal Audit.

Howard Mirowitz reported the audits of the cities have started and will be concluded by the end of December. There will be a separate Audit Subcommittee in January 2013 to discuss the audit findings before the TOC Annual Public Hearing in February 2013.

9. Environmental Oversight Committee Report

Phillip La Puma reported his attendance at the October 3 Environmental Oversight Committee (EOC) meeting. The members were given an update on the appraisal status of properties and an interim land manager's update on acquired properties. Phillip La Puma said he found it interesting that approximately 15% of the purchase price (M2 money) is set aside in perpetuity for management of the properties, and yet there did not seem to be any audit requirements. Phillip La Puma said he will follow-

up on this. He found the EOC very interesting and educational and is very happy to serve on the Committee.

Howard Mirowitz said the Audit Subcommittee has asked the OCTA Auditor to audit the environmental aspect of the M2 Freeway Environmental Mitigation Program and will do it for the first time in fall 2012. Phillip La Puma said his point was after the property manager is in place, who would audit it.

Chair Jan Grimes asked if all the properties purchased are open space and managed in perpetuity and then the endowment for these properties is a block of money from M2. Phillip La Puma said yes.

Kia Mortazavi said the endowment for each of these properties will be held by OCTA and annual payments will be made to the managing agency for management costs. The property managers will be under a long term contract and payments will be made to that contract. There will also be annual reports as part of this to make sure the biological commitments are being met so there will be checks and balances and a tracking mechanism.

Tony Rouff asked if the management funds are essentially just the return on investments. Kia Mortazavi said correct.

Howard Mirowitz asked since this particular piece of M2 has a longer time horizon, shouldn't it be invested differently. Kia Mortazavi said OCTA is still trying to identify what the long term management costs will be.

Ken Phipps said this investment would be similar to the Urban Rail Endowment. There would be an M2 expenditure transferred into another fund and this fund would be used for continuing maintenance of these properties long term – similar to Metrolink operations.

Randy Holbrook asked if these properties are to be kept in their natural state. Kia Mortazavi said correct. Randy Holbrook said in which case, theoretically, keeping things in a natural state would be easier to do. Kia Mortazavi said yes, it would be a matter of:

- 1) Patrolling – making sure people are not on the land
- 2) Fencing and signage
- 3) Maintaining the fire and access roads.
- 4) Preservation of natural habitat from evasive species

Phillip La Puma said the last item at the EOC meeting was Public Comments. There were four speakers who spoke on the temporary closure of the horse trails on the Ferber Ranch property.

10. Committee Member Reports

There were no reports from Committee members.

11. OCTA Staff Update

OCTA staff had nothing further to report.

12. Public Comments

There were no Public Comments.

13. Adjournment

The Measure M Taxpayers Oversight Committee meeting adjourned at 7:05 p.m.
The next meeting will be December 11, 2012 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	X	X								
Randy Holbrook		X	X	X								
Katherine Koster		X	X	X								
Philip La Puma		X	X	X								
Anh-Tuan Le		X	*	*								
Howard Mirowitz		X	X	X								
Tony Rouff		X	X	X								
John Stammen		X	X	X								
Jan Grimes		E	X	X								
Dowling Tsai		X	X	X								
Jack Wu		X	*	X								

Absences Pending Approval

<u>Meeting Date</u>	<u>Name</u>	<u>Reason</u>
September 27, 2012	Anh-Tuan Le	Business
September 27, 2012	Jack Wu	Unavailable (Attended One-on-One Briefing on 10/2/12))
October 9, 2012	Anh-Tuan Le	Out of town

Action Items

Measure M1
Schedule of Revenues, Expenditures and Changes in Fund Balance
as of June 30, 2012

(\$ in thousands)	Quarter Ended June 30, 2012	Year to Date June 30, 2012 (A)	Period from Inception through June 30, 2012 (B)
Revenues:			
Sales taxes	\$ -	\$ -	\$ 4,003,972
Other agencies' share of Measure M1 costs:			
Project related	70,399	94,196	553,100
Non-project related	-	6	620
Interest:			
Operating:			
Project related	-	-	1,052
Non-project related	438	4,706	267,076
Bond proceeds	-	-	136,067
Debt service	-	-	82,054
Commercial paper	-	-	6,072
Orange County bankruptcy recovery	-	-	42,268
Capital grants	-	-	156,434
Right-of-way leases	124	426	6,009
Proceeds on sale of assets held for resale	-	-	24,575
Miscellaneous:			
Project related	-	-	26
Non-project related	-	2	776
Total revenues	<u>70,961</u>	<u>99,336</u>	<u>5,280,101</u>
Expenditures:			
Supplies and services:			
State Board of Equalization (SBOE) fees	-	-	56,883
Professional services:			
Project related	2,872	5,276	203,762
Non-project related	478	1,051	35,103
Administration costs:			
Project related	286	1,290	22,325
Non-project related	(1,313)	2,672	94,138
Orange County bankruptcy loss	-	-	78,618
Other:			
Project related	50	154	1,960
Non-project related	6	10	15,954
Payments to local agencies:			
Turnback	-	-	594,009
Other	61,142	108,810	909,713
Capital outlay	6,366	15,218	2,068,115
Debt service:			
Principal payments on long-term debt	-	-	1,003,955
Interest on long-term debt and commercial paper	-	-	561,842
Total expenditures	<u>69,887</u>	<u>134,481</u>	<u>5,646,377</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,074</u>	<u>(35,145)</u>	<u>(366,276)</u>
Other financing sources (uses):			
Transfers out:			
Project related	-	(363)	(383,264)
Non-project related	-	-	(5,116)
Transfers in: project related	-	-	1,829
Bond proceeds	-	-	1,169,999
Advance refunding escrow	-	-	(931)
Payment to refunded bond escrow agent	-	-	(152,930)
Total other financing sources (uses)	<u>-</u>	<u>(363)</u>	<u>629,587</u>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	<u>\$ 1,074</u>	<u>\$ (35,508)</u>	<u>\$ 263,311</u>

Measure M1
Schedule of Calculations of Net Tax Revenues and Net Bond Revenues (Debt Service)
as of June 30, 2012

(\$ in thousands)	Quarter Ended June 30, 2012 (actual)	Year Ended June 30, 2012 (actual) (C.1)	Period from Inception through June 30, 2012 (actual) (D.1)	Period from July 1, 2012 forward (forecast) (E.1)	Total (F.1)
Tax revenues:					
Sales taxes	\$ -	\$ -	\$ 4,003,972	\$ -	\$ 4,003,972
Other agencies' share of Measure M1 costs	-	6	620	-	620
Operating interest	438	4,706	267,076	2,830	269,906
Orange County bankruptcy recovery	-	-	20,683	-	20,683
Miscellaneous, non-project related	-	2	776	-	776
Total tax revenues	<u>438</u>	<u>4,714</u>	<u>4,293,127</u>	<u>2,830</u>	<u>4,295,957</u>
Administrative expenditures:					
SBOE fees	-	-	56,883	-	56,883
Professional services, non-project related	478	1,051	26,242	-	26,242
Administration costs, non-project related	(1,313)	2,672	94,138	743	94,881
Transfers out, non-project related	-	-	5,116	-	5,116
Orange County bankruptcy loss	-	-	29,792	-	29,792
Other, non-project related	6	10	6,854	-	6,854
Total administrative expenditures	<u>(829)</u>	<u>3,733</u>	<u>219,025</u>	<u>743</u>	<u>219,768</u>
Net tax revenues	<u>\$ 1,267</u>	<u>\$ 981</u>	<u>\$ 4,074,102</u>	<u>\$ 2,087</u>	<u>\$ 4,076,189</u>
Bond revenues:					
Proceeds from issuance of bonds	\$ -	\$ -	\$ 1,169,999	\$ -	\$ 1,169,999
Interest revenue from bond proceeds	-	-	136,067	-	136,067
Interest revenue from debt service funds	-	-	82,054	-	82,054
Interest revenue from commercial paper	-	-	6,072	-	6,072
Orange County bankruptcy recovery	-	-	21,585	-	21,585
Total bond revenues	<u>-</u>	<u>-</u>	<u>1,415,777</u>	<u>-</u>	<u>1,415,777</u>
Financing expenditures and uses:					
Professional services, non-project related	-	-	8,861	-	8,861
Payment to refunded bond escrow	-	-	153,861	-	153,861
Bond debt principal	-	-	1,003,955	-	1,003,955
Bond debt interest expense	-	-	561,842	-	561,842
Orange County bankruptcy loss	-	-	48,826	-	48,826
Other, non-project related	-	-	9,100	-	9,100
Total financing expenditures and uses	<u>-</u>	<u>-</u>	<u>1,786,445</u>	<u>-</u>	<u>1,786,445</u>
Net bond revenues (debt service)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (370,668)</u>	<u>\$ -</u>	<u>\$ (370,668)</u>

**Measure M1
Schedule of Revenues and Expenditures Summary
as of June 30, 2012**

Project Description (G)	Net Tax Revenues Program to date Actual (H)	Total Net Tax Revenues (I)	Project Budget (J)	Estimate at Completion (K)	Variance Total Net Tax Revenues to Est at Completion (L)	Variance Project Budget to Est at Completion (M)	Expenditures Quarter Ended June 30, 2012 (N)	Reimbursements Quarter Ended June 30, 2012 (O)	Expenditures through June 30, 2012 (N)	Reimbursements through June 30, 2012 (O)	Net Project Cost (P)	Percent of Budget Expended (Q)
Freeways (43%)												
I-5 between I-405 (San Diego Fwy) and I-605 (San Gabriel Fwy)	\$ 982,367	\$ 982,870	\$ 810,010	\$ 789,022	\$ 193,848	\$ 20,988	\$ 660	\$ 9	\$ 872,424	\$ 85,645	\$ 786,779	97.1%
I-5 between I-5/I-405 Interchange and San Clemente	68,752	68,788	72,862	74,962	(6,174)	(2,100)	-	-	70,294	10,358	59,936	82.3%
I-5/I-405 Interchange	87,263	87,307	72,802	73,075	14,232	(273)	-	-	98,157	25,082	73,075	100.4%
SR-55 (Costa Mesa Fwy) between I-5 and SR-91 (Riverside Fwy)	58,175	58,205	44,511	49,349	8,856	(4,838)	-	-	55,514	6,172	49,342	110.9%
SR-57 (Orange Fwy) between I-5 and Lambert Road	29,088	29,102	24,128	22,758	6,344	1,370	-	-	25,617	2,859	22,758	94.3%
SR-91 (Riverside Fwy) between Riverside Co. line & Los Angeles Co. line	125,605	125,670	116,136	105,389	20,281	10,747	-	-	123,995	18,606	105,389	90.7%
SR-22 (Garden Grove Fwy) between SR-55 and Valley View St.	400,615	400,820	313,297	310,943	89,877	2,354	6,731	4,342	640,630	332,782	307,848	98.3%
Subtotal Projects	1,751,865	1,752,762	1,453,746	1,425,498	327,264	28,248	7,391	4,351	1,886,631	481,504	1,405,127	
Net (Bond Revenue)/Debt Service			311,917	311,917	(311,917)	-	-	-	311,917		311,917	
Total Freeways	\$ 1,751,865	\$ 1,752,762	\$ 1,765,663	\$ 1,737,415	\$ 15,347	\$ 28,248	\$ 7,391	\$ 4,351	\$ 2,198,548	\$ 481,504	\$ 1,717,044	45.1%
%				42.8%							45.1%	
Regional Street and Road Projects (11%)												
Smart Streets	\$ 153,652	\$ 153,731	\$ 151,322	\$ 151,322	\$ 2,409	\$ -	\$ 202	\$ -	\$ 153,344	\$ 11,739	\$ 141,605	93.6%
Regionally Significant Interchanges	89,630	89,676	89,676	89,676	-	-	6,089	-	73,895	146	73,749	82.2%
Intersection Improvement Program	128,043	128,109	128,109	128,109	-	-	1,366	-	106,727	1,506	105,221	82.1%
Traffic Signal Coordination	64,022	64,054	64,054	64,054	-	-	1,564	258	65,627	2,962	62,665	97.8%
Transportation Systems Management and Transportation Demand Management	12,804	12,811	12,811	12,811	-	-	66	-	9,201	149	9,052	70.7%
Subtotal Projects	448,151	448,381	445,972	445,972	2,409	-	9,287	258	408,794	16,502	392,292	
Net (Bond Revenue)/Debt Service			2,409	2,409	(2,409)	-	-	-	2,409		2,409	
Total Regional Street and Road Projects	\$ 448,151	\$ 448,381	\$ 448,381	\$ 448,381	\$ -	\$ -	\$ 9,287	\$ 258	\$ 411,203	\$ 16,502	\$ 394,701	10.4%
%				11.0%							10.4%	

**Measure M1
Schedule of Revenues and Expenditures Summary
as of June 30, 2012**

Project Description (G) (\$ in thousands)	Net Tax Revenues Program to date Actual (H)	Total Net Tax Revenues (I)	Project Budget (J)	Estimate at Completion (K)	Variance Total Net Tax Revenues to Est at Completion (L)	Variance Project Budget to Est at Completion (M)	Expenditures Quarter Ended June 30, 2012 (N)	Reimbursements Quarter Ended June 30, 2012 (O)	Expenditures through June 30, 2012 (N)	Reimbursements through June 30, 2012 (O)	Net Project Cost (P)	Percent of Budget Expended (Q)
Local Street and Road Projects (21%)												
Master Plan of Arterial Highway Improvements	\$ 160,742	\$ 160,876	\$ 160,876	\$ 160,876	\$ -	\$ -	\$ (159)	\$ -	\$ 133,671	\$ 99	\$ 133,572	83.0%
Streets and Roads Maintenance and Road Improvements	594,819	595,124	595,124	595,124	-	-	-	-	594,025	-	594,025	99.8%
Growth Management Area Improvements	100,000	100,000	100,000	100,000	-	-	(2,656)	-	93,290	431	92,859	92.9%
Subtotal Projects	855,561	856,000	856,000	856,000	-	-	(2,815)	-	820,986	530	820,456	
Net (Bond Revenue)/Debt Service							-	-	-	-	-	
Total Local Street and Road Projects	\$ 855,561	\$ 856,000	\$ 856,000	\$ 856,000	\$ -	\$ -	\$ (2,815)	\$ -	\$ 820,986	\$ 530	\$ 820,456	21.5%
%												
Transit Projects (25%)												
Pacific Electric Right-of-Way	\$ 19,713	\$ 19,723	\$ 15,000	\$ 14,000	\$ 5,723	\$ 1,000	\$ 111	\$ 15	\$ 17,288	\$ 3,109	\$ 14,179	94.5%
Commuter Rail	367,697	367,895	352,710	361,391	6,504	(8,681)	-	-	411,438	60,805	350,633	99.4%
High-Technology Advanced Rail Transit	446,837	447,066	428,613	440,688	6,378	(12,075)	56,740	65,899	455,332	143,810	311,522	72.7%
Elderly and Handicapped Fare Stabilization	20,000	20,000	20,000	20,000	-	-	-	-	20,000	-	20,000	100.0%
Transitways	164,278	164,362	146,381	126,625	37,737	19,756	2	-	162,679	36,765	125,914	86.0%
Subtotal Projects	1,018,525	1,019,046	962,704	962,704	56,342	-	56,853	65,914	1,066,737	244,489	822,248	
Net (Bond Revenue)/Debt Service			56,342	56,342	(56,342)	-	-	-	56,342		56,342	
Total Transit Projects	\$ 1,018,525	\$ 1,019,046	\$ 1,019,046	\$ 1,019,046	\$ -	\$ -	\$ 56,853	\$ 65,914	\$ 1,123,079	\$ 244,489	\$ 878,590	23.1%
%												
Total Measure M1 Program	\$ 4,074,102	\$ 4,076,189	\$ 4,089,090	\$ 4,060,842	\$ 15,347	\$ 28,248	\$ 70,716	\$ 70,523	\$ 4,553,816	\$ 743,025	\$ 3,810,791	

Measure M1
Schedule of Revenues, Expenditures and Changes in Fund Balance
as of September 30, 2012

