

Date: Monday, September 25, 2006

Time: 9:00 a.m.

Where: Orange County Transportation Authority Headquarters
600 South Main Street, First Floor - Conference Room 154
Orange, California 92868



AGENDA

Orange County Transportation Authority Board Meeting
OCTA Headquarters
First Floor - Room 154, 600 South Main Street
Orange, California
Monday, September 25, 2006, at 9:00 a.m.

ACTIONS

REVISED

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 (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

Invocation

Director Duvall

Pledge of Allegiance

Director Correa

Agenda Descriptions

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

Public Comments on Agenda Items

Members of the public wishing to address the Board of Directors regarding any item appearing on the agenda may do so by completing a Speaker's Card and submitting it to the Clerk of the Board. Speakers will be recognized by the Chairman at the time the agenda item is to be considered. A speaker's comments shall be limited to three (3) minutes.



AGENDA

ACTIONS

Special Matters

1. Presentation of Resolutions of Appreciation for Employees of the Month for September 2006

Present Orange County Transportation Authority Resolutions of Appreciation Nos. 2006-113, 2006-114, 2006-115 to Mary Blum, Coach Operator; Pao Lo, Maintenance; and Gordon Horn, Administration, as Employees of the Month for September 2006.

2. Presentation of Resolution of Appreciation to Orange County Sheriff's Department Employee of the Quarter

Present Orange County Transportation Authority Resolution of Appreciation No. 2006-116 to Orange County Sheriff's Deputy Jack Songer.

3. Presentation of Resolution of Appreciation to Caltrans Design Manager on Garden Grove (State Route 22) Project

Presentation of Resolution 2006-118 for Lisa Alviso, Caltrans Design Manager, for her crucial role in successfully delivering the Garden Grove Freeway (State Route 22) Project to the citizens of Orange County.

Consent Calendar (Items 4 through 28)

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

Orange County Transportation Authority Consent Calendar Matters

4. Approval of Minutes

Of the Orange County Transportation Authority and affiliated agencies' regular meeting of September 11, 2006.



AGENDA

ACTIONS

5. **Approval of Resolutions of Appreciation for Employees of the Month for September 2006**

Adopt Orange County Transportation Authority Resolutions of Appreciation Nos. 2006-113, 2006-114, and 2006-115 to Mary Blum, Coach Operator, Pao Lo, Maintenance, and Gordon Horn, Administration, as Employees of the Month for September 2006.

6. **Approval of Resolution of Appreciation to Orange County Sheriff's Department Employee of the Quarter**

Adopt Orange County Transportation Authority Resolution of Appreciation No. 2006-116 for Orange County Sheriff's Deputy Jack Songer.

7. **Approval of Resolution of Appreciation to Caltrans Design Manager, the Garden Grove Freeway (State Route 22) Project**

Approval of Resolution 2006-118 for Lisa Alviso, Caltrans Design Manager, for her crucial role in successfully delivering the Garden Grove Freeway (State Route 22) Project to the citizens of Orange County.

8. **Review of Investment Activities for October 2005 through March 2006**

Kathleen O'Connell

Overview

The Internal Audit Department has completed a review of investment activities for the period October 1, 2005, through March 31, 2006. Based on the review, it appears that the Orange County Transportation Authority is in compliance with its debt, investment and accounting objectives, policies and procedures, with the exception of the repurchase agreements collateral issue that was addressed after issuance of the previous review report.

Recommendation

Receive and file the Review of Investment Activities for October 2005 through March 2006, Internal Audit Report No. 06-033.



AGENDA

ACTIONS

9. **State Legislative Status Report**
Alex Esparza/Richard J. Bacigalupo

Overview

The status of several major bills as the 2005-2006 legislative session adjourned is provided.

Recommendation

Receive and file as an information item.

10. **Orange County Transportation Authority's Draft 2007 State Legislative Platform**
Wendy Villa/Richard J. Bacigalupo

Overview

An initial draft of the Orange County Transportation Authority's 2007 State Legislative Platform has been prepared for Board consideration to direct staff to circulate for further review and comment by interested parties.

Committee Recommendation

Approve the recommendation to authorize staff to circulate copies of the Draft 2007 State Legislative Platform to advisory groups, Orange County legislative delegations, cities, and interested members of the public with the following modifications:

- a. Remove Section V(a), which reads: "Oppose changes to eminent domain laws that would otherwise inhibit construction of public transportation projects"; and
- b. Remove Section V(b), which reads: "Oppose efforts to create a conservancy that would affect the delivery of transportation projects under study of being implemented in the region."



AGENDA

ACTIONS

11. Orange County Transportation Authority's Draft 2007 Federal Legislative Platform

Kristine Murray/Richard J. Bacigalupo

Overview

An initial draft of the Orange County Transportation Authority's 2007 Federal Legislative Platform has been prepared for Board consideration to direct staff to circulate for further review and comment by interested parties.

Recommendation

Authorize staff to circulate copies of the Draft 2007 Federal Legislative Platform to advisory groups, Orange County legislative delegations, cities, and interested members of the public.

12. Budget Amendment for Construction of the Buena Park Intermodal Facility

Anh-Tuan Le/Paul C. Taylor

Overview

On January 31, 2001, the Orange County Transportation Authority Board of Directors approved a cooperative agreement with the City of Buena Park to establish the roles, responsibilities, funding, and process for the construction of the Buena Park Intermodal Facility. Due to an oversight, a budget amendment is needed for completion of construction of the facility in accordance with the Metrolink expansion plans. This represents no new funding for the project.



AGENDA

ACTIONS

12. (Continued)

Recommendations

- A. Amend the Orange County Transportation Authority's Fiscal Year 2006-07 Budget, expense Account 0010-7831-T3301-3SA, Local Transportation Authority, Contributions to Other Agencies, by \$7,426,000.
- B. Amend the Orange County Transportation Authority's Fiscal Year 2006-07 Budget, revenue Account 0010-6041-T3301-M03, Local Transportation Authority, FTA Section 5309 Capital Assistance, by \$262,000, and Account 0010-6042-T3301-L43, Local Transportation Authority, FTA Section 5307 Capital Assistance, by \$ 4,500,000.

13. **Budget Amendment for Parking Expansion at the Irvine Transportation Center**

Anh-Tuan Le/Paul C. Taylor

Overview

On October 8, 2003, the Orange County Transportation Authority Board of Directors approved a cooperative agreement with the City of Irvine to provide funds for the preparation of plans for a new parking structure. Due to an oversight, a budget amendment is needed for completion of design and construction of a 1,500-space parking structure in accordance with the Metrolink expansion plans. This represents no additional funds for the project

Recommendations

- A. Amend the Orange County Transportation Authority's Fiscal Year 2006-07 Budget, expense Account 1751-7831-A4455-3TL (General Fund, Contributions to Other Agencies), by \$4,733,000.
- B. Amend the Orange County Transportation Authority's Fiscal Year 2006-07 Budget, revenue Account 0001-6041-A4455-M13 (General Fund, FTA Section 5309 Capital Assistance), by \$2,500,000, an accounts 0001-6042-A4455-L10 and 0001-6042-A4455-L13 (General Fund, FTA Section 5307 Capital Assistance), by \$1,033,000 and \$1,200,000, respectively.



AGENDA

ACTIONS

14. **Retrofit Soundwall Funding Overview**

Jennifer Bergener/Paul C. Taylor

Overview

The Orange County Freeway Retrofit Soundwall Program continues to be a challenge for both the general public and the Orange County Transportation Authority Board of Directors. Staff has researched various methods to enhance the options for funding soundwalls in the county. These options are presented for consideration.

Recommendations

- A. Direct staff to continue to fund design and construction of soundwalls through the State Transportation Improvement Program when possible.
- B. Direct staff to make funding of soundwalls with federal funds part of future legislative platforms.

15. **Southern California National Freight Gateway Memorandum of Understanding**

Barry Engelberg/Paul C. Taylor

Overview

The Southern California National Freight Gateway Memorandum of Understanding establishes a process through which state and federal agencies would share responsibility and work collaboratively with Southern California transportation agencies to address infrastructure needs, environmental affects, and community impacts of increasing goods movement through the region.

Recommendation

Authorize the Chief Executive Officer to execute the Southern California National Freight Gateway Memorandum of Understanding.



AGENDA

ACTIONS

16. **Proposed Memorandum of Understanding with the California High-Speed Rail Authority**
Kurt Brotcke/Paul C. Taylor

Overview

Planning and conceptual engineering efforts are underway to pursue new high-speed ground transportation systems from Orange County to Los Angeles and Ontario International Airport. This report provides an update on these initiatives and proposes a Memorandum of Understanding with the California High-Speed Rail Authority to advance these efforts.

Recommendations

- A. Authorize the Chief Executive Officer to negotiate and execute a Memorandum of Understanding with the California High-Speed Rail Authority for a project-specific environmental document from Orange County to Los Angeles and an environmental assessment/feasibility study from Orange County to Ontario International Airport.
 - B. Direct staff to return with a funding agreement for the project-specific environmental document by March 2007.
 - C. Direct staff to seek reimbursement from the state.
 - D. Direct staff to continue discussions to include the City of Irvine as a train link.
17. **Request to Hold Public Hearing for Fiscal Year 2006-07 Federal Transit Administration Section 5307 Program of Projects**
Ben Ku/Paul C. Taylor

Overview

The Orange County Transportation Authority has prepared the Federal Fiscal Year 2006-07 Program of Projects that outlines the use of \$50.8 million in Federal Fiscal Year 2006-07 Section 5307 Urbanized Area Formula program funds and \$450,000 in Congestion Mitigation and Air Quality Improvement program funds. A public hearing and Board of Directors' approval is required to meet Federal Transit Administration requirements for receiving these funds.



AGENDA

ACTIONS

17. (Continued)

Recommendations

- A. Authorize a public hearing for the Federal Fiscal Year 2006-07 Section 5307 Program of Projects to be conducted at the November 13, 2006, Board of Directors meeting.
- B. Direct staff to advertise a public hearing in local newspapers and notify interested public agencies.

18. **Proposition 1B Program Development**

Darrell E. Johnson/Paul C. Taylor

Overview

Proposition 1B is on the November 7, 2006, statewide ballot. If approved, this proposition will provide \$19.9 billion for investment in statewide transportation infrastructure. Orange County is eligible to compete for a portion of these funds. Staff has been participating in the development of the program guidelines.

Recommendation

Direct staff to continue participating in the development of the Proposition 1B program guidelines.

19. **91 Express Lanes Concrete Median Barrier Modification Project**

Dipak Roy/Paul C. Taylor

Overview

The Orange County Transportation Authority proposes to enter into a cooperative agreement with the California Department of Transportation. A cooperative agreement is required to establish the roles, responsibilities, funding, and process for construction and construction management of the 91 Express Lanes Concrete Median Barrier Modification Project.



AGENDA

ACTIONS

19. (Continued)

Recommendation

Authorize the Chief Executive Officer to execute Cooperative Agreement C-6-0569 between the Orange County Transportation Authority and the California Department of Transportation, under which the California Department of Transportation will reimburse the Orange County Transportation Authority, in an amount not to exceed \$500,000, for construction and construction management of the 91 Express Lanes Concrete Median Barrier Modification Project.

20. **Fiscal Year 2005-06 Fourth Quarter Budget Status Report**

Rene I. Vega/James S. Kenan

Overview

The Orange County Transportation Authority's staff has implemented the fiscal year 2005-06 budget. This report summarizes the material variances between the budget plan and unaudited actual revenues and expenses.

Recommendation

Receive and file as an information item.

21. **Fourth Quarter Fiscal Year 2005-06 Grant Status Report**

Linda M. Gould/James S. Kenan

Overview

The Quarterly Grant Status Report summarizes grant activities for information purposes for the Orange County Transportation Authority Board of Directors. This report focuses on significant activity for the period of April through June 2006. The Quarterly Grant Status Report summarizes future and pending grant applications, executed and current grant awards, and closed-out grant agreements.

Recommendation

Receive and file as an information item.



AGENDA

ACTIONS

22. Agreement for Health Services
Lisa Arosteguy/James S. Kenan

Overview

The Orange County Transportation Authority presently has agreements with various companies to provide medical, dental, vision, life insurance and disability services for administrative employees and employees represented by the Transportation Communications Union.

Recommendations

- A. Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement C-5-0455 between the Orange County Transportation Authority and Kaiser Foundation Health Plan, Inc., in an estimated annual amount of \$881,000, for prepaid medical services through December 31, 2007. The annual 2007 Kaiser premium costs are estimates due to the fact the actual total annual premium will vary in accordance with actual enrollment.
- B. Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement C-5-2860 between the Orange County Transportation Authority and CIGNA Healthcare of California, in an estimated annual amount of \$1,014,000, for prepaid medical services through December 31, 2007. The annual 2007 CIGNA healthcare premium costs are estimates due to the fact the actual total annual premium will vary in accordance with actual enrollment.
- C. Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement C-5-2861 between the Orange County Transportation Authority and CIGNA Healthcare of California, in an estimated annual amount of \$3,068,000, for open access plus medical services through December 31, 2007. The annual 2007 CIGNA healthcare premium costs are estimates due to the fact the actual total annual premium will vary in accordance with actual enrollment.



AGENDA

ACTIONS

22. (Continued)

- D. Authorize the Chief Executive Officer to execute Agreement C-6-0657 between the Orange County Transportation Authority and Vision Service Plan, in an estimated annual amount of \$111,000, for vision claims and administration services through December 31, 2009. The annual 2007 Vision Service Plan premium costs are estimates due to the fact the actual total annual premium will vary in accordance with actual enrollment.
- E. Authorize the Chief Executive Officer to execute Purchase Order C-6-0658 between the Orange County Transportation Authority and Lincoln Financial Group, in an estimated annual amount of \$151,000 for life and accidental death and dismemberment insurance through December 31, 2008. The annual 2007 Lincoln Financial Group premium costs are estimates due to the fact the actual total annual premium will vary in accordance with actual volume in the plan.
- F. Authorize the Chief Executive Officer to execute Purchase Order C-6-0659 between the Orange County Transportation Authority and Lincoln Financial Group, in an estimated annual amount of \$119,000, for short-term and long-term disability insurance through December 31, 2008. The annual 2007 Lincoln Financial Group premium costs are estimates due to the fact the actual total annual premium will vary in accordance with actual volume in the plan.
- G. Authorize the Chief Executive Officer to execute Purchase Order C-6-0660 between the Orange County Transportation Authority and Creative Benefits, Inc., in an estimated annual amount of \$8,500, for administering the Flexible Spending Account through December 31, 2009. The annual 2007 Creative Benefits, Inc. premium costs are estimates due to the fact the actual total annual premium will vary in accordance with actual enrollment.



AGENDA

ACTIONS

23. Contractor Employee Health Benefits Incentive
Virginia Abadessa/James S. Kenan

Overview

On December 12, 2005, the Board of Directors directed staff to develop incentives that would encourage contractors to provide health benefits to their employees.

Committee Recommendation

Do not adopt a specific incentive program, but emphasize in the Request for Proposals documents that the Board of Directors strongly encourages contractors to offer health insurance to their employees.

24. Designation of State Transit Assistance Funds for Fare Stabilization for Seniors and Persons with Disabilities
Monica Giron/James S. Kenan

Overview

The Orange County Transit District is eligible to receive State Transit Assistance Funds for providing public transit service to senior citizens and persons with disabilities throughout Orange County. In order to receive these funds, staff requests approval to designate funds in the State Transit Assistance Fund in the amount of \$712,000, and authorization to prepare corresponding claims during fiscal year 2006-07.

Recommendations

- A. Adopt Resolution No. 2006-111 to designate funds, in the amount of \$712,000, in the State Transit Assistance Fund to provide fare assistance for seniors and persons with disabilities.
- B. Authorize the Chief Executive Officer to prepare and submit claims against the State Transit Assistance Fund to the Orange County Auditor-Controller for the Fiscal Year 2006-07 Fare Stabilization Program.



AGENDA

ACTIONS

25. **State Transit Assistance Fund Claims for Fiscal Year 2006-07**
Monica Giron/James S. Kenan

Overview

The Orange County Transit District is eligible to receive funding from the State Transit Assistance Fund for providing public transportation services throughout Orange County. In order to receive these funds, the Orange County Transit District, as the public transit and community transit services operator, must file claims with the Orange County Transportation Authority, the transportation planning agency for Orange County.

Recommendation

Adopt Resolution No. 2006-112 to authorize the filing of State Transit Assistance Fund claims, in the amount of \$36,937,156, to support public transportation.

26. **Agreement for Orange County Rideshare Program Software and Database Services**
Stella Lin/Ellen S. Burton

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2006-07 Budget, the Board of Directors approved resources to provide regional rideshare software and database maintenance services. Board approval is requested to execute a new agreement with Riverside County Transportation Commission.

Recommendation

Authorize the Chief Executive Officer to execute Agreement C-6-0678 between the Orange County Transportation Authority and the Riverside County Transportation Commission, in an amount not to exceed \$227,498, to provide regional ridematching software and database maintenance services for an initial term from October 1, 2006 through June 30, 2009, with two one-year option terms.



AGENDA

ACTIONS

Orange County Local Transportation Authority Consent Calendar Matters

27. Garden Grove Freeway (State Route 22) Design-Build Project Construction Contingency and Project Update

T. Rick Grebner/Paul C. Taylor

Overview

On August 23, 2004, the Orange County Transportation Authority Board of Directors awarded a design-build contract to improve 12 miles of the Garden Grove Freeway (State Route 22) from Valley View Street east to the Costa Mesa Freeway (State Route 55) interchange. Construction contingency has been budgeted to account for unforeseen and changed conditions that occur during construction. An update on the construction contingency and status of the ongoing construction project is presented.

Recommendation

Receive and file as an information item.

Orange County Transit District Consent Calendar Matters

28. Amendment to Agreement for Bus Stop Maintenance

Al Pierce/John D. Byrd

Overview

On October 27, 2003, the Board of Directors approved an agreement with ShelterCLEAN, Inc., in an amount not to exceed \$3 million, to provide ongoing preventive and corrective maintenance for the Orange County Transportation Authority's bus stops and zones, for a three-year period with two one-year options. ShelterCLEAN, Inc., was retained in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.



AGENDA

ACTIONS

28. (Continued)

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement C-3-0810 between the Orange County Transportation Authority and ShelterCLEAN, Inc., in an amount not to exceed \$1,222,700, for preventive and corrective maintenance for the Orange County Transportation Authority's bus stops and zones.

Regular Calendar

Orange County Transportation Authority Regular Calendar Matters

29. **Rail Program Status Update** Darrell E. Johnson/Paul C. Taylor

Overview

Staff is providing an update on the Orange County Transportation Authority rail program, including the Metrolink commuter rail program, grade crossing improvements, and capital improvements underway in Orange County.

Recommendation

Receive and file as an information item.

30. **Request to Award Contract for Customer Information Center Services** Patricia Warrick/Ellen S. Burton

Overview

The Orange County Transportation Authority's Customer Information Center assists over 800,000 callers per year with transit information. Additionally, the Customer Information Center sells fare media to the public and distributes Reduced Fare Identification Cards to qualified individuals. In accordance with the Orange County Transportation Authority's procurement procedures, a Request for Proposals was issued for a firm to manage and operate the Customer Information Center. Offers were received in accordance with the Authority's procurement procedures for professional services. Board approval of the recommended firm is requested.



AGENDA

ACTIONS

30. (Continued)

Recommendation

Authorize the Chief Executive Officer to execute Agreement C-6-0461 between the Orange County Transportation Authority and Alta Resources, in an amount not to exceed \$6,917,366, to operate the Customer Information Center for an initial four and one-half-year term from January 1, 2007 through June 30, 2011, with three one-year option terms.

Other Matters

31. Veolia Performance Update

Erin Rogers/John D. Byrd

32. Chief Executive Officer's Report

33. Directors' Reports

34. Public Comments

At this time, members of the public may address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors, but no action may be taken on off-Agenda items unless authorized by law. Comments shall be limited to three (3) minutes per speaker, unless different time limits are set by the Chairman subject to the approval of the Board of Directors.

35. Closed Session

Pursuant to Government Code Section 54956.9(a) to discuss Cinergy Innovations, Inc. v. Orange County Transportation Authority; OCSC No. 06CC04130.

36. Adjournment

The next regularly scheduled meeting of the OCTA/OCTD/OCLTA/OCSAFE/OCSAAV Board will be held at **9:00 a.m. on October 6, 2006**, at OCTA Headquarters at 600 South Main Street, First Floor - Room 154, Orange, California.

Minutes of the Meeting of the
Orange County Transportation Authority
Orange County Service Authority for Freeway Emergencies
Orange County Local Transportation Authority
Orange County Transit District
Board of Directors
September 11, 2006

Call to Order

The September 11, 2006, regular meeting of the Orange County Transportation Authority and affiliated agencies was called to order by Chairman Brown at 9:00 a.m. at the Orange County Transportation Authority Headquarters, Orange, California.

Roll Call

Directors Present: Arthur C. Brown, Chairman
Carolyn Cavecche, Vice Chair
Peter Buffa
Bill Campbell
Lou Correa
Richard Dixon
Michael Duvall
Cathy Green
Gary Monahan
Chris Norby
Curt Pringle
Miguel Pulido
Susan Ritschel
Mark Rosen
James W. Silva
Thomas W. Wilson
Gregory T. Winterbottom
Jim Beil, Deputy Director, Caltrans 12, attended for Cindy Quon, Governor's Ex-Officio Member

Also Present: Arthur T. Leahy, Chief Executive Officer
Wendy Knowles, Clerk of the Board
Laurena Weinert, Assistant Clerk of the Board
Kennard R. Smart, Jr., General Counsel
Members of the Press and the General Public

Directors Absent: Cindy Quon, Governor's Ex-Officio Member

Invocation

Director Wilson gave the invocation.

Pledge of Allegiance

Director Ritschel led the Board and audience in the Pledge of Allegiance to the Flag of the United States of America.

At this time, Chairman Brown asked the audience to bow their heads and pause for a moment of silence in remembrance of the tragic attacks on the United States five years ago this date.

Public Comments on Agenda Items

Chairman Brown announced that members of the public who wished to address the Board of Directors regarding any item appearing on the agenda would be allowed to do so by completing a Speaker's Card and submitting it to the Clerk of the Board.

Special Matters

1. Recognition of Retirees

Ronald Person was recognized for having recently retired from the Orange County Transportation Authority after 15 years of service.

Consent Calendar (Items 2 through 7)

Chairman Brown stated that all matters on the Consent Calendar would be approved in one motion unless a Board Member or a member of the public requested separate action on a specific item.

Members of the public pulled Item 6 for comment.

Orange County Transportation Authority Consent Calendar Matters

2. Approval of Minutes

Motion was made by Director Campbell, seconded by Director Wilson, and declared passed by those present, to approve the minutes of the Orange County Transportation Authority and affiliated agencies' regular meeting of August 28, 2006.

Director Norby was not present for this vote.

3. Excess Workers' Compensation Insurance Policy

Motion was made by Director Campbell, seconded by Director Wilson, and declared passed by those present, to authorize the Chief Executive Officer to issue a blanket purchase order with Marsh Risk and Insurance Services, in an amount not to exceed \$865,000, for placement and renewal of excess workers' compensation insurance and employer's liability coverages.

Director Norby was not present for this vote.

4. Amendment for Agreement for Armored Vehicle Services

Motion was made by Director Campbell, seconded by Director Wilson, and declared passed by those present, to authorize the Chief Executive Officer to execute Amendment No. 4 to Agreement C-3-0878 between the Orange County Transportation Authority and Los Angeles Federal Armored Service, Inc., in an amount not to exceed \$275,000, for armored vehicle service.