(\$ in thousands)	Quarter Ended Sept 30, 2012	Year to Date Sept 30, 2012 (A)	Period from Inception through Sept 30, 2012 (B)
Revenues:			
Sales taxes	\$ -	\$ -	\$ 4,003,972
Other agencies' share of Measure M1 costs:			
Project related	7,293	7,293	560,393
Non-project related	-	-	620
Interest:			
Operating:			
Project related	-	-	1,052
Non-project related	1,039	1,039	268,114
Bond proceeds	-	-	136,067
Debt service	-	-	82,054
Commercial paper	-	-	6,072
Orange County bankruptcy recovery	-	-	42,268
Capital grants	-	-	156,434
Right-of-way leases	96	96	6,104
Proceeds on sale of assets held for resale	-	-	24,575
Miscellaneous:			
Project related	-	-	26
Non-project related	-	-	776
Total revenues	<u>8,428</u>	<u>8,428</u>	<u>5,288,527</u>
Expenditures:			
Supplies and services:			
State Board of Equalization (SBOE) fees	-	-	56,883
Professional services:			
Project related	271	271	204,033
Non-project related	16	16	35,119
Administration costs:			
Project related	273	273	22,598
Non-project related	717	717	94,855
Orange County bankruptcy loss	-	-	78,618
Other:			
Project related	18	18	1,978
Non-project related	2	2	15,956
Payments to local agencies:			
Turnback	-	-	594,009
Other	3,798	3,798	913,511
Capital outlay	8,387	8,387	2,076,502
Debt service:			
Principal payments on long-term debt	-	-	1,003,955
Interest on long-term debt and commercial paper	-	-	561,842
Total expenditures	<u>13,482</u>	<u>13,482</u>	<u>5,659,859</u>
Deficiency of revenues under expenditures	<u>(5,054)</u>	<u>(5,054)</u>	<u>(371,332)</u>
Other financing sources (uses):			
Transfers out:			
Project related	-	-	(383,264)
Non-project related	-	-	(5,116)
Transfers in: project related	-	-	1,829
Bond proceeds	-	-	1,169,999
Advance refunding escrow	-	-	(931)
Payment to refunded bond escrow agent	-	-	(152,930)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>629,587</u>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	<u>\$ (5,054)</u>	<u>\$ (5,054)</u>	<u>\$ 258,255</u>

Measure M1
Schedule of Calculations of Net Tax Revenues and Net Bond Revenues (Debt Service)
as of September 30, 2012

<i>(\$ in thousands)</i>	Quarter Ended Sept 30, 2012 (actual)	Year Ended Sept 30, 2012 (actual) (C.1)	Period from Inception through Sept 30, 2012 (actual) (D.1)	Period from October 1, 2012 forward (forecast) (E.1)	Total (F.1)
Tax revenues:					
Sales taxes	\$ -	\$ -	\$ 4,003,972	\$ -	\$ 4,003,972
Other agencies' share of Measure M1 costs	-	-	620	-	620
Operating interest	1,039	1,039	268,114	2,307	270,421
Orange County bankruptcy recovery	-	-	20,683	-	20,683
Miscellaneous, non-project related	-	-	776	-	776
Total tax revenues	<u>1,039</u>	<u>1,039</u>	<u>4,294,165</u>	<u>2,307</u>	<u>4,296,472</u>
Administrative expenditures:					
SBOE fees	-	-	56,883	-	56,883
Professional services, non-project related	16	16	26,258	-	26,258
Administration costs, non-project related	717	717	94,855	593	95,448
Transfers out, non-project related	-	-	5,116	-	5,116
Orange County bankruptcy loss	-	-	29,792	-	29,792
Other, non-project related	2	2	6,856	-	6,856
Total administrative expenditures	<u>735</u>	<u>735</u>	<u>219,760</u>	<u>593</u>	<u>220,353</u>
Net tax revenues	<u><u>\$ 304</u></u>	<u><u>\$ 304</u></u>	<u><u>\$ 4,074,405</u></u>	<u><u>\$ 1,714</u></u>	<u><u>\$ 4,076,119</u></u>
<hr/>					
(C.2) (D.2) (E.2) (F.2)					
Bond revenues:					
Proceeds from issuance of bonds	\$ -	\$ -	\$ 1,169,999	\$ -	\$ 1,169,999
Interest revenue from bond proceeds	-	-	136,067	-	136,067
Interest revenue from debt service funds	-	-	82,054	-	82,054
Interest revenue from commercial paper	-	-	6,072	-	6,072
Orange County bankruptcy recovery	-	-	21,585	-	21,585
Total bond revenues	<u>-</u>	<u>-</u>	<u>1,415,777</u>	<u>-</u>	<u>1,415,777</u>
Financing expenditures and uses:					
Professional services, non-project related	-	-	8,861	-	8,861
Payment to refunded bond escrow	-	-	153,861	-	153,861
Bond debt principal	-	-	1,003,955	-	1,003,955
Bond debt interest expense	-	-	561,842	-	561,842
Orange County bankruptcy loss	-	-	48,826	-	48,826
Other, non-project related	-	-	9,100	-	9,100
Total financing expenditures and uses	<u>-</u>	<u>-</u>	<u>1,786,445</u>	<u>-</u>	<u>1,786,445</u>
Net bond revenues (debt service)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (370,668)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (370,668)</u></u>

Measure M1
Schedule of Revenues and Expenditures Summary
as of September 30, 2012

Project Description (G)	Net Tax Revenues Program to date Actual (H)	Total Net Tax Revenues (I)	Project Budget (J)	Estimate at Completion (K)	Variance Total Net Tax Revenues to Est at Completion (L)	Variance Project Budget to Est at Completion (M)	Expenditures Quarter Ended Sept 30, 2012 (N)	Reimbursements Quarter Ended Sept 30, 2012 (O)	Expenditures through Sept 30, 2012 (N)	Reimbursements through Sept 30, 2012 (O)	Net Project Cost (P)	Percent of Budget Expended (Q)
Freeways (43%)												
I-5 between I-405 (San Diego Fwy) and I-605 (San Gabriel Fwy)	\$ 982,439	\$ 982,851	\$ 810,010	\$ 789,022	\$ 193,829	\$ 20,988	\$ 3,117	\$ 21	\$ 875,541	\$ 85,665	\$ 789,876	97.5%
I-5 between I-5/I-405 Interchange and San Clemente	68,758	68,786	72,862	74,962	(6,176)	(2,100)	-	-	70,294	10,358	59,936	82.3%
I-5/I-405 Interchange	87,269	87,306	72,802	73,075	14,231	(273)	-	-	98,157	25,082	73,075	100.4%
SR-55 (Costa Mesa Fwy) between I-5 and SR-91 (Riverside Fwy)	58,179	58,204	44,511	49,349	8,855	(4,838)	-	-	55,514	6,172	49,342	110.9%
SR-57 (Orange Fwy) between I-5 and Lambert Road	29,090	29,102	24,128	22,758	6,344	1,370	-	-	25,617	2,859	22,758	94.3%
SR-91 (Riverside Fwy) between Riverside Co. line & Los Angeles Co. line	125,615	125,668	116,136	105,389	20,279	10,747	-	-	123,995	18,606	105,389	90.7%
SR-22 (Garden Grove Fwy) between SR-55 and Valley View St.	400,645	400,813	313,297	310,943	89,870	2,354	5,494	5,271	646,124	338,053	308,071	98.3%
Subtotal Projects	1,751,995	1,752,730	1,453,746	1,425,498	327,232	28,248	8,611	5,292	1,895,242	486,795	1,408,447	
Net (Bond Revenue)/Debt Service			311,917	311,917	(311,917)	-	-	-	311,917		311,917	
Total Freeways	\$ 1,751,995	\$ 1,752,730	\$ 1,765,663	\$ 1,737,415	\$ 15,315	\$ 28,248	\$ 8,611	\$ 5,292	\$ 2,207,159	\$ 486,795	\$ 1,720,364	45.1%
%				42.8%							45.1%	
Regional Street and Road Projects (11%)												
Smart Streets	\$ 153,663	\$ 153,728	\$ 151,319	\$ 151,319	\$ 2,409	\$ -	\$ 1,052	\$ 200	\$ 154,396	\$ 11,939	\$ 142,457	94.1%
Regionally Significant Interchanges	89,637	89,675	89,675	89,675	-	-	-	-	73,895	146	73,749	82.2%
Intersection Improvement Program	128,053	128,107	128,107	128,107	-	-	1,455	-	108,182	1,506	106,676	83.3%
Traffic Signal Coordination	64,026	64,053	64,053	64,053	-	-	387	-	66,014	2,962	63,052	98.4%
Transportation Systems Management and Transportation Demand Management	12,805	12,811	12,811	12,811	-	-	267	-	9,468	149	9,319	72.7%
Subtotal Projects	448,184	448,374	445,965	445,965	2,409	-	3,161	200	411,955	16,702	395,253	
Net (Bond Revenue)/Debt Service			2,409	2,409	(2,409)	-	-	-	2,409		2,409	
Total Regional Street and Road Projects	\$ 448,184	\$ 448,374	\$ 448,374	\$ 448,374	\$ -	\$ -	\$ 3,161	\$ 200	\$ 414,364	\$ 16,702	\$ 397,662	10.4%
%				11.0%							10.4%	

**Measure M1
Schedule of Revenues and Expenditures Summary
as of September 30, 2012**

Project Description (G) (\$ in thousands)	Net Tax Revenues Program to date Actual (H)	Total Net Tax Revenues (I)	Project Budget (J)	Estimate at Completion (K)	Variance Total Net Tax Revenues to Est at Completion (L)	Variance Project Budget to Est at Completion (M)	Expenditures Quarter Ended Sept 30, 2012 (N)	Reimbursements Quarter Ended Sept 30, 2012 (O)	Expenditures through Sept 30, 2012 (N)	Reimbursements through Sept 30, 2012 (O)	Net Project Cost (P)	Percent of Budget Expended (Q)
Local Street and Road Projects (21%)												
Master Plan of Arterial Highway Improvements	\$ 160,762	\$ 160,872	\$ 160,872	\$ 160,872	\$ -	\$ -	\$ 34	\$ -	\$ 133,705	\$ 99	\$ 133,606	83.1%
Streets and Roads Maintenance and Road Improvements	594,863	595,113	595,113	595,113	-	-	-	-	594,025	-	594,025	99.8%
Growth Management Area Improvements	100,000	100,000	100,000	100,000	-	-	793	-	94,083	431	93,652	93.7%
Subtotal Projects	855,625	855,985	855,985	855,985	-	-	827	-	821,813	530	821,283	
Net (Bond Revenue)/Debt Service							-	-	-		-	
Total Local Street and Road Projects	\$ 855,625	\$ 855,985	\$ 855,985	\$ 855,985	\$ -	\$ -	\$ 827	\$ -	\$ 821,813	\$ 530	\$ 821,283	21.5%
%												21.1%
Transit Projects (25%)												
Pacific Electric Right-of-Way	\$ 19,715	\$ 19,723	\$ 15,000	\$ 14,000	\$ 5,723	\$ 1,000	\$ 20	\$ 76	\$ 17,308	\$ 3,185	\$ 14,123	94.2%
Commuter Rail	367,725	367,889	352,703	361,375	6,514	(8,672)	-	-	411,438	60,805	350,633	99.4%
High-Technology Advanced Rail Transit	446,870	447,058	428,604	440,688	6,370	(12,084)	127	1,821	455,459	145,631	309,828	72.3%
Elderly and Handicapped Fare Stabilization	20,000	20,000	20,000	20,000	-	-	-	-	20,000	-	20,000	100.0%
Transitways	164,291	164,360	146,381	126,625	37,735	19,756	1	-	162,680	36,765	125,915	86.0%
Subtotal Projects	1,018,601	1,019,030	962,688	962,688	56,342	-	148	1,897	1,066,885	246,386	820,499	
Net (Bond Revenue)/Debt Service			56,342	56,342	(56,342)	-	-	-	56,342		56,342	
Total Transit Projects	\$ 1,018,601	\$ 1,019,030	\$ 1,019,030	\$ 1,019,030	\$ -	\$ -	\$ 148	\$ 1,897	\$ 1,123,227	\$ 246,386	\$ 876,841	23.0%
%												25.1%
Total Measure M1 Program	\$ 4,074,405	\$ 4,076,119	\$ 4,089,052	\$ 4,060,804	\$ 15,315	\$ 28,248	\$ 12,747	\$ 7,389	\$ 4,566,563	\$ 750,413	\$ 3,816,150	

Measure M2
Schedule of Revenues, Expenditures and Changes in Fund Balance
as of June 30, 2012
(Unaudited)

<i>(\$ in thousands)</i>	Quarter Ended June 30, 2012	Year to Date June 30, 2012 (A)	Period from Inception to June 30, 2012 (B)
Revenues:			
Sales taxes	\$ 67,859	\$ 252,132	\$ 313,254
Other agencies' share of Measure M2 costs:			
Project related	14,451	44,805	58,964
Interest:			
Operating: non-project related	166	548	485
Bond proceeds	(894)	7,097	9,345
Debt service	4	9	18
Commercial paper	-	-	393
Right-of-way leases	30	238	238
	<u>81,616</u>	<u>304,829</u>	<u>382,697</u>
Total revenues			
Expenditures:			
Supplies and services:			
State Board of Equalization (SBOE) fees	569	2,476	3,112
Professional services:			
Project related	19,423	38,279	128,903
Non-project related	929	1,261	5,739
Administration costs:			
Project related	1,116	4,508	12,722
Non-project related	2,891	6,844	18,449
Other:			
Project related	(15)	312	468
Non-project related	102	148	3,410
Payments to local agencies:			
Project related	16,703	70,837	137,111
Capital outlay:			
Project related	36,413	71,149	120,560
Non-project related	-	5	31
Debt service:			
Interest on long-term debt and commercial paper	23	22,508	27,198
	<u>78,154</u>	<u>218,327</u>	<u>457,703</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>3,462</u>	<u>86,502</u>	<u>(75,006)</u>
Other financing sources (uses):			
Transfers out: project related	(875)	(2,683)	(3,061)
Transfers in: project related	-	2,803	26,502
Bond proceeds	-	-	358,593
	<u>(875)</u>	<u>120</u>	<u>382,034</u>
Total other financing sources (uses)			
Excess of revenues over expenditures and other sources (uses)	<u>\$ 2,587</u>	<u>\$ 86,622</u>	<u>\$ 307,028</u>

Measure M2
Schedule of Calculations of Net Tax Revenues and Net Bond Revenues (Debt Service)
as of June 30, 2012
(Unaudited)

<i>(\$ in thousands)</i>	Quarter Ended June 30, 2012 (actual)	Year Ended June 30, 2012 (actual)	Period from Inception through June 30, 2012 (actual)	Period from July 1, 2012 through March 31, 2041 (forecast)	Total
	(C.1)	(C.1)	(D.1)	(E.1)	(F.1)
Tax revenues:					
Sales taxes	\$ 67,859	\$ 252,132	\$ 313,254	\$ 15,140,831	\$ 15,454,085
Operating interest	166	548	485	362,359	362,844
Total tax revenues	<u>68,025</u>	<u>252,680</u>	<u>313,739</u>	<u>15,503,190</u>	<u>15,816,929</u>
Administrative expenditures:					
SBOE fees	569	2,476	3,112	227,204	230,316
Professional services, non-project related	831	1,078	2,895	102,941	105,836
Administration costs, non-project related	2,891	6,844	18,449	144,595	163,044
Transfers out, non-project related	-	-	-	21,194	21,194
Other, non-project related	102	148	3,410	27,249	30,659
Capital outlay, non-project related	-	5	31	-	31
Environmental cleanup	(304)	401	1,983	310,064	312,047
Total expenditures	<u>4,089</u>	<u>10,952</u>	<u>29,880</u>	<u>833,247</u>	<u>863,127</u>
Net tax revenues	<u>\$ 63,936</u>	<u>\$ 241,728</u>	<u>\$ 283,859</u>	<u>\$ 14,669,943</u>	<u>\$ 14,953,802</u>
Bond revenues:					
Proceeds from issuance of bonds	\$ -	\$ -	\$ 358,593	\$ 740,000	\$ 1,098,593
Interest revenue from bond proceeds	(894)	7,097	9,345	53,700	63,045
Interest revenue from debt service funds	4	9	18	36,159	36,177
Interest revenue from commercial paper	-	-	393	-	393
Total bond revenues	<u>(890)</u>	<u>7,106</u>	<u>368,349</u>	<u>829,859</u>	<u>1,198,208</u>
Financing expenditures and uses:					
Professional services, non-project related	98	183	2,844	-	2,844
Bond debt principal	-	-	-	1,092,570	1,092,570
Bond debt and other interest expense	23	22,508	27,198	998,613	1,025,811
Total financing expenditures and uses	<u>121</u>	<u>22,691</u>	<u>30,042</u>	<u>2,091,183</u>	<u>2,121,225</u>
Net bond revenues (debt service)	<u>\$ (1,011)</u>	<u>\$ (15,585)</u>	<u>\$ 338,307</u>	<u>\$ (1,261,324)</u>	<u>\$ (923,017)</u>

Measure M2
Schedule of Revenues and Expenditures Summary
as of June 30, 2012
(Unaudited)