Director Norby was not present for this vote.

Orange County Transit District Consent Calendar Matters

5. Amendment to Agreement for Trapeze Map and Service Area

Motion was made by Director Campbell, seconded by Director Wilson, and declared passed by those present, to authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement C-4-0546 between the Orange County Transportation Authority and Trapeze Software Group, Inc., in an amount not to exceed \$12,000, exercising the first option year for system maps and service areas in the Trapeze PASS software.

Director Norby was not present for this vote.

6. Amendment to Agreement for Americans with Disabilities Act On-Board Performance Monitoring

This item was pulled by members of the public, and comments were heard from the following individuals:

Arnie Pike, resident of Placentia, offered comments regarding his difficulty with a recent same-day service request. He also stated he feels there are inadequate wheelchair restraints on the vehicles.

Marilyn Pike, resident of Placentia, commented on the difficulty she and her husband (Arnie Pike) experienced recently when he was not picked up on-time to be returned home from an appointment.

6. **(Continued)**

Jay Farrell, resident of Orange, expressed his dissatisfaction with same-day service based on an experience he had a few months ago. He stated his medical conditions make it difficult to have unpredictable pick-up and drop-off times when they vary by several hours.

Director Winterbottom inquired what the requirements are for same-day service. Erin Rogers, Manager, Contract Transportation Services, stated that while same-day service is available, it is not required by the Americans with Disabilities Act (ADA); Yellow Cab provides this service under contract to OCTA. The service is not an element of OCTA's ADA program; it is in addition to that program. It is not part of the Veolia contract, where the "Call Oscar" program is used for taxi service.

Director Rosen asked if the ADA on-board performance monitoring would typically look at these issues discussed by these individuals today, and Ms. Rogers responded that while that monitoring looks at the call center, it does not evaluate the same-day service aspect.

Motion was made by Director Winterbottom, seconded by Director Campbell, and declared passed by those present, to authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement C-5-2581, between the Orange County Transportation Authority and Transit Access, in an amount not to exceed \$57,600, exercising the first option year for Americans with Disabilities Act on-board performance monitoring.

Christie Rudder, a member of the public and representing the Dayle McIntosh Center, stated that she has received calls from the call center regarding the status of her requested rides after the call center is closed, and she cannot call them back to re-schedule.

Chairman Brown requested that the issue of same-day service come back through the Transit Planning and Operations Committee. Director Norby requested that information on the policy for this service be part of that report.

7. **Amendment to Agreement for Community Transportation Services Mobile Radio Maintenance**

Motion was made by Director Campbell, seconded by Director Wilson, and declared passed by those present, to authorize the Chief Executive Officer to execute Amendment No. 6 to Agreement C-3-0025 between the Orange County Transportation Authority and Clear Path Wireless, Inc., in an amount not to exceed \$40,000, to exercise the third option year for mobile radio maintenance.

Director Norby was not present for this vote.

Regular Calendar

There were no Regular Calendar matters presented.

Other Matters

8. Goods Movement Status Report

Chief Executive Officer (CEO), Arthur T. Leahy, provided opening comments on this matter and introduced Paul Taylor, Executive Director of Development, who in turn presented Gil Hicks, sub-consultant under Wilbur Smith and Associates, prime contractor for the goods movement study for the six-county transportation consortium. The administrative lead agency on this effort is the Los Angeles Metropolitan Transportation Authority (MTA).

Mr. Hicks gave a PowerPoint and verbal presentation on goods movement as it relates to the various counties, ports, local economics, environment, conditions and trends, and strategies being reviewed on the issue.

Director Pringle requested a goods movements report which should include the multi-agency strategy being developed and that policy positions should be sought for proposed solutions regarding allocation of funds, potential new ports under consideration, truck lanes on Orange County freeways, and triple-tracking along Santa Ana Canyon.

Directors Silva and Duvall requested a presentation by the air quality management district and/or air resources board on what is being done to address goods movement-related pollution.

Directors Correa and Ritschel suggested that OCTA keep the Board routinely apprised and involved in policy matters in order that decisions reflect OCTA's desire to balance quality of life issues and economic development goals.

Vice Chair Cavecche pointed out that the cities need to mitigate the impacts of increased goods movement.

CEO, Arthur T. Leahy, stated clearly that information would come to the Board well in advance of when any decisions on these matters need to be made.

9. Interstate 15 Cajon Pass Rehab Project

Rose Melgoza, Caltrans District 8 Chief of Public and Legislative Affairs, provided a PowerPoint and verbal report on this project, which is located on Interstate 15 near Devore. She provided website information as to where the public can go to learn about construction hours, detours, closures, and the work being done on the Devore project.

10. Chief Executive Officer's Report

CEO, Arthur T. Leahy, informed the Board that:

- √ A meeting has been scheduled with MTA on Friday, September 15, regarding Interstates 405 and 5, the Pacific Electric Right-of-Way, and various other issues of mutual concern;
- √ There are 80 days left until completion of the Garden Grove (SR-22) Project;
- √ Route 794, operating express bus service from Corona to Orange County, began today.

11. Directors' Reports

Director Dixon reported that OCTA is a sponsor and has two openings for Directors who would like to attend the UCLA Transportation Symposium October 22 – 24, 2006. Director Dixon advised he would be attending.

Director Duvall complimented Caltrans District 8 on the presentation of the Devore Project.

12. Public Comments

At this time, Chairman Brown offered members of the public to address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors, but advised that no action may be taken on off-agenda items unless authorized by law. He further stated that comments would be limited to three (3) minutes per speaker, unless different time limits were set by the Chairman subject to the approval of the Board of Directors.

Comments were heard from:

Marilyn Pike, resident of Placentia, stated her concern with attitudes exhibited in response to complaints brought to the Board.

Christie Rudder, representing the Dayle McIntosh Center, offered comments concerning eligibility requirements for ACCESS service, reduction of routes, and the Social Security budgets of those in the disabled community, and how that limits their ability to pay for services.

13. Closed Session

A Closed Session was not conducted at this meeting.

14. Adjournment

The meeting adjourned at 11:35 a.m. Chairman Brown announced that the next regularly scheduled meeting of the OCTA/OCTD/OCLTA/OCSAFE/OCSSAAV Board will be held at **9:00 a.m. on September 25, 2006**, at OCTA Headquarters at 600 South Main Street, First Floor - Room 154, Orange, California.

ATTEST

Wendy Knowles
Clerk of the Board

Arthur C. Brown
OCTA Chairman



ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

MARY BLUM

WHEREAS, the Orange County Transportation Authority recognizes and commends Mary Blum; and

WHEREAS, be it known that Mary Blum has been a principal player at the OCTA and has performed her responsibilities as a Coach Operator in a professional, safe, courteous, and reliable manner; and

WHEREAS, Mary Blum has demonstrated her integrity by maintaining an excellent work record for the last thirteen years. Her dedication exemplifies the high standards set forth for Orange County Transportation Authority employees; and

WHEREAS, Mary Blum has demonstrated that safety is paramount by achieving thirteen years of safe driving and that courtesy to her customers ensures continued patronage for OCTA; and

WHEREAS, Mary Blum's teamwork and can-do spirit is evident as a member of the Santa Ana Base Operations Teamwork and has earned her the respect of her fellow Coach Operators.

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Mary Blum as the Orange County Transportation Authority Coach Operator Employee of the Month for September 2006; and

BE IT FURTHER RESOLVED that the Orange County Transportation Authority Board of Directors recognizes Mary Blum's valued service to the Authority.

Dated: September 25, 2006

Arthur C. Brown, Chairman
Orange County Transportation Authority

Arthur T. Leahy, Chief Executive Officer
Orange County Transportation Authority

OCTA Resolution No. 2006-113





ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

PAO LO

WHEREAS, the Orange County Transportation Authority recognizes and commends Pao Lo; and

WHEREAS, be it known that Pao Lo is a valued member of the Maintenance Department. His diligence, industriousness and conscientiousness in performing all tasks are recognized. Pao consistently demonstrates a high level of achievement in assisting the Garden Grove Base meet mission goals. His skills and superb attitude in performing all facets of the service island have earned him the respect of all that work with him; and

WHEREAS, Pao began his employment with the Authority in 1988 as a Serviceworker, he is currently assigned to the Garden Grove Base where he maintains an excellent work record and has perfect attendance. Pao has impressed his supervisor with his abilities to run the service island lot map duties with minimal supervision and maintains a high level of quality; and

WHEREAS, his dedication to his duties and desire to excel are duly noted and he is recognized as an outstanding Authority employee.

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Pao Lo as the Orange County Transportation Authority Maintenance Employee of the Month for September 2006; and

BE IT FURTHER RESOLVED that the Orange County Transportation Authority Board of Directors recognizes Pao Lo's valued service to the Authority.

Dated: September 25, 2006

Arthur C. Brown, Chairman
Orange County Transportation Authority

Arthur T. Leahy, Chief Executive Officer
Orange County Transportation Authority

OCTA Resolution No. 2006-114





ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

GORDON HORN

WHEREAS, the Orange County Transportation Authority recognizes and commends Gordon Horn; and

WHEREAS, Gordon has performed his duties as a Operations field Supervisor in the Transit Division in an outstanding, professional manner, demonstrating the highest level of integrity and dedication to excellence in all his dealings with Authority staff and the public; and

WHEREAS, Gordon's positive attitude and his leadership skills have directly supported the fixed route service changes and ensured all field supervisors have the required service change information to provide support to OCTA coach operators and our customers; and

WHEREAS, Gordon takes an enthusiastic approach to new challenges and for over one year has worked the Night Owl shift where he has demonstrated his willingness to assist in all areas of customer service; and

WHEREAS, Gordon's commitment and eagerness to be the best permeates Field Operations and enriches everyone that interfaces with him.

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Gordon Horn as the Orange County Transportation Authority Administrative Employee of the Month for September 2006; and

BE IT FURTHER RESOLVED that the Orange County Transportation Authority Board of Directors recognizes Gordon Horn's valued service to the Authority.

Dated: September 25, 2006

Arthur C. Brown, Chairman
Orange County Transportation Authority

Arthur T. Leahy, Chief Executive Officer
Orange County Transportation Authority





ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

DEPUTY JACK SONGER

WHEREAS, the Orange County Transportation Authority recognizes and commends Deputy Jack Songer; and

WHEREAS, Deputy Songer has been assigned to Transit Police Services since July 2004, handling the responsibilities involved with working at Transit Police Services with enthusiasm and a strong desire to provide the best service possible to OCTA, it's employees and the patrons who utilize the transportation system; and

WHEREAS, Deputy Songer played a key role in extensively updating and editing a patrol reference guide for Transit Police Services. This guide is a valuable tool for patrol personnel in the field, and a model for Patrol Operations; and

WHEREAS, Deputy Songer assisted in designing the "Transit Police Services Mental Health Outreach Team" which is comprised of a clinician and an OCTA deputy sheriff. This team attempts to identify those who would benefit from mental health services and provide them with community based resource referrals; and

WHEREAS, Deputy Songer was tasked with and outlined a one-hour class for OCTA coach operators, which will be a part of their annual required training. This class will primarily focus on security awareness, including terrorism, suspicious packages, suspicious persons and emergency response.

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Deputy Jack Songer as the Orange County Transportation Authority Transit Police Services Employee of the Quarter for September 2006; and

BE IT FURTHER RESOLVED that the Orange County Transportation Authority Board of Directors recognizes Deputy Songer's valued service to the Authority.

Dated: September 25, 2006

Arthur C. Brown, Chairman
Orange County Transportation Authority

Arthur T. Leahy, Chief Executive Officer
Orange County Transportation Authority

OCTA Resolution No. 2006-116





ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

LISA ALVISO

WHEREAS, the Orange County Transportation Authority recognizes and commends Caltrans Design Manager Lisa Alviso for her crucial role in successfully delivering the Garden Grove Freeway (SR-22) Design-Build Project to the citizens of Orange County; and

WHEREAS, be it known the resulting improvements to the Garden Grove Freeway were implemented using an innovative design-build process, the first of its kind on an active freeway in the history of the State of California; and,

WHEREAS, be it known the Garden Grove Freeway project was the largest freeway project and the second largest public works project in the State during the time of construction; and

WHEREAS, Lisa's role as design oversight manager had a direct impact on either the failure or success of the project; and

WHEREAS, Lisa Alviso has led the Caltrans design team by example. Prior the Garden Grove Freeway Project, Lisa had vast design and Caltrans experience, but limited design-build exposure. Lisa was quick to adapt and embraced the innovative delivery method and the corresponding changes in roles and responsibilities; and

WHEREAS, Lisa has never allowed "process" to stand in the way of progress. Lisa has constantly challenged the status quo, always looking for a better solution while at the same time meeting her primary objectives of providing Caltrans oversight; and

WHEREAS, there are many "Lessons Learned" on the Garden Grove Freeway project and Lisa will become a catalyst for positive change and education within Caltrans; and

WHEREAS, Lisa has been the epitome of "Team" on Team 22. There were many different and often times conflicting opinions, processes and points-of-view. Lisa constantly was looking and developing solutions to very complex problems to deliver the project as promised; and

NOW, THEREFORE, BE IT RESOLVED that the Orange County Transportation Authority does hereby recognize Lisa Alviso's contributions to success of the Garden Grove Freeway project.

BE IT FURTHER RESOLVED that the Orange County Transportation Authority Board of Directors thanks Lisa Alviso for her commitment to improving Orange County's transportation future.

Dated: September 25, 2006

OCTA Resolution Number 2006-118

Arthur C. Brown, Chairman
Orange County Transportation Authority





BOARD COMMITTEE TRANSMITTAL

September 25, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board ^{WK}
Subject: Review of Investment Activities for October 2005 through March 2006

Finance and Administration Committee

September 13, 2006

Present: Directors Cavecche, Campbell, Correa, Duvall, Pringle, and Wilson
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Receive and file the Review of Investment Activities for October 2005 through March 2006, Internal Audit Report No. 06-033.



September 13, 2006

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Review of Investment Activities for October 2005 through March 2006

Overview

The Internal Audit Department has completed a review of investment activities for the period October 1, 2005, through March 31, 2006. Based on the review, it appears that the Orange County Transportation Authority is in compliance with its debt, investment and accounting objectives, policies and procedures, with the exception of the repurchase agreements collateral issue that was addressed after issuance of the previous review report.

Recommendation

Receive and file the Review of Investment Activities for October 2005 through March 2006, Internal Audit Report No. 06-033.

Background

According to the Orange County Transportation Authority (Authority) Treasury/Public Finance's Debt and Investment Management Manual, Internal Audit is tasked with the responsibility of conducting performance reviews of the Authority's debt and investment activities.

The Treasury Department is responsible for management of the Authority's investment portfolio. On March 31, 2006, the investment portfolio's book value approximated \$999.8 million. The portfolio consists of two managed portfolios: liquid proceeds for the Authority's daily operations, and a short term portfolio for future budgeted expenditures. External investment managers administer the short-term portfolio, and the Treasurer manages the liquid proceeds portfolio. The Authority also has funds invested in debt service reserve funds for various outstanding debt obligations. The Authority's Accounting Department is responsible for the accounting of all debt and investment transactions and the monthly reconciliations of all bank accounts.

Discussion

The Authority's investment activities are reviewed on a periodic basis by Internal Audit. The objective of the reviews is to determine if the Authority is in compliance with the Authority's debt, investment and accounting objectives, and policies and procedures. The investment review for October 2005 through March 2006 indicated that the Authority's investments are in compliance, with the exception of the repurchase agreements collateral issue that was addressed after issuance of the previous review report.

During Internal Audit's previous review for the period of July through September 2005, the Authority entered into an agreement with Bank of the West to invest in repurchase agreements through a repurchase sweep account process. In the previous review, Internal Audit identified some repurchase agreements where the underlying collateral used to secure the repurchase agreements did not comply with the Investment Policy due to an error in Bank of the West's system. Corrective action was implemented after the issuance of the previous review report, but during the current review period. During this current review for the period of October 2005 through March 2006, Internal Audit identified other repurchase agreements with the same collateral issue for repurchase agreements with settlement dates prior to the date corrective action was taken. Since an audit recommendation was made in the previous review and management has implemented corrective action prior to end of the current review period, no recommendation is being made for this current review.

Summary

Based on the review, investments were generally in compliance with the Authority's debt, investment and accounting objectives, and policies and procedures, with the exception of the repurchase agreements collateral issue that was addressed after issuance of the previous review report.

Attachment

- A. Review of Investment Activities for October 2005 through March 2006, Internal Audit Report No. 06-033

Prepared by:



Kathleen O'Connell
Manager, Internal Audit
(714) 560-5669



INTEROFFICE MEMO

August 9, 2006

To: Kirk Avila, Treasurer
Finance, Administration and Human Resources

From: ^{SN} Serena Ng, Senior Internal Auditor
Internal Audit

Subject: **Review of Investment Activities for October 2005 through March 2006, Financial and Compliance Review, Internal Audit Report No. 06-033**

A financial and compliance review of the investment activities for the period of October 2005 through March 2006 has been completed. The results of the review are detailed in the attached Internal Audit report.

This report does not require a formal management response. If you have any questions, please feel free to contact me at extension 5938.

Attachment: Review of Investment Activities for October 2005 through March 2006, Financial and Compliance Review, Internal Audit Report No. 06-033

c: Jim Kenan
Tom Wulf
Vicki Austin
Rodney Johnson
Kathleen O'Connell

**ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
2005-06 AUDIT PLAN**



**Review of Investment Activities for
October 2005 through March 2006
Financial and Compliance Review**

INTERNAL AUDIT REPORT NO. 06-033

Report Date: August 9, 2006



Audit Performed by:
Internal Audit Project Manager:

OCTA Internal Audit Department
Serena Ng, CPA, CIA
Senior Internal Auditor, Internal Audit

**ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT**

**Review of Investment Activities for October 2005 through March 2006
Financial and Compliance Review
August 9, 2006**

CONCLUSION

The Internal Audit Department has completed a review of investment activities for the period October 1, 2005, through March 31, 2006. Based on the review, it appears that the Orange County Transportation Authority (Authority) is in compliance with its debt, investment and accounting objectives, policies and procedures, with the exception of the repurchase agreements collateral issue that was addressed after issuance of the previous review report.

BACKGROUND

According to the Treasury/Public Finance's Debt and Investment Management Manual, Internal Audit is tasked with the responsibility of conducting performance reviews of the Authority's debt and investment activities.

The Treasury Department is responsible for management of the Authority's investment portfolio. On March 31, 2006, the investment portfolio's book value approximated \$999.8 million. The portfolio consists of two managed portfolios: liquid proceeds for the Authority's daily operations, and the short term for future budgeted expenditures. External investment managers administer the short-term portfolio, and the Treasurer manages the liquid proceeds portfolio. The Authority also has funds invested in debt service reserve funds for various outstanding debt obligations. The Authority's Accounting Department is responsible for the accounting and recording of all debt and investment transactions and the monthly reconciling of all bank accounts.

PURPOSE AND SCOPE

The objective of the audit was to determine if the Authority was in compliance with the Authority's debt, investment and accounting objectives, policies and procedures.

In conjunction with the objective, Internal Audit:

- assessed the adequacy of internal controls surrounding the Authority's investment activities;
- determined if the Authority was in compliance with the annual investment policy and government code;
- determined if investment activities were adequately supported;
- determined the propriety of investment manager and custodial bank transactions;
- and

**ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT**

**Review of Investment Activities for October 2005 through March 2006
Financial and Compliance Review
August 9, 2006**

- determined the appropriateness of debt service allocations on the Authority's debt issuances.

The scope of the review consisted of reviewing worksheets prepared by Accounting and Treasury, verifying investment transactions, and reviewing bank reconciliations, investment manager transactions, and custodial activities.

DISCUSSION

During the last review period, the Authority entered into an agreement with Bank of the West to invest in repurchase agreements through a repurchase sweep account process. In the last review, Internal Audit identified some repurchase agreements where the underlying collateral used to secure the repurchase agreements did not comply with the Investment Policy due to an error in Bank of the West's system. Corrective action was implemented after the issuance of the last audit report, which was during the current review period. In this review, Internal Audit identified some other repurchase agreements with the same collateral issue for repurchase agreements with settlement dates prior to the corrective action. Since an audit recommendation was made in the previous review and management has implemented corrective action prior to end of the current review period, no recommendation is being made for this current review.



BOARD COMMITTEE TRANSMITTAL

September 19, 2006

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: State Legislative Status Report

This item will be considered by the Legislative and Government Affairs/Public Communications Committee on September 21, 2006. Following Committee consideration of this matter, staff will provide you with a summary of the discussion and action taken by the Committee.

Please call me if you have any comments or questions concerning this correspondence. I can be reached at (714) 560-5676.



September 21, 2006

To: Legislative and Government Affairs/Public Communications Committee

From: Arthur T. Leahy, Chief Executive Officer *ATL*

Subject: State Legislative Status Report

Overview

The status of several major bills as the 2005-2006 legislative session adjourned is provided.

Recommendation

Receive and file as an information item.

Discussion

The Legislature adjourned on August 31, 2006, after sending nearly 400 bills to the Governor's desk in the last ten days of session alone. The status of Orange County Transportation Authority's (OCTA) sponsor legislation is provided, as is a review of notable legislation that died in the Legislature. A list of important transportation bills, which are pending action by Governor Schwarzenegger, are also included.

The Governor has until September 30, 2006, to act on legislation, so the status of some of the bills noted below will still change.

OCTA Sponsor Legislation

AB 267 (Daucher, R-Brea) Transportation Projects,
OCTA position: Sponsor, Held in Senate Appropriations Committee

Extends the period for which local or regional agencies may be reimbursed for local funds expended on projects in the State Transportation Improvement Program.

Died in Legislature

AB 143 (Assembly Budget Committee) Highway Construction: Design-Build Program, *OCTA position: Support*

Authorizes state and local transportation entities to use a design-build process for contracting transportation projects to be selected by the California Transportation Commission.

SB 1161 (Alarcon, D-Sun Valley) State Highways: Design-Sequencing Contracts, *OCTA position: Monitor*

Authorizes a pilot project for the Department of Transportation to award design-sequencing contracts for not more than 12 transportation projects.

Awaiting Action by Governor

AB 32 (Núñez, D-Los Angeles) Greenhouse Gases: Global Warming Solutions Act, *OCTA position: Monitor*

Establishes greenhouse gas emission limits and charges the California Air Resources Board with reporting, verifying, and monitoring the emissions program.

AB 372 (Nation, D-San Rafael) Public Contracts: Transit Design-Build Contracts. *OCTA position: Support*

Extends transit agencies' current design-build authority for transit-related construction projects, not including state highways or local streets and roads, until January 2011.

AB 521 (Runner, R-Lancaster) Public-private partnership agreement: Contracts, *OCTA position: Watch*

Provides that lease agreements for public-private partnership transportation projects are to be deemed approved unless the Legislature passes a concurrent resolution rejecting them within 60 days.

AB 1699 (Frommer, D-Glendale) Commuter and Intercity Passenger Trains,
OCTA position: Watch

Requires the University of California, Berkeley to study passenger safety on commuter rail in California, particularly with respect to the push/pull configuration.

AB 2538 (Wolk, D-Davis) Transportation Funds,
OCTA position: Support with Amendment

Authorizes each transportation planning agency or county transportation commission to request and receive up to 5 percent of regional improvement fund expenditures for the purposes of project planning, programming, and monitoring.