Project	Description	Net Tax Revenues Program to Date Actual	Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Est at Completion	Variance Project Budget to Est at Completion	Expenditures Quarter Ended June 30, 2012	Reimbursements Quarter Ended June 30, 2012	Expenditures through June 30, 2012	Reimbursements through June 30, 2012	Net Project Cost	Percent of Budget Expended
(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(N)	(O)	(P)	(Q)	
<i>(\$ in thousands)</i>													
Freeways (43% of Net Tax Revenues)													
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 11,188	\$ 589,406	\$ 588,740	\$ 588,740	\$ 666	\$ -	\$ 526	\$ -	\$ 1,116	\$ -	\$ 1,116	0.2%
B,C,D	I-5 Santa Ana/San Diego Freeway Improvements	28,213	1,486,253	1,301,981	1,301,981	184,272	-	7,877	-	24,288	36	24,252	1.9%
E	SR-22 Garden Grove Freeway Access Improvements	2,857	150,487	150,486	150,486	1	-	-	-	4	-	4	0.0%
F	SR-55 Costa Mesa Freeway Improvements	8,713	458,984	456,857	456,857	2,127	-	1,256	-	2,879	-	2,879	0.6%
G	SR-57 Orange Freeway Improvements	6,159	324,471	304,094	304,094	20,377	-	1,849	1,690	28,917	4,886	24,031	7.9%
H,I,J	SR-91 Riverside Freeway Improvements	35,266	1,857,850	1,848,429	1,848,429	9,421	-	1,345	-	17,243	5,309	11,934	0.6%
K,L	I-405 San Diego Freeway Improvements	19,513	1,027,929	600,238	600,238	427,691	-	1,780	2	15,118	592	14,526	2.4%
M	I-605 Freeway Access Improvements	476	25,081	25,081	25,081	-	-	-	-	-	-	-	0.0%
N	All Freeway Service Patrol	3,571	188,108	188,108	188,108	-	-	9	-	11	-	11	0.0%
	Freeway Mitigation	6,104	321,566	297,983	297,983	23,583	-	1,969	-	29,036	-	29,036	9.7%
	Subtotal Projects	122,060	6,430,135	5,761,997	5,761,997	668,138	-	16,611	1,692	118,612	10,823	107,789	
	Net (Bond Revenue)/Debt Service	-	-	668,138	668,138	(668,138)	-	346	-	8,528	-	8,528	
	Total Freeways	\$ 122,060	\$ 6,430,135	\$ 6,430,135	\$ 6,430,135	\$ -	\$ -	\$ 16,957	\$ 1,692	\$ 127,140	\$ 10,823	\$ 116,317	34.7%
	%					43.0%							
Street and Roads Projects (32% of Net Tax Revenues)													
O	Regional Capacity Program	\$ 28,386	\$ 1,495,399	\$ 1,372,423	\$ 1,372,423	\$ 122,976	\$ -	\$ 35,596	\$ 1,952	\$ 115,813	\$ 20,810	\$ 95,003	6.9%
P	Regional Traffic Signal Synchronization Program	11,354	598,133	597,891	597,891	242	-	153	-	732	-	732	0.1%
Q	Local Fair Share Program	51,095	2,691,684	2,691,684	2,691,684	-	-	13,398	-	44,284	-	44,284	1.6%
	Subtotal Projects	90,835	4,785,216	4,661,998	4,661,998	123,218	-	49,147	1,952	160,829	20,810	140,019	
	Net (Bond Revenue)/Debt Service	-	-	123,218	123,218	(123,218)	-	1,978	-	7,435	-	7,435	
	Total Street and Roads Projects	\$ 90,835	\$ 4,785,216	\$ 4,785,216	\$ 4,785,216	\$ -	\$ -	\$ 51,125	\$ 1,952	\$ 168,264	\$ 20,810	\$ 147,454	44.0%
	%					32.0%							

**Measure M2
Schedule of Revenues and Expenditures Summary
as of June 30, 2012
(Unaudited)**

Project	Description	Net Tax Revenues Program to Date Actual	Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Est at Completion	Variance Project Budget to Est at Completion	Expenditures Quarter Ended June 30, 2012	Reimbursements Quarter Ended June 30, 2012	Expenditures through June 30, 2012	Reimbursements through June 30, 2012	Net Project Cost	Percent of Budget Expended
(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(N)	(O)	(P)	(Q)	
<i>(\$ in thousands)</i>													
Transit Projects (25% of Net Tax Revenues)													
R	High Frequency Metrolink Service	\$ 25,411	\$ 1,338,688	\$ 1,282,009	\$ 1,282,009	\$ 56,679	\$ -	\$ 6,624	\$ 10,717	\$ 113,704	\$ 53,951	\$ 59,753	4.7%
S	Transit Extensions to Metrolink	25,058	1,320,074	1,311,736	1,311,736	8,338	-	185	120	303	120	183	0.0%
T	Metrolink Gateways	5,678	299,129	232,485	232,485	66,644	-	(1)	-	5	-	5	0.0%
U	Expand Mobility Choices for Seniors and Persons with Disabilities	8,515	448,561	448,561	448,561	-	-	2,253	-	7,384	-	7,384	1.6%
V	Community Based Transit/Circulators	5,676	298,997	298,997	298,997	-	-	-	-	-	-	-	0.0%
W	Safe Transit Stops	626	33,002	33,002	33,002	-	-	-	-	5	-	5	0.0%
	Subtotal Projects	70,964	3,738,451	3,606,790	3,606,790	131,661	-	9,061	10,837	121,401	54,071	67,330	
	Net (Bond Revenue)/Debt Service	-	-	131,661	131,661	(131,661)	-	(1,313)	-	4,323	-	4,323	
	Total Transit Projects	\$ 70,964	\$ 3,738,451	\$ 3,738,451	\$ 3,738,451	\$ -	\$ -	\$ 7,748	\$ 10,837	\$ 125,724	\$ 54,071	\$ 71,653	21.4%
	%				25.0%								
Measure M2 Program		\$ 283,859	\$ 14,953,802	\$ 14,953,802	\$ 14,953,802	\$ -	\$ -	\$ 75,830	\$ 14,481	\$ 421,128	\$ 85,704	\$ 335,424	

Measure M2
Schedule of Revenues and Expenditures Summary
as of June 30, 2012
(Unaudited)

Project	Description	Revenues Program to Date Actual	Total Revenues	Project Budget	Estimate at Completion	Variance Total Revenues to Est at Completion	Variance Project Budget to Est at Completion	Expenditures Quarter Ended June 30, 2012	Reimbursements Quarter Ended June 30, 2012	Expenditures through June 30, 2012	Reimbursements through June 30, 2012	Net Project Cost	Percent of Budget Expended
(G)		(H.1)	(I.1)	(J)	(K)	(L)	(M)	(N)	(O)	(N)	(O)	(P)	(Q)
	Environmental Cleanup (2% of Revenues)												
X	Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 6,275	\$ 316,339	\$ 316,339	\$ 316,339	\$ -	\$ -	\$ (304)	\$ -	\$ 1,983	\$ -	\$ 1,983	0.6%
	Total Environmental Cleanup	\$ 6,275	\$ 316,339	\$ 316,339	\$ 316,339	\$ -	\$ -	\$ (304)	\$ -	\$ 1,983	\$ -	\$ 1,983	0.6%
	%				2.0%								
	Taxpayer Safeguards and Audits												
	Collect Sales Taxes (1.5% of Sales Taxes)	\$ 4,699	\$ 231,811	\$ 231,811	\$ 231,811	\$ -	\$ -	\$ 569	\$ -	\$ 3,112	\$ -	\$ 3,112	1.3%
	%				1.5%								1.0%
	Oversight and Annual Audits (1% of Revenues)	\$ 3,137	\$ 158,169	\$ 158,169	\$ 158,169	\$ -	\$ -	\$ 2,307	\$ 851	\$ 8,321	\$ 5,184	\$ 3,137	2.0%
	%				1.0%								1.0%

Measure M2
Schedule of Revenues, Expenditures and Changes in Fund Balance
as of September 30, 2012
(Unaudited)

(\$ in thousands)	Quarter Ended Sept 30, 2012	Year to Date Sept 30, 2012 (A)	Period from Inception to Sept 30, 2012 (B)
Revenues:			
Sales taxes	\$ 64,283	\$ 64,283	\$ 377,537
Other agencies share of Measure M2 costs:			
Project related	6,850	6,850	65,814
Interest:			
Operating: non-project related	537	537	1,021
Bond proceeds	3,767	3,767	13,111
Debt service	3	3	21
Commercial paper	-	-	393
Right-of-way leases	17	17	255
Total revenues	<u>75,457</u>	<u>75,457</u>	<u>458,152</u>
Expenditures:			
Supplies and services:			
State Board of Equalization (SBOE) fees	656	656	3,768
Professional services:			
Project related	3,728	3,728	132,631
Non-project related	145	145	5,884
Administration costs:			
Project related	1,196	1,196	13,918
Non-project related	1,642	1,642	20,091
Other:			
Project related	24	24	492
Non-project related	2	2	3,413
Payments to local agencies:			
Project related	15,862	15,862	152,972
Capital outlay:			
Project related	14,076	14,076	134,635
Non-project related	-	-	32
Debt service:			
Interest on long-term debt and commercial paper	11,228	11,228	38,425
Total expenditures	<u>48,559</u>	<u>48,559</u>	<u>506,261</u>
Excess (deficiency) of revenues over (under) expenditures	<u>26,898</u>	<u>26,898</u>	<u>(48,109)</u>
Other financing sources (uses):			
Transfers out: project related	(450)	(450)	(3,510)
Transfers in: project related	-	-	26,502
Bond proceeds	-	-	358,593
Total other financing sources (uses)	<u>(450)</u>	<u>(450)</u>	<u>381,585</u>
Excess of revenues over expenditures and other sources (uses)	<u>\$ 26,448</u>	<u>\$ 26,448</u>	<u>\$ 333,476</u>

Measure M2
Schedule of Calculations of Net Tax Revenues and Net Bond Revenues (Debt Service)
as of September 30, 2012
(Unaudited)

<i>(\$ in thousands)</i>	Quarter Ended Sept 30, 2012 (actual)	Year Ended Sept 30, 2012 (actual)	Period from Inception through Sept 30, 2012 (actual)	Period from October 1, 2012 through March 31, 2041 (forecast)	Total
	(C.1)	(C.1)	(D.1)	(E.1)	(F.1)
Tax revenues:					
Sales taxes	\$ 64,283	\$ 64,283	\$ 377,537	\$ 14,924,572	\$ 15,302,109
Operating interest	537	537	1,021	412,563	413,584
Total tax revenues	<u>64,820</u>	<u>64,820</u>	<u>378,558</u>	<u>15,337,135</u>	<u>15,715,693</u>
Administrative expenditures:					
SBOE fees	656	656	3,768	223,958	227,726
Professional services, non-project related	141	141	3,036	101,471	104,507
Administration costs, non-project related	1,642	1,642	20,091	142,530	162,621
Transfers out, non-project related	-	-	-	20,891	20,891
Other, non-project related	2	2	3,413	26,860	30,273
Capital outlay, non-project related	-	-	32	-	32
Environmental cleanup	143	143	2,126	306,743	308,869
Total expenditures	<u>2,584</u>	<u>2,584</u>	<u>32,466</u>	<u>822,453</u>	<u>854,919</u>
Net tax revenues	<u>\$ 62,236</u>	<u>\$ 62,236</u>	<u>\$ 346,092</u>	<u>\$ 14,514,683</u>	<u>\$ 14,860,775</u>
Bond revenues:					
Proceeds from issuance of bonds	\$ -	\$ -	\$ 358,593	\$ 1,540,000	\$ 1,898,593
Interest revenue from bond proceeds	3,767	3,767	13,111	53,550	66,661
Interest revenue from debt service funds	3	3	21	36,096	36,117
Interest revenue from commercial paper	-	-	393	-	393
Total bond revenues	<u>3,770</u>	<u>3,770</u>	<u>372,118</u>	<u>1,629,646</u>	<u>2,001,764</u>
Financing expenditures and uses:					
Professional services, non-project related	4	4	2,848	-	2,848
Bond debt principal	-	-	-	1,092,570	1,092,570
Bond debt and other interest expense	11,228	11,228	38,425	987,385	1,025,810
Total financing expenditures and uses	<u>11,232</u>	<u>11,232</u>	<u>41,273</u>	<u>2,079,955</u>	<u>2,121,228</u>
Net bond revenues (debt service)	<u>\$ (7,462)</u>	<u>\$ (7,462)</u>	<u>\$ 330,845</u>	<u>\$ (450,309)</u>	<u>\$ (119,464)</u>

Measure M2
Schedule of Revenues and Expenditures Summary
as of September 30, 2012
(Unaudited)

Project	Description	Net Tax Revenues Program to Date Actual	Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Est at Completion	Variance Project Budget to Est at Completion	Expenditures Quarter Ended Sept 30, 2012	Reimbursements Quarter Ended Sept 30, 2012	Expenditures through Sept 30, 2012	Reimbursements through Sept 30, 2012	Net Project Cost	Percent of Budget Expended
(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(N)	(O)	(P)	(Q)	
Freeways (43% of Net Tax Revenues)													
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 13,641	\$ 585,739	\$ 585,653	\$ 585,653	\$ 86	\$ -	\$ 15	\$ -	\$ 1,131	\$ -	\$ 1,131	0.2%
B,C,D	I-5 Santa Ana/San Diego Freeway Improvements	34,398	1,477,007	1,453,157	1,453,157	23,850	-	2,191	2,224	26,479	2,260	24,219	1.7%
E	SR-22 Garden Grove Freeway Access Improvements	3,483	149,550	149,550	149,550	-	-	-	-	4	-	4	0.0%
F	SR-55 Costa Mesa Freeway Improvements	10,623	456,129	455,854	455,854	275	-	161	13	3,040	13	3,027	0.7%
G	SR-57 Orange Freeway Improvements	7,510	322,453	319,815	319,815	2,638	-	496	7	29,413	4,893	24,520	7.7%
H,I,J	SR-91 Riverside Freeway Improvements	42,998	1,846,292	1,845,073	1,845,073	1,219	-	247	20	17,490	5,329	12,161	0.7%
K,L	I-405 San Diego Freeway Improvements	23,790	1,021,534	966,179	966,179	55,355	-	367	21	15,484	613	14,871	1.5%
M	I-605 Freeway Access Improvements	580	24,925	24,925	24,925	-	-	1	-	1	-	1	0.0%
N	All Freeway Service Patrol	4,354	186,938	186,938	186,938	-	-	2	-	13	-	13	0.0%
	Freeway Mitigation	7,442	319,566	316,514	316,514	3,052	-	131	1,336	29,167	1,336	27,831	8.8%
	Subtotal Projects	148,819	6,390,133	6,303,658	6,303,658	86,475	-	3,611	3,621	122,222	14,444	107,778	
	Net (Bond Revenue)/Debt Service	-	-	86,475	86,475	(86,475)	-	2,813	-	11,341	-	11,341	
	Total Freeways	\$ 148,819	\$ 6,390,133	\$ 6,390,133	\$ 6,390,133	\$ -	\$ -	\$ 6,424	\$ 3,621	\$ 133,563	\$ 14,444	\$ 119,119	32.1%
	%				43.0%								
Street and Roads Projects (32% of Net Tax Revenues)													
O	Regional Capacity Program	\$ 34,609	\$ 1,486,096	\$ 1,470,179	\$ 1,470,179	\$ 15,917	\$ -	\$ 21,494	\$ 2,778	\$ 137,306	\$ 23,588	\$ 113,718	7.7%
P	Regional Traffic Signal Synchronization Program	13,843	594,412	594,381	594,381	31	-	192	272	924	272	652	0.1%
Q	Local Fair Share Program	62,297	2,674,939	2,674,939	2,674,939	-	-	7,113	-	51,397	-	51,397	1.9%
	Subtotal Projects	110,749	4,755,447	4,739,499	4,739,499	15,948	-	28,799	3,050	189,627	23,860	165,767	
	Net (Bond Revenue)/Debt Service	-	-	15,948	15,948	(15,948)	-	3,328	-	10,763	-	10,763	
	Total Street and Roads Projects	\$ 110,749	\$ 4,755,447	\$ 4,755,447	\$ 4,755,447	\$ -	\$ -	\$ 32,127	\$ 3,050	\$ 200,390	\$ 23,860	\$ 176,530	47.5%
	%				32.0%								

Measure M2
Schedule of Revenues and Expenditures Summary
as of September 30, 2012
(Unaudited)