SB 927 (Lowenthal, D-Long Beach) Ports: Congestion Relief: Security: Environment, *OCTA position: Monitor*

Requires the ports of Los Angeles and Long Beach to develop a user fee for moving cargo through the ports for security improvements, congestion relief, and environmental mitigation.

SB 1282 (Ducheny, D-San Diego) Transportation: Federal Funds: Border Infrastructure, *OCTA position: Monitor*

Conforms state law to federal transportation legislation related to the Coordinated Border Infrastructure Program funded through the Safe, Flexible, Efficient Transportation Equity Act: A Legacy for Users.

SB 1613 (Simitian, D-Palo Alto) Vehicles: Wireless Telephones,
OCTA position: Monitor

Makes it an infraction to drive a motor vehicle while using a wireless telephone unless that phone is being operated in a hands-free mode. Exemption provided for emergency purposes.

SB 1703 (Lowenthal, D-Long Beach) California Transportation Commission (CTC), *OCTA position: Monitor*

Expands the membership of the CTC to 13 members, granting the appointment of one additional voting member each to the Speaker of the Assembly and the Senate Rules Committee.

SB 1726 (Lowenthal, D-Long Beach) Vehicles: Publicly Owned Transit System Buses: Signs, OCTA position: Support

Authorizes buses, operated by a publicly owned transit system on regularly scheduled service, to be equipped with certain illuminated signs.


Summary

The status of selected bills at the close of the legislative session is provided.

Attachment

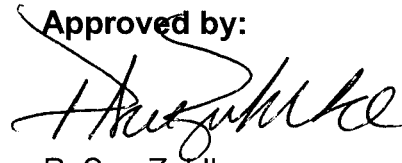
- A. Legislative Matrix

Prepared by:



Alejandro Esparza
Sr. Government Relations
Representative
(714) 560-5393

Approved by:



P. Sue Zuhlke
State Relations Manager
(714) 560-5574

Orange County Transportation Authority Legislative Matrix

(▶ Denotes changes from the last report)

OCTA Sponsor Legislation

AB 267 **AUTHOR:** Daucher [R]
TITLE: Transportation Projects
LAST AMEND: 08/15/2005
LOCATION: Senate Appropriations Committee
STATUS:
08/25/2005 In SENATE Committee on APPROPRIATIONS: Not heard.
NOTES: LP Sec. III (a) Repayment of local funds
COMMENTARY:
Sponsor bill clarifying Legislature's intent to fully reimburse, without time limits, local agencies that use local funds to advance projects in the STIP. Relevance to OCTA: Ensures reimbursement of local funds expended on STIP projects.
Position: Sponsor

Bills with Official Positions

- ▶ AB 372 **AUTHOR:** Nation [D]
TITLE: Public Contracts: Transit Design-Build Contracts
LAST AMEND: 08/10/2006
LOCATION: To Governor
STATUS: 08/28/2006 *****To GOVERNOR.
COMMENTARY:
Authorizes Transit Operators to enter into a design-build contracts.
Position: Support
- ▶ AB 1699 **AUTHOR:** Frommer [D]
TITLE: Commuter and Intercity Passenger Trains
LAST AMEND: 08/22/2006
LOCATION: To Governor
STATUS: 08/31/2006 In ASSEMBLY. ASSEMBLY concurred in SENATE amendments. To enrollment.
COMMENTARY:
Requires the Department of Transportation to contract with the Institute of Transportation Studies to conduct a study of the safety of push-pull commuter rail and intercity rail passenger operations, and would require the study to be submitted to the Legislature by June 1, 2008..
Position: Watch
- AB 2361 **AUTHOR:** Huff [R]
TITLE: Transportation: Federal Funds: Border Infrastructure
LAST AMEND: 03/28/2006
LOCATION: Assembly Appropriations Committee
STATUS: 04/17/2006 From ASSEMBLY Committee on TRANSPORTATION: Do pass to Committee on APPROPRIATIONS.
COMMENTARY:
Exempts federal funds derived from apportionments made to the state under the coordinated border infrastructure program from being subject to the funding distribution and fair share formulas. Requires these funds to be programmed by the Transportation Commission through a competitive grant program separate from the state transportation improvement program in a manner consistent with federal law. Author has decided to support SB 1282 in lieu of this bill.
Position: Support
- ▶ AB 2538 **AUTHOR:** Wolk [D]
TITLE: Transportation Funds
LAST AMEND: 05/26/2006
LOCATION: Enrolled
STATUS: 08/29/2006 Enrolled.
COMMENTARY:
Authorizes each transportation planning agency or county transportation commission to request and receive up to 5% of federal metropolitan planning funds for the purposes of project planning, programming, and monitoring.
Position: Support with Amendment

ACA 4 **AUTHOR:** Plescica [R]
TITLE: Transportation Investment Fund
LAST AMEND: 05/09/2005
LOCATION: Assembly Appropriations Committee
STATUS:
01/09/2006 From ASSEMBLY Committee on TRANSPORTATION: Be
adopted to Committee on APPROPRIATIONS.
NOTES: LP Proposition 42
COMMENTARY:
Deletes Proposition 42 suspension provisions. Relevance to OCTA: Ensures that
OCTA, Orange County, and cities receive their share of Proposition 42 annually
allowing for better project planning and delivery.
Position: Support

ACA 11 **AUTHOR:** Oropeza [D]
TITLE: Transportation Funds: Loans
INTRODUCED: 02/16/2005
LOCATION: Assembly Appropriations Committee
STATUS:
01/09/2006 From ASSEMBLY Committee on TRANSPORTATION: Do
pass to Committee on APPROPRIATIONS.
COMMENTARY:
Deletes Proposition 42 suspension provisions. Permits up to 2 loans of Proposition
42 funds to the General Fund or to any other state fund or account in a 10 year
period provided the first loan is repaid in full prior to permitting a second loan.
Relevance to OCTA: Provides better protection of Proposition 42 allowing for
better project planning and delivery.
Position: Watch

► SB 1726 **AUTHOR:** Lowenthal [D]
TITLE: Vehicles: Commercial and Common Carriers: Signs
LAST AMEND: 08/21/2006
LOCATION: To Governor
STATUS:
09/06/2006 *****To GOVERNOR.
COMMENTARY:
Authorizes buses, operated by a publicly owned transit system on regularly
scheduled service, to be equipped with certain illuminated signs, as specified.
Requires that the signs adhere to certain specifications.
Position: Support

SB 1812 **AUTHOR:** Runner G [R]
TITLE: Department of Transportation: Surface Transportation
LAST AMEND: 05/02/2006
LOCATION: Senate Appropriations Committee
STATUS:
05/25/2006 In SENATE Committee on APPROPRIATIONS: Not heard.
COMMENTARY:
Authorizes the Director of Transportation to consent to the jurisdiction of the federal
courts with regard to the compliance, discharge, or enforcement of the
responsibilities assumed pursuant to the surface transportation project delivery
pilot program. Requires the department to submit a specified report relating to the
program. This language was included in AB 1039 as part of the infrastructure bond
package.
Position: Support

SCA 7

AUTHOR: Torlakson [D]
TITLE: Loans of Transportation Revenues and Funds
ADOPTED: 05/06/2006
LOCATION: Chaptered
STATUS:
05/09/2006 Chaptered by Secretary of State.
05/09/2006 Chapter No. 49

COMMENTARY:

This will be "Proposition 1A" on the November 2006 ballot. This bill protects Proposition 42 from further state diversions by limiting loans to the General Fund to twice in a 10-year period. In addition, loans must be repaid with interest within 3 years.

Position: Support

Bills being Monitored

- ▶ AB 32 **AUTHOR:** Nunez [D]
TITLE: Greenhouse Gases: Global Warming Solutions Act
LAST AMEND: 08/30/2006
LOCATION: To Governor
STATUS:
09/05/2006 *****To GOVERNOR
COMMENTARY:
Requires the State Air Resources Board to adopt regulations establishing a program to require the reporting and verification of statewide green house gas emissions. Requires the board to adopt a statewide greenhouse gas emissions limit equivalent to statewide greenhouse gas emissions levels in 1990, to become effective in 2020. Requires establishment of enforceable interim emissions limits that progressively reduce emissions levels toward meeting the 2020 limit.
Position: Monitor
- ▶ AB 143 **AUTHOR:** Assembly Budget Committee
TITLE: Highway Construction: Design-Build Program
LAST AMEND: 05/04/2006
LOCATION: Assembly Unfinished Business – Concurrence in Senate Amendments
STATUS:
08/30/2006 In ASSEMBLY. Reconsideration granted.
COMMENTARY:
Authorizes certain state and local transportation entities to use a design-build process for contracting transportation projects. Authorizes transportation projects, to be selected by the state Transportation Commission. Establishes a procedure for submitting bids that include a requirement that design builders provide a statement of qualifications submitted to the transportation entity that is verified under oath. This bill was intended to be part of the infrastructure bond package.
Position: Monitor
- AB 713 **AUTHOR:** Torrico [D]
TITLE: High-Speed Passenger Train Bond Act
LAST AMEND: 06/27/2006
LOCATION: Chaptered
STATUS:
06/27/2006 *****To GOVERNOR.
06/27/2006 Signed by Governor.
06/27/2006 Chaptered by Secretary of State. Chapter No. 44.
COMMENTARY:
Puts the \$9.95 billion High Speed Rail Bond Act on the Nov. 8, 2008 ballot.
Position: Monitor

AB 1039 **AUTHOR:** Nunez [D]
TITLE: Government: Environment: Bonds: Transportation
ADOPTED: 05/19/2006
LOCATION: Chaptered
STATUS:
05/19/2006 Signed by Governor.
05/19/2006 Chaptered by Secretary of State. Chapter No. 31.
COMMENTARY:
Exempts specified levee, highway and bridge retrofit projects from the California Environmental Quality Act. Provides for a master environmental impact report for a plan adopted by the Department of Transportation for improvements to segments of Highway 99 funded by specified bond funds. Consents the jurisdiction of federal courts to the surface transportation project delivery pilot program. Provides for a consolidated permit or approval for urgent levee repairs funded by specified bond funds. Part of the infrastructure bond package.
Position: Monitor

AB 1157 **AUTHOR:** Frommer [D]
TITLE: Rail Safety and Traffic Mitigation Bond Act of 2006
LAST AMEND: 02/08/2006
LOCATION: Senate Transportation and Housing Committee
STATUS:
02/08/2006 From SENATE Committee on TRANSPORTATION AND HOUSING with author's amendments.
02/08/2006 In SENATE. Read second time and amended. Re-referred to Committee on TRANSPORTATION AND HOUSING.
COMMENTARY:
States the intent of the Legislature to enact legislation providing for a general obligation bond act to be submitted to the voters for approval in order to provide funding for a program to eliminate the most dangerous railroad-highway grade crossings in the state, as identified by the Public Utilities Commission, with funds to be allocated by the Transportation Commission.
Position: Monitor

AB 1467 **AUTHOR:** Nunez [D]
TITLE: Transportation Projects: Facilities: Partnerships
ADOPTED: 05/19/2006
LOCATION: Chaptered
STATUS:
05/19/2006 Signed by Governor.
05/19/2006 Chaptered by Secretary of State. Chapter No. 32.
COMMENTARY:
Authorizes the Department of Transportation and regional transportation agencies to enter into comprehensive development lease agreements with public and private entities, or consortia of those entities, for certain transportation projects that may charge certain users of those projects tolls and user fees, subject to various terms and requirements. Authorizes regional transportation agencies to apply to develop and operate high-occupancy toll lanes. Limits the number of such projects. Part of the infrastructure bond package.
Position: Monitor

AB 1783 **AUTHOR:** Nunez [D]
TITLE: Infrastructure Financing
INTRODUCED: 01/04/2006
LOCATION: ASSEMBLY
STATUS:
01/04/2006 INTRODUCED
COMMENTARY:
This bill would provide for the financing of state and local government infrastructure through various funding sources. This is Assembly Democrats Infrastructure Bond Proposal.
Position: Monitor

AB 1838 **AUTHOR:** Oropeza [D]
TITLE: Transportation Bond Acts of 2006, 2008, and 2012
INTRODUCED: 01/10/2006
LOCATION: ASSEMBLY
STATUS:
01/10/2006 INTRODUCED
COMMENTARY:
This bill would authorize general obligation bonds for various transportation purposes, pledges a percentage of existing fuel excise taxes and truck weight fees to offset the cost of the bond debt service, and authorizes transportation entities to use a design-build process for contracting on transportation projects. This is the Administrations Infrastructure Bond Proposal. Identical to SB 1165.
Position: Monitor

AB 1974 **AUTHOR:** Walters [R]
TITLE: High Occupancy Vehicle Lanes
INTRODUCED: 02/09/2006
LOCATION: Assembly Transportation Committee
STATUS:
04/24/2006 In ASSEMBLY Committee on TRANSPORTATION: Not heard.
COMMENTARY:
Authorizes any county board of supervisors to authorize the use of high occupancy vehicle lanes on the state highway system within the county by any highway vehicle, providing that this use is consistent with federal law.
Position: Monitor

AB 1990 **AUTHOR:** Walters [R]
TITLE: Eminent Domain
LAST AMEND: 04/03/2006
LOCATION: ASSEMBLY
STATUS:
06/08/2006 From ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT without further action pursuant to JR 62(a).
COMMENTARY:
Prohibits a city, county, special district, school district, community redevelopment agency, or community development commission or joint powers agency from exercising the power of eminent domain to acquire any real property if ownership of the property will be transferred to a private party or private entity. Provides exceptions.
Position: Monitor

- AB 2025 **AUTHOR:** Niello [R]
TITLE: Design Build Contracts
INTRODUCED: 02/14/2006
LOCATION: Assembly Transportation Committee
STATUS:
04/17/2006 In ASSEMBLY Committee on TRANSPORTATION: Heard,
remains in Committee.
- COMMENTARY:**
Authorizes the Department of Transportation to contract using the design-build process for the design and construction of transportation projects. Requires the director of the department to establish a prequalification and selection process.
Position: Monitor
- AB 2028 **AUTHOR:** Huff [R]
TITLE: Transportation Funding
INTRODUCED: 02/14/2006
LOCATION: ASSEMBLY
STATUS:
02/14/2006 INTRODUCED
- COMMENTARY:**
States the intent of the Legislature to provide an appropriation in the Budget Act of 2007 or in related legislation during the 2007-08 fiscal year to repay fully all funds that would have been transferred to the Transportation Investment Fund in previous fiscal years, but for the enactment of statutes providing for the suspension of those transfers.
Position: Monitor
- AB 2128 **AUTHOR:** Torrico [D]
TITLE: Tax: Credits: Commuter Benefits
LAST AMEND: 05/03/2006
LOCATION: ASSEMBLY
STATUS:
06/08/2006 From ASSEMBLY Committee on REVENUE AND
TAXATION without further action pursuant to JR 62(a).
- COMMENTARY:**
Relates to the Personal Income Tax and Corporation Tax laws. Authorizes a credit against those taxes for the costs incurred by a qualified taxpayer to provide commuter benefits to its employees.
Position: Monitor
- ▶ AB 2210 **AUTHOR:** Goldberg [D]
TITLE: Tow Trucks: Regulating
LAST AMEND: 08/24/2006
LOCATION: To enrollment
STATUS:
08/30/2006 In ASSEMBLY. ASSEMBLY concurred in SENATE
amendments. To enrollment.
- COMMENTARY:**
Revises procedures governing the removal of a vehicle parked on private property, requires that the written authorization from the property owner or lessee contain specific information and that a specified good faith attempt has been made to notify the vehicle owner. Requires the display, at a storage facility, of notice stating certain information. Requires notification of law enforcement. Provide civil penalty for violation.
Position: Monitor

- AB 2290 **AUTHOR:** DeVore [R]
TITLE: State Highway Facilities Designated for Trucks: Fees
LAST AMEND: 04/04/2006
LOCATION: ASSEMBLY
STATUS:
05/17/2006 From ASSEMBLY Committee on TRANSPORTATION
without further action pursuant to JR 62 (a).
COMMENTARY:
Authorizes the Department of Transportation or regional transportation agencies to enter into comprehensive development franchise agreements with public and private entities for the construction of transportation projects on state highways designated for exclusive use of commercial trucks. Authorizes user fees to be collected during the franchise agreement period, and authorizes the Transportation Commission to approve continuation of those fees after termination of the agreement.
Position: Monitor
- ▶ AB 2295 **AUTHOR:** Arambula [D]
TITLE: Transportation Capital Improvement Projects
INTRODUCED: 02/22/2006
LOCATION: To Governor
STATUS:
09/06/2006 *****To GOVERNOR.
COMMENTARY:
States that local road rehabilitation projects are eligible for funds allocated for transportation capital improvement funds.
Position: Monitor
- ▶ AB 2495 **AUTHOR:** Frommer [D]
TITLE: Transportation Facilities: Public-Private Partnerships
LAST AMEND: 08/28/2006
LOCATION: Senate Rules Committee
STATUS:
08/28/2006 In SENATE. Read third time and amended. Senate Rule
29.3 suspended. To third reading.
08/28/2006 Re-referred to SENATE Committee on RULES
COMMENTARY:
Modifies existing law concerning development lease agreements with public or private entities for certain transportation projects that may charge tolls or user fees. Provides that the Legislature has 90 days to act to reject a lease is submitted for review, otherwise it is considered approved.
Position: Monitor
- ▶ AB 2600 **AUTHOR:** Lieu [D]
TITLE: Vehicles: HOV Lanes
LAST AMEND: 08/28/2006
LOCATION: To enrollment
STATUS:
08/31/2006 In ASSEMBLY. ASSEMBLY concurred in SENATE
amendments. To enrollment.
COMMENTARY:
Extends certain provisions of law related to allowing low-emission and hybrid vehicles to operate in HOV Lanes. Increases the number of described distinctive decals, labels, and other identifiers that are required to be issued by the Department of Transportation.
Position: Monitor

AB 3047 **AUTHOR:** Canciamilla [D]
TITLE: Toll Facilities
LAST AMEND: 05/30/2006
LOCATION: Senate Transportation and Housing Committee
STATUS:
06/15/2006 To SENATE Committee on TRANSPORTATION AND HOUSING

COMMENTARY:
Authorize the Department of Transportation or regional transportation agency to construct high-occupancy vehicle and other preferential lanes on the state highway system. Authorizes a regional transportation agency to construct and operate those lanes as toll facilities subject to specified requirements.
Position: Monitor

ACA X1 4 **AUTHOR:** Keene [R]
TITLE: State Finances
LAST AMEND: 04/11/2005
LOCATION: Assembly Budget Process Committee
STATUS:
04/11/2005 From ASSEMBLY Committee on BUDGET PROCESS with author's amendments.
04/11/2005 In ASSEMBLY. Read second time and amended.
Re-referred to ASSEMBLY Committee on BUDGET PROCESS.

COMMENTARY:
Administration's budget report proposal which includes Proposition 98 reform and Proposition 42 protections.
Position: Monitor

ACA 5 **AUTHOR:** Richman [R]
TITLE: Public Retirement Systems
INTRODUCED: 12/06/2004
LOCATION: Assembly Public Employees, Retirement and Social Security Committee
STATUS:
04/14/2005 To ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT, AND SOCIAL SECURITY

COMMENTARY:
Proposes a constitutional amendment that would prohibit new employees, hired after July 1, 2007, from participating in a defined benefit plan. These employees would be limited to a defined contribution plan or retirement system.
Position: Monitor

ACA 7 **AUTHOR:** Nation [D]
TITLE: Local Governmental Taxation
LOCATION: Assembly Appropriations Committee
STATUS:
05/25/2005 In ASSEMBLY Committee on APPROPRIATIONS: Heard, remains in Committee.

COMMENTARY:
Lowers voter threshold to 55% for special tax measures.
Position: Monitor

ACA 9 **AUTHOR:** Bogh [R]
TITLE: Motor Vehicle Fuel Sales Tax Revenue
LOCATION: Assembly Appropriations Committee
STATUS:
01/09/2006 From ASSEMBLY Committees on TRANSPORTATION: Be
adopted to the Committee on APPROPRIATIONS.

COMMENTARY:
Would amend Prop 42 to require 4/5ths of the legislature to suspend transfer
instead of the current 2/3rds.
Position: Monitor

ACA 22 **AUTHOR:** La Malfa [R]
TITLE: Eminent Domain: Condemnation Proceedings
LAST AMEND: 01/26/2006
LOCATION: ASSEMBLY
STATUS:
06/12/2006 From ASSEMBLY Committees on HOUSING AND
COMMUNITY DEVELOPMENT without further action
pursuant to JR 62(a).

COMMENTARY:
Amends existing eminent domain law to only allow for private property to be taken
when it is for a stated public use.
Position: Monitor

ACA 27 **AUTHOR:** McCarthy [R]
TITLE: State Budget: Capital Outlay
LOCATION: ASSEMBLY
STATUS:
01/25/2006 INTRODUCED

COMMENTARY:
Requires that the budget submitted to the Legislature by the Governor allocate,
and that the Budget Bill as passed by the Legislature and as signed by the
Governor appropriate, General Fund revenues to fund capital outlay projects of
statewide significance and interest in an annual amount determined pursuant to a
specified schedule.
Position: Monitor

► SB 53 **AUTHOR:** Kehoe [D]
TITLE: Redevelopment
LAST AMEND: 08/07/2006
LOCATION: To Governor
STATUS:
09/01/2006 *****To GOVERNOR.

COMMENTARY:
Requires redevelopment plans to contain a description of the agency's program to
acquire real property by eminent domain, including prohibitions, if any, on the use
of eminent domain, and a time limit for the commencement of eminent domain
proceedings.
Position: Monitor

► SB 153

AUTHOR: Chesbro [D]
TITLE: Parks and Recreation
LAST AMEND: 08/24/2006
LOCATION: Assembly Water, Parks and Wildlife Committee
STATUS: 08/30/2006 *In ASSEMBLY. Action rescinded whereby bill was re-referred to ASSEMBLY Committee on APPROPRIATIONS.*

COMMENTARY:

Provides for the distribution of bond funds from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 for local assistance grants for neighborhood, community, and regional parks, and recreational lands and facilities. Creates the Challenged Rural Communities Program. Provides for the distribution of bond funds from the Housing and Emergency Shelter Trust Fund Act of 2006 for park creation, to encourage specified infill development.

Position: Monitor

SB 172

AUTHOR: Torlakson [D]
TITLE: Bay Area State-Owned Toll Bridge: Financing
LAST AMEND: 05/27/2005
LOCATION: Assembly Transportation Committee
STATUS: 06/13/2005 *To ASSEMBLY Committee on TRANSPORTATION.*

COMMENTARY:

Gives the Bay Area Toll Authority more control over Caltrans construction of toll bridge seismic retrofits in the Bay Area. Requires quarterly reports by Caltrans the projects.

Position: Monitor

► SB 208

AUTHOR: Alquist [D]
TITLE: Transportation: Traffic Congestion Relief Program
LAST AMEND: 06/12/2006
LOCATION: Assembly Appropriations Committee
STATUS: 08/17/2006 *In ASSEMBLY Committee on APPROPRIATIONS: Heard, remains in Committee.*

COMMENTARY:

Authorizes the Transportation Commission to enter into a full funding grant agreement with a regional or local transportation agency that is the lead applicant for a project and that has a specified unallocated balance of Traffic Congestion Relief Program funding.

Position: Watch

SB 371

AUTHOR: Torlakson [D]
TITLE: Public Contracts: Design-Build: Transportation
LAST AMEND: 01/23/2006
LOCATION: ASSEMBLY
STATUS: 01/30/2006 *In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.*

COMMENTARY:

Declares the intent of the Legislature to enact legislation that would develop an alternative and optional procedure for bidding on highway, bridge, tunnel, or public transit construction projects in the jurisdiction of any county, local transportation authority or local or regional transportation entity. Authorizes the Department of Transportation to develop an alternative bidding procedure for highway, bridge, or tunnel projects on the state highway system.

Position: Monitor

- SB 427 **AUTHOR:** Hollingsworth [R]
TITLE: Environmental Quality Act: Scoping Meetings
LAST AMEND: 01/04/2006
LOCATION: Assembly Natural Resources Committee
STATUS:
02/16/2006 To ASSEMBLY Committee on NATURAL RESOURCES
COMMENTARY:
Requires at least one scoping meeting for a project and requires the lead agency to consult with transportation planning agencies that could be affected by a project. Requires notice of at least one scoping meeting be provided to those agencies required to be consulted concerning the project and to require, in the consultation, the project's effect on overpasses, on-ramps, and off-ramps.
Position: Monitor
- ▶ SB 459 **AUTHOR:** Romero [D]
TITLE: Air Pollution: South Coast District: Locomotives
LAST AMEND: 08/21/2006
LOCATION: Assembly Inactive File
STATUS:
08/31/2006 *In ASSEMBLY. Reconsideration granted.*
08/31/2006 *In ASSEMBLY. To Inactive File.*
COMMENTARY:
Authorizes SCAQMD to collect a fee associated with locomotive air pollution and to expend it for specified mitigation purposes including railroad grade crossings.
Position: Monitor
- ▶ SB 760 **AUTHOR:** Lowenthal [D]
TITLE: Ports: Congestion Relief: Security Enhancement
LAST AMEND: 05/27/2005
LOCATION: Assembly Appropriations Committee
STATUS:
08/17/2006 *In ASSEMBLY Committee on APPROPRIATIONS: Heard, remains in Committee.*
COMMENTARY:
Authorizes the Ports of Los Angeles and Long Beach to impose a \$30 fee on each Twenty foot Equivalent Unit (TEU). The Port would retain \$10 for improvements and would forward \$10 to AQMD for air quality mitigation, and \$10 to the CTC to use on railroad improvement projects in Orange and other counties.
Position: Monitor
- ▶ SB 832 *LEGISLATION DELETED FROM MATRIX. BILL HAS NOW BEEN AMENDED TO PERTAIN TO PUNITIVE DAMAGES. PRIOR VERSION WAS RELATED TO CEQA INFILL DEVELOPMENT.*

- SB 927 **AUTHOR:** Lowenthal [D]
TITLE: Ports: Congestion Relief: Security: Environment
LAST AMEND: 08/24/2006
LOCATION: To enrollment
STATUS:
08/31/2006 In SENATE. SENATE concurred in ASSEMBLY
amendments. To enrollment.
- COMMENTARY:**
Requires the ports of Los Angeles and Long Beach to develop a user fee on the owner of container cargo moving through the port and to retain a portion for projects to improve security. Requires the remainder of the fee to be transmitted to the Port Congestion Relief Trust Fund for rail project to improve moving port container cargo and the Port Mitigation Relief Trust Fund to develop project to mitigate environmental pollution caused by the movement of cargo in the ports.
Position: Monitor
- SB 1024 **AUTHOR:** Perata [D]
TITLE: Public Works and Improvements: Bond Measure
LAST AMEND: 01/26/2006
LOCATION: ASSEMBLY
STATUS:
01/30/2006 In SENATE. Read third time. Passed SENATE. *****To
ASSEMBLY.
- COMMENTARY:**
Enacts the Essential Facilities Seismic Retrofit Bond Act of 2005 to place a \$10.3 billion general obligation bond before voters to funds seismic retrofit of essential facilities, including the Bay Bridge, repay Proposition 42 loans, and to facilitate goods movement.
Position: Monitor
- SB 1161 **AUTHOR:** Alarcon [D]
TITLE: State Highways: Design-Sequencing Contracts
LAST AMEND: 06/21/2006
LOCATION: Assembly Appropriations Committee
STATUS:
08/17/2006 In ASSEMBLY Committee on APPROPRIATIONS: Heard,
remains in Committee
- COMMENTARY:**
Relates to existing law authorizing the Department of Transportation, to conduct a pilot project to award design-sequencing contracts for the design and construction of not more than 12 transportation projects. Authorizes the department to award contracts for projects using the design-sequencing contract method, certain requirements are met.
Position: Monitor

- SB 1165 **AUTHOR:** Dutton [R]
TITLE: Transportation Bond Acts of 2006, 2008, and 2012
INTRODUCED: 01/10/2006
LOCATION: Senate Transportation and Housing Committee
STATUS:
01/19/2006 To SENATE Committees on TRANSPORTATION AND HOUSING and ENVIRONMENTAL QUALITY.
COMMENTARY:
This bill would authorize general obligation bonds for various transportation purposes, pledges a percentage of existing fuel excise taxes and truck weight fees to offset the cost of the bond debt service, and authorizes transportation entities to use a design-build process for contracting on transportation projects. This is the Administrations Infrastructure Bond Proposal. Identical to AB 1838.
Position: Monitor
- SB 1266 **AUTHOR:** Perata [D]
TITLE: Highway Safety, Traffic Reduction, Air Quality
ADOPTED: 05/16/2006
LOCATION: Chaptered
STATUS:
05/16/2006 Signed by GOVERNOR.
05/16/2006 Chaptered by Secretary of State. Chapter No. 25.
COMMENTARY:
Enacts the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Authorizes a specified amount of general obligation bonds for transportation corridor improvements, trade infrastructure and port security projects, transit security, local bridge retrofit, highway-railroad grade and crossing projects, highway rehabilitation, local street and road improvements. Part of the infrastructure bond package.
Position: Monitor
- SB 1282 **AUTHOR:** Ducheny [D]
TITLE: Transportation: Federal Funds: Border Infrastructure
LAST AMEND: 05/02/2006
LOCATION: To Governor
STATUS:
08/30/2006 *****To GOVERNOR.
COMMENTARY:
Requires federal funds apportioned to the state under the coordinated border infrastructure program of the Safe, Accountable Flexible, Efficient Transportation Equity act: a Legacy for Users (SAFETEA-LU) to be programmed, allocated and expended in the same manner as other federal transportation capital funds in the state transportation improvement program. Authorizes use of funds for projects in Mexico.
Position: Monitor

- SB 1431 **AUTHOR:** Cox [R]
TITLE: Public Contracts: Design-Build Contracting: Cities
LAST AMEND: 04/18/2006
LOCATION: Senate Appropriations Committee
STATUS:
05/25/2006 In SENATE Committee on APPROPRIATIONS: Not heard.
COMMENTARY:
Permits any city with the approval of the city council, county boards of supervisors, and special districts to enter into specified design-build contracts in accordance with specified provisions. Requires that contracts costing more than a specified amount by those cities, counties or districts to be awarded to the lowest responsible bidder. Requires the Legislative Analyst's Office to report to the Legislature regarding the effectiveness of the design-build program.
Position: Monitor
- SB 1593 **AUTHOR:** Runner G [R]
TITLE: Vehicles: Removal: Storage
LAST AMEND: 05/22/2006
LOCATION: Assembly Transportation Committee
STATUS:
06/15/2006 To ASSEMBLY Committee on TRANSPORTATION
COMMENTARY:
Requires the owner or person in lawful possession of private property to verify that the towing company that will be used to remove a vehicle from private property has a valid motor vehicle carrier permit before causing the removal of the vehicle from the property.
Position: Monitor
- SB 1613 **AUTHOR:** Simitian [D]
TITLE: Vehicles: wireless telephones
LAST AMEND: 08/24/2006
LOCATION: To enrollment
STATUS:
08/31/2006 In SENATE. SENATE concurred in ASSEMBLY amendments. To enrollment.
COMMENTARY:
Makes it an infraction to drive a motor vehicle while using a wireless telephone, unless that telephone is designed and configured to allow hands-free listening and talking operation, and is used in that manner while driving. Provides that this prohibition does not apply to a person who is using a cellular telephone to contact a law enforcement agency or public safety entity for emergency purposes. Prohibits the assignment of a violation point for a violation.
Position: Monitor
- SB 1703 **AUTHOR:** Lowenthal [D]
TITLE: State Transportation Commission
LAST AMEND: 08/07/2006
LOCATION: To Governor
STATUS:
09/01/2006 Enrolled.
09/01/2006 *****To GOVERNOR.
COMMENTARY:
Expand the membership of the California Transportation Commission to 13 members, with one additional voting member each appointed by the Speaker of the Assembly and the Senate Committee on Rules, not subject to Senate confirmation.
Position: Monitor

SCA 15 **AUTHOR:** McClintock [R]
TITLE: Eminent Domain: Condemnation Proceedings
LAST AMEND: 08/23/2005
LOCATION: Senate Judiciary Committee
STATUS:
08/30/2005 In SENATE Committee on JUDICIARY: Failed passage.
08/30/2005 In SENATE Committee on JUDICIARY: Reconsideration
granted.
COMMENTARY:
Amends existing eminent domain law to only allow for private property to be taken
when it is for a stated public use.
Position: Monitor

SCA 20 **AUTHOR:** McClintock [R]
TITLE: Eminent Domain: Condemnation Proceedings
INTRODUCED: 01/11/2006
LOCATION: Senate Judiciary Committee
STATUS:
04/25/2006 In SENATE Committee on JUDICIARY: Failed passage.
04/25/2006 In SENATE Committee on JUDICIARY: Reconsideration
granted.
COMMENTARY:
Amends existing eminent domain law to only allow for private property to be taken
when it is for a stated public use.
Position: Monitor

SCA 21 **AUTHOR:** Runner G [R]
TITLE: State Budget
INTRODUCED: 01/11/2006
LOCATION: Senate Budget and Fiscal Review Committee
STATUS:
03/02/2006 In SENATE Committee on BUDGET AND FISCAL REVIEW:
Heard, remains in Committee
COMMENTARY:
Administration's General Fund GO Bond 6% Debt Cap Proposal
Position: Monitor

BOARD COMMITTEE TRANSMITTAL



September 19, 2006

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Orange County Transportation Authority's Draft 2007 State Legislative Platform

This item will be considered by the Legislative and Government Affairs/Public Communications Committee on September 21, 2006. Following Committee consideration of this matter, staff will provide you with a summary of the discussion and action taken by the Committee.

Please call me if you have any comments or questions concerning this correspondence. I can be reached at (714) 560-5676.



September 21, 2006

To: Legislative and Government Affairs/Public Communications
Committee

From: Arthur T. Leahy, Chief Executive Officer *ALV*

Subject: Orange County Transportation Authority's Draft 2007 State
Legislative Platform

Overview

An initial draft of the Orange County Transportation Authority's 2007 State Legislative Platform has been prepared for Board consideration to direct staff to circulate for further review and comment by interested parties.

Recommendation

Authorize staff to circulate copies of the Draft 2007 State Legislative Platform to advisory groups, Orange County legislative delegations, cities, and interested members of the public.

Discussion

Annually, Orange County Transportation Authority (OCTA) staff collects legislative ideas from interested parties within Orange County, subsequently evaluating and consolidating suggestions and strategies into a framework document to guide OCTA's state legislative activities for the upcoming year.

2007 State Legislative Platform

The Draft 2007 State Legislative Platform, presented as Attachment A, is proposed to update the adopted 2006 program based upon what has transpired in Sacramento this year and what is anticipated to be the key issues next year.

Proposed changes from the 2006 State Legislative Platform are designated by underlined and strikeout text. The attachment incorporates new suggestions and initiatives solicited by OCTA staff from the following groups:

- OCTA Board Members
- OCTA advisory groups
- OCTA division directors, department managers, and staff
- Orange County federal and state legislative delegation members
- Cities, chambers of commerce, and the County of Orange
- Orange County community based organizations and associations
- Users of OCTA services

Over 300 groups and individuals were asked to consider issues important to OCTA or problems currently affecting Orange County transportation that might be addressed by legislative solutions. State Relations' staff considered the ideas and input received when drafting the Draft 2007 State Legislative Platform.

Major new sections and concepts included in this year's platform reflect current and anticipated issues in the 2007 legislative session. Should the voters approve the proposed state infrastructure bonds on the November 2006 ballot, they will be the subject of implementing legislation in the next session. Key sections of the platform, such as the "Key Issues" section, have been updated to reflect this possibility and to ensure that Orange County is positioned well as the funds are distributed should the bonds be approved. As the platform will not be finalized until after the November election, these sections can be modified as needed after that date.

Major bills proposed to be sponsored are as follows:

- Project specific design-build authority for Phase II of the Garden Grove Freeway (State Route 22) project
- Project specific design-build authority for homeland security and traffic management technologies used by public agencies
- Legislation that would guarantee reimbursement of project costs advanced with local funds (same as AB 267 in 2006)
- Co-sponsor legislation with the City of Anaheim to extend the initial operating segment of the high speed rail system from Los Angeles to Anaheim (Same as AB 1173 in 2006)

Other major concepts proposed in this year's platform include:

- Support the possible expansion of the 91 Express Lanes into Riverside County
- Support the establishment of system-wide design-build authority
- Support the elimination of the statute that requires the spillover set-aside, allowing all funds to flow to Proposition 42
- Support legislation that establishes reasonable liability for specific types of non-economic damages.
- Support legislation that reduces the time period to retain video surveillance records to reflect current technological capabilities

There were also a few suggestions that were received that are still being evaluated and researched. One of the suggestions was related to the re-establishment of a pilot program that required yield signs on the rear of buses, a program OCTA participated in previously but has since sunset. Secondly, staff is reviewing the possibility of exempting expenditure plans adopted by a congestion management agency from the California Environmental Quality Act while still requiring individual projects to go through the process. Other ideas still being reviewed include legislation related to utilities relocation, soundwall construction, and service authority for abandoned vehicle (SAAV) funding.

Lastly, staff also received a few suggestions that, after further evaluation, were not included in the Draft 2007 State Legislative Platform.

OCTA staff suggested that legislation be sponsored to require that the California Department of Transportation (Caltrans) take over maintenance of the 91 Express Lanes, as they perform this function for other Orange County toll roads. Staff determined that since OCTA was one of the proponents suggesting that the Bay Area Toll Authority be required to maintain the Bay Area toll bridges with their own funds rather than have them maintained by Caltrans, this proposal would not be well-received at this time.

In February 2006, Director Chris Norby requested that staff evaluate the current restrictions on teenage drivers' licenses and how they relate to carpooling. Staff has further researched the issue and been informed by the Automobile Club of Southern California (AAA), the sponsor of the original legislation, that they would be adamantly opposed to any relaxation of current law. In fact, their recently published "Public Policy Roadmap" brochure specifically states, "In the first three years following enactment of the law, nearly 700 deaths and injuries were prevented statewide." The Auto Club's

2007 objectives include improving instruction curricula, lengthening instruction time, and helping parents teach their children to become safer drivers. Due to the opposition of AAA and since the issue is not directly related to OCTA operations, it has not been included in the current draft platform.

Director Norby has also requested that staff consider sponsoring legislation related to indexing the cap on campaign contributions from entities with decisions pending before certain public agencies as established by the 1982 Levine Act (Government Code 84308). Staff has determined that legislation of this nature may be better handled by a statewide organization representing a number of officials at the agencies noted in current law, rather than being sponsored by OCTA.

Next Steps

Upon the Board's authorization, staff will circulate the Draft 2007 State Legislative Platform to key audiences for additional comment and revision. After further staff refinement, the Legislative and Government Affairs/Public Communications Committee will provide a final review and make a recommendation to the Board of Directors.

The final 2007 State Legislative Platform will be forwarded to the Board of Directors for adoption at its November 13, 2006, meeting.

Summary

Upon Board authorization, the Draft 2007 State Legislative Platform will be circulated for review and brought back to the Board in November for adoption.

Attachment

- A. Draft Orange County Transportation Authority 2007 State Legislative Platform

Prepared by:



Wendy J. Villa
Principal Government Relations
Representative
(714) 560-5595

Approved by:



P. Sue Zuhke
State Relations Manager
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DRAFT
Orange County Transportation Authority
2007 State Legislative Platform

Key Transportation Policy Issues in 2007

A number of pressing transportation issues are expected to be discussed in the 2007 legislative session. A few of these key issues have been highlighted in this section including: Infrastructure Bonds, Proposition 42, Public-Private Partnerships, Design-Build Authority, Goods Movement, and Spillover.

Infrastructure Bonds

In 2006, the Governor and the Legislature agreed upon a \$39 billion infrastructure bond package to be placed on the November 2006 ballot. Propositions 1B-1E together constitute the single largest investment in state infrastructure in decades. Specifically, Proposition 1B allocates over \$19 billion for transportation purposes and will be the subject of implementing legislation in the 2007 legislative session should it pass in November. The California Transportation Commission (CTC) has already established working groups to direct the implementation effort. These five working groups are currently discussing the details of the programs established in the bond including the corridor mobility program, goods movement, the state-local partnership program, performance measures, and public-private partnerships. The Orange County Transportation Authority (OCTA) is actively involved in this effort.

In 2007, OCTA will:

- a) Support implementing legislation that increases funding directed towards Orange County projects.
- b) Support implementing legislation that enables faster, more efficient delivery of transportation projects in Orange County.

Proposition 42

Approved by nearly 70 percent of voters in March 2002, Proposition 42 requires the transfer of the state sales tax on gasoline from the General Fund to the Transportation Investment Fund (TIF) to fund transportation improvements around the state. However, provisions contained in Proposition 42 have permitted the Legislature to suspend this transfer of revenue in any fiscal year with a two-thirds vote of the Legislature. Since its passage in 2002, Proposition 42 has been fully or partially suspended twice, diverting more than \$2 billion away from transportation purposes.

Proposition 1A, appearing on the November 2006 ballot, would close the "loop-hole" in Proposition 42 by only permitting loans to the General Fund, rather than full or partial suspensions. These loans would be required to be repaid with interest within three

years. Loans would also only be permitted twice in a 10-year period and each loan would have to be fully repaid before subsequent loans could be taken. Lastly, Proposition 1A specifies a repayment schedule for prior Proposition 42 suspensions.

In 2007, OCTA will continue to:

- a) Support legislative efforts to amend Proposition 42 make the sales tax on gasoline a guaranteed revenue sources for transportation.
- b) Support the expedited repayment of all Proposition 42 loans.
- c) Oppose efforts to divert change the allocation of gasoline sales tax revenues from transportation purposes as intended by the voters with the passage of Proposition 42.

Public-Private Partnerships

As state transportation funding shortfalls continue while the costs of building, maintaining, and expanding our infrastructure increases, innovative funding methods have become increasingly necessary to accommodate the growth in transportation system demands in California. Through the effective use of public-private partnerships, such projects as the 91 Express Lanes in Orange County have provided additional transportation capacity and improved transportation choices while being paid for by the system's users.

The aforementioned infrastructure bond agreement in 2006 included the authority for the California State Department of Transportation (Caltrans) to enter into eight public-private partnership agreements for the purposes of goods movement and high occupancy toll (HOT) lanes, with projects being split equally between the north and the south. The authorizing legislation, AB 1467 (Chapter 32, Statutes of 2006), was further clarified by AB 521 (Chapter XX, Statutes of 2006) which details the approval process by the Legislature for these agreements.

OCTA's experiences with this innovative public-private partnership have provided valuable lessons in the use of this concept and in 2007, OCTA's advocacy efforts will emphasize the following:

- a) Support the use of public-private partnerships that increase highway capacity without limiting the ability to improve public facilities.
- b) Cooperate with the Riverside County Transportation Commission on the possible extension of the existing 91 Express Lanes into Riverside County.

Design-Build

Historically, California has built public transportation projects using a process known as design-bid-build. This process utilizes separate entities for design and construction of a

highway facility. Often times, even the number of entities involved in the project alone can create massive delivery delays.

Public pressure to deliver high quality projects in an efficient and effective manner has spurred many states to pass legislation authorizing the use of the design-build process. Unlike the traditional method, where all design aspects must be finished before construction bids can be solicited, design-build places design and construction responsibilities in the hands of one firm. By synchronizing the design and construction phases, a project can be completed much faster than under the conventional method.

Currently, OCTA is utilizing its design-build authority in constructing a transit way, or high occupancy vehicle (HOV) lanes, on the Garden Grove Freeway (State Route 22). By using design-build, the projected completion time of widening State Route 22 (SR-22) will be reduced by three to five years. The SR-22 project is expected to be completed on November 30, 2006, on time and on budget - exactly 800-days since the inception of the endeavor.

OCTA would like to build upon the efficient delivery schedule of the SR-22 project by having design-build authority available for the delivery of Phase II - the design and construction of two SR-22 interchange connector on-ramps. This project will link the new SR-22 HOV lanes with the vital corridors of the Santa Monica Freeway (Interstate 405) and the San Gabriel Freeway (Interstate 605).

In 2006, the Legislature debated legislation which would have provided broader design-build authority to Caltrans and local/regional transportation commissions but at the end was unable to pull together sufficient consensus to ultimately pass the bill. While discussions will continue in the Legislature in 2007 regarding design-build authority, OCTA will also pursue authorizing legislation that will allow transportation projects to be delivered in a faster, more efficient manner for the residents of Orange County.

In 2007, OCTA's advocacy efforts related to design-build will emphasize the following:

- a) Support legislation authorizing the use of design-build for transportation infrastructure without limiting the type of funding that can be used on the projects.
- b) Sponsor legislation authorizing the use of design-build for Phase II of the SR-22 project.
- c) Sponsor legislation authorizing the use of design-build for installation of homeland security and traffic management technologies.

Goods Movement

The movement of goods to and from the ports of Los Angeles and Long Beach (POLA/LB) has been a major contributor to traffic congestion on Orange County highways, streets, and roads. Approximately 43 percent of containers entering and 23 percent of the containers leaving the United States travel through POLA/LB, making

them the country's largest container ports. Most significantly, 50 to 70 percent of the freight coming through POLA/LB is destined for other parts of the country.

This trade volume is expected to triple in the next 20 years. This industry supports one out of every seven jobs in the state, contributing more than \$200 billion per year to the state's economy, including more than \$16 billion in tax revenues to state and local government. An estimated 225,000 manufacturing jobs are directly related to freight movement in Southern California.

Current revenue streams are not sufficient to fund the projects needed to offset the costs of moving these goods. Additionally, existing state and local infrastructure is unable to handle the increasing demands placed on it by the growth in goods moving through Southern California.

The need for significant investment in the goods movement system has prompted the inclusion of \$3.1 billion for goods movement and port security infrastructure in Proposition 1B, appearing on the November 2006 ballot. SB 927 (Chapter XX, Statutes of 2006) was also passed in 2006. This bill institutes a \$30 container fee on goods moving through California ports in order to fund infrastructure and security improvements. This legislation is expected to meet significant legal challenges as it moves forward.

In 2007, OCTA's advocacy efforts in this regard will emphasize the following:

- a) Pursue new sources of funding for goods movement infrastructure.
- b) Continue to work with local, regional, state, and federal entities, as well as with the private sector, to develop and implement needed infrastructure projects.
- c) Ensure that public control of goods movement infrastructure projects is retained at the local level.

Spillover

Enacted in 1971, the Transportation Development Act (TDA) was designed to enhance transportation funding in California without increasing the overall sales tax rate by reducing the state sales tax on all goods by one-quarter percent and allowing each county board of supervisors to impose a one-quarter percent sales tax for local transportation purposes. All 58 counties chose to enact the one-quarter percent sales tax.