Project	Description	Net Tax Revenues Program to Date Actual	Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Est at Completion	Variance Project Budget to Est at Completion	Expenditures Quarter Ended Sept 30, 2012	Reimbursements Quarter Ended Sept 30, 2012	Expenditures through Sept 30, 2012	Reimbursements through Sept 30, 2012	Net Project Cost	Percent of Budget Expended
(G)		(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(N)	(O)	(P)	(Q)
<i>(\$ in thousands)</i>													
Transit Projects (25% of Net Tax Revenues)													
R	High Frequency Metrolink Service	\$ 30,983	\$ 1,330,360	\$ 1,323,024	\$ 1,323,024	\$ 7,336	\$ -	\$ 1,578	\$ -	\$ 115,281	\$ 53,951	\$ 61,330	4.6%
S	Transit Extensions to Metrolink	30,552	1,311,862	1,310,783	1,310,783	1,079	-	44	19	347	139	208	0.0%
T	Metrolink Gateways	6,923	297,268	288,642	288,642	8,626	-	-	-	5	-	5	0.0%
U	Expand Mobility Choices for Seniors and Persons with Disabilities	10,382	445,771	445,771	445,771	-	-	1,159	-	8,543	-	8,543	1.9%
V	Community Based Transit/Circulators	6,920	297,137	297,137	297,137	-	-	2	-	2	-	2	0.0%
W	Safe Transit Stops	764	32,797	32,797	32,797	-	-	-	-	5	-	5	0.0%
	Subtotal Projects	86,524	3,715,195	3,698,154	3,698,154	17,041	-	2,783	19	124,183	54,090	70,093	
	Net (Bond Revenue)/Debt Service	-	-	17,041	17,041	(17,041)	-	1,321	-	5,644	-	5,644	
	Total Transit Projects	\$ 86,524	\$ 3,715,195	\$ 3,715,195	\$ 3,715,195	\$ -	\$ -	\$ 4,104	\$ 19	\$ 129,827	\$ 54,090	\$ 75,737	20.4%
	%				25.0%								
Measure M2 Program		\$ 346,092	\$ 14,860,775	\$ 14,860,775	\$ 14,860,775	\$ -	\$ -	\$ 42,655	\$ 6,690	\$ 463,780	\$ 92,394	\$ 371,386	

Measure M2
Schedule of Revenues and Expenditures Summary
as of September 30, 2012
(Unaudited)

Project	Description	Revenues Program to Date Actual	Total Revenues	Project Budget	Estimate at Completion	Variance Total Revenues to Est at Completion	Variance Project Budget to Est at Completion	Expenditures Quarter Ended Sept 30, 2012	Reimbursements Quarter Ended Sept 30, 2012	Expenditures through Sept 30, 2012	Reimbursements through Sept 30, 2012	Net Project Cost	Percent of Budget Expended
(G)		(H.1)	(I.1)	(J)	(K)	(L)	(M)	(N)	(O)	(N)	(O)	(P)	(Q)
	Environmental Cleanup (2% of Revenues)												
X	Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 7,571	\$ 314,314	\$ 314,314	\$ 314,314	\$ -	\$ -	\$ 143	\$ 177	\$ 2,126	\$ 177	\$ 1,949	0.6%
	Total Environmental Cleanup	\$ 7,571	\$ 314,314	\$ 314,314	\$ 314,314	\$ -	\$ -	\$ 143	\$ 177	\$ 2,126	\$ 177	\$ 1,949	
	%				2.0%							0.5%	
	Taxpayer Safeguards and Audits												
	Collect Sales Taxes (1.5% of Sales Taxes)	\$ 5,663	\$ 229,532	\$ 229,532	\$ 229,532	\$ -	\$ -	\$ 656	\$ -	\$ 3,768	\$ -	\$ 3,768	1.6%
	%				1.5%							1.0%	
	Oversight and Annual Audits (1% of Revenues)	\$ 3,786	\$ 157,157	\$ 157,157	\$ 157,157	\$ -	\$ -	\$ 781	\$ -	\$ 9,102	\$ 5,184	\$ 3,918	2.5%
	%				1.0%							1.0%	

***Presentation
Items***



BOARD COMMITTEE TRANSMITTAL

November 26, 2012

To: Members of the Board of Directors
From: Wendy Knowles, ^{WK} Clerk of the Board
Subject: Measure M2 Plan of Finance

Finance and Administration Committee Meeting of November 14, 2012

Present: Directors Amante, Campbell, Cavecche, Hansen, Hennessey, Moorlach, and Pulido
Absent: Director Bates

Committee Vote

This item was passed by the Members present.

Director Pulido was not present to vote on this item.

Committee Recommendation

Adopt the Measure M2 Plan of Finance.

Committee Discussion

At the Committee meeting, Director Campbell requested a chart be provided that highlights the Measure M2 revenues for the freeway program, the proposed debt service for the freeway program, and the funds that are remaining to invest in other freeway projects after the payment of debt service. The attachment (Transmittal Attachment) provides the information requested.

**Orange County Transportation Authority
Plan of Finance
November 2012**

**Measure M2 Freeway Program
(\$ in Millions)**

Fiscal Year	M2 Freeway Revenue	M2 - Plan of Finance Proposed Freeway Debt Service	Remaining Funds for Freeway Projects
2012-13	\$ 108.44	\$ 5.42	\$ 103.02
2013-14	\$ 114.93	\$ 5.90	\$ 109.02
2014-15	\$ 122.31	\$ 5.90	\$ 116.41
2015-16	\$ 129.82	\$ 47.71	\$ 82.11
2016-17	\$ 136.55	\$ 47.70	\$ 88.85
2017-18	\$ 142.19	\$ 93.64	\$ 48.55
2018-19	\$ 147.70	\$ 93.63	\$ 54.07
2019-20	\$ 153.59	\$ 109.80	\$ 43.79
2020-21	\$ 159.37	\$ 109.79	\$ 49.58
2021-22	\$ 165.49	\$ 109.78	\$ 55.71
2022-23	\$ 171.92	\$ 109.77	\$ 62.15
2023-24	\$ 178.83	\$ 109.76	\$ 69.08
2024-25	\$ 186.25	\$ 109.75	\$ 76.50
2025-26	\$ 194.04	\$ 109.74	\$ 84.31
2026-27	\$ 202.19	\$ 109.73	\$ 92.47
2027-28	\$ 210.74	\$ 109.71	\$ 101.03
2028-29	\$ 219.58	\$ 109.70	\$ 109.88
2029-30	\$ 228.86	\$ 109.69	\$ 119.17
2030-31	\$ 238.61	\$ 109.68	\$ 128.93
2031-32	\$ 248.84	\$ 109.67	\$ 139.17
2032-33	\$ 259.39	\$ 109.66	\$ 149.73
2033-34	\$ 270.52	\$ 109.17	\$ 161.35
2034-35	\$ 282.32	\$ 109.17	\$ 173.15
2035-36	\$ 294.74	\$ 109.17	\$ 185.58
2036-37	\$ 307.74	\$ 109.17	\$ 198.57
2037-38	\$ 321.27	\$ 109.17	\$ 212.10
2038-39	\$ 335.36	\$ 109.17	\$ 226.19
2039-40	\$ 350.08	\$ 109.17	\$ 240.91
2040-41	\$ 274.23	\$ 109.17	\$ 165.06



November 14, 2012

To: Finance and Administration Committee

From: Will Kempton, Chief Executive Officer

Subject: Measure M2 Plan of Finance

Overview

In September 2012, the Board of Directors approved the M2020 plan which details the plans to deliver the majority of the freeway program by year 2020. In addition, the M2020 plan expands rail, funds fixed-guideway connections to Metrolink, and improves streets and roads conditions. Staff has completed a Plan of Finance which identifies the M2020 cash flow requirements and discusses financing options to deliver the Measure M2 program.

Recommendation

Adopt the Measure M2 Plan of Finance.

Background

The Measure M2 (M2) ordinance states that pay-as-you go financing is the preferred method of financing transportation improvements. The ordinance also authorizes bond financing and states that the Orange County Transportation Authority (OCTA) may use bond financing as an alternative method if the scope of planned expenditures makes pay-as-you-go financing unfeasible. Under the Measure M1 (M1) Program, OCTA successfully advanced various M1 projects by issuing sales tax revenue bonds. The benefits of early action were tangible - projects cost less, traffic relief was delivered sooner, and the opportunity was created for additional projects to be delivered.

In September 2012, the Board of Directors (Board) approved the M2020 Plan. The M2020 Plan outlines the projects and programs for all modes that can be accomplished between 2013 and the year 2020, along with anticipated schedules and major milestones. The M2020 Plan includes improvements to the Orange County freeway system, expanding rail services, funding for the fixed-guideway connections to Metrolink, as well as street and road

improvements. The M2020 plan objectives include: completing two-thirds of the freeway program and environmentally clearing the remaining projects; investing nearly \$1.2 billion of funding for streets and roads improvements; expanding rail options and funding fixed-guideways; and continuing environmental programs.

The Plan of Finance has been updated to incorporate the cost assumptions contained in the M2020 Plan. The previous Plan of Finance was adopted by the Board in 2010 prior to the issuance of the M2 bonds and addressed the strategy for delivering the M2 Program by issuing the 2010 taxable and tax-exempt securities.

Discussion

The Plan of Finance (Attachment A) includes the latest forecasted M2 sales tax revenues, the M2020 Plan project schedules and costs, and the most current financing options available in the municipal market. The M2020 Plan provides the inputs for the next eight years while cost assumptions from the Comprehensive Business Plan are used for the years beyond 2020.

The Plan of Finance contains total M2 Program expenditures of \$5.017 billion for fiscal year (FY) 2012-13 through FY 2019-20. Forecasted M2 sales tax revenues for the same period total \$2.570 billion. Other revenue sources are estimated to generate \$1.320 billion from FY 2012-13 through FY 2019-20. The scope of the planned expenditures under the M2020 Plan makes pay-as-you-go financing unfeasible. Over the next several years, the projected M2 capital expenditures necessary to pay for the M2020 Plan exceed the M2 Program cash balances by over \$1.1 billion.

In order to fund the projects included in the M2020 Plan, the Plan of Finance requires three debt issues. The amount of bond proceeds generated from these issuances total: \$700 million in FY 2015-16, \$600 million in FY 2017-18, and \$200 million in FY 2019-20. The three debt issuances will produce approximately \$1.5 billion in bond proceeds - \$1.4 billion will be for the freeway program and \$100 million will be earmarked for the transit program. The bond proceeds delivered in these three issuances will result in positive ending balances through FY 2040-41 for the M2 Program.

The assumptions used for the debt issuances are conservative. Interest rates are 100 basis points (or 1 percent) higher than current levels for the FY 2015-16 bond issuance, 150 basis points (or 1.5 percent) higher than current levels for the FY 2017-18 bond issuance, and 150 basis points (or 1.5 percent) higher than current levels for the FY 2019-20 bond

issuance. In addition to higher interest rates, OCTA also assumed the three additional bond issuances would include a debt service reserve fund (which is optional under the M2 indenture) funded with bond proceeds.

The Plan of Finance also includes a discussion on three alternative scenarios. The first alternative pertains to higher interest rates and/or lower M2 sales tax revenues. Debt service coverage calculations are compared under this alternative in the document. The second alternative incorporates the receipt of Transportation Infrastructure Finance and Innovation Act (TIFIA) funding into the M2 Program. This TIFIA alternative would lower annual debt service costs, thereby providing more M2 revenues for future projects. The third alternative analyzes a funding scenario for the fixed-guideway projects that does not include the receipt of Federal New Starts funding. In order to fund the projects, additional bond financing would be required, another revenue source such as Congestion Mitigation and Air Quality funds would have to be earmarked for the projects, local cities would need to provide a funding match, and the project schedules would need to be delayed a few years.

Plan of Finance Recommendation

Based on assumptions contained in the M2020 Plan, OCTA staff recommends the issuance of fixed-rate sales tax revenue bonds in FY 2015-16 (\$700 million), FY 2017-18 (\$600 million), and FY 2019-20 (\$200 million). M2 sales tax revenues and other external revenue sources are expected to be sufficient to fund program expenditures through FY 2014-15. The proposed additional bonds would be issued on a parity basis with the 2010 M2 bonds pursuant to the provisions of the 2010 M2 indenture. Each issuance of sales tax revenue bonds would be sized based upon the expected construction draw down requirements over the following two years. Staff also recommends maintaining a \$50 million Tax-Exempt Commercial Program to fund short-term obligations.

Next Steps

OCTA will review the projects contained in the M2020 Plan to determine whether the projects are eligible for TIFIA funding. If the projects are eligible, OCTA will determine whether to proceed with submitting a Letter of Interest to the United States Department of Transportation for the TIFIA loan program. Staff will return to the Board within 120 days with a recommendation on the TIFIA program and incorporate the recommendations into the cash flows in the Plan of Finance.

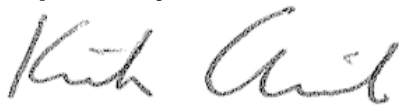
Summary

The Plan of Finance for Measure M2 projects is presented for approval by the Finance and Administration Committee and the Board of Directors.

Attachments

- A. Orange County Transportation Authority Measure M2 Plan of Finance, November 2012

Prepared by:



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**Orange County Transportation Authority
Measure M2 Plan of Finance
November 2012**

INTRODUCTION

The Measure M2 (M2) program is projected to generate approximately \$15.3 billion (in nominal dollars) for projects that are designed to reduce traffic congestion, strengthen the economy, and improve the quality of life in Orange County. The program includes continued investment to expand and improve Orange County's freeway system; commitment to maintaining and improving the network of streets and roads in every community; an expansion of Metrolink rail service through the core of Orange County with future extensions to connect with nearby communities and regional rail systems; and protecting Orange County from the street runoff that pollutes the County's beaches.

The successful completion of the M2 program is both a necessity to enhance the quality of life in Orange County as well as a challenge based on many variables. The success of the M2 program will depend on the:

- Amount of M2 sales tax revenues generated,
- Receipt of other revenue sources, and
- Cost of future transportation improvements.

Amount of M2 Sales Tax Revenues Generated: OCTA utilizes Chapman University, California State University Fullerton, and the University of California at Los Angeles to provide M2 sales tax projections. The most recent forecasts were received in April 2012 from the three universities. The current forecast estimates the M2 program will generate \$15.3 billion in nominal dollars. The average annual compound growth of the three projections from 2013 through 2041 is 4.48%.

The M2 sales tax revenues will be allocated as follows:

- 1.5% of gross sales tax receipts to the State Board of Equalization (SBOE)
- 1% of net sales tax receipts for oversight and annual audits
- 2% of gross sales tax receipts for environmental cleanup
- Net sales tax receipts will be allocated as follows:
 - 43% freeway projects
 - 32% streets and roads
 - 25% transit

The M2 Ordinance No. 3 (Ordinance) states that pay-as-you go financing is the preferred method of financing transportation improvements and operations under

the Ordinance. Section 5 of the Ordinance authorizes bond financing and states that OCTA may use bond financing as an alternative method if the scope of planned expenditures makes pay-as-you-go financing unfeasible. The Ordinance also places no limit on the par amount of bonds outstanding.

Receipt of Other Revenue Sources: OCTA has received and anticipates receiving future funds from other revenue sources for several projects throughout the M2 program. These funding sources have included Corridor Mobility Improvement Account, State Transportation Improvement Program, 91 Express Lanes excess toll revenues, American Recovery and Reinvestment Act (ARRA) funds, and other federal, state, and local sources. A significant drop or delay in projected receipts of other revenue sources could create potential challenges for the successful delivery of M2 projects.

Cost of Future Improvements: Due in large part to the 2008 recession, OCTA has seen a significant decline in construction costs. The decline in construction costs has led to lower bid prices on several M2 projects. The decline in construction costs is expected to partially offset the decline in M2 sales tax revenues.

BACKGROUND

M2 Early Action Plan: After the passage of M2 in 2006, OCTA commenced work on an Early Action Plan (EAP) to accelerate delivery of various M2 projects. The EAP presented a blueprint for early action on the M2 Transportation Investment Plan for the five-year period from 2007 through 2012. The EAP outlined the projects and programs that could be advanced along with the anticipated schedules and major milestones.

After the adoption of the EAP, OCTA began the development of a financial strategy to fund the early implementation of the M2 projects. Based on the 2007 Plan of Finance, OCTA did a thorough analysis of short-term financing vehicles. The goal of the analysis was to select the short-term financing with the lowest projected cost and highest flexibility. OCTA selected tax-exempt commercial paper (TECP) to be repaid with M2 sales tax revenues collected after April 1, 2011.

The EAP approved projects included capital expenditures for the period before M2's collection start date as well as capital expenditures for after the start of M2. Since M2 sales tax collections did not commence until April 1, 2011, OCTA implemented a \$400 million TECP financing program in 2008. The TECP program funded the M2 EAP program expenditures and paid investors with capitalized interest. OCTA issued a total of \$100 million of M2 TECP. The average M2 TECP interest rate for the EAP program has been 0.76 percent.

The amount of M2 TECP that was sold was less than OCTA anticipated. The lower issuance amount was attributed to OCTA aggressively seeking additional grant funding and a competitive construction market.

In 2010, OCTA restructured the TECP program and issued long-term debt. The \$400 million TECP program was reduced to \$50 million and \$75 million of the outstanding \$100 million TECP debt was redeemed with taxable and tax-exempt bonds. OCTA sold \$293,540,000 of Series 2010 A Taxable Build America Bonds (BABs) and \$59,030,000 of Series 2010 B tax-exempt bonds secured by M2 sales tax revenues in December 2010. The 2010 M2 bonds were sold pursuant to a new indenture with provisions and security covenants designed to provide OCTA with financing flexibility. The 2010 M2 bonds are currently rated AA+ (stable), Aa2 (stable), and AA+ (stable) by Fitch Ratings, Moody's, and Standard & Poor's respectively.