As the reduction in the state sales tax would impact state General Fund revenues, a state sales tax was then imposed on gasoline to mitigate the loss to the General Fund. At the time, the amount of revenue generated by imposing the state sales tax on gasoline was equivalent to the one-quarter percent sales tax on all goods thus holding harmless the General Fund from any loss of revenue.

The following year, as gas prices increased, the state sales tax on gasoline generated more revenue than the state lost through the diversion of the one-quarter cent sales tax on all goods to counties. The imposition of the state sales tax on gasoline was not intended to create a windfall for the General Fund, so legislation was enacted that required any excess revenue be transferred to what is now known as the Public Transportation Account (PTA) to be used for transit purposes. This excess revenue has become known as “spillover.”

However, voter-approved Proposition 42 which dedicated the state sales tax on gasoline that is transferred to the General Fund to the Transportation Investment Fund for transportation purposes, is not extended to “spillover” revenues. Since “spillover” goes directly from the Retail Sales Tax Fund to the PTA, it is never transferred to the General Fund, and therefore, is not available for the purposes of Proposition 42. The Legislature has used spillover in the past to balance the state budget and cover the cost over-runs on the Bay Bridge. Spillover continues to be vulnerable to legislative diversion, despite the protections offered by Proposition 42 to other transportation funding.

Therefore, OCTA will:

- a) Support the elimination of the statute that requires the spillover set-aside, thus allowing all gasoline sales tax funds to flow to Proposition 42.

I. STATE BUDGET

With continued state budget deficits, OCTA remains concerned about the status of transportation funding in California. Transportation loans, transfers, and suspensions totaling over \$5 billion in the last six years have exacerbated the existing demand for transportation investment in California. In fact, the CTC has identified over \$120 billion in unfunded rehabilitation needs alone on California’s highways, local streets and roads, and public transit over the next decade.

Consequently, OCTA will be alert to the further erosion of state funding, as well as state attempts to shift their costs to local entities or to secure a larger state share of federal transportation funding.

Key actions by OCTA will include:

- a) Oppose further loans from state highway and transit accounts to the state General Fund, deferral of existing loan repayment provisions, taking of “spillover” revenue from the Public Transportation Account, or relaxation of payback with interest provisions.
- b) Oppose unfunded mandates for transportation agencies and local governments in providing transportation improvements and services.

- c) Oppose efforts to fund the Small Business Guarantee Program with spillover revenues unless it includes provisions to repay the loan with interest over a short term and holds the State Transit Assistance (STA) program harmless.
- d) Oppose cost shifts or changes in responsibility for projects funded by the state to the local transportation entities.
- e) Oppose allocation of OCTA's statutory portions of the state highway and transit funding programs for alternative purposes.
- f) ~~Oppose efforts to utilize any future statewide transportation funds to cover Bay Bridge cost overruns.~~
- g) ~~Support the allocation of OCTA's STIP reserve.~~
- h) Support legislation to treat the property tax of single-county transit districts the same as multi-county districts and correct other Educational Revenue Augmentation Fund (ERAF) inequities between like agencies.
- i) Seek additional funding for paratransit operations, including service for persons with disabilities and senior citizens.
- j) ~~Support a Constitutional amendment to require the state to pay back with interest any funds loaned to it from the transportation accounts.~~
- k) Support the Constitutional protection of all transportation funding resources.

II. STATE/LOCAL FISCAL REFORMS AND ISSUES

As California's budget challenges continue, uncertainties over potential future structural changes remain. OCTA is concerned that local agencies will be impacted as the Legislature and Administration attempt to erase the budget deficit and repay loans coming due in the next few years.

Therefore, OCTA will:

- a) Oppose efforts to reduce local prerogative over regional program funds.
- b) Oppose instituting regional gasoline sales taxes or user fees that would not be directly controlled by county transportation commissions.
- c) Oppose efforts to increase the one and one-half percent cap on administrative fees charged by the Board of Equalization on the collection of local sales taxes measures.
- d) Oppose legislative efforts to redirect Proposition 116 funds outside of the county/region approved by the voters upon passage of the initiative.

- e) Oppose efforts to transfer traditional federal funding sources from local agencies to the state and support equitable distribution of new federal funding programs in the state implementation legislation for the federal surface transportation act.
- f) Support legislation protecting or expanding local decision-making in programming expenditures of transportation funds.
- g) Support efforts to ease or simplify local matching requirements for state and federal grants and programs.
- h) Support the retention of existing local revenue sources.
- i) Support legislation to protect the flexibility of federal aid highway funds by requiring state compliance with federal highway safety requirements.
- j) Support flexibility for obligating regional federal transportation funds through interim exchange instead of loss of the funds by the local agency.
- k) Investigate updating the formula used to sub-allocate gas tax between counties and cities.

III. STIP REFORM

The State Transportation Improvement Program (STIP), substantially amended by SB 45, Kopp (Chapter 622, Statutes of 1997), is a programming document that establishes the funding priorities and project commitments for transportation capital improvements in California. The STIP is primarily funded from the State Highway Account (SHA).

SB 45 placed decision-making closest to the problem by providing project selection for 75 percent of the funding in the Regional Transportation Improvement Program (RTIP). This funding is distributed to counties based on an allocation formula. The remaining 25 percent of the funds is programmed by the Caltrans in the Interregional Transportation Improvement Program (ITIP).

Key provisions to be sought by the OCTA include:

- a) Sponsor legislation to guarantee reimbursement of project costs advanced with local funds for projects approved by the CTC in the STIP.
- b) ~~Sponsor legislation to provide a stable base of funding used to calculate the amount of STIP funding that regional transportation planning agencies and county transportation commissions can use for planning, programming, and monitoring purposes.~~
- c) Support legislation that maintains equitable “return to source” allocations of transportation tax revenues, such as updating north/south formula distribution of county shares and ITIP allocations.

- d) Support legislation to clarify that programming of county shares has priority over advancement of future county shares.
- e) Support maintaining the current STIP formula, which provides 75 percent of the STIP funding to the locally nominated RTIP and 25 percent to the ITIP Program.
- f) Support a formula based guaranteed disbursement of the ITIP.
- g) Support establishing a consistent four-year time period for all phases of the STIP funding cycle including programming, implementing, and auditing of local share funding.
- h) Support removing the barriers for funding transportation projects including allowing local agencies to advance projects with local funds when state funds are unavailable due to budgetary reasons, and allowing regions to pool federal, state, and local funds in order to limit lengthy amendment processes and streamline project delivery time.
- i) Support exemptions for State Highway Operation and Protection Program (SHOPP) safety projects so that these projects can continue in the event the budget is not passed by the constitutional deadline.
- j) ~~Support requiring TCRP projects that are advanced with non-TCRP funds be reimbursed from the TCRF before advancing other TCRP projects.~~
- k) Support legislation to involve county transportation commissions in development and prioritization of SHOPP projects.

IV. TRANSIT PROGRAMS

In 2005, OCTA was recognized by the American Public Transportation Association as the “Outstanding Public Transportation System of the Year.” OCTA’s legislative efforts in 2007 will focus on allowing the agency to continue to provide the reliable, safe, and efficient bus service that riders have come to count on.

To that end, OCTA will focus on the following:

- a) Oppose unfunded transit mandates that may occur as part of California’s Olmstead Plan, which encourages independence in the disabled community.
- b) Support legislation to encourage the interoperability of smart card technology within California.
- c) Support legislation to limit the liability of transit districts for the location of bus stops (Bonanno v. Central Contra Costa Transit Authority).

- d) ~~Support studying the policies, funding options, and need for rail/highway grade separations including any impact on existing state highway and transit funding sources. (MOVED TO RAIL SECTION)~~
- e) Support the siting of transit oriented development projects (i.e. authorize extra credit towards housing element requirements for these developments).
- f) Support additional funding for paratransit operations, including service for persons with disabilities and senior citizens.
- g) ~~Support legislation to update the California Vehicle Code with respect to technological advances in bus destination signs that provide effective communication to OCTA's customers, but prevent distraction to other motorists.~~

V. ROADS AND HIGHWAYS

OCTA's commitment to continuously improve mobility in Orange County is reflected through a dynamic involvement in such innovative highway endeavors as the ownership of the 91 Express Lanes and the use of design-build authority on the SR-22 project. OCTA will continue to seek new and innovative ways to deliver road and highway projects to the residents of Orange County and to that end, in 2007, OCTA will focus on the following:

- a) Oppose changes to eminent domain laws that would otherwise inhibit construction of public transportation projects.
- b) Oppose efforts to create a conservancy that would affect the delivery of transportation projects under study or being implemented in the region.
- c) Support administrative policy changes to lower the oversight fee charged by Caltrans to ensure that project support costs are equivalent whether the project is administered by Caltrans or a local agency.
- d) Support improvements in major trade gateways in California to facilitate the movement of intrastate, interstate, and international trade beneficial to the state's economy.
- e) Support streamlining of the Caltrans review process for projects, simplification of processes, and reduction of red tape, without compromising environmental safeguards.
- f) Explore viability of statutory authorization to manage construction projects on state highways similar to the authority vested in the Santa Clara Valley Transportation Authority.
- g) Support customer privacy rights while maintaining OCTA's ability to effectively communicate with customers and operate the 91 Express Lanes.

- h) Work with Caltrans to ensure design specifications for bridges are free from defect.
- i) Explore options with the state, the county, cities, and other local jurisdictions to ensure greater cooperation in the control of street signal coordination, prioritization, preemption, and use of transportation management systems.
- j) Work with Caltrans to further improve street signal coordination by permitting the coordination of on and off-ramp signals with local street signal synchronization efforts.
- k) Explore opportunities with Caltrans to increase utilization of HOV lanes.

VI. RAIL PROGRAMS

Metrolink is Southern California's commuter rail system that links residential communities to employment and activity centers. In 2006, Metrolink celebrated its 12th anniversary of operation in Orange County. Orange County is served by three routes: the Orange County (OC) Line, the Inland Empire-Orange County (IEOC) Line, and the 91 Line (Riverside-Fullerton-Los Angeles).

Currently, OCTA administers 68 miles of track that carry more than 3 million passengers per year. OCTA's Metrolink capital budget is funded through a combination of local, state, and federal funding sources.

In addition to Orange County Metrolink services, two other rail systems could also travel through the county at some point in the future – High Speed Rail and Magnetic-Levitation (Maglev). While the status and future of these programs is uncertain, OCTA will be watchful to ensure that funding for these rail systems does not impact other transportation funding sources.

Key advocacy efforts will emphasize the following:

- a) Co-sponsor, with the City of Anaheim, legislation that would extend the initial operating segment of the California High-Speed Rail System from the Los Angeles area to Anaheim.
- b) Support legislation that encourages mixed-use development around rail corridors.
- c) Support equitable distribution of bond revenue for feeder rail service.
- d) Support legislation that will aid in the development, approval, and construction of projects to expand goods movement capacity and reduce congestion.
- e) Support studying the policies, funding options, and need for rail/highway grade separations including any impact on existing state highway and transit funding sources. (MOVED FROM TRANSIT SECTION)

VII. ADMINISTRATION/GENERAL

General administrative issues arise every session that could impact OCTA's ability to operate efficiently. Key positions include:

- a) Oppose legislation and regulations adversely affecting OCTA's ability to efficiently and effectively contract for goods and services, conduct business of the Authority, and limit or transfer the risk of liability.
- b) Support legislation that is aimed at controlling, diminishing, or eliminating unsolicited electronic messages that congest OCTA's computer systems and reduce productivity.
- c) Support legislation that establishes reasonable liability for non-economic damages in any action for personal injury, property damage, or wrongful death brought against a public entity based on principles of comparative fault.

XIII. ENVIRONMENTAL POLICIES

Changes in environmental laws can affect OCTA's ability to plan, develop, and build transit, rail, and highway projects. While OCTA has been a leading advocate for new cleaner transit technologies and the efficient use of transportation alternatives, it also remains alert to new, conflicting, or excessive environmental statute changes.

Key positions include:

- a) Oppose efforts to grant special interest groups control or influence over the CEQA process.
- b) Oppose expanded use of HOV lanes for purposes not related to congestion relief or air quality improvement.
- c) Oppose legislation that restricts road construction by superseding existing broad-based environmental review and mitigation processes.
- d) Support creative use of paths, roads, and abandoned rail lines using existing established rights of way to promote bike trails and pedestrian paths.
- e) Support incentives for development, testing, and purchase of clean fuel commercial vehicles.
- f) Support an income tax credit to employers for subsidizing employee transit passes.
- g) Support efforts to seek funding for retrofitting or re-powering heavy duty trucks and buses for cleaner engines to attain air quality standards.

- h) Support legislation to require AQMD to grant transit demonstration projects a temporary relief from having to initiate or test new services with alternative fuel vehicles.
- i) Support legislation to further integrate state and federal environmental impact studies.
- j) Work closely with the California Air Resources Board (CARB) on regulations governing greenhouse gas emission reductions as established by AB 32 (Chapter XX, Statutes of 2006)

IX. EMPLOYMENT ISSUES

As a public agency and one of the largest employers in Orange County, OCTA balances its responsibility to the community and the taxpayers to provide safe, reliable, cost-effective service with its responsibility of being a reasonable, responsive employer.

Key advocacy positions include:

- a) Oppose efforts to impose state labor laws on currently exempt public agencies.
- b) Oppose legislation that circumvents the collective bargaining process.
- c) Oppose legislation and regulations adversely affecting OCTA's ability to efficiently and effectively deal with labor relations, employee rights, benefits, and working conditions, including health, safety, and ergonomic standards for the workplace.
- d) Support legislation that reforms the worker's compensation and unemployment insurance systems, and labor law requirements that maintain protection for employees and allow businesses to operate efficiently.
- e) Work closely with the County of Orange on legislation that is introduced that may affect membership in the Orange County Employees Retirement System.

X. TRANSPORTATION SECURITY

With the recent increase and severity of terrorists attacks around the world on transit systems, greater emphasis is being placed on transportation security in the United States. As the County's bus provider and Metrolink partner, OCTA comprehends the importance of securing our transportation network and protecting our customers. Presently, OCTA maintains a partnership with the Orange County Sheriffs Department to provide OCTA Transit Police Services to the bus and train systems in Orange County. OCTA is also currently working with its community partners on an effort to install video surveillance systems at Metrolink stations and on buses to enhance security efforts.

Heightened security awareness, an active public safety campaign, and greater surveillance efforts, all require additional financial resources. Consequently, in 2007, OCTA's advocacy position will highlight:

- a) Support state homeland security and emergency preparedness funding and grant programs to local transportation agencies to alleviate financial burden placed on local entities.
- b) Support legislation that would reduce the time period to retain video surveillance records to reflect current reasonable technological capabilities.

BOARD COMMITTEE TRANSMITTAL



September 19, 2006

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Orange County Transportation Authority's Draft 2007 Federal Legislative Platform

This item will be considered by the Legislative and Government Affairs/Public Communications Committee on September 21, 2006. Following Committee consideration of this matter, staff will provide you with a summary of the discussion and action taken by the Committee.

Please call me if you have any comments or questions concerning this correspondence. I can be reached at (714) 560-5676.



September 21, 2006

To: Legislative and Government Affairs/Public Communications
Committee

From: Arthur T. Leahy, Chief Executive Officer ^{MV}

Subject: Orange County Transportation Authority's Draft 2007 Federal
Legislative Platform

Overview

An initial draft of the Orange County Transportation Authority's 2007 Federal Legislative Platform has been prepared for Board consideration to direct staff to circulate for further review and comment by interested parties.

Recommendation

Authorize staff to circulate copies of the Draft 2007 Federal Legislative Platform to advisory groups, Orange County legislative delegations, cities, and interested members of the public.

Discussion

Annually, Orange County Transportation Authority (OCTA) staff collects legislative ideas from interested parties within Orange County, subsequently evaluating and consolidating suggestions and strategies into framework documents to guide OCTA's state and federal legislative activities for the upcoming year.

2007 Federal Legislative Platform

The Draft 2007 Federal Legislative Platform, presented as Attachment A, is proposed to update the adopted 2006 program based upon what has transpired in Washington, D.C. this year and what are anticipated to be the key legislative issues next year.

Proposed changes from the 2006 Federal Legislative Platform are designated by underlined and strikethrough text. The attachment incorporates new suggestions and initiatives solicited by OCTA staff from the following groups:

- OCTA Board Members
- OCTA advisory groups
- OCTA division directors, department managers, and staff
- Orange County federal and state legislative delegation members
- Cities, chambers of commerce, and the County of Orange
- Orange County community based organizations and associations
- Users of OCTA services

Over 300 groups and individuals were asked to consider issues important to OCTA or problems currently affecting Orange County transportation that might be addressed by legislative solutions. Federal Relations' staff considered the ideas and input received when drafting the Draft 2007 Federal Legislative Platform.

Major new sections and concepts included in this year's platform reflect current and anticipated issues for the next session of Congress. It is important to note that the mid-term elections in November may have an impact on which political party retains or takes control of one or both houses of Congress. Since the platform will not be finalized until after the November election, final drafting may be modified as needed after that date.

Major legislative and/or advocacy issues planned for consideration next year are anticipated to focus on preparations for the next round of surface transportation reauthorization. The Safe Accountable Flexible Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU) is set to expire September 30, 2009. Congressional committees of jurisdiction are expected to begin drafting the next reauthorization bill early next year. OCTA will seek support for project authorizations and regulatory changes, including:

- Project authorization for the Riverside Freeway (State Route 91) congestion relief projects, Anaheim Regional Transportation Intermodal Center (ARTIC), increased funding for Alameda Corridor East (ACE), amendments to the Los Angeles-San-Diego-San Luis Obispo Rail Corridor Agency (LOSSAN Corridor) to ensure federal authorization for all counties, including Orange County, that serve and are impacted by the rail corridor.
- Greater levels of federal investment in freight corridors throughout Orange County and Southern California, which facilitate the movement of goods entering the Los Angeles/Long Beach ports from Pacific Rim countries to the rest of the nation.

-
- Amendments to allow highway funds to be used for soundwalls or soundwall improvements intended to mitigate impacts on local communities adjacent to goods movement corridors. The Federal Highway Administration (FHWA) does not currently permit use of highway funds to retrofit soundwalls, yet federal trade policies have lead to increased freight traffic along goods movement corridors and therefore, greater noise levels along the impacted freeways.
 - OCTA may seek funding for Phase II of the Garden Grove Freeway (State Route 22) project and federal authorization for easements to the Seal Beach Naval Weapons Center.

Lastly, the next Congress is also likely to begin consideration of revenue enhancements as part of the next reauthorization bill. The Highway Trust Fund is expected to be fully depleted by 2008-09. As such, there are a number of options being considered by Congress and the Administration to address future funding for federal surface transportation programs including: Public Private Partnerships, High Occupancy Toll (HOT) Lanes, and possible adjustments to the federal excise tax on gasoline and diesel, which have not been adjusted since the early 1990's. Staff is not recommending that the Board take a position on any of these issues at this time. However, we will bring analysis and recommendations forward for the Board's consideration as specific legislation is developed.

Next Steps

Upon the Committee's authorization, staff will circulate the Draft 2007 Federal Legislative Platform to key audiences for additional comment and revision. After further staff refinement, the Legislative and Government Affairs/Public Communications Committee will provide a final review and make a recommendation to the Board of Directors.

The final 2007 Federal Legislative Platform will be forwarded to the Board of Directors for adoption at its November 13, 2006 meeting.


Summary

Upon Board authorization, the Draft 2007 Federal Legislative Platform will be circulated for review and brought back to the Board in November for adoption.

Attachment

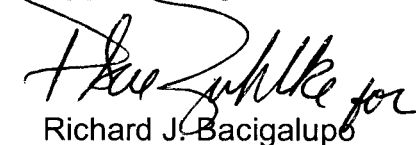
- A. Draft Orange County Transportation Authority 2007 Federal Legislative Platform

Prepared by:



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Draft
Orange County Transportation Authority
2007 Federal Legislative Platform

INTRODUCTION

With a population of over three million, Orange County is the second largest county in California and the fifth largest county in the nation. Orange County is also one of the most densely populated areas in the country and is second only to San Francisco for the most densely populated county in the state of California. National and global attractions include Disneyland, Knott's Berry Farm, and over 42 miles of beaches, making Orange County a worldwide vacation destination.

Among metro areas in the United States, Orange County has the 11th largest gross domestic product and is home to the 12th busiest airport in the nation. In addition, Orange County provides highway and rail corridors that facilitate an increasing level of international trade entering the Southern California ports. With regard to federal revenues, Orange County is consistently a donor county within a donor state.

OCTA's Federal Legislative Platform outlines the statutory, regulatory, and administrative goals and objectives of the transportation authority. The following platform was adopted by the OCTA Board of Directors to provide direction to staff and federal legislative advocates for the ~~second~~first session of the ~~110~~110th Congress.

I. Fiscal Year 20078 Transportation Appropriations

The annual appropriations process will play a significant roll in the OCTA 20076 federal legislative platform. OCTA will focus on highway and transit infrastructure, homeland security, environmental streamlining and stewardship, and goods movement. As part of the fiscal year 20078 transportation appropriations bill, OCTA will work to secure federal funding for the following projects:

- a) Riverside Freeway (State Route 91) widening and Orange County/Riverside chokepoint projects.
- b) Grade separation improvements along Orangethorpe corridor in north Orange County.
- c) San Diego Freeway (Interstate 405) widening and improvements.
- d) San Diego Freeway (Interstate 5) and Ortega Highway chokepoint and interchange improvements.
- e) Improvements to relieve chokepoint congestion at the Interstate 5 (I-5) and Costa Mesa Freeway (State Route 55).
- f) Phase I of the I-5 South high occupancy lane (HOV) project.
- g) The Orange County Rapid Transit project, which includes Metrolink service enhancements and Bus Rapid Transit.
- h) Improvements along the Bristol Street multi-modal corridor in Santa Ana.
- i) Phase II of the Garden Grove Freeway (State Route 22) project and federal authorization for easements to the Seal Beach Naval Weapons Center.

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Orange County Transportation Authority
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Other funding priorities for OCTA include:

- a) Support appropriations and additional funding of transit security grant programs for the Department of Homeland Security to protect county surface transportation systems, including highways, transit facilities, rail lines, and related software systems.
- b) Support Small Start funding for the Orange County Rapid Transit project.
- c) Support full funding of Section 5309 (m)(1)(a) rail modernization grant funds.
- d) Support bus and bus-related OCTA projects under Section 5309 (m)(1)(c).
- e) In concert with regional transportation agencies, seek funding for the Southern California Regional Training Consortium to develop bus maintenance training information to the transit agencies throughout Southern California.
- j) Inter-county express bus service to assist commuters between Orange, Los Angeles and Riverside counties.

II. Highways, Transit, and Rail – Next Round of Reauthorization Begins

The federal surface transportation bill passed in July 2005, the Safe Accountable Flexible Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU), included a significant level of funding for OCTA and authorized funding for critical highway and transit projects. However, there are a number of vital infrastructure projects – both highway and rail – that continue to require authorization to address specific highway, rail, and transit needs throughout the County and Southern California region. As Congress gears up for the next round of reauthorization of the federal surface transportation bill, OCTA will seek authorization and funding for the following projects:

PROJECT AUTHORIZATION

- a) Support legislative efforts to authorize the State Route 91 (SR-91) congestion relief projects.
- b) Support authorization and funding for the Anaheim Regional Transportation Intermodal Center (ARTIC).
- c) Support continued authorization of and funding for the four-county Alameda Corridor East (ACE) project.
- d) Support amendments to the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor Agency (LOSSAN Corridor) to ensure federal authorization for all counties, including Orange County, that serve and are impacted by the rail corridor. As currently authorized, only projects within 10 percent of the corridor would be eligible. Because of the shared use of the LOSSAN Corridor, improvements along any stretch of rail line would have positive impacts to other areas.
- e) Support efforts to authorize and fund Maglev transportation from Anaheim to Ontario Airport and Ontario to Las Vegas. Support funding to augment state and local efforts for high speed rail service to and from Anaheim.

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REGULATORY CHANGES

- a) Designate the Orange County portion of the BNSF/Orangethorpe corridor as part of the Alameda Corridor East/national goods movement corridor.
- b) The Federal Highway Administration (FHWA) recently began to require that agencies prepare a 30-year cash flow analysis for the long range Regional Transportation Plan (RTP). OCTA and other planning agencies already perform this level of analysis for the six-year Transportation Improvement Program (TIP) and doing a 30-year analysis for the RTP is redundant and costly.
- c) SAFTEA-LU implementing regulations, shifted the approval of RTP amendments involving Transportation Control Measures (TCM) from FHWA to the Environmental Protection Agency (EPA). OCTA requests that this approval process revert back to FHWA and maintain a consultation process with EPA.
- d) Request Federal Transportation Enhancement (TE) program guidelines be amended to permit use of TE funds for soundwalls as a local option. The FHWA does not permit the use of highway funds to retrofit soundwalls, yet federal trade policies have lead to increased freight traffic along goods movement corridors and hence noise along the freeways. OCTA requests that the policy be amended to allow highway funds to be used to mitigate the impacts of freight traffic on local communities adjacent to goods movement corridors.

III. Advocacy Efforts for Existing Federal Highway and Transit Programs

- a) Work with regional agencies to advocate for a high ranking of the ACE project as part of the U.S. Department of Transportation's Projects of National and Regional Significance (PNRS) program.
- b) Seek support from the Federal Transit Administration and Orange County Congressional delegation for the Orange County Rapid Transit Project.
- c) Pursue funding for applicable transit programs newly authorized by SAFETEA-LU, including Small Starts, Jobs Access Reverse Commute (JARC), and New Freedom program for new transportation services and public transportation alternatives beyond those required by the Americans with Disabilities Act (ADA).
- d) Support environmental streamlining and stewardship efforts by the relevant federal agencies.
- e) Support expedited federal review and payments to local agencies and their contractors for project development, right-of-way acquisition, and construction activities.
- f) Support bond measures for Amtrak improvements in high-speed rail corridors.
- g) Work with the Southern California Regional Transit Training Consortium on its fiscal year (FY) 2007 legislative efforts to obtain federal funds to streamline bus maintenance training for alternative fuel buses.

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Orange County Transportation Authority
2007 Federal Legislative Platform

IV. Homeland Security

OCTA continues to work cooperatively with neighboring transit agencies, Urban Area Security Initiative (UASI) partners, state Homeland Security grant partners, and local jurisdictions to develop regional and countywide strategic plans for terrorism preparedness. Last year, the Department of Homeland Security (DHS) released the first level of federal funding to enhance the security of regional bus and rail systems as part of the FY 2005 Transit Security Grant Program (TSGP). In addition to seeking additional grant funding in FY 2007 to secure the county's highways, rail and transit systems, OCTA will pursue the following regulatory and statutory changes to address homeland security needs:

- a) Support increased federal funding to transit agencies for operational security improvements for highways, transit, and rail security in the United States.
- b) Support a fair distribution of grant funds based on the risk of terrorism as estimated by the DHS, in lieu of formulas based solely on size of population.
- c) Support programs that reach out to state homeland security officials to improve information exchange protocols, refine the Homeland Security Advisory System, and support state and regional data coordination.

V. Goods Movement

OCTA will continue to support Southern California regional goods movement efforts to ease congestion and facilitate the significant international trade entering the Southern California ports. OCTA will seek funding for the following goods movement projects:

- a) Support additional funding for Alameda Corridor East (ACE) grade separation projects in Orange County, ~~including the OnTrac initiative and Orangethorpe Corridor, along the Orangethorpe corridor.~~
- b) Support funding for highway improvements along Orange County trade corridors, including the SR-91, Orange Freeway (State Route 57), I-5, and I-405.

VI. Environmental Policy and Regulatory Requirements

Federal environmental laws and regulations affecting OCTA include the National Environmental Protection Act (NEPA), the Federal Clean Air Act, Federal Water Pollution Control Act, and the Endangered Species Act. OCTA's historical positions with regard to these acts and related regulations include:

- a) Seek opportunities to streamline the environmental process for federally funded projects.
- b) Support implementation of a NEPA pilot project, authorized by SAFETEA-LU, to apply to OCTA federally-funded projects.
- c) Support legislation and federal grant programs that encourage ridesharing and related congestion relief programs for Orange County commuters.

In addition, OCTA takes the following positions with regard to U.S. Departments providing federal oversight, specifically:

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- a) Support efforts to work with the Administration to equitably resolve the FHWA interpretation of the Americans with Disabilities Act (ADA) compliance guidelines that retroactively requires the implementation of costly curb-ramp upgrades within the boundaries of federally-funded projects. According to state officials implementing these regulations on behalf of FHWA, the requirements apply even if curb ramps are already in place but considered to be out of date according to the most recent ADA guidelines or when the project would not require ground disturbance (i.e. signal synchronization projects funded with Congestion Mitigation and Air Quality funds).
- b) Oppose any regulations or administrative guidance seeking to extend through administrative actions the statutory requirements of ADA.
- c) Support expanded design-build authorization for federally-funded highway and surface transportation projects.
- d) Support expedited federal review and payments to local agencies and their contractors for project development, right-of-way acquisition, and construction activities.
- e) Support streamlined federal reporting and monitoring requirements to ensure efficiency and usefulness of data and to eliminate redundant state and federal requirements.

VII. Employment Issues

Federal employment laws affecting OCTA include the Fair Labor Standards Act, Family and Medical Leave Act, Occupational Safety and Health Act and the Omnibus Transportation Employee Testing Act of 1991. While there is not anticipated to be significant changes to these federal laws next year, OCTA historical positions have included:

- a) Support income tax reductions for employees receiving employer-provided transit passes, vanpool benefits, or parking spaces currently counted as income.
- b) Oppose legislation and regulations adversely affecting the agency's ability to effectively and efficiently address labor relations, employee rights, benefits, and working conditions including health, safety, and ergonomics standards in the workplace.



BOARD COMMITTEE TRANSMITTAL

September 25, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board ^{WK}
Subject: Budget Amendment for Construction of the Buena Park Intermodal Facility

Transit Planning and Operations Committee

September 18, 2006

Present: Directors Brown, Duvall, Green, Norby, Pulido, and Winterbottom
Absent: Director Silva

Director Norby was not present to vote on this item.

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Amend the Orange County Transportation Authority's Fiscal Year 2006-07 Budget, expense Account 0010-7831-T3301-3SA, Local Transportation Authority, Contributions to Other Agencies, by \$7,426,000.
- B. Amend the Orange County Transportation Authority's Fiscal Year 2006-07 Budget, revenue Account 0010-6041-T3301-M03, Local Transportation Authority, FTA Section 5309 Capital Assistance, by \$262,000, and Account 0010-6042-T3301-L43, Local Transportation Authority, FTA Section 5307 Capital Assistance, by \$ 4,500,000.



September 18, 2006

To: Transit Planning and Operations Committee
From: ^{ATLIE} Arthur T. Leahy, Chief Executive Officer
Subject: Budget Amendment for Construction of the Buena Park Intermodal Facility

Overview

On January 31, 2001, the Orange County Transportation Authority Board of Directors approved a cooperative agreement with the City of Buena Park to establish the roles, responsibilities, funding, and process for the construction of the Buena Park Intermodal Facility. Due to an oversight, a budget amendment is needed for completion of construction of the facility in accordance with the Metrolink expansion plans. This represents no new funding for the project.

Recommendations

- A. Amend the Orange County Transportation Authority's Fiscal Year 2006-07 Budget, expense Account 0010-7831-T3301-3SA, Local Transportation Authority, Contributions to Other Agencies, by \$7,426,000.
- B. Amend the Orange County Transportation Authority's Fiscal Year 2006-07 Budget, revenue Account 0010-6041-T3301-M03, Local Transportation Authority, FTA Section 5309 Capital Assistance, by \$262,000, and Account 0010-6042-T3301-L43, Local Transportation Authority, FTA Section 5307 Capital Assistance, by \$ 4,500,000.

Background

The Buena Park Intermodal Facility (Buena Park Metrolink Station) is the last of the originally planned stations on the Metrolink Orange County Line to be built. On December 9, 2004, the Orange County Transportation Authority (Authority) Board of Directors (Board) authorized the execution of Amendment No.1 to Agreement C-0-1150 to increase the Authority's funding commitment and extend the time period to December 31, 2006. On September 12, 2005, the Board authorized the execution of Amendment No. 2

to Agreement C-0-1150 to increase the Authority's funding commitment based on the certified low bid and costs associated with the Burlington Northern Santa Fe (BNSF) company railroad agreement.

The Authority's total funding commitment is \$9,526,990, comprised of \$6,442,990 in federal sources and \$3,084,000 from Measure M funds. The City of Buena Park (City) is committing \$2,387,000. The Board has approved total project funding of \$11,913,990. This budget amendment will allocate funds into the Authority's Fiscal Year 2006-07 Budget to reimburse the City for construction costs in accordance with the funding commitments. This represents no new funding for the project.

Discussion

On September 12, 2005, the Board authorized Amendment No. 2 to Agreement C-0-1150. The notice to proceed for construction activities occurred in late January 2006 when the City executed the railroad agreement with the BNSF company. Costs for construction are submitted by the City to the Authority for reimbursement. This budget amendment will enable the payment of these invoices.

Fiscal Impact

Because of staff error, this project expense funding was not included in the Authority's Fiscal Year 2006-07 Budget and will require a budget amendment to Account 0010-7831-T3301-3SA, Local Transportation Authority, Contributions to Other Agencies.

Revenue sources were also not included in the Authority's Fiscal Year 2006-07 Budget and will require a budget amendment to Account 0010-6041-T3301-M03, Local Transportation Authority, FTA Section 5309 Capital Assistance and Account 0010-6042-T3301-L43, Local Transportation Authority, FTA Section 5307 Capital Assistance.

Summary

Staff recommends approval to prepare a budget amendment to the Authority's Fiscal Year 2006-07 Budget. Revenue and expense accounts will be established to address the project funding. This budget amendment will reimburse the City for construction costs of the Buena Park Metrolink Station.

Attachment

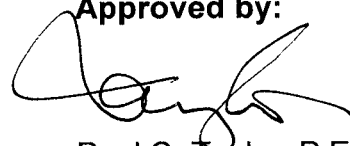
None.

Prepared by:



Anh-Tuan Le, P.E.
Senior Civil Engineer
(714) 560-5492

Approved by:



Paul C. Taylor, P.E.
Executive Director, Development
(714) 560-5431



BOARD COMMITTEE TRANSMITTAL

September 25, 2006

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Budget Amendment for Parking Expansion at the Irvine Transportation Center

Transit Planning and Operations Committee

September 18, 2006

Present: Directors Brown, Duvall, Green, Norby, Pulido, and Winterbottom
Absent: Director Silva

Director Norby was not present to vote on this item.

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Amend the Orange County Transportation Authority's Fiscal Year 2006-07 Budget, expense Account 1751-7831-A4455-3TL (General Fund, Contributions to Other Agencies), by \$4,733,000.
- B. Amend the Orange County Transportation Authority's Fiscal Year 2006-07 Budget, revenue Account 0001-6041-A4455-M13 (General Fund, FTA Section 5309 Capital Assistance), by \$2,500,000, an accounts 0001-6042-A4455-L10 and 0001-6042-A4455-L13 (General Fund, FTA Section 5307 Capital Assistance), by \$1,033,000 and \$1,200,000, respectively.



September 18, 2006

To: Transit Planning and Operations Committee
From: ^{ATL/EZ} Arthur T. Leahy, Chief Executive Officer
Subject: Budget Amendment for Parking Expansion at the Irvine Transportation Center

Overview

On October 8, 2003, the Orange County Transportation Authority Board of Directors approved a cooperative agreement with the City of Irvine to provide funds for the preparation of plans for a new parking structure. Due to an oversight, a budget amendment is needed for completion of design and construction of a 1,500-space parking structure in accordance with the Metrolink expansion plans. This represents no additional funds for the project.

Recommendations

- A. Amend the Orange County Transportation Authority's Fiscal Year 2006-07 Budget, expense Account 1751-7831-A4455-3TL (General Fund, Contributions to Other Agencies), by \$4,733,000.
- B. Amend the Orange County Transportation Authority's Fiscal Year 2006-07 Budget, revenue Account 0001-6041-A4455-M13 (General Fund, FTA Section 5309 Capital Assistance), by \$2,500,000, an accounts 0001-6042-A4455-L10 and 0001-6042-A4455-L13 (General Fund, FTA Section 5307 Capital Assistance), by \$1,033,000 and \$1,200,000, respectively.

Background

On October 8, 2003, the Orange County Transportation Authority (Authority) entered into Cooperative Agreement C-3-0628 (Agreement) with the City of Irvine (City) to fund up to \$450,000, for the preparation of plans, specifications, and cost estimates for the construction of a new parking structure. In the summer of 2005, the Authority's Board of Directors (Board) approved the Metrolink expansion plan, which includes expansion of parking at the Irvine Transportation Center compatible with increased weekday

and weekend service. Full funding of 1,500 parking spaces was included in the Comprehensive Funding Strategy and Policy Direction adopted by the Board in November 2005. Included in the funding is \$4,733,000 from the Federal Transit Administration (FTA).

This budget amendment will allocate FTA funds into the Authority's Fiscal Year 2006-07 Budget to reimburse the City for design and construction costs. The proposed expense and revenue budget amendment will also streamline the disbursement of funds obtained from different funding sources.

Discussion

On May 8, 2006, the Board approved the Amendment No. 3 to Cooperative Agreement C-3-0628. Recently, the City completed bid documents for a temporary parking lot and design development plans for the main parking structure. This budget amendment will allocate funds into the fiscal year 2006-07 budget to reimburse the City for design and construction costs. It will enable the City to proceed into the bidding and construction of the temporary parking lot. In addition, the City has agreed to apply to the California Transportation Commission (CTC) for direct reimbursement of State Transportation Improvement Program (STIP) funds. When CTC approval is granted to the City and STIP funds are authorized (expected November 3, 2006), the City will be able to proceed into the bidding and construction of the main parking structure.

Fiscal Impact

Because of staff error, this project was not included in the Authority's Fiscal Year 2006-07 Budget and will require an expense budget amendment to Account 1751-7831-A4455-3TL (General Fund, Contributions to Other Agencies). A revenue budget amendment to accounts 0001-6042-A4455-L10 and 0001-6042-A4455-L13 (General Fund, FTA Section 5307 Capital Assistance) and Account 0001-6041-A4455-M13 (General Fund, FTA Section 5309 Capital Assistance) is also required.

Summary

Staff recommends approval to prepare a budget amendment to the Authority's Fiscal Year 2006-07 Budget. Revenue and expense accounts will be established to address the project funding. This budget amendment will enable the City to proceed with completing design of the 1,500-space parking structure for bidding in November 2006, in order to meet a targeted construction completion date of December 2007.

Attachment

None.

Prepared by:



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Senior Civil Engineer
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Approved by:



Paul C. Taylor, P.E.
Executive Director, Development
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BOARD COMMITTEE TRANSMITTAL

September 25, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Retrofit Soundwall Funding Overview

Regional Planning and Highways Committee

September 18, 2006

Present: Directors Correa, Cavecche, Dixon, Green, Monahan, Norby, Pringle, Ritschel, and Rosen
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Director Norby was not present to vote.

Committee Recommendations

- A. Direct staff to continue to fund design and construction of soundwalls through the State Transportation Improvement Program when possible.
- B. Direct staff to make funding of soundwalls with federal funds part of future legislative platforms.



September 18, 2006

To: Regional Planning and Highways Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Retrofit Soundwall Funding Overview

Overview

The Orange County Freeway Retrofit Soundwall Program continues to be a challenge for both the general public and the Orange County Transportation Authority Board of Directors. Staff has researched various methods to enhance the options for funding soundwalls in the county. These options are presented for consideration.

Recommendations

- A. Direct staff to continue to fund design and construction of soundwalls through the State Transportation Improvement Program when possible.
- B. Direct staff to make funding of soundwalls with federal funds part of future legislative platforms.

Background

Retrofit soundwalls refer to soundwalls that are associated with freeway noise due to overall growth in traffic rather than specific freeway projects. Historically, the Orange County Transportation Authority (OCTA) has primarily funded retrofit soundwalls through its share of the State Transportation Improvement Program (STIP); however, due to funding constraints associated with the STIP and greater competition for projects in the STIP, funding available for the Orange County Freeway Retrofit Soundwall Program (Soundwall Program) has diminished significantly. Generally speaking, the STIP is programmed with high priority freeway- and transit-related capacity projects, and historically, soundwalls do not compete well.

Additionally, the Federal Highway Administration does not permit use of federal transportation funds for retrofit projects. The Measure M Ordinance only allows for the funding of soundwalls as part of specific Measure M freeway projects.

Stand-alone retrofit soundwalls are not eligible for Measure M. Accordingly, OCTA has funded retrofit soundwalls through the county share of the STIP.

Staff provides regular updates to the Board of Directors on the Soundwall Program. The last update was presented in June 2006. At that time, 21 locations were in various phases of initial studies. Two projects were ready for design and construction and were fully funded through the construction phase. There have been no changes since that update. A complete list of soundwalls on the retrofit soundwall list are included in Attachment A.

Discussion

OCTA has received requests to assess noise issues at 21 locations; however, not every assessment results in a finding that qualifies the project for STIP funding. In some instances the finding may support a retrofit soundwall, but the location of the feasible wall has private property implications and may also require local maintenance agreements. Soundwalls located on private property are not eligible for STIP funding.

Projects that do qualify for STIP funding are subject to the availability of STIP funds and must be implemented over time as with all STIP projects. The state's transportation funding constraints, competing highway safety and capacity projects, as well as sharp increases in construction costs, has further affected soundwall implementation timetables. OCTA's current rate of delivery for soundwalls, as constrained by funding, is approximately two per STIP cycle, which translates to one per year. At this rate, it would take 23 years to complete the current retrofit list (assuming all are found eligible).

In January 2006, OCTA programmed an additional \$5.1 million of STIP funding for the construction of two existing retrofit projects due to escalating cost of materials. At the same time, the state declined OCTA's request for \$7 million of funding for new retrofit soundwalls. Due to funding constraints associated with the STIP, the two retrofit soundwall projects OCTA planned for construction in fiscal year (FY) 2007-08 were deferred until FY 2009-10. The two soundwall projects are on the San Diego Freeway (Interstate 5) in San Clemente at El Camino Real and Avenida Vaquero.

Staff has researched various options for alternate sources of funding for soundwalls in Orange County. The following two strategies outline possible funding sources for these projects.

Seek Funding of Soundwalls as a Separate Component of the STIP

After OCTA established the Soundwall Program, the state reduced the number of funding categories in the STIP from nine to two. While this change has helped streamline the STIP process, it has also created greater competition for projects in the STIP. Non-capacity projects, such as soundwalls, have seen a significant decrease of available funding. A reintroduction of soundwalls as a separate component of the STIP would reallocate funding for these projects. This would require legislative action and consensus among the other counties in the state.

Pursue Federal Funding of Soundwalls as Part of Legislative Platform

Federal regulations do not allow for the funding of soundwalls with federal funds. OCTA could include the use of federal funds for soundwalls as part of future legislative platforms. This could potentially open a number of options for funding. For example, Congress might expand the definition of the Transportation Enhancement Program to include soundwalls.

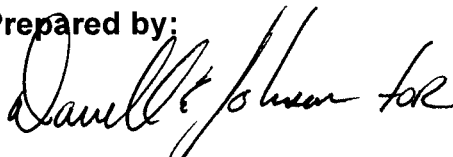
Summary

The demand for and cost of retrofit soundwalls continues to grow, while funding remains extremely limited. Staff has researched various options for alternate funding sources and recommends to continue funding soundwalls through the STIP, as possible, and include the option for federal funding in future legislative platforms.

Attachment

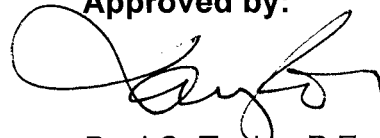
- A. Orange County Freeway Retrofit Soundwall Program: Project List

Prepared by:



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Section Manager, Capital Programs
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Approved by:



Paul C. Taylor, P.E.
Executive Director, Development
(714) 560-5431

Orange County Freeway Retrofit Soundwall Program: Project List

Project Description	City	Status ^{1, 2}
TIER 1: Projects with Approved Studies, Awaiting Design and Construction		
San Diego Freeway (Interstate 5) Southbound (SB) South of El Camino Real	San Clemente	NBSSR Approved
San Diego Freeway (Interstate 5) Northbound (NB) North of Avenida Vaquero	San Clemente	NBSSR Approved
TIER 2: Projects Eligible for Further Studies		
San Diego Freeway (Interstate 5) Northbound (NB) North of Junipero Serra Road	San Juan Capistrano	NSR Approved NBSSR in progress
Riverside Freeway (State Route 91) Eastbound (EB) West of Costa Mesa Freeway (State Route 55)	Anaheim	NSR Approved Initiating NBSSR
Santa Ana Freeway (Interstate 5) Northbound (NB) Southeast of Costa Mesa Freeway (State Route 55)	Tustin	NSR Approved Awaiting NBSSR
Riverside Freeway (State Route 91) Westbound (WB) West of Eastern Toll Road (State Route 241)	Anaheim	NSR Approved Awaiting NBSSR
San Diego Freeway (Interstate 5) Northbound (NB) North of Camino De Estrella	Dana Point	NSR Approved Awaiting NBSSR
San Diego Freeway (Interstate 5) Southbound (SB) South of Avenida Calafia	San Clemente	NSR Approved Awaiting NBSSR
San Diego Freeway (Interstate 405) Southbound (SB) South of Bolsa Avenue	Westminster	NSR in progress
Santa Ana Freeway (Interstate 5) Northbound (NB) South of Riverside Freeway (State Route 91)	Fullerton	NSR in progress
San Diego Freeway (Interstate 5) Northbound (NB) South of South El Camino Real	San Clemente	Study pending available funding
San Diego Freeway (Interstate 5) Northbound (NB) North of Avenida Palizada	San Clemente	Study pending available funding
San Diego Freeway (Interstate 405) Southbound (SB) North of Brookhurst Street	Fountain Valley	Study pending available funding
San Diego Freeway (Interstate 405) Northbound (NB) North of Goldenwest Street	Westminster	Study pending available funding
Orange Freeway (State Route 57) Northbound (NB) North of Lincoln Avenue	Anaheim	Study pending available funding
Orange Freeway (State Route 57) Northbound (NB) South of Lincoln Avenue	Anaheim	Study pending available funding
Costa Mesa Freeway (State Route 55) Northbound (NB) North of Garden Grove Freeway (State Route 22)	Orange	Study pending available funding
San Diego Freeway (Interstate 5) Southbound (SB) South of Camino De Estrella	San Clemente	Study pending available funding
San Diego Freeway (Interstate 5) Northbound (NB) North of Avenida Vista Hermosa	San Clemente	Study pending available funding
San Diego Freeway (Interstate 405) Northbound (NB) North of Beach Boulevard	Huntington Beach	Study pending available funding
San Diego Freeway (Interstate 405) Northbound (NB) South of Brookhurst Street	Fountain Valley	Study pending available funding
San Diego Freeway (Interstate 5) Northbound (NB) South of Camino Las Ramblas	San Juan Capistrano	Study pending available funding
Artesia Freeway (State Route 91) Eastbound (EB) East of Orangethorpe Avenue	La Palma	Study pending available funding

¹ NSR refers to Noise Study Report (first step in state-required process)

² NBSSR refers to Noise Barrier Scope Summary Report (approval required before design may begin)



BOARD COMMITTEE TRANSMITTAL

September 25, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board ^{WK}
Subject: Southern California National Freight Gateway Memorandum of Understanding

Regional Planning and Highways Committee

September 18, 2006

Present: Directors Correa, Cavecche, Dixon, Green, Monahan, Norby, Pringle, Ritschel, and Rosen
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute the Southern California National Freight Gateway Memorandum of Understanding.