Underwriting Team: In anticipation of the December 2010 bond issuance, OCTA selected 12 firms to serve as underwriters for M2 debt and future 91 Express Lanes debt issuances. The 12 firms will serve on OCTA's underwriting pool until 2015. Bank of America Merrill Lynch was named the senior managing underwriter for the Series 2010 A and Series 2010 B bonds. The senior managing underwriter for each future debt issuance will be determined through a competitive process amongst the 12 firms included in the pool. The underwriting firms serving in the pool include:

- Bank of America Merrill Lynch
- Barclays
- Citi
- Jeffries & Co.
- Morgan Stanley
- Siebert Brandford & Shank
- Goldman Sachs
- JP Morgan
- E.J. De La Rosa & Co.
- Loop Capital Markets
- RBC Capital Markets
- Stone & Youngberg

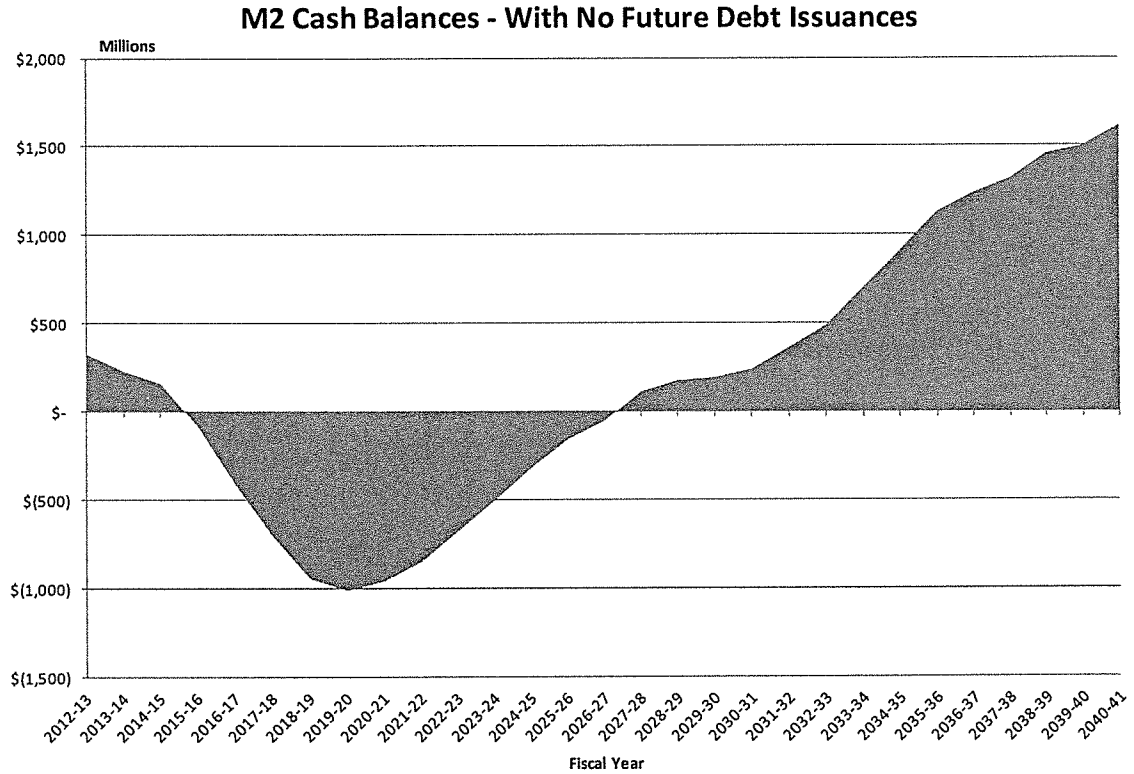
MEASURE M2 M2020 PLAN

Building on the completion of the M2 EAP, the development of an M2020 Plan began in November 2011 and was completed and approved by the Board of Directors in September 2012. The M2020 Plan outlines the projects and programs for all modes that can be accomplished between 2013 and the year 2020, along with anticipated schedules and major milestones. The M2020 Plan also includes detailed information on each project or program in the form of fact sheets. Attachment A provides the M2020 Plan Objectives and Attachment B details the M2020 Plan Priorities and Commitments.

The 2012 Plan of Finance has been updated to incorporate the current projected expenditure requirements from the M2020 Plan. Total program expenditures from FY 2012-13 through FY 2019-20 equal \$5.017 billion. Forecasted M2 sales

tax revenues for the same period total \$2.570 billion. Other revenue sources are estimated to generate \$1.320 billion from FY 2012-13 through FY 2019-20. Therefore, the scope of the planned expenditures under the M2020 Plan makes pay-as-you-go financing unfeasible. Over the next several years, the projected Measure M2 capital expenditures necessary to pay for the M2020 Plan exceed the Measure M2 program cash balances by over \$1.1 billion.

The graph below highlights the ending balances for the M2 program assuming a pay-as-you-go funding plan. The ending balance goes negative in FY 2015-16.

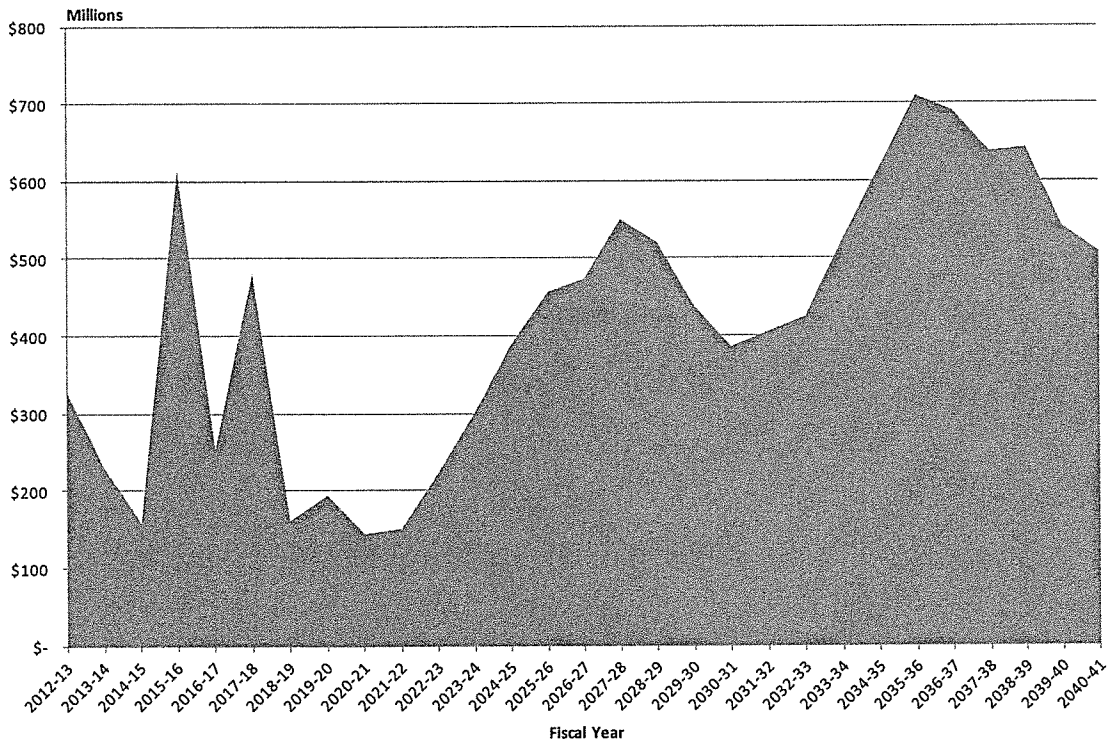


In order to fund the projects included in the M2020 Plan, the Plan of Finance requires three debt issues (referred to as the baseline scenario). The amount of bond proceeds generated from these issuances total:

1. \$700 million in FY 2015-16,
2. \$600 million in FY 2017-18, and
3. \$200 million in FY 2019-20.

The bond proceeds delivered in these three years will result in positive ending balances through FY 2040-41 for the M2 program. The graph below illustrates these results for the baseline scenario.

M2 Cash Balances - With Debt Issuances



The M2 cash flow for the period from FY 2012-13 through FY 2040-41 is provided in Attachment C. The cash flow highlights the total revenues for the M2 program, provides the annual program costs, and details the ongoing debt service obligations. Although current interest rates are near historic lows, the cash flow contains conservative interest rate as well as debt structuring assumptions. These assumptions include the current level of interest rates plus 100 basis points (1.00%) for the FY 2015-16 issuance, current levels plus 150 basis points (1.50%) for the FY 2017-18 issuance, and current levels plus 150 basis points (1.50%) for the FY 2019-20 issuance.

In addition to higher interest rates, OCTA also assumed the three additional bond issuances would include a debt service reserve fund (which is optional under the M2 indenture) funded with bond proceeds. Based on the issuance of the 2010 M2 bonds, the FY 2012-13 debt service coverage ratio is estimated to be 9.47 times. Assuming the issuance of additional bonds in FY 2015-16, FY 2017-18, and FY 2019-20, debt service coverage ratios in the baseline scenario drop to a low of 2.21 times in FY 2019-20 and increases thereafter based on assumed annual increases in M2 sales tax revenues. Although assuming higher borrowing costs will lower the projected debt service coverage ratios, a decline in the receipt of M2 sales tax revenues could have a more negative impact on debt service coverage ratios.

Based on extensive financial modeling and sensitivity analyses, the projected M2 sales tax revenues available for debt service demonstrate the necessary debt capacity to successfully accomplish the M2020 Plan and deliver the M2 program. However, it is critical to continue to explore and utilize the most efficient and cost effective combination of M2 financing options. Alternative 1 on page 12 provides a discussion on various interest rate stress test scenarios and the resulting impact to coverage ratios.

The projected revenues and capital expenditure requirements for M2 are discussed below by program.

Freeway Program: The freeway program consists of Project A through Project N and the freeway environmental mitigation program. The freeway program is allocated 43% of net M2 sales tax revenues.

From FY 2012-13 to FY 2019-20, the freeway program is projected to receive approximately \$1.055 billion in M2 revenue and \$493 million in state/federal grants for a total of \$1.549 billion. Costs for the same period are expected to total \$2.636 billion leaving a funding shortfall of over a billion dollars. To bridge this funding gap and keep projects on schedule, financing is required. Debt issuances that produce bond proceeds in the amount of \$600 million in FY 2015-16, \$600 million in FY 2017-18, and \$200 million in FY 2019-20 will fill the funding gap and keep projects on schedule.

Beyond FY 2019-20, the freeway program cash flow assumes that \$30 million a year in federal (Surface Transportation Program or Congestion Mitigation Air Quality) or state (State Transportation Improvement Program) funds are available until FY 2040-41.

The total projected M2 freeway program costs through FY 2040-41 (in year of expenditure dollars) are provided below:

	Estimated Costs <u>(\$ in Millions)</u>
Project A: I-5 - SR-55 to SR-57	\$ 46.35
Project B: I-5 - SR-55 to El Toro Y Area	\$ 728.12
Project C: I-5 Improvements South of the El Toro Y	\$ 818.06
Project D: I-5 Interchange Upgrades	\$ 225.35
Project E: SR-22 Access Improvements	\$ 25.60
Project F: SR-55 Improvements	\$ 423.39
Project G: SR-57 Improvements	\$ 356.51
Project H: SR-91 - I-5 to SR-57	\$ 72.77
Project I: SR-91 - SR-57 to SR-55	\$ 600.69
Project J: SR-91 - SR-55 to Orange/Riv Co Line	\$ 435.50
Project K: I-405 - I-605 to SR-55	\$ 1,327.62
Project L: I-405 - SR-55 & I-5	\$ 784.34
Project M: I-605 Freeway Access Improvements	\$ 50.06
Project N: Freeway Service Patrol	\$ 185.67
Environmental Mitigation	<u>\$ 317.34</u>
Total Project Costs	\$ 6,397.37

The M2 cash flow for the freeway program through FY 2040-41 is provided in Attachment D. These cash flows highlight annual project expenditures, projected revenues, and ending cash balances with the assumption of future debt issuances.

Although there are positive balances throughout M2 freeway program with the assumption of future debt issuances, project scope changes and schedule delays may result in project cost increases. Project scopes and schedules will need to be managed and monitored to ensure deliverability of the freeway program. The Plan of Finance will need to be adjusted to incorporate any future changes.

Streets and Roads Program: The M2 streets and roads program consists of Project O (Regional Capacity Program), Project P (Regional Traffic Signal Synchronization Program), and Project Q (Local Fair Share Program). The streets and roads program is allocated 32% of net M2 sales tax revenues.

From FY 2012-13 to FY 2019-20, the streets and roads program is projected to receive approximately \$785 million in M2 revenue and \$413 million in local/state/federal funds for a total of \$1.198 billion. Costs for the same period are expected to total \$1.206 billion. Although total revenues closely match the project costs for the streets and roads program, there are several years of negative ending balances for the program. These negative balances run from FY 2012-13 through FY 2019-20. The Plan of Finance assumes internal

borrowing to fund the streets and roads program during this period. This borrowing will come from the other M2 programs. OCTA successfully utilized an internal borrowing strategy under the M1 program. The M2 cash flow for the streets and roads program through FY 2040-41 is provided in Attachment E.

Transit Program: The M2 transit program consists of Project R (High Frequency Metrolink Service), Project S (Transit Extensions to Metrolink), Project T (Metrolink Gateways), Project U (Seniors/Disabled Persons Mobility Programs), Project V (Community Based Transit/Circulators), and Project W (Safe Transit Stops). The transit program is allocated 25% of net M2 sales tax revenues.

From FY 2012-13 to FY 2019-20, the transit program is projected to receive approximately \$614 million in M2 revenue and \$414 million in local/state/federal funds for a total of \$1.028 billion. Costs for the same period are expected to total \$1.119 billion leaving a funding shortfall of approximately \$90 million dollars. Debt financing is required to bridge this funding gap and keep projects on schedule. A debt issuance that produces bond proceeds in the amount of \$100 million in FY 2015-16 will fill the funding gap.

Included in other revenues is the assumption that federal grants will be available to fund 50% of the project costs for the Santa Ana/Garden Grove and Anaheim fixed guideway projects. A local match for 10% of the project costs is also assumed and will be provided by the local agencies. Alternative 3 on page 13 discusses a scenario where no federal grants are available and the local match by the cities is limited. The M2 cash flow for the transit program through FY 2040-41 is provided in Attachment F.

Environmental Cleanup Program: The M2 environmental cleanup program provides funds to improve overall water quality in Orange County from transportation-related pollution. The program is comprised of a Tier 1 program for trash and debris removal and a Tier 2 program for regional capital intensive projects. The program is allocated 2.0% of gross M2 sales tax revenues.

From FY 2012-13 to FY 2019-20, the environmental cleanup program is projected to receive approximately \$51.4 million in M2 revenue. Costs for the same period are expected to total \$56 million. The differential between the revenues and costs will be funded through internal borrowing from other M2 programs and if necessary, the M2 TECP program. The M2 cash flow for the environmental cleanup program through FY 2040-41 is provided in Attachment G.

PLAN OF FINANCE GOALS

The goal of the Plan of Finance is to establish OCTA's objectives for the near term and long-term M2 financing program. The establishment of clear, measurable objectives is a prerequisite to the formulation of a Plan of Finance strategy to accomplish those objectives. Objectives include:

- Accelerating project delivery in order to maximize congestion relief,
- Achieving the lowest possible borrowing cost,
- Achieving debt policy objectives,
- Maximizing future financial management flexibility, and
- Assuming a minimal amount of risk.

CREDIT CONSIDERATIONS AND RATING AGENCY STRATEGY

The retention of OCTA's AA category bond ratings remains a goal of the Plan of Finance. Although the rating agencies rated the 2010 M2 bonds in the AA category, each rating agency puts a high degree of emphasis on the M2 debt service coverage ratio, the additional bonds test in the 2010 indenture, and sales tax revenue volatility.

It is important to continue to update the rating agencies (as well as investors) on the M2020 Plan capital requirements and the Plan of Finance. All three rating agencies have an increased focus on the Orange County economy and its ability to withstand economic downturns. M2's key strengths are the County's diverse economic base, job creation, and high wealth levels.

AA category ratings will allow OCTA to continue to borrow at low interest rates. If conditions change such that OCTA could not issue senior lien bonds rated in the AA rating category, OCTA could issue subordinate lien bonds at a lower rating and slightly higher cost. OCTA successfully issued senior lien and subordinate lien bonds for the M1 program.

FINANCING OPTIONS

The most efficient and economical source of borrowing is to issue debt repaid with the receipt of future M2 sales tax revenues. OCTA has the option to issue TECP and sales tax revenue bonds. In addition, OCTA can seek a loan from the U.S. Department of Transportation (USDOT) pursuant to the Transportation Infrastructure Finance and Innovation Act (TIFIA) backed by M2 sales tax revenues. TIFIA loans are based on U.S. Treasury yields which are currently at significantly lower rates than M2 tax-exempt borrowing rates. In addition, TIFIA loans can be subordinated to M2 bonds and have flexible draw down and repayment options.