September 18, 2006

To: Regional Planning and Highways Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Southern California National Freight Gateway Memorandum of Understanding

Overview

The Southern California National Freight Gateway Memorandum of Understanding establishes a process through which state and federal agencies would share responsibility and work collaboratively with Southern California transportation agencies to address infrastructure needs, environmental affects, and community impacts of increasing goods movement through the region.

Recommendation

Authorize the Chief Executive Officer to execute the Southern California National Freight Gateway Memorandum of Understanding.

Background

The need for high-level federal collaboration to help address Southern California's freight movement challenges emerged at a conference on the National Environmental Policy Act held at the University of California at Irvine in May 2005. As a result of the conference, representatives from the San Bernardino Associated Governments, the Southern California Associations of Governments (SCAG) and the Orange County Transportation Authority (OCTA) met with officials from the United States Department of Transportation, the Department of Interior, the United States Trade Representative, and the United States Environmental Protection Agency to begin discussions and enter into negotiations to generate commitments toward establishment of a formal working relationship in the form of a Memorandum Of Understanding (MOU). Efforts were also focused on obtaining similar commitments from key state agencies such as the Business, Transportation, and Housing and the California Environmental Protection Agency. Recently, working with Senator Dianne Feinstein's (D-CA) office, a conceptual agreement was reached among federal, state, and regional officials to proceed

with negotiation and execution of the MOU (Attachment A). Once the MOU is executed, the "Principal Conveners" (signatories) will deliver a Phasing Scoping Report to the United States Secretary of Transportation and the Governor by January 30, 2007. The report preparation will be led by SCAG; each regional transportation commission and authority has contributed \$5,000 toward the effort.

Discussion

Early and active involvement by federal and state agencies in formulation of freight movement and environmental improvement policy is necessary and appropriate because Southern California's freight challenge is substantially an outgrowth of federal trade and state transportation policies. The MOU underscores the fact that another result of these policies is the need to change the state and federal roles in goods movement policy moving from review and reaction, to collaboration and shared responsibility for a system-wide, phased regional goods movement strategy. The benefits of this new approach include the more timely delivery and approval of goods movement infrastructure projects.

The MOU will also help address the fragmented and overlapping interests of the public and private sectors. As a "Principal Convener," OCTA with other transportation agencies will act as catalysts to assist in coordinating and expediting projects.

On June 25, 2006, the Board of Directors approved the Memorandum of Agreement (MOA) Among County Transportation Commissions to Collaboratively Develop the Southern California Goods Movement Strategy (Attachment B). The MOA was a result of ongoing discussions among the regional transportation agencies regarding the need to develop a goods movement strategy.

The MOU is a follow-on example of cooperation by transportation agencies in the region to build a consensus in the development of that strategy.

Summary

Federal and state collaboration is essential to the formation of a Southern California goods movement implementation strategy.

Attachments

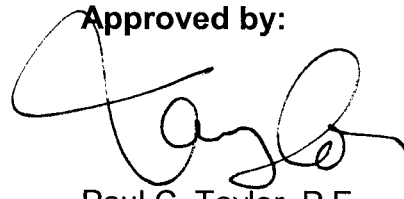
- A. Southern California National Freight Gateway Strategy Memorandum Of Understanding Among Federal, State, Regional and Local Agencies
- B. Memorandum of Agreement Among County Transportation Commissions to Collaboratively Develop the Southern California Goods Movement Strategy

Prepared by:



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Approved by:



Paul C. Taylor, P.E.
Executive Director, Development
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Draft: September 2, 2006: LLM

**SOUTHERN CALIFORNIA
NATIONAL FREIGHT GATEWAY STRATEGY**

**MEMORANDUM OF UNDERSTANDING
AMONG FEDERAL, STATE, REGIONAL AND LOCAL AGENCIES**

October __, 2006

This Memorandum of Understanding (“MOU”) is entered into as of October __, 2006 by the undersigned federal, state and local agencies to provide for the cooperative development of a framework strategy to address environmental and community concerns, issues and opportunities relating to the increasing movement of imported goods within the “Southern California National Freight Gateway” area of the Los Angeles Metropolitan region extending from the Ports in San Pedro Bay and the Port of Hueneme to the cities of Barstow and Indio, California (“National Freight Gateway Area” or “Area”).

I. RECITALS.

Acronyms are defined below.¹

Whereas, the San Pedro Bay Ports of Los Angeles and Long Beach are the largest port complex in the Nation and fifth largest in the world. *Together, they process 14.2 million twenty foot equivalent units of containers (“TEUs”), 44% of all the imported goods entering the Nation, with only 30% of these goods being consumed within the region and 70% being distributed primarily by truck and rail nation-wide. The number of TEUs processed per year is projected to increase to 42 million TEUs by 2030. The freight being moved annually has a value of \$200 billion, supports 2 million jobs, and generates \$16.4 billion in state and local taxes.*

Whereas, the population of the National Freight Gateway Area has been projected to increase from 18.1 to 22.9 million by 2030 (an increase of 4.8 million or 25.6% within 24 years), with significant demands on the capacity of the region’s transportation infrastructure, *independent of any consideration of the increasing movement of freight.*

Whereas, the port of Hueneme is the only deep water harbor between Los Angeles and the San Francisco Bay area and is the U.S. Port of Entry for California’s central coast region. It serves international businesses and ocean carriers from the Pacific Rim and Europe. The Port of Hueneme ranks among the top seaports in California for general cargo throughput. The niche markets that Hueneme serves include: the import and export of automobiles, fresh fruit and produce, and forest products. The Port of Hueneme is the top seaport in the United States for citrus export and ranks among the ten ports in the country for automobile and banana imports. By 2020 it is estimated that total port tonnage will range between 3.4 million and 6 million

metric tons. Its unique positioning near the Santa Barbara Channel also made the Port of Hueneme the primary support facility for the offshore oil industry in the Central Coast area.

Whereas, the regional freeway and railway systems within the Area are already severely congested, with insufficient funding identified to even maintain existing infrastructure. Combined increases in population and freight volumes will significantly worsen congestion on freeways and railways and will increase the need for major new and upgraded infrastructure and increase the costs of on-going maintenance and repair. The Southern California Association of Governments' Regional Transportation Plan anticipates that daily truck traffic serving the Ports will increase from 54,600 trips in 2005 to 142,000 in 2030 and *daily* freight and passenger train traffic will increase from 176 trains in 2000 to 265 to 390 in 2025 and 441 in 2030.

Whereas, the increase in freight movement offers significant economic opportunities to the region in the form of additional business, more and better quality of jobs, and enhanced local, State and federal tax revenues.

Whereas, without major mitigation and State and federal assistance and action, the existing levels, as well as anticipated increases, of freight movement within the Area are resulting in, and threaten further, significant and adverse impacts to its communities and the environment (including but not limited to air and water quality and natural lands and wildlife) and to the health, safety and quality of life of its population. Of particular and major concern are the adverse impacts on air quality by diesel emissions from trucks, trains and ships, and the various related infrastructure and operations, which are the subject of the various plans described below. These impacts are required to be mitigated under the regulatory and policy quilt of current and future State Implementation Plans, Regional Transportation Plans (which must be found to be in conformance with the SIP), State and Federal air quality laws (e.g., with respect to emission thresholds and air toxics) and the National Environmental Policy Act of 1969 (NEPA) and the California Environmental Quality Act (CEQA). The design and implementation of such mitigation will be a daunting challenge.

Whereas, NEPA and CEQA, authorize and encourage coordination and collaboration among local, state and federal agencies and interests (including effective leadership and public participation) in addressing challenges such as those posed by the anticipated increase in goods movement and its impacts on the environment.

Whereas, USDOT, under its recently promulgated *National Strategy to Reduce Congestion on America's Transportation Network*, has established a Southern California "Inter-modal Hot Spot Team", focused on targeting major freight bottlenecks and expanding public outreach in order to assist in convening the constituency of agencies and interests, and, pursuant to Presidential Executive Order 13274, it is designating the Southern California National Freight Gateway a focused area of projects that qualify for coordinated federal agency decision-making.

Whereas, California Governor Arnold Schwarzenegger has issued an executive order, dated

September __, 2006, regarding the Southern California National Gateway Strategy which directs State agencies to cooperate and, where appropriate, collaborate with federal, regional and local agencies in addressing goods movement within the National Freight Gateway Area and related community and environmental impacts.

Whereas, CBTH and CEPA are developing a State Goods Movement Action Plan (“State GMAP”) and pursuant to the Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (“Safta-Lu”; Pub. Law 109-59, 2005; 23 U.S.C. §326), the State has assumed certain responsibilities of the Secretary of Transportation for compliance with NEPA in connection with certain surface transportation projects within California; and, it is anticipated and intended that this MOU will be consistent with and promote the expeditious implementation of the State GMAP.

Whereas, the Ports, SCAG and the CTCs, individually and in some cases collaboratively, are in the process of conducting studies, preparing plans (including, e.g., the San Pedro Ports Clean Air Action Plan, the CTCs/SCAG Multi-County Goods Movement Action Plan, and the updating of SCAG’s Regional Transportation Plan) and undertaking projects to address goods movement and related environmental and community impacts within the National Freight Gateway Area.

Whereas, there are significant delays, inefficiencies, increases in costs and the loss of opportunities resulting from the current fragmented and complex local, state and federal governance systems, processes and practices for planning, designing, funding, implementing and constructing regional freight movement and transportation projects and the regulation thereof for other and related public concerns.

Whereas, the parties now desire through this MOU to establish a process by, among other things, providing for increased cooperation and collaboration among the constituency of affected local, state and national agencies and interests in addressing goods movement and related environmental and community impacts within the National Freight Gateway Area.

II. FURTHER DEVELOPMENT AND IMPLEMENTATION OF A SOUTHERN CALIFORNIA NATIONAL FREIGHT GATEWAY STRATEGY

Based on the foregoing and pursuant to, among other things, the above-mentioned acts and orders, and at the request of Governor Schwarzenegger, CBTH, CEPA and Cal Resources, USDOT, USEPA, USDOJ, USACOE, SCAG, the CTCs, and the Ports, will act as “Principal Conveners” a process referred to in this MOU as the Framework Strategy in convening and managing, as set forth below, a process among affected federal, state, and local agencies and interests and the public, to collaboratively and expeditiously address goods movement and related community and environmental effects within the National Freight Gateway Area in order for Southern California to fulfill its national responsibility to provide and support the conveyance of goods to the rest of the Nation, in a manner, however, that fully addresses and mitigates all adverse community, air quality and environmental effects and impacts.

A. Scoping of the Strategy.

Among other efforts, no later than January 30, 2007, the Principal Conveners shall deliver to the Governor and United States Secretary for Transportation a Phase I Scoping Report. This Report will clearly provide: (i) a preliminary outline of the decision-making and environmental review processes necessary to expeditiously advance the region's objectives of providing goods movement throughput consistent and together with the mitigation of adverse community and environmental impacts and, (ii) the protocols and procedures, schedule and budget for their work in further assisting the constituency of affected agencies and interests to cooperate in the development and implementation of the Framework Strategy.

SCAG will administer the process under the direction of the Principal Conveners. Concurrent with the taking effect of this MOU, and from time to time thereafter, the Principal Conveners may establish informal operating procedures and rules of order, including, the establishment of a chairperson or co-chairpersons and executive committee for the effort. The Principal Conveners have committed the necessary resources through Phase I of the process. It is anticipated that the Framework Strategy will be developed incrementally and will include elements that can be implemented by individual agencies or agencies acting in collaboration and will take into consideration current and past efforts. Local and public input will be critical.

The process provided for is intended only to promote cooperation, coordination and collaboration, where appropriate, among the various affected public local, state and federal agencies in carrying out their individual responsibilities and the private sector and not to limit, increase or affect the authority of any agency under the law.

B. Participation by Public Agencies and Public and Private Organizations.

Other public and private agencies and organizations may become "Participants" in the process under this MOU, as determined appropriate by the Principal Conveners, by providing notice in writing to SCAG. In addition, public participation shall be encouraged and provided for as required by law.

C. Early cooperative efforts of Participants.

The Principal Conveners will cooperate with respect to the consideration and implementation of current goods movement infrastructure projects in accordance with existing laws and regulations.

III. MISCELLANEOUS PROVISIONS.

A. Designation of Representatives.

Each Principal Convener shall designate a person to serve at its pleasure and represent it under

and for the purposes of this MOU by notification in writing to SCAG for the Principal Conveners.

B. No Obligation to Provide Funding.

The commitment to participate under this MOU is subject to existing authorities and the availability of funds. This MOU does not obligate nor commit local, State or Federal funds and will not give rise to a claim for local, State or Federal funds. Any activity involving reimbursement or contribution of funds between the parties to this MOU must be independently authorized by law and will be subject to applicable laws, regulations, and procedures.

C. Non-binding.

Notwithstanding any other provision of this MOU, this MOU will take effect upon its signing (as a single original or in counter-parts) by all of the Principal Conveners and is intended to: (i) state the intent of the parties in order to provide an informal basis for coordination among them and is and shall not be legally binding on any party for any purpose; and, (ii) shall be interpreted to be consistent with applicable provisions of State and Federal law.

D. Amendments; Termination.

Any amendment to this MOU shall be effective as to a party only if agreed to in writing by that party. Any party to this MOU may terminate its participation hereunder by written notice to the SCAG for the Principal Conveners.

IN WITNESS WHEREOF, the parties have signed this MOU on the dates set forth below their signatures.

PRINCIPAL CONVENERS

[The following signature blocks should be revised and completed by the individual agencies]

FEDERAL AGENCIES

Department of Transportation
Dated: _____

_____,
Assistant Administrator for Air and
Radiation
Environmental Protection Agency
Dated: _____

Assistant Secretary for Fish, Wildlife and
Parks
Department of the Interior
Dated: _____

Assistant Secretary of the Army
for Civil Works
United States Army Corps of Engineers
Dated: _____

STATE OF CALIFORNIA

Business, Transportation and Housing
Dated: _____

California Resources Agency
Dated: _____

Environmental Protection Agency
Dated: _____

REGIONAL/LOCAL AGENCIES

Southern California Association of
Governments
Dated: _____

“CTCs”

Los Angeles County Metropolitan
Transportation Authority
Dated: _____

San Bernardino Associated Governments
Dated: _____

Riverside County Transportation
Commission
Dated: _____

Orange County Transportation Authority

Dated: _____

Ventura County Transportation
Commission.

Dated: _____

Imperial County

Dated: _____

“Ports”

Long Beach Board of Harbor
Commissioners

Dated: _____

Los Angeles Board of Harbor
Commissioners

Dated: _____

Port of Hueneme, Oxnard Harbor District

Dated: _____

-
- LAEDC: Los Angeles Economic Development Corporation
 - MTA: Los Angeles Metropolitan Transportation Authority
 - OCTA: Orange County Transportation Agency
 - Ports: Port of Los Angeles and Port of Long Beach
 - RCTC: Riverside County Transportation Commission
 - SANBAG: San Bernardino Associated Governments
 - SCAQMD: South Coast Air Quality Management District
 - SCAG: Southern California Association of Governments
 - USDOT: United States Department of Transportation
 - USEPA: United States Environmental Protection Agency
 - VCTC: Ventura County Transportation Commission
 - USACOE: United State Army Corps Of Engineers

1 **Acronyms:**

- CARB: Calif. Air Resources Board
- CBTH: Calif. Business, Transportation and Housing Agency
- CEPA: Calif. Environmental Protection Agency
- CTCs: County Transportation Commissions including: MTA, OCTA, RCTC, SANBAG, VCTC and IC
- DOI: United States Department of the Interior
- IC: County of Imperial

MEMORANDUM OF AGREEMENT
AMONG
COUNTY TRANSPORTATION COMMISSIONS
TO COLLABORATIVELY DEVELOP THE
SOUTHERN CALIFORNIA GOODS MOVEMENT STRATEGY

This Memorandum of Agreement herein referred to as “MOA”, is entered into as of _____, 2006 by and among the County Transportation Commissions (“CTCs”) of Southern California, namely the Los Angeles County Metropolitan Transportation Authority (“MTA”), Orange County Transportation Authority (OCTA”), Riverside County Transportation Commission (“RCTC”), San Bernardino Associated Governments (“SANBAG”), and the Ventura County Transportation Commission (“VCTC”). Each of the agencies described above (as well as any agencies joining this MOA in the future) shall be collectively referred to herein as the “CTCs”.

WHEREAS, the combined ports of Los Angeles and Long Beach are the largest gateway for containerized imports into the United States and the fifth largest port in the world; and the Port of Hueneme is among the nation’s leaders in fresh produce and fruit exports and automobile imports; and

WHEREAS, Southern California serves as the principal conduit of goods between the United States and Asia at major cost to its transportation infrastructure, environmental quality and human health, and community livability; and

WHEREAS, goods movement within Southern California comprises an important regional economic opportunity if transportation, environmental health, and community impacts can be remedied; and

WHEREAS, the MTA, OCTA, RCTC, SANBAG, and VCTC have a common interest to address the transportation deficiencies, environmental challenges, and economic opportunities associated with goods movement in and through Southern California; and

WHEREAS, it is envisioned that many of the plans, policies, strategies, and projects to address the challenges and grasp the opportunities afforded by goods movement in Southern California will be multi-county in scope; and

WHEREAS, collaboration and cooperation among the CTCs to develop these goods movement plans, policies, strategies, and projects, and similar collaboration in the areas of public outreach and political advocacy is expected to yield the best results for Southern California as a whole.

NOW, THEREFORE, BE IT RESOLVED that:

1. A collaborative effort will be undertaken by the CTCs in order to prioritize and phase the strategies, projects, and measures needed to address transportation, environmental, and community issues associated with goods movement within and through Southern California.

2. Each CTC shall designate a lead staff for all communications and correspondence among the CTCs pursuant to this MOU.
3. Each CTC shall make a good faith effort to notify other CTCs regarding discussions or negotiations on regional goods movement issues with federal, state, private sector, or other CTC representatives.
4. The CTCs recognize the benefits of having defined regional points of contact, and will establish such as needed for various goods movement negotiations, initiatives, and decision-making.
5. The CTCs commit to have regular discussions regarding their efforts in regional goods movement as part of the quarterly Regional Transportation Agencies Coalition meetings, monthly meetings among the Executive Directors of the CTCs, and through the Multi-County Goods Movement Action Plan.
6. It is not the intent of this agreement to establish new authority(ies) for sponsorship or delivery of transportation improvements beyond authorities already granted by state law absent possible future agreements defining a regional goods movement formal structure, as described herein.
7. This MOA will take effect upon signing by all the CTCs, and may be amended only by written revision, signed by all the CTCs.
8. This agreement will remain in effect for a period of three years from the date of execution.
9. Other public agencies responsible for aspects of goods movement in Southern California may become signatories to this agreement by amendment to this agreement.
10. Any CTC may cease to be a party to this agreement by providing written notice of such termination to all other signatories

IN WITNESS WHEREOF, the parties have signed this MOA on the dates set forth below their signatures.

MTA

OCTA

RCTC

SANBAG

VCTC



BOARD COMMITTEE TRANSMITTAL

September 25, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Proposed Memorandum of Understanding with the California High-Speed Rail Authority

Transit Planning and Operations Committee

September 18, 2006

Present: Directors Brown, Duvall, Green, Norby, Pulido, and Winterbottom
Absent: Director Silva

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations (reflects change from staff recommendation)

- A. Authorize the Chief Executive Officer to negotiate and execute a Memorandum of Understanding with the California High-Speed Rail Authority for a project-specific environmental document from Orange County to Los Angeles and an environmental assessment/feasibility study from Orange County to Ontario International Airport.
- B. Direct staff to return with a funding agreement for the project-specific environmental document by March 2007.
- C. Direct staff to seek reimbursement from the state.
- D. Direct staff to continue discussions to include the City of Irvine as a train link.



September 18, 2006

To: Transit Planning and Operations Committee
ATL/E 2

From: Arthur T. Leahy, Chief Executive Officer

Subject: Proposed Memorandum of Understanding with the California High-Speed Rail Authority

Overview

Planning and conceptual engineering efforts are underway to pursue new high-speed ground transportation systems from Orange County to Los Angeles and Ontario International Airport. This report provides an update on these initiatives and proposes a Memorandum of Understanding with the California High-Speed Rail Authority to advance these efforts.

Recommendations

- A. Authorize the Chief Executive Officer to negotiate and execute a Memorandum of Understanding with the California High-Speed Rail Authority for a project-specific environmental document from Orange County to Los Angeles and an environmental assessment/feasibility study from Orange County to Ontario International Airport.
- B. Direct staff to return with a funding agreement for the project-specific environmental document by March 2007.

Background

High-speed ground transportation projects are currently under development in the Southern California region serving Orange County. These efforts include systems linking Anaheim to Los Angeles Union Passenger Terminal (Union Station) and Anaheim to Ontario International Airport (ONT). These systems use either traditional steel-wheel or magnetic levitation technologies to move trains in excess of 200 miles per hour on fully grade separated guideways to provide quick travel times between major destinations.

In November 2005, the California High-Speed Rail Authority (CHSRA) completed a Program Environmental Impact Report/Environmental Impact

Statement (PEIR/PEIS) for a 700-mile high-speed train system serving Sacramento, the San Francisco Bay Area, the Central Valley, Los Angeles, the Inland Empire, Orange County, and San Diego. The Orange County portion of the system would travel at least as far as the City of Anaheim via the Burlington Northern Santa Fe and the Orange County Transportation Authority (OCTA) rail lines (Attachment A). The high-speed service could be extended as far south as Irvine, but OCTA and the cities of Orange and Tustin have expressed concern regarding community impacts with service south of Anaheim. The system would also serve ONT via an eastward connection from Union Station. Trains to the airport would travel on Union Pacific's rail line through the City of Industry, serve ONT, and eventually travel south to San Diego. No direct link from Orange County to ONT is currently proposed by the CHSRA; however, the CHSRA is open to exploring a more direct link from Orange County to ONT to address growing long-distance travel needs (further discussed below).

Given the approval of the PEIR/PEIS in November 2005 and recent budget actions, the CHSRA and OCTA are seeking to develop a partnership to advance the project development process for high-speed ground transportation system serving Orange County. Details of that proposed partnership are discussed below.

Discussion

In October 2005, the Board of Directors (Board) directed staff to develop a Memorandum of Understanding (MOU) to jump-start the project-specific Environmental Impact Report/Environmental Impact Statement (EIR/EIS) for the Union Station to Orange County segment of the high-speed train system. In October 2005, the Board also endorsed the concept of leveraging state funds with local funds for high-speed rail development efforts. Unfortunately, state funding was limited at that point in time and the CHSRA could not commit to the venture with additional state resources. In fiscal year (FY) 2006-07, the state Legislature budgeted \$14.3 million for the CHSRA to begin project-specific environment work needed to implement the system. A portion of this funding will be dedicated to the Orange County to Los Angeles segment of the system.

Given this budget commitment, OCTA and the CHSRA are now ready to enter into a MOU to initiate the project-specific environmental document for the Anaheim to Los Angeles segment of the system. Terms for the draft MOU are presented in Attachment B. Under the draft MOU terms, the CHSRA would:

-
- Manage the EIR/EIS process limited to the Anaheim to Union Station segment
 - Provide \$13 million in state funds for the three-year EIR/EIS process starting FY 2006-07
 - Coordinate improvements associated with the approved Metrolink expansion

As part of the MOU, OCTA would:

- Commit the local funds only to the Orange County portion of the project
- Provide \$7 million in local funds over two years starting in FY 2007-08 and subject to a future funding agreement and budget approval
- Participate directly in the EIR/EIS process
- Support CHSRA's efforts to secure additional state funds for EIR/EIS through the budget process

With Board approval, staff will work with the CHSRA to develop and execute the MOU for the project-specific EIR/EIS consistent with the terms outlined in Attachment B. OCTA's funding commitment in FY 2007-08 will return to the Board as a separate funding agreement. That agreement is expected to return to the Board by early 2007 with local funding from the FY 2007-08 budget.

Anaheim to Ontario International Airport

The concept of high-speed ground transportation from Anaheim to ONT has been evaluated at a conceptual-level by the Nevada Department of Transportation through the California-Nevada Super Speed Train Commission. This train link is proposed as part of the larger system providing improved connections between California and Nevada. Unfortunately, the technical studies evaluating this corridor have not been completed due to funding and other issues. In addition, there are outstanding technical issues requiring revisiting the alignments, station locations, and ridership forecasts previously prepared.

In discussing these issues with CHSRA, staff has indicated a willingness to further study this link through an environmental assessment/feasibility study. This assessment could lead to the Anaheim to ONT link becoming part of the statewide high-speed train system, and potentially make it eligible for future state funds.

Attachment C presents draft terms for this assessment that would be included in the MOU. Under the MOU, the CHSRA would:

- Manage the environmental assessment/feasibility study from Anaheim to ONT
- Conduct the effort using up to \$3 million federal or future state funds
- Directly involve the regional transportation and local agencies in the process

The federal funding has not yet been appropriated and appears to be earmarked for a high-speed train link from Las Vegas to Primm, Nevada. OCTA and CHSRA staff will work with the appropriate agencies to clarify this as well as other funding issues. Under the current plan, the environmental assessment would not proceed unless federally funded or new state funds are identified. In the event federal or future state funds cannot be secured, OCTA staff would return to the Board with other funding options. Under the MOU, OCTA would have no funding specific commitments for this project at this point in time.

Summary

With Board approval, staff will work with the CHSRA to develop and execute a MOU for activities outlined in Attachments B and C. OCTA's funding commitment for the EIR/EIS will return to the Board as a separate funding agreement by March 2007, subject to future budget authority.

Attachments

- A. Approved Alignments from Program EIR/EIS
- B. Proposed Memorandum of Understanding Terms for the Anaheim to Los Angeles High-Speed Rail Environmental Impact Report/Statement
- C. Proposed Memorandum of Understanding Terms for the Anaheim to Ontario International Airport Environmental/Feasibility Assessment

Prepared by:



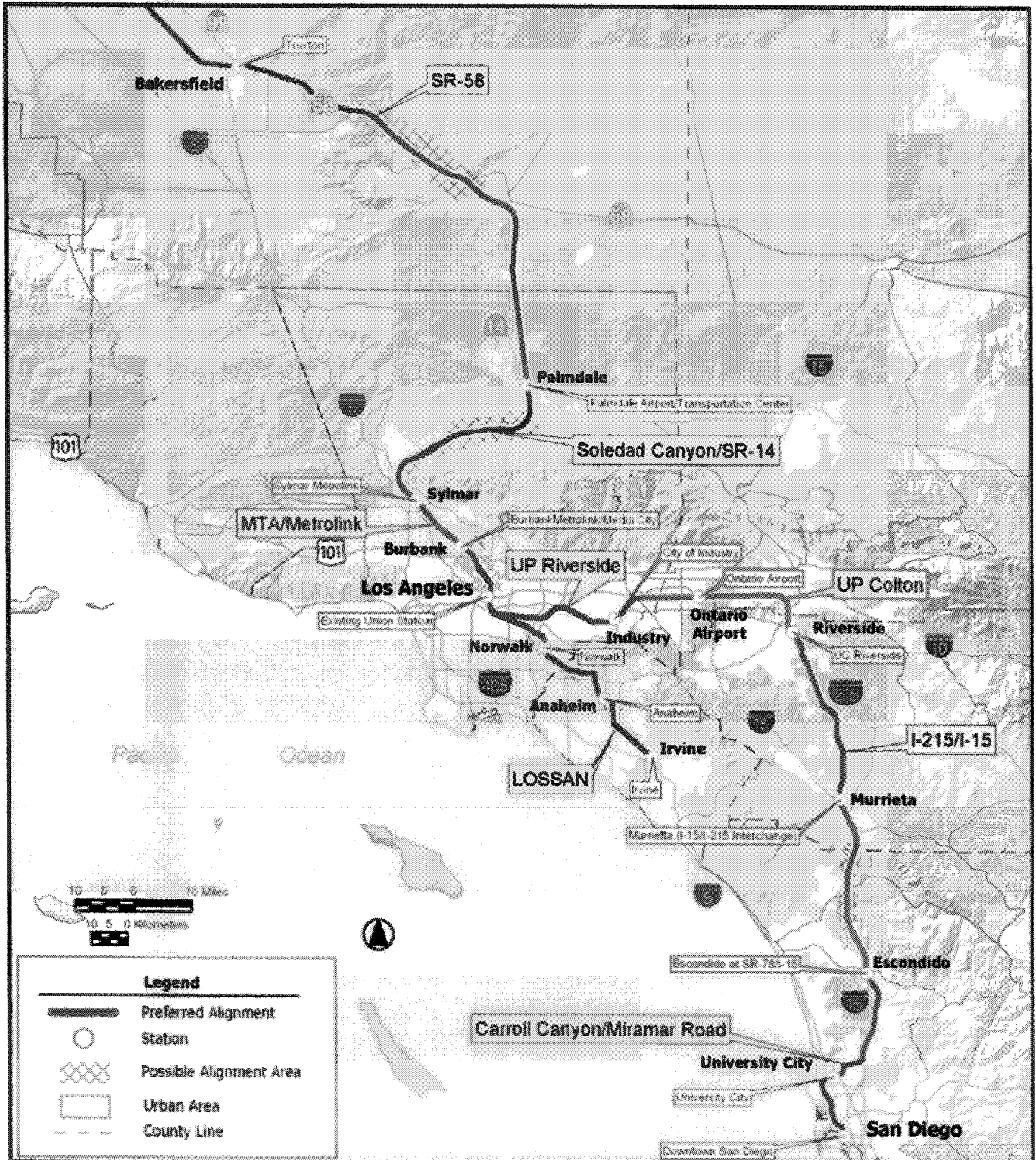
Kurt Brotcke
Manager, Planning and Analysis
(714) 560-5742

Approved by:



Paul C. Taylor, P.E.
Executive Director, Development
(714) 560-5431

Approved Alignments from Program EIR/EIS



Proposed Memorandum of Understanding Terms for the
Anaheim to Los Angeles High-Speed Rail Environmental Impact Report/Statement

For OCTA

- Actively participate in the three-year EIR/EIS effort
- Fund the Orange County portion of the project estimated at \$7 million
- Provide \$7 million in local funds over two fiscal years starting fiscal year 2007-08 (\$3.5 million each year) and subject to a future funding agreement
- Provide project management oversight and technical support
- Review and comment on deliverables in a timely manner
- Perform audits as required
- Participate on California High-Speed Rail Authority's Technical Advisory Committee
- Support the California High-Speed Rail Authority in seeking additional state funding

For CHSRA

- Actively manage and contract for the three-year, \$20 million EIR/EIS effort
- Fund the non-Orange County portion of the project, estimated at \$13 million, and provide these funds over three fiscal years starting fiscal year 2006-07 and subject to budget/statutory authority
- Acknowledge OCTA's recent purchase of property in the City of Anaheim for a future multimodal transportation center
- Coordinate high-speed rail improvements with OCTA's planned Metrolink Expansion program
- Prepare the EIR/EIS and supporting documentation and public noticing
- Furnish all personnel, facilities, and equipment necessary to perform scope
- Prepare all required reports, presentations, and deliverables
- Provide supporting materials to OCTA as requested
- Establish and oversee a Technical Advisory Committee
- Continue to seek funding from the state for EIR/EIS work

Proposed Memorandum of Understanding Terms for the
Anaheim to Ontario International Airport Environmental/Feasibility Assessment

For OCTA

- Actively participate in the two-year environmental/feasibility assessment effort
- Support the California High-Speed Rail Authority in seeking federal and state funding
- Seek local funds for the work effort in the event federal and state funds are not available in a timely manner
- Provide project management oversight and technical support
- Review and comment on deliverables in a timely manner
- Participate in technical meetings for the environmental/feasibility assessment

For CHSRA

- Actively manage and contract for the two-year, \$3 million work effort contingent on federal or future state funding
- Seek \$3 million in federal funds starting fiscal year 2006-07 for the work effort
- Seek \$3 million in state funds if federal funds are not available
- Acknowledge OCTA's recent purchase of property in the City of Anaheim for a future multimodal transportation center
- Prepare the environmental/feasibility assessment and supporting documentation
- Furnish all personnel, facilities, and equipment necessary to perform scope
- Prepare all required reports, presentations, and deliverables
- Provide supporting materials to OCTA as requested
- Involve local and regional agencies in the work effort



BOARD COMMITTEE TRANSMITTAL

September 25, 2006

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Request to Hold Public Hearing for Fiscal Year 2006-07 Federal Transit Administration Section 5307 Program of Projects

Transit Planning and Operations Committee

September 18, 2006

Present: Directors Brown, Duvall, Green, Norby, Pulido, and Winterbottom
Absent: Director Silva

Director Norby was not present to vote on this item.

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Authorize a public hearing for the Federal Fiscal Year 2006-07 Section 5307 Program of Projects to be conducted at the November 13, 2006, Board of Directors meeting.
- B. Direct staff to advertise a public hearing in local newspapers and notify interested public agencies.



September 18, 2006

To: Transit Planning and Operations Committee
From: ^{ATLIE2} Arthur T. Leahy, Chief Executive Officer
Subject: Request to Hold Public Hearing for Federal Fiscal Year 2006-07
Federal Transit Administration Section 5307 Program of Projects

Overview

The Orange County Transportation Authority has prepared the Federal Fiscal Year 2006-07 Program of Projects that outlines the use of \$50.8 million in Federal Fiscal Year 2006-07 Section 5307 Urbanized Area Formula program funds and \$450,000 in Congestion Mitigation and Air Quality Improvement program funds. A public hearing and Board of Directors' approval is required to meet Federal Transit Administration requirements for receiving these funds.

Recommendations

- A. Authorize a public hearing for the Federal Fiscal Year 2006-07 Section 5307 Program of Projects to be conducted at the November 13, 2006, Board of Directors meeting.
- B. Direct staff to advertise a public hearing in local newspapers and notify interested public agencies.

Background

The Section 5307 Urbanized Area Formula Grant Program makes federal funds available for transit capital assistance to urbanized areas with populations of 50,000 or more. Funding is apportioned on the basis of legislative formulas. For areas with populations of 200,000 and more, the formula is based on a combination of bus revenue vehicle miles, bus passenger miles, fixed guideway revenue vehicle miles, and fixed guideway route miles, as well as population and population density.

Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds originate from the Federal Highway Administration (FHWA) and are apportioned based on population and severity of pollution. The CMAQ funds may be used for either transit or certain highway projects with air quality benefits. If used for a transit purpose, the funds must be transferred to the Federal Transit Administration (FTA) and then become subject to the Section 5307 Urbanized Area Formula Program regulations.

The FTA regulations require public participation and Board of Directors (Board) approval in the development of the Section 5307 Program of Projects (POP) in order to receive these funds.

Discussion

The Orange County Transportation Authority (OCTA) is expected to receive approximately \$51.3 million in federal Section 5307 funds for federal fiscal year (FFY) 2006-07, which lasts from October 1, 2006 to September 30, 2007. The estimated local match share is approximately \$29.6 million for the Section 5307 funds. Should the federal apportionment vary from OCTA's estimate, the operating and capital line items in the POP will be adjusted accordingly (either increased or decreased).

The FFY 2006-07 POP was developed based on OCTA's Comprehensive Business Plan and the Long-Range Transportation Plan, where the growth and expansion of the transit system is outlined. These plans provide the framework for identifying current and future transit capital needs for OCTA. An interdepartmental staff committee was also involved in the development of the POP to ensure that the most accurate estimates and current schedules were reflected. Accordingly, the FFY 2006-07 POP was developed consistent with the following goals:

- Fund critical projects first, including replacement vehicles, debt service payments, preventive maintenance, and paratransit operating assistance.
- Set aside at least 1 percent of the total Section 5307 funding for federally required transit enhancements.
- Evaluate the long-term cash flow impacts of projects included in the grant.
- Leverage grant opportunities and use of local dollars on transit capital needs.

The proposed Section 5307 FFY 2006-07 POP is included as Attachment A. Key proposed projects and activities include \$47.9 million for non-fixed route

operating assistance and preventive maintenance, \$16.6 million for the acquisition of 41 alternative fuel 40- and 30-foot replacement buses, \$5 million for the acquisition of 12 alternative fuel 30-foot express expansion buses, \$8.8 million for the acquisition of 79 replacement paratransit vans, \$635,148 for bus stop accessibility projects, CMAQ rideshare for \$450,000, and debt service payments, in the amount of \$1.3 million.

The proposed bus and van purchases have been coordinated with OCTA's 10-year fleet plan and the Access growth management strategies. Federal Section 5307 guidelines require a minimum 1 percent set aside for transit enhancements. The FTA allows the flexibility to refine the Section 5307 POP as OCTA strategies are more clearly defined.

The Section 5307 FFY 2006-07 POP, including all fund sources, totals \$80.8 million as shown below:

Estimated FFY 2006-07 Section 5307 funds:	\$ 50,811,858
Local, non-federal matching funds for Section 5307:	\$ 29,553,231
CMAQ rideshare transfer from FHWA:	\$ 450,000
	<u>\$ 80,815,089</u>

Fiscal Impact

A minimum 20 percent non-federal match is required for Section 5307 funds. There is one exception, which requires only a 17 percent non-federal match for the acquisition of alternative fuel vehicles. Staff proposes to use local transit funds as the match for the Section 5307 program grant. These funds were previously approved in the OCTA Fiscal Year 2006-07 Budget as the required match to the Section 5307 funds.

The schedule for adopting the POP allows OCTA to complete the required processes in a timely manner so that the agency is able to seek federal reimbursement for all items included in the POP. The proposed POP will become final if there are no public comments or Board changes received on the draft. If comments are received and changes are made, OCTA will publish the new POP through a second public hearing process.

Summary

Staff requests a public hearing on November 13, 2006, for the FFY 2006-07 POP. The Section 5307 FFY 2006-07 POP totals \$80.8 million. A public

hearing and Board approval is required to meet FTA requirements for these funding sources.

Attachment

- A. Proposed Program of Projects (POP) for Section 5307 Grant Revenue (FFY 2007)

Prepared by:



Ben Ku
Associate Transportation Analyst
Capital Programs
(714) 560-5473

Approved by:



Paul C. Taylor, P.E.
Executive Director
Development
(714) 560-5431

Proposed Program of Projects (POP) for Section 5307 Grant Revenue (FFY 2007)

Line Item Description	Federal Share	Local Match	Total	Federal Percentage
Other Bus Capital Assistance	\$ 24,194,814	\$ 23,712,160	\$ 47,906,974	0.505037
Non-Fixed Route Paratransit Ops Assistance @ 10% (max.)	4,165,135	18,816,408	22,981,543	0.181238
Non-Fixed Route Paratransit Ops Assistance (Mission Viejo)*	916,051	117,345	1,033,396	0.886447
Preventive Maintenance - Salaries & Benefits	10,960,777	2,740,194	13,700,971	0.800000
Preventive Maintenance - Salaries & Benefits (Mission Viejo)*	8,152,851	2,038,213	10,191,064	0.800000
Transit Enhancements	\$ 508,119	\$ 127,030	\$ 635,148	0.800000
ADA Bus Stop Modifications - Construction @ 1% (min.)	416,514	104,128	520,642	0.800000
ADA Bus Stop Modifications - Construction (Mission Viejo)*	91,605	22,901	114,506	0.800000
Replacement CNG 40' Buses	\$ 5,255,685	\$ 1,076,466	\$ 6,332,151	0.830000
(14) Alternative Fuel 40' Buses	5,255,685	1,076,466	6,332,151	
Expansion CNG 30' Buses	\$ 4,191,336	\$ 858,466	\$ 5,049,802	0.830000
(12) Alternative Fuel 30' Buses - Express Bus	4,191,336	858,466	5,049,802	
Replacement CNG 30' Buses	\$ 8,551,593	\$ 1,751,531	\$ 10,303,124	0.830000
(27) Alternative Fuel 30' Buses	8,551,593	1,751,531	10,303,124	
Replacement Paratransit Vans	\$ 7,044,507	\$ 1,761,127	\$ 8,805,634	0.800000
(79=59+20) Paratransit/Contracted Fixed Route Vans	7,044,507	1,761,127	8,805,634	
Debt Service (COPS)	\$ 1,065,805	\$ 266,451	\$ 1,332,256	0.800000
('90 and '93 Certificates of Participation)				
Debt Service - Maintenance Facility	182,093	45,523	227,616	0.800000
Debt Service - 40' Buses	675,403	168,851	844,254	0.800000
Debt Service - <30' Buses	208,309	52,077	260,386	0.800000
Grand Total	\$ 50,811,858	\$ 29,553,231	\$ 80,365,089	
Total Transfers from FHWA for CMAQ/High Priority Projects	\$ 450,000	\$ -	\$ 450,000	1.000000
OCTA Rideshare - CMAQ **	450,000	-	450,000	1.000000
** does not count against Section 5307 Apportionment				
Gross Project Cost	\$ 51,261,858	\$ 29,553,231	\$ 80,815,089	
Adjustment Amount	\$ -	\$ -	\$ -	
Total Eligible Cost	\$ 51,261,858	\$ 29,553,231	\$ 80,815,089	

* Mission Viejo is its own designated urbanized area (UZA) (based on designated urbanized area boundaries as defined by the Federal Government). As such, Mission Viejo receives a separate apportionment of 5307 funds.



BOARD COMMITTEE TRANSMITTAL

September 25, 2006

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Proposition 1B Program Development

Regional Planning and Highways Committee

September 18, 2006

Present: Directors Correa, Cavecche, Dixon, Green, Monahan, Norby, Pringle, Ritschel, and Rosen
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Director Norby was not present to vote.

Committee Recommendation

Direct staff to continue to participating in the development of the Proposition 1B program guidelines.

Note: Date (Revised by staff)

Staff verbally revised the statewide ballot date on page one in the Overview and Background from November 11 to the correct date of November 7, 2006.



September 18, 2006

To: Regional Planning and Highways Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Proposition 1B Program Development

Overview

Proposition 1B is on the November 11, 2006, statewide ballot. If approved, this proposition will provide \$19.9 billion for investment in statewide transportation infrastructure. Orange County is eligible to compete for a portion of these funds. Staff has been participating in the development of the program guidelines.

Recommendation

Direct staff to continue participating in the development of the Proposition 1B program guidelines.

Background

Proposition 1B is on the November 11, 2006, statewide ballot. If approved, this proposition will provide \$19.9 billion for investment in transportation infrastructure. The program has 12 specific funding categories (Attachment A). As previously reported to the Board of Directors (Board), three of the 12 categories will be distributed by formula. If Proposition 1B is passed by the voters, Orange County will receive funding from these categories as follows:

State Transportation Improvement Program (STIP)	\$ 97 million
Public Transit	\$210 million
Streets and Roads (cities)	\$ 94 million
Streets and Roads (county)	<u>\$ 62 million</u>
Total	\$ 463 million

Funding from the other nine categories will be distributed on a competitive basis as defined by the legislation. In addition, two of the categories, the State-Local Partnership Program Account and the Transit System Safety,

Security, and Disaster Response Account, which would provide a total of \$1 billion each statewide, will require additional legislative action in order to implement. Staff expects that the Orange County Transportation Authority (OCTA) will be very competitive in both of these accounts.

Discussion

Proposition 1B would provide \$19.9 billion in 12 separate accounts. OCTA staff is monitoring the development of the required guidelines and developments for all accounts. Below are the accounts that have the potential for funding projects in Orange County.

Corridor Mobility Improvement Account

The largest single competitive program is known as the Corridor Mobility Improvement Account (CMIA) at \$4.5 billion and is subject to the traditional north/south split which requires 60 percent of the funding to be programmed in Southern California and 40 percent in Northern California. The statute states that funds in the CMIA "shall be used for performance improvements on the state highway system, or major access routes to the state highway system on the local road system that relieve congestion by expanding capacity, enhancing operations, or otherwise improving travel times within these high-congestion travel corridors..."

In addition, the statute requires the California Transportation Commission (CTC) to develop guidelines by December 1, 2006, receive project nominations by January 15, 2007, and adopt an initial program by March 1, 2007. Finally, the projects must commence construction no later than December 31, 2012.

In order to facilitate the development of the program guidelines, the CTC has assembled a small group of Regional Transportation Planning Agencies (RTPA) staff to develop the draft guidelines. OCTA staff has participated extensively in the development of the program guidelines. Current plans call for the CTC to review the draft program guidelines at their October meeting and adopt the program guidelines at their November meeting.

In reviewing the draft guidelines, staff has identified potential candidate projects that could be submitted to the CTC in January for consideration. Staff has focused on projects that appear to best meet the objectives of the CMIA program and can meet the delivery date defined in the statute. Given the corridor-based approach of the CMIA, projects and programs that span across county lines such as the Santa Ana Freeway (Interstate 5), the Riverside Freeway (State Route 91), and the Garden Grove Freeway (State Route 22) may be highly competitive for this account. Additionally, it should be noted that

any funding from Proposition 1B will augment the long-range plans for improvements in these corridors. Staff will return with a full set of recommended projects after the November 7, 2006, election and with consideration of CTC program guidelines. This also allows OCTA to consider the outcome of the November election in the development of the strategy. For example, successful passage of both measures allows a larger number of projects such as eastbound and westbound projects along State Route 91 (SR-91) between the Eastern Transportation Corridor (State Route 241) and the Chino Valley Freeway (State Route 71) to be jointly advanced; however, if only Proposition 1B is successful, OCTA must prioritize these projects given the limited amount of funding.

Port Infrastructure, Security, and Air Quality

The Port Infrastructure, Security, and Air Quality Account would provide \$3.1 billion spread over three categories as follows:

Trade Corridor Improvement Fund	\$ 2.0 billion
Reduce Emissions and Improve Air Quality	\$ 1.0 billion
Port, Harbor and Ferry Terminal Security	\$ 0.1 billion

The CTC