OCTA has worked with its financial advisor, Sperry Capital, to update the Plan of Finance cash flows with current M2 sales tax revenue projections, capital costs, and borrowing costs. Borrowing costs and financing options will continue to change over time. OCTA will closely monitor the most efficient and cost effective Plan of Finance assumptions and periodically update the Board of Directors with current conditions.

Tax Exempt Commercial Paper (TECP): TECP can have a maturity of one to 270 days. TECP is a very flexible and low cost borrowing option. Due to its short-term maturity TECP is rolled over frequently. Therefore, investors require that the TECP be guaranteed by a commercial bank letter of credit (LOC).

OCTA has successfully issued TECP as an M1 and M2 borrowing option. OCTA currently has \$25 million M2 TECP outstanding backed by a \$50 million bank LOC with JP Morgan Chase. The current JP Morgan Chase LOC expires in November 2014.

The cost of LOCs for TECP issuance has increased since the 2008 recession. Basel III, a new global regulatory standard on bank capital adequacy, will require banks to significantly increase capital and liquidity. Basel III's implementation date for new minimum capital requirements is January 1, 2015. It is anticipated that bank LOC costs will increase as a result of the new Basel III capital adequacy costs.

Despite higher LOC costs, TECP is still a very attractive option. Current yields for 270 day TECP are approximately 20 basis points. The issuance of TECP to fund construction and the subsequent issuance of sales tax revenue bonds to refund the TECP remains an attractive option.

Sales Tax Revenue Bonds: Sales tax revenue bonds are debt obligations that are secured by sales taxes and issued by municipal entities. The bonds are distinguished by their guarantee of repayment solely from the revenues generated by sales taxes. Sales tax revenue bonds advance the future receipt of M2 sales tax revenues and repay the bonds with interest. OCTA has successfully issued M1 and M2 sales tax revenue bonds in the past. OCTA issued \$352,570,000 of taxable BABs and tax exempt sales tax revenue bonds in December 2010. Sales tax revenue bonds can be issued as fixed-rate securities or variable-rate securities.

TIFIA Loan: An additional option would be to secure a TIFIA loan to be repaid by M2 sales tax revenues. The TIFIA program's fundamental goal is to leverage Federal funds by attracting substantial private and other non-Federal co-investment in critical improvements to the nation's highway and transit transportation systems. The recently enacted Moving Ahead for Progress in the 21st Century (MAP-21) contains provisions that are designed to ensure that

TIFIA projects are creditworthy and will protect both taxpayers and private-activity bond investors. MAP-21 simplified the eligibility criteria. Any type of capital project that is eligible for Federal assistance through surface transportation programs (highway and transit) is eligible for TIFIA loans.

Credit worthiness is now the top consideration for a TIFIA loan. Senior debt must be rated investment grade (minimum BBB- category). MAP-21 also increased the percentage of total eligible development costs a TIFIA loan could cover to 49%, up from 33%. TIFIA loans charge one basis point above the prevailing U.S. Treasury bond yield, significantly lower than current tax-exempt yields. In addition, the structuring flexibility of TIFIA with regards to capitalized interest, amortization and subordination is unique. For example, TIFIA loans also provide favorable terms such as allowing the loan to be drawn down over time based on actual monthly construction costs. For typical loans, and bond issues, the full amount of the loan is borrowed at the closing and interest costs begin to accrue.

The TIFIA loan application process is time-consuming and expensive. OCTA must submit a Letter of Interest (LOI) to the TIFIA Joint Program Office (JPO) prior to a formal application as a requirement for project eligibility. The LOI must describe the project, purpose and cost, outline the proposed financing plan and provide the status of the environmental review in order to be considered for a TIFIA loan. The initial estimated cost for the application is approximately \$100,000.

PLAN OF FINANCE RECOMMENDED APPROACH

Based on assumptions contained in the M2020 Plan, OCTA staff recommends a baseline scenario with the additional issuance of fixed-rate sales tax revenue bonds in FY 2015-16 (\$700 million), FY 2017-18 (\$600 million), and FY 2019-20 (\$200 million). M2 sales tax revenues and other external revenue sources are expected to be sufficient to fund program expenditures through FY 2014-15. The proposed additional bonds would be issued on a parity basis with the 2010 M2 bonds pursuant to the provisions of the 2010 M2 indenture. Each issuance of sales tax revenue bonds would be sized based upon the expected construction draw down requirements over the following two years. Tax law generally restricts the issuance of tax-exempt bonds to an amount which generates proceeds the issuer reasonably expects to spend within three years. Staff also recommends maintaining a \$50 million TECP program to fund short-term obligations.

The table below summarizes key statistics from the three financings.

	Debt Issuances		
	<u>FY 2015-16</u>	<u>FY 2017-18</u>	<u>FY 2019-20</u>
Issuance Date	7/1/2015	7/1/2017	7/1/2019
Par Amount + Premium	\$ 755,783,132	\$ 651,816,574	\$ 218,143,351
Bond Proceeds	\$ 700,000,000	\$ 600,000,000	\$ 200,000,000
Debt Service Service Fund	\$ 48,928,750	\$ 45,915,815	\$ 16,185,783
Cost of Issuance	\$ 8,656,000	\$ 7,749,250	\$ 2,603,438
True Interest Cost	4.11%	4.46%	4.48%
Average Life	15.47 years	14.14 years	12.83 years
Max Annual Debt Service	\$ 48,928,750	\$ 45,915,815	\$ 16,185,783
Total Interest	\$ 532,532,811	\$ 437,478,392	\$ 133,500,231

OCTA staff will also determine whether or not OCTA's M2020 Plan freeway (i.e. I-405 project) and transit projects are eligible for TIFIA funding. If the projects are eligible, OCTA will determine whether it's appropriate to submit a LOI to the TIFIA loan program to initiate a TIFIA loan application and seek Board of Directors approval for the request.

OCTA will need to continue to monitor the key inputs into the Plan of Finance (projected M2020 Plan expenditure requirements, the latest M2 sales tax revenue projections, the latest external funding forecasts, as well as new financing mechanisms and options) to assure the successful delivery of the M2020 Plan.

ALTERNATE SCENARIOS

Alternative 1 – Baseline Scenario with Various Stress Tests: The baseline scenario assumes debt issuances in FY 2015-16, FY 2017-18, and FY 2019-20. The interest rates used for this scenario include the current level of interest rates plus 100 basis points for the FY 2015-16 issuance, current levels plus 150 basis points for the FY 2017-18 issuance, and current levels plus 150 basis points for the FY 2019-20 issuance. OCTA reviewed various other scenarios to determine the impact of higher interest rates or lower amounts of M2 sales tax receipts on the M2 program and debt service coverage ratios. The table below compares debt service coverage ratios over the next ten years for the baseline scenario,

the baseline scenario plus an additional 100 basis points in interest rates, a 90% M2 sales tax scenario with an additional 100 basis points in interest rates, and a 3.5% growth in M2 sales tax scenario with an additional 100 basis points in interest rates.

<u>Fiscal Year</u>	<u>Baseline</u>	<u>Baseline +100 bps</u>	<u>90% M2 Revenues +100 bps</u>	<u>3.5% M2 Growth +100bps</u>
2012-13	9.47x	9.47x	8.61x	9.38x
2013-14	10.04x	10.04x	9.12x	9.71x
2014-15	10.68x	10.68x	9.71x	10.05x
2015-16	3.51x	3.33x	3.00x	3.03x
2016-17	3.69x	3.50x	3.15x	3.13x
2017-18	2.33x	2.21x	1.99x	1.96x
2018-19	2.42x	2.29x	2.07x	2.03x
2019-20	2.21x	2.10x	1.89x	1.85x
2020-21	2.29x	2.18x	1.96x	1.91x
2021-22	2.38x	2.26x	2.03x	1.98x

Although the lowest level of coverage occurs in FY 2019-20 for all scenarios, the lowest amount of 1.85 times coverage in the “3.5% M2 Growth + 100 bps” scenario is well above the legally mandated debt service coverage ratio of 1.30 times.

Alternative 2 – TIFIA Funding: A TIFIA loan meets the Plan of Finance goals to use low cost and flexible financing options. The ability to subordinate TIFIA to the M2 bonds as well as the lower TIFIA borrowing rate (based on U.S. Treasury yields) would produce lower M2 debt service costs over the life of the program. These savings could be used to advance other M2 programs. It is estimated that a combined TIFIA and sales tax revenue bond program could save over \$71.3 million over the life of the M2 program in debt service costs. This translates into \$2.74 million in annual debt service savings over the baseline scenario.

Alternative 3 - No Federal Grant Funding for the Fixed Guideway Projects: The baseline scenario assumes a 50% Federal New Starts grant and a 10% local agency match to fund the M2 fixed guideway projects. When the Board of Directors approved the M2020 Plan in September 2012, they directed staff to evaluate an alternative funding scenario that did not include Federal New Starts funding. In order to fund the fixed guideway projects with no Federal New Starts funding, OCTA will have to use previously un-programmed Congestion Management and Air Quality (CMAQ) funds. Approximately \$95 million in CMAQ funds will be required, along with \$30 million in local matches provided by the cities. This scenario also requires the issuance of debt in FY 2013-14, FY 2016-17, and FY 2019-20. The total amount of bond proceeds required

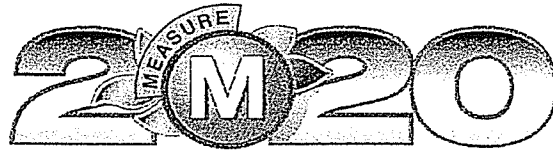
equals \$332 million. The baseline scenario only required \$100 million in FY 2015-16. Lastly, with the assumption of no Federal New Start funds, project schedules will be delayed a few years. By delaying the project schedules, assuming \$95 million in CMAQ funding, assuming \$30 million in cities capital match, and \$332 million in M2 sales tax revenue bonds, the fixed guideway projects can be funded by FY 2019-20 (up to a total amount of \$575 million).

The table below compares debt service coverage ratios for the entire M2 program over the next ten years for the baseline scenario and the no Federal New Starts funding scenario (includes debt issuances in FY 2013-14, FY 2016-17, and FY 2019-20).

<u>Fiscal Year</u>	<u>Baseline</u>	<u>No Federal New Starts Scenario</u>
2012-13	9.47x	9.47x
2013-14	10.04x	6.00x
2014-15	10.68x	6.38x
2015-16	3.51x	3.24x
2016-17	3.69x	3.22x
2017-18	2.33x	2.18x
2018-19	2.42x	2.26x
2019-20	2.21x	2.05x
2020-21	2.29x	2.13x
2021-22	2.38x	2.21x

CONCLUSION

The Plan of Finance will be reviewed on an ongoing basis. Market changes and revisions in sales tax collections and project schedules/costs may affect the current strategy. As such, any changes to the strategy of the Plan of Finance will be submitted to the Board of Directors for approval.



M2020 Plan Objectives

Freeways

1. Deliver 14 projects along Interstate 405, Interstate 5, State Route 55, State Route 57, and State Route 91 (Projects A, C, D, E, F, G, H, I, J, and K). This completes two-thirds of the M2 freeway improvements, amounting to nearly \$3 billion in year-of-expenditure (YOE) dollars worth of transportation investments.
2. Complete the environmental phase of all remaining Measure M2 (M2) freeway projects, making these shelf ready for early delivery as external funds become available (Projects B, D, F, G, I, J, L, and M). This positions the remaining M2 freeway improvements, valued at approximately \$1.4 billion in current year-of-expenditure (YOE) dollars (\$2.6 billion) in transportation investment, for complete implementation.

Streets and Roads

3. Invest nearly \$1.2 billion of funding for street and road improvement projects to expand roadway capacity and protect pavement conditions (Projects O and Q).
4. Synchronize 2,000 traffic signals across the County to ease traffic flow (Project P).

Transit

5. Expand Metrolink peak period capacity and address gaps in the existing schedule, as well as make investments to improve rail stations such as the Orange and Laguna Niguel/Mission Viejo stations, and operating facilities (Project R).
6. Expand Metrolink service into Los Angeles contingent upon funding participation from route partners (Project R).
7. Provide up to \$575 million in M2 and external funding (includes \$58 million in local match funds) to implement Board of Directors-selected fixed-guideway projects and proposed/future city projects for bus and van connections to Metrolink (Project S).
8. Deliver improvements to position Orange County to connect to planned statewide higher-speed rail projects (Project T).

9. Provide up to \$75 million of funding to expand mobility choices for seniors and persons with disabilities by stabilizing OCTA bus fares and providing funds for senior community transportation programs and senior non-emergency medical transportation services (Project U).
10. Provide up to \$50 million of funding to encourage development, implementation, and operation of efficient local community transit services (Project V).

Freeway Environmental Mitigation

11. Secure the necessary permits from resource agencies for the 13 planned M2 freeway projects as part of the Freeway Mitigation Program in exchange for establishing a long-term management framework for acquired properties. Placing approximately 1,000 acres of open space into conservancy and targeting restoration of approximately 180 acres of habitat to its natural condition (Projects A through M).
12. Provide appropriate public access on acquired properties based on resource management plan development and completion (Projects A through M).

Environmental Cleanup

13. Complete the implementation of up to \$20 million of investments to prevent flow of roadside trash into the waterways (Project X).
14. Provide up to \$38 million to fund and complete construction of up to three major regional water quality improvement projects as part of the Environmental Cleanup Program (Project X).

To review the M2020 Plan, please visit: www.octa.net/m2020

M2020 Plan Priorities and Commitments

The M2020 Plan is an aggressive plan that will require close monitoring to ensure delivery of all objectives as adopted by the Board of Directors. To ensure that the Board is aware of any issues and has the ability to capture opportunities as the plan moves forward, staff will incorporate an M2020 Plan update as part of the Measure M2 (M2) quarterly reports provided to the Board. The quarterly report will identify progress and opportunities as well as indicate if there are areas of concern. Additionally, annually in the fall, staff will provide an overall review of the M2020 Plan progress.

The M2020 Plan sets the course for the next eight years. Although the plan is set, there may be a need to revisit priorities or make adjustments based on cost and schedule changes and funding opportunities. Priority changes and requested adjustments would need to ensure the integrity of the plan is maintained and that changes would not jeopardize OCTA's ability to deliver the entire M2 Plan to the voters as promised. To guide the Board in the event of a needed change, staff recommends the following core principles.

Core Principles of the M2020 Plan

1. The M2020 Plan, as approved by the Board of Directors in September 2012, is the baseline for which all proposed M2 Investment Plan changes will be compared.
2. Changes to the baseline M2020 Plan must be approved by the Board of Directors and will become the future baseline.
3. M2020 Plan changes must be consistent with the M2 Transportation Investment Plan and Ordinance No. 3.
4. M2020 Plan changes shall not result in negative ending balances for the total M2 program for any fiscal year or jeopardize OCTA's ability to deliver the entire M2 Plan as promised by the voters.
5. OCTA shall maintain sufficient M2 working capital to deliver the M2020 Plan.
6. M2 revenues included in the M2020 Plan shall reflect the average three-university forecast as adjusted to reflect actual sales tax revenues received by OCTA.
7. External revenues assumed in the M2020 Plan shall be reasonably available for M2 projects and programs, consistent with Board-approved programming policies. These future revenues may be projected based on historic trends, including consideration of past legislative actions.

8. All costs in the M2020 Plan shall be in year-of-expenditure dollars and reflect industry trends on cost escalation by phase (design, right-of-way, and construction).
9. M2020 Plan project and program schedules shall reflect attainable delivery dates based on past practices and innovative delivery methods including design-build, as appropriate.
10. The scope of each M2020 Plan project or program shall be consistent with the M2 Transportation Investment Plan (as amended).
11. Projects that are added to the M2020 Plan shall not result in failure to deliver the M2 Investment Plan as approved by Orange County voters in November 2006 (as amended).
12. Projects considered for addition to the M2020 Plan shall follow Board adopted "Guiding Principles" and should be consistent with the overall delivery goals of the M2020 Plan.

OCTA PROGRAM CASH FLOW SUMMARY
November 2012

FISCAL YEAR ENDING JUNE 30,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
BEGINNING BALANCE	398.00	323.84	229.57	160.52	617.89	258.51	483.26	160.16	189.32	135.35	138.08	206.80

SOURCES OF FUNDS

Gross Sales Tax Revenues	264.07	279.86	297.84	316.13	332.51	346.26	359.67	374.02	388.10	403.00	418.66	435.49
Bonded Funds	0.00	0.00	0.00	700.00	0.00	600.00	0.00	200.00	0.00	0.00	0.00	0.00
Release of Debt Service Reserve Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax-Exempt Commercial Paper (TECP) Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxable Commercial Paper (TXCP) Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Revenues (Local, State, & Federal Funding)	217.72	381.68	312.56	177.48	100.33	70.08	30.00	30.00	30.00	30.00	30.00	30.00
Investment Earnings on Cash Balances	3.33	4.10	5.23	11.82	15.39	12.52	10.24	4.02	3.35	2.49	3.97	6.83
Investment Earnings on DSRF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Sources Of Funds	485.12	665.64	615.62	1,205.43	448.23	1,028.86	399.91	608.05	421.45	435.49	452.63	472.32

USES OF FUNDS

Taxpayer Safeguards and Audits												
SBOE Fees	3.96	4.20	4.47	4.74	4.99	5.19	5.40	5.61	5.82	6.04	6.28	6.53
Oversight and Annual Audits	2.64	2.80	2.98	3.16	3.33	3.46	3.60	3.74	3.88	4.03	4.19	4.35
Total Fees	6.60	7.00	7.45	7.90	8.31	8.66	8.99	9.35	9.70	10.07	10.47	10.89

Debt Service Payments

Gross Debt Service on Bonds	21.83	21.83	21.83	20.63	20.63	116.54	116.55	132.73	132.73	132.73	132.73	132.72
TECP Interest / Redemption	0.45	1.68	1.65	1.63	1.61	1.68	1.65	1.62	1.59	1.57	1.54	1.51
TXCP Interest / Redemption	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Debt Service Payments	22.28	23.51	23.49	22.26	22.24	118.22	118.20	134.35	134.32	134.29	134.26	134.23

Program Expenditures

Freeway Mode	176.46	174.69	263.88	354.97	489.27	487.59	431.31	258.10	143.47	97.67	39.18	43.73
Streets & Roads Mode	251.73	234.83	212.20	144.06	86.43	89.35	92.19	95.23	102.21	106.98	112.05	117.51
Transit Mode	92.62	314.28	171.71	162.55	144.70	93.36	65.14	74.38	77.95	75.68	79.56	83.72
Environmental Cleanup Mode	9.58	5.60	5.96	6.32	6.65	6.92	7.19	7.48	7.76	8.06	8.37	8.71
Total Program Expenditures	530.40	729.40	653.75	667.90	727.06	677.22	595.83	435.19	331.39	288.39	239.17	253.67

ANNUAL CASH FLOW

	(74.16)	(94.27)	(69.06)	457.37	(359.37)	224.75	(323.11)	29.16	(53.97)	2.73	68.73	73.53
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ENDING FUND BALANCE

	323.84	229.57	160.52	617.89	258.51	483.26	160.16	189.32	135.35	138.08	206.80	280.33
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COVERAGE CALCULATION

All Bonds (Net of 18% Local Fail Share Program)	9.47	10.04	10.68	3.51	3.69	2.33	2.42	2.21	2.29	2.38	2.47	2.57
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OCTA PROGRAM CASH FLOW SUMMARY
November 2012

FISCAL YEAR ENDING JUNE 30,	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
BEGINNING BALANCE	280.33	363.52	426.67	438.41	510.52	476.38	389.65	331.28	345.44	359.24	451.40
SOURCES OF FUNDS											
Gross Sales Tax Revenues	453.54	472.53	492.38	513.19	534.71	557.31	581.06	605.95	631.65	658.76	687.48
Bonded Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Release of Debt Service Reserve Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax-Exempt Commercial Paper (TECP) Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxable Commercial Paper (TXCP) Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Revenues (Local, State, & Federal Funding)	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Investment Earnings on Cash Balances	9.98	12.93	14.48	16.34	17.31	15.04	12.31	11.56	12.24	14.43	18.18
Investment Earnings on DSRF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Sources Of Funds	493.52	515.46	536.86	559.53	582.02	602.35	623.37	647.51	673.89	703.19	735.67

USES OF FUNDS											
Taxpayer Safeguards and Audits											
SBOE Fees	6.80	7.09	7.39	7.70	8.02	8.36	8.72	9.09	9.47	9.88	10.31
Oversight and Annual Audits	4.54	4.73	4.92	5.13	5.35	5.57	5.81	6.06	6.32	6.59	6.87
Total Fees	11.34	11.81	12.31	12.83	13.37	13.93	14.53	15.15	15.79	16.47	17.19
Debt Service Payments											
Gross Debt Service on Bonds	132.73	132.73	132.73	132.73	132.73	132.73	132.73	132.73	132.73	132.73	132.73
TECP Interest / Redemption	1.48	1.45	1.42	1.39	1.37	1.34	1.31	1.28	1.25	0.00	0.00
TXCP Interest / Redemption	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Debt Service Payments	134.21	134.18	134.15	134.12	134.09	134.06	134.04	134.01	133.98	132.73	132.73
Program Expenditures											
Freeway Mode	44.16	74.35	128.09	77.12	198.81	257.11	234.26	169.46	179.00	105.39	124.56
Streets & Roads Mode	123.38	129.62	136.21	143.20	150.56	158.37	166.66	175.47	184.73	194.59	205.14
Transit Mode	88.18	92.90	104.51	109.88	108.64	114.46	120.63	127.14	133.97	148.68	156.50
Environmental Cleanup Mode	9.07	9.45	9.85	10.26	10.69	11.14	11.62	12.12	12.63	13.17	13.75
Total Program Expenditures	264.79	306.32	378.65	340.47	468.70	541.08	533.18	484.19	510.33	461.83	499.95

ANNUAL CASH FLOW	83.19	63.15	11.74	72.10	(34.14)	(86.73)	(58.37)	14.17	13.79	92.16	85.80
ENDING FUND BALANCE	363.52	426.67	438.41	510.52	476.38	389.65	331.28	345.44	359.24	451.40	537.21
COVERAGE CALCULATION											
All Bonds (Net of 18% Local Fair Share Program)	2.68	2.79	2.91	3.03	3.15	3.29	3.43	3.58	3.73	3.89	4.06

OCTA PROGRAM CASH FLOW SUMMARY
November 2012

FISCAL YEAR ENDING JUNE 30,	2036	2037	2038	2039	2040	2041	TOTAL
BEGINNING BALANCE	537.21	623.20	596.75	537.39	534.63	426.35	
SOURCES OF FUNDS							
Gross Sales Tax Revenues	717.75	749.40	782.34	816.66	852.50	667.78	15,300.76
Bonded Funds	0.00	0.00	0.00	0.00	0.00	0.00	1,870.00
Release of Debt Service Reserve Funds	0.00	0.00	0.00	0.00	0.00	111.03	111.03
Tax-Exempt Commercial Paper (TECP) Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxable Commercial Paper (TXCP) Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Revenues (Local, State, & Federal Funding)	30.00	30.00	30.00	30.00	30.00	30.00	2,251.17
Investment Earnings on Cash Balances	21.84	23.17	21.67	20.66	18.73	16.08	360.23
Investment Earnings on DSRF	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Sources Of Funds	769.59	802.56	834.01	867.32	901.22	824.89	19,893.20
USES OF FUNDS							
Taxpayer Safeguards and Audits							
SBOE Fees	10.77	11.24	11.74	12.25	12.79	10.02	229.51
Oversight and Annual Audits	7.18	7.49	7.82	8.17	8.52	6.68	153.01
Total Fees	17.94	18.73	19.56	20.42	21.31	16.69	382.52
Debt Service Payments							
Gross Debt Service on Bonds	132.72	132.73	132.73	132.73	132.73	132.73	3,365.56
TECP Interest / Redemption	0.00	0.00	0.00	0.00	0.00	0.00	31.97
TXCP Interest / Redemption	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Debt Service Payments	132.72	132.73	132.73	132.73	132.73	132.73	3,397.53
Program Expenditures							
Freeway Mode	145.13	268.59	309.76	262.01	375.54	176.04	4,254.13
Streets & Roads Mode	216.37	228.28	240.89	254.25	268.42	236.41	2,825.16
Transit Mode	157.07	165.70	174.78	184.35	194.45	179.10	2,255.17
Environmental Cleanup Mode	14.35	14.99	15.64	16.33	17.05	13.35	160.68
Total Program Expenditures	532.92	677.56	741.08	716.94	855.47	604.90	9,495.15
ANNUAL CASH FLOW							
	86.00	(26.45)	(59.36)	(2.76)	(108.28)	70.57	
ENDING FUND BALANCE	623.20	596.75	537.39	534.63	426.35	496.92	
COVERAGE CALCULATION							
All Bonds (Net of 18% Local Fair Share Program)	4.23	4.42	4.62	4.82	5.03	3.94	

FREEWAY MODE
Summary

FISCAL YEAR ENDING JUNE 30,

	2013	2014	2015	2016	2017	2018	2019	2020	2021
BEGINNING BALANCE	144.64	187.26	218.75	202.02	572.13	209.05	422.23	83.28	101.14
Revenues									
Sales Tax Revenue	108.44	114.93	122.31	129.82	136.55	142.19	147.70	153.59	159.37
Other Revenues	114.09	94.14	126.41	32.82	24.02	41.84	30.00	30.00	30.00
Interest	1.97	3.02	4.32	10.16	13.33	10.39	8.30	2.16	1.57
Tax-Exempt Commercial Paper Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxable Commercial Paper Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bond Proceeds	0.00	0.00	0.00	600.00	0.00	600.00	0.00	200.00	0.00
Total Revenue	224.50	212.09	253.04	772.79	173.89	794.41	186.00	385.75	190.94
Project Expenditures									
A Santa Ana Freeway (I-5) - Costa Mesa Fwy (SR-55) to "Orange Crush" (SR-57)	0.88	1.06	2.36	5.40	24.02	11.84	0.00	0.00	0.00
B Santa Ana Freeway (I-5) - Costa Mesa Fwy (SR-55) to El Toro "y" Area	1.03	2.03	2.03	2.03	2.02	2.03	0.85	0.00	0.00
C San Diego Freeway (I-5) Improvements South of the El Toro "y"	16.68	42.86	104.97	89.57	111.49	26.28	91.57	113.82	116.67
D Santa Ana Freeway / San Diego Freeway (I-5) Interchange Upgrades	18.13	26.72	24.29	2.48	0.17	0.00	0.00	0.00	0.00
E Garden Grove Freeway (SR-22) Access Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
F Costa Mesa Freeway (SR-55) Improvements	3.04	2.09	5.49	9.59	11.92	57.11	90.36	79.90	15.13
G Orange Freeway (SR-57) Improvements	54.85	27.71	1.97	1.01	1.01	1.01	0.42	0.00	0.00
H Riverside Freeway (SR-91) - Santa Ana Fwy (I-5) to Orange Fwy (SR-57)	10.39	25.25	22.93	4.97	0.00	0.00	0.00	0.00	0.00
I Riverside Freeway (SR-91) - Orange Fwy (SR-57) to Costa Mesa Fwy (SR-55)	4.31	18.91	24.14	1.52	1.51	1.52	0.63	0.00	0.00
J Riverside Freeway (SR-91) - Costa Mesa Fwy (SR-55) to Orange/Riv Co Line	32.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
K San Diego Freeway (I-405) - I-605 Freeway & Costa Mesa Fwy (SR-55)	9.60	18.69	65.74	227.90	326.13	376.38	236.24	53.14	0.00
L San Diego Freeway (I-405) - Costa Mesa Fwy (SR-55) & Santa Ana Fwy (I-5)	0.47	0.93	0.93	0.93	0.93	0.93	0.39	0.00	0.00
M I-605 Freeway Access Improvements	0.04	0.08	0.08	0.08	0.08	0.08	0.04	0.00	0.00
N Freeway Service Patrol	3.17	3.36	3.58	3.80	3.99	4.16	4.32	4.49	4.66
Environmental Mitigation	21.57	5.00	5.37	5.70	6.00	6.25	6.49	6.75	7.00
Total Expenditures	176.46	174.69	263.88	354.97	489.27	487.59	431.31	258.10	143.47
Debt Service									
	5.42	5.90	5.90	47.71	47.70	93.64	93.63	109.80	109.79
ENDING BALANCE	187.26	218.75	202.02	572.13	209.05	422.23	83.28	101.14	38.82

FREEWAY MODE
Summary

FISCAL YEAR ENDING JUNE 30,

2022 2023 2024 2025 2026 2027 2028 2029 2030 2031

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
BEGINNING BALANCE	38.82	27.64	82.05	140.67	208.43	256.05	258.90	322.63	274.02	173.97
Revenues										
Sales Tax Revenue	165.49	171.92	178.83	186.25	194.04	202.19	210.74	219.58	228.86	238.61
Other Revenues	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Interest	0.78	1.44	3.27	5.43	7.66	8.47	9.82	10.33	7.89	4.98
Tax-Exempt Commercial Paper Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxable Commercial Paper Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bond Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	196.27	203.36	212.11	221.68	231.71	240.66	250.56	259.90	266.75	273.59
Project Expenditures										
A Santa Ana Freeway (I-5) - Costa Mesa Fwy (SR-55) to "Orange Crush" (SR-57)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B Santa Ana Freeway (I-5) - Costa Mesa Fwy (SR-55) to El Toro "y" Area	0.00	11.35	15.26	15.21	33.97	35.70	35.63	49.69	81.37	134.80
C San Diego Freeway (I-5) Improvements South of the El Toro "y"	85.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
D Santa Ana Freeway / San Diego Freeway (I-5) Interchange Upgrades	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E Garden Grove Freeway (SR-22) Access Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
F Costa Mesa Freeway (SR-55) Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
G Orange Freeway (SR-57) Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.71	5.36
H Riverside Freeway (SR-91) - Santa Ana Fwy (I-5) to Orange Fwy (SR-57)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
I Riverside Freeway (SR-91) - Orange Fwy (SR-57) to Costa Mesa Fwy (SR-55)	0.00	15.25	15.38	15.32	26.18	77.59	26.07	133.05	156.28	76.64
J Riverside Freeway (SR-91) - Costa Mesa Fwy (SR-55) to Orange/Riv Co Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
K San Diego Freeway (I-405) - I-605 Freeway & Costa Mesa Fwy (SR-55)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
L San Diego Freeway (I-405) - Costa Mesa Fwy (SR-55) & Santa Ana Fwy (I-5)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
M I-605 Freeway Access Improvements	4.84	5.03	5.23	5.45	5.68	5.92	6.17	6.42	6.70	6.98
N Freeway Service Patrol	7.27	7.55	7.86	8.18	8.53	8.88	9.26	9.65	10.06	10.48
Environmental Mitigation										
Total Expenditures	97.67	39.18	43.73	44.16	74.35	128.09	77.12	198.81	257.11	234.26
Debt Service										
	109.78	109.77	109.76	109.75	109.74	109.73	109.71	109.70	109.69	109.68
ENDING BALANCE	27.64	82.05	140.67	208.43	256.05	258.90	322.63	274.02	173.97	103.61

FREEWAY MODE
Summary

FISCAL YEAR ENDING JUNE 30,

2032 2033 2034 2035 2036 2037 2038 2039 2040 2041

	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
BEGINNING BALANCE	103.61	107.30	112.21	204.15	291.86	374.59	347.87	292.13	297.39	202.32
Revenues										
Sales Tax Revenue	248.84	259.39	270.52	282.32	294.74	307.74	321.27	335.36	350.08	274.23
Other Revenues	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Interest	3.98	4.19	5.97	9.13	12.28	13.30	11.93	11.07	9.57	8.33
Tax-Exempt Commercial Paper Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxable Commercial Paper Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bond Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	282.81	293.58	306.49	321.44	337.02	351.04	363.20	376.43	389.64	312.56
Project Expenditures										
A Santa Ana Freeway (I-5) - Costa Mesa Fwy (SR-55) to "Orange Crush" (SR-57)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B Santa Ana Freeway (I-5) - Costa Mesa Fwy (SR-55) to El Toro "y" Area	135.31	134.29	33.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C San Diego Freeway (I-5) Improvements South of the El Toro "y"	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
D Santa Ana Freeway / San Diego Freeway (I-5) Interchange Upgrades	5.57	11.06	14.15	16.04	5.73	2.76	31.35	31.23	15.50	0.00
E Garden Grove Freeway (SR-22) Access Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
F Costa Mesa Freeway (SR-55) Improvements	2.98	6.23	20.15	20.26	10.98	32.69	35.41	17.77	0.00	0.00
G Orange Freeway (SR-57) Improvements	5.85	6.90	16.07	42.53	38.66	37.97	18.54	12.09	12.08	0.00
H Riverside Freeway (SR-91) - Santa Ana Fwy (I-5) to Orange Fwy (SR-57)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
I Riverside Freeway (SR-91) - Orange Fwy (SR-57) to Costa Mesa Fwy (SR-55)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
J Riverside Freeway (SR-91) - Costa Mesa Fwy (SR-55) to Orange/Riv Co Line	0.00	0.00	0.00	21.25	41.22	120.32	109.73	0.00	0.00	0.00
K San Diego Freeway (I-405) - I-605 Freeway & Costa Mesa Fwy (SR-55)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
L San Diego Freeway (I-405) - Costa Mesa Fwy (SR-55) & Santa Ana Fwy (I-5)	0.00	0.00	0.00	0.00	21.39	44.26	80.25	165.44	316.87	150.64
M I-605 Freeway Access Improvements	1.54	1.54	1.66	3.82	5.58	8.07	10.97	10.93	5.47	0.00
N Freeway Service Patrol	7.28	7.59	7.91	8.26	8.62	9.00	9.40	9.81	10.24	11.75
Environmental Mitigation	10.93	11.40	11.89	12.40	12.95	13.52	14.12	14.73	15.38	13.65
Total Expenditures	169.46	179.00	105.39	124.56	145.13	268.59	309.76	262.01	375.54	176.04
Debt Service										
	109.67	109.66	109.17	109.17	109.17	109.17	109.17	109.17	109.17	109.17
ENDING BALANCE	107.30	112.21	204.15	291.86	374.59	347.87	292.13	297.39	202.32	229.67

FREEWAY MODE
Summary

FISCAL YEAR ENDING JUNE 30,

TOTAL

BEGINNING BALANCE	
Revenues	
Sales Tax Revenue	6,283.27
Other Revenues	1,344.82
Interest	205.02
Tax-Exempt Commercial Paper Proceeds	0.00
Taxable Commercial Paper Proceeds	0.00
Bond Proceeds	1,487.25
	Total Revenue 9,320.37
Project Expenditures	
A Santa Ana Freeway (I-5) - Costa Mesa Fwy (SR-55) to "Orange Crush" (SR-57)	46.35
B Santa Ana Freeway (I-5) - Costa Mesa Fwy (SR-55) to El Toro "Y" Area	728.16
C San Diego Freeway (I-5) Improvements South of the El Toro "Y"	818.06
D Santa Ana Freeway / San Diego Freeway (I-5) Interchange Upgrades	225.11
E Garden Grove Freeway (SR-22) Access Improvements	0.00
F Costa Mesa Freeway (SR-55) Improvements	423.41
G Orange Freeway (SR-57) Improvements	356.47
H Riverside Freeway (SR-91) - Santa Ana Fwy (I-5) to Orange Fwy (SR-57)	72.77
I Riverside Freeway (SR-91) - Orange Fwy (SR-57) to Costa Mesa Fwy (SR-55)	600.67
J Riverside Freeway (SR-91) - Costa Mesa Fwy (SR-55) to Orange/Riv Co Line	435.52
K San Diego Freeway (I-405) - I-605 Freeway & Costa Mesa Fwy (SR-55)	1,327.62
L San Diego Freeway (I-405) - Costa Mesa Fwy (SR-55) & Santa Ana Fwy (I-5)	784.36
M I-605 Freeway Access Improvements	50.06
N Freeway Service Patrol	183.81
Environmental Mitigation	317.25
	Total Expenditures 6,369.62
Debt Service	
	2,711.08
ENDING BALANCE	

STREETS & ROADS MODE
Summary

FISCAL YEAR ENDING JUNE 30,

2013

BEGINNING BALANCE		63.70
Revenues		
Sales Tax Revenue	80.70	
Other Revenues	73.62	
Interest	0.00	
Tax-Exempt Commercial Paper Proceeds	0.00	
Taxable Commercial Paper Proceeds	0.00	
Bond Proceeds	0.00	
Total Revenue	154.32	
Project Expenditures		
O Regional Capacity Program	175.92	
P Regional Traffic Signal Synchronization Program	22.02	
Q Local Fair Share	53.78	
Total Expenditures	251.73	
Debt Service		
	7.51	
ENDING BALANCE		(41.23)

STREETS & ROADS MODE
Summary

FISCAL YEAR ENDING JUNE 30,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
BEGINNING BALANCE	63.70	(41.23)	(53.82)	(76.23)	(59.44)	(36.12)	(27.51)	(17.64)	(6.41)	2.15	10.60	18.98	27.34
Revenues													
Sales Tax Revenue	80.70	85.53	91.02	96.61	101.62	105.82	109.92	114.30	118.60	123.16	127.94	133.09	138.60
Other Revenues	73.62	144.57	106.63	72.09	15.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.31	0.60	0.91
Tax-Exempt Commercial Paper Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxable Commercial Paper Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bond Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	154.32	230.10	197.65	168.70	117.59	105.82	109.92	114.30	118.60	123.26	128.25	133.69	139.51
Project Expenditures													
O Regional Capacity Program	175.92	175.55	149.12	77.10	16.00	16.00	16.00	16.00	20.00	21.62	23.37	25.26	27.31
P Regional Traffic Signal Synchronization Program	22.02	10.69	11.38	12.08	12.70	13.23	13.74	14.29	14.82	15.39	15.99	16.63	17.32
Q Local Fair Share	53.78	48.59	51.71	54.89	57.73	60.12	62.45	64.94	67.38	69.97	72.69	75.61	78.75
Total Expenditures	251.73	234.83	212.20	144.06	86.43	89.35	92.19	95.23	102.21	106.98	112.05	117.51	123.38
Debt Service	7.51	7.86	7.85	7.85	7.84	7.86	7.85	7.85	7.84	7.83	7.82	7.81	7.80
ENDING BALANCE	(41.23)	(53.82)	(76.23)	(59.44)	(36.12)	(27.51)	(17.64)	(6.41)	2.15	10.60	18.98	27.34	35.67

STREETS & ROADS MODE
Summary

FISCAL YEAR ENDING JUNE 30,

2038

2037

2036

2035

2034

2033

2032

2031

2030

2029

2028

2027

2026

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
BEGINNING BALANCE	35.67	43.90	51.87	59.50	66.66	73.10	78.56	82.95	86.11	88.31	88.92	87.66	84.11
Revenues													
Sales Tax Revenue	144.40	150.47	156.83	163.41	170.31	177.57	185.18	193.03	201.32	210.09	219.34	229.02	239.08
Other Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest	1.24	1.49	1.79	2.08	2.26	2.31	2.43	2.59	2.86	3.04	3.15	3.10	2.93
Tax-Exempt Commercial Paper Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxable Commercial Paper Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bond Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	145.65	151.96	158.62	165.48	172.57	179.88	187.61	195.63	204.17	213.14	222.50	232.12	242.02
Project Expenditures													
O Regional Capacity Program	29.52	31.91	34.50	37.29	40.31	43.58	47.11	50.93	55.05	59.51	64.33	69.54	75.17
P Regional Traffic Signal Synchronization Program	18.05	18.81	19.60	20.42	21.29	22.20	23.15	24.13	25.16	26.26	27.42	28.63	29.88
Q Local Fair Share	82.04	85.49	89.10	92.84	96.76	100.89	105.21	109.67	114.38	119.36	124.62	130.12	135.83
Total Expenditures	129.62	136.21	143.20	150.56	158.37	166.66	175.47	184.73	194.59	205.14	216.37	228.28	240.89
Debt Service	7.80	7.79	7.78	7.77	7.76	7.76	7.75	7.74	7.39	7.39	7.39	7.39	7.39
ENDING BALANCE	43.90	51.87	59.50	66.66	73.10	78.56	82.95	86.11	88.31	88.92	87.66	84.11	77.84

STREETS & ROADS MODE
Summary

FISCAL YEAR ENDING JUNE 30, 2039 2040 2041 TOTAL

	2039	2040	2041	TOTAL
BEGINNING BALANCE	77.84	68.44	55.44	
Revenues				
Sales Tax Revenue	249.57	260.52	204.07	4,675.92
Other Revenues	0.00	0.00	0.00	444.38
Interest	2.67	2.29	1.46	39.62
Tax-Exempt Commercial Paper Proceeds	0.00	0.00	0.00	0.00
Taxable Commercial Paper Proceeds	0.00	0.00	0.00	0.00
Bond Proceeds	0.00	0.00	0.00	136.50
Total Revenue	252.24	262.82	205.53	5,296.42
Project Expenditures				
O Regional Capacity Program	81.26	87.85	94.96	1,796.78
P Regional Traffic Signal Synchronization Program	31.19	32.56	25.51	585.24
Q Local Fair Share	141.79	148.02	115.94	2,647.69
Total Expenditures	254.25	268.42	236.41	5,029.71
Debt Service	7.39	7.39	7.39	224.70
ENDING BALANCE	68.44	55.44	17.17	

TRANSIT MODE
Summary

FISCAL YEAR ENDING JUNE 30,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
BEGINNING BALANCE	185.30	178.50	66.44	37.60	108.33	88.49	90.98	97.27	98.50	100.21	108.14	116.43	124.80
Revenues													
Sales Tax Revenue	63.05	66.82	71.11	75.47	79.39	82.67	85.87	89.30	92.66	96.21	99.95	103.97	108.28
Other Revenues	30.01	142.96	79.51	72.58	60.34	28.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest	2.06	2.13	1.94	1.86	1.78	1.61	2.22	2.95	3.64	4.02	4.52	4.72	4.91
Tax-Exempt Commercial Paper Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxable Commercial Paper Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bond Proceeds	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	95.12	211.91	152.56	249.92	141.50	112.52	88.09	92.25	96.30	100.24	104.47	108.70	113.19
Project Expenditures													
R High Frequency Metrolink Service	19.18	20.53	22.07	23.63	25.03	26.21	27.36	28.58	29.79	31.06	32.40	33.84	35.38
S Transit Extensions to Metrolink	12.96	176.02	133.62	122.09	101.71	48.25	17.95	24.97	26.37	21.79	23.25	24.81	26.47
T Convert Metrolink Stations to Regional Gateways	47.00	103.46	0.85	0.75	1.06	1.33	1.59	1.86	2.14	2.42	2.73	3.05	3.40
U Expand Mobility Choices for Senior and Disabled	7.66	8.11	8.63	9.15	9.62	10.01	10.40	10.81	11.21	11.64	12.09	12.57	13.09
V Community Based Transit / Circulators	5.24	5.54	5.89	6.24	6.55	6.81	7.07	7.34	7.61	7.90	8.19	8.52	8.86
W Safe Transit Stops	0.58	0.61	0.65	0.69	0.72	0.75	0.78	0.81	0.84	0.87	0.90	0.94	0.98
Total Expenditures	92.62	314.28	171.71	162.55	144.70	93.36	65.14	74.38	77.95	75.68	79.56	83.72	88.18
Debt Service	9.30	9.69	9.68	16.65	16.64	16.66	16.65	16.64	16.64	16.63	16.62	16.61	16.60
ENDING BALANCE	178.50	66.44	37.60	108.33	88.49	90.98	97.27	98.50	100.21	108.14	116.43	124.80	133.21

TRANSIT MODE
Summary

FISCAL YEAR ENDING JUNE 30,

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
BEGINNING BALANCE	133.21	141.42	142.91	144.13	152.04	159.69	167.25	174.65	181.73	181.01	179.44	184.47	187.85

Revenues													
Sales Tax Revenue	112.82	117.55	122.52	127.66	133.06	138.73	144.67	150.81	157.28	164.13	171.36	178.92	186.78
Other Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest	4.89	5.02	5.15	5.45	5.61	6.01	6.41	6.77	6.81	6.92	6.87	6.29	7.43
Tax-Exempt Commercial Paper Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxable Commercial Paper Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bond Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	117.70	122.57	127.67	133.11	138.66	144.74	151.08	157.57	164.09	171.06	178.23	185.21	194.21

Project Expenditures													
R High Frequency Metrolink Service	37.00	38.70	40.48	42.32	44.25	46.28	48.41	50.61	52.93	55.38	57.97	60.68	63.49
S Transit Extensions to Metrolink	28.26	36.79	38.95	34.38	36.71	39.20	41.87	44.72	55.24	58.62	54.51	58.24	62.23
T Convert Metrolink Stations to Regional Gateways	3.77	4.15	4.55	4.97	5.40	5.86	6.34	6.84	7.36	7.91	8.50	9.11	9.74
U Expand Mobility Choices for Senior and Disabled	13.63	14.20	14.80	15.41	16.06	16.74	17.45	18.19	18.97	19.79	20.66	21.56	22.51
V Community Based Transit / Circulators	9.22	9.60	10.00	10.41	10.84	11.30	11.77	12.26	12.78	13.33	13.91	14.51	15.14
W Safe Transit Stops	1.02	1.06	1.10	1.15	1.20	1.25	1.30	1.35	1.41	1.47	1.53	1.60	1.67
Total Expenditures	92.90	104.51	109.88	108.64	114.46	120.63	127.14	133.97	148.68	156.50	157.07	165.70	174.78

Debt Service	16.59	16.58	16.57	16.56	16.55	16.55	16.54	16.53	16.13	16.13	16.13	16.13	16.13
ENDING BALANCE	141.42	142.91	144.13	152.04	159.69	167.25	174.65	181.73	181.01	179.44	184.47	187.85	191.16

TRANSIT MODE
Summary

FISCAL YEAR ENDING JUNE 30, 2039 2040 2041 2041 TOTAL

BEGINNING BALANCE	191.16	193.19	193.73	
Revenues				
Sales Tax Revenue	194.98	203.53	159.43	3,653.02
Other Revenues	0.00	0.00	0.00	461.97
Interest	7.54	7.59	7.03	140.16
Tax-Exempt Commercial Paper Proceeds	0.00	0.00	0.00	0.00
Taxable Commercial Paper Proceeds	0.00	0.00	0.00	0.00
Bond Proceeds	0.00	0.00	0.00	246.25
Total Revenue	202.51	211.12	166.47	4,501.40
Project Expenditures				
R High Frequency Metrolink Service	66.43	69.49	53.70	1,208.03
S Transit Extensions to Metrolink	66.49	71.05	84.26	1,587.35
T Convert Metrolink Stations to Regional Gateways	10.41	11.10	7.53	318.90
U Expand Mobility Choices for Senior and Disabled	23.49	24.52	19.23	438.35
V Community Based Transit / Circulators	15.79	16.48	12.95	292.04
W Safe Transit Stops	1.74	1.82	1.43	32.24
Total Expenditures	184.35	194.45	179.10	3,876.91
Debt Service				
	16.13	16.13	16.13	458.76
ENDING BALANCE	193.19	193.73	164.97	

ENVIRONMENTAL CLEANUP MODE

Summary

FISCAL YEAR ENDING JUNE 30,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
BEGINNING BALANCE	4.30	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.02	0.02
Revenues														
Sales Tax Revenue	5.28	5.60	5.96	6.32	6.65	6.92	7.19	7.48	7.76	8.06	8.37	8.71	9.07	9.45
Other Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Tax-Exempt Commercial Paper Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxable Commercial Paper Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bond Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	5.34	5.65	6.01	6.38	6.71	6.98	7.25	7.54	7.82	8.12	8.43	8.76	9.13	9.51
Project Expenditures														
Environmental Programs	9.58	5.60	5.96	6.32	6.65	6.92	7.19	7.48	7.76	8.06	8.37	8.71	9.07	9.45
Total Expenditures	9.58	5.60	5.96	6.32	6.65	6.92	7.19	7.48	7.76	8.06	8.37	8.71	9.07	9.45
Debt Service	0.05	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.05	0.05	0.05
ENDING BALANCE	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.02	0.02	0.02

ENVIRONMENTAL CLEANUP MC
Summary

FISCAL YEAR ENDING JUNE 30,	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
BEGINNING BALANCE	0.02	0.02	0.03	0.03	0.03	0.03	0.04	0.04	0.06	0.07	0.09	0.10	0.12	0.13
Revenues														
Sales Tax Revenue	9.85	10.26	10.69	11.14	11.62	12.12	12.63	13.17	13.75	14.35	14.99	15.64	16.33	17.05
Other Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Tax-Exempt Commercial Paper Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxable Commercial Paper Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bond Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	9.90	10.32	10.75	11.20	11.68	12.17	12.69	13.23	13.80	14.41	15.04	15.70	16.39	17.10
Project Expenditures														
Environmental Programs	9.85	10.26	10.69	11.14	11.62	12.12	12.63	13.17	13.75	14.35	14.99	15.64	16.33	17.05
Total Expenditures	9.85	10.26	10.69	11.14	11.62	12.12	12.63	13.17	13.75	14.35	14.99	15.64	16.33	17.05
Debt Service	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.04	0.04	0.04	0.04	0.04	0.04	0.04
ENDING BALANCE	0.02	0.03	0.03	0.03	0.03	0.04	0.04	0.06	0.07	0.09	0.10	0.12	0.13	0.15

ENVIRONMENTAL CLEANUP MC

Summary

FISCAL YEAR ENDING JUNE 30,	2041	TOTAL
BEGINNING BALANCE	0.15	
Revenues		
Sales Tax Revenue	13.35	305.97
Other Revenues	0.00	0.00
Interest	0.06	1.64
Tax-Exempt Commercial Paper Proceeds	0.00	0.00
Taxable Commercial Paper Proceeds	0.00	0.00
Bond Proceeds	0.00	0.00
Total Revenue	13.41	307.60
Project Expenditures		
Environmental Programs	13.35	304.06
Total Expenditures	13.35	361.54
Debt Service		
	0.04	1.50
ENDING BALANCE	0.16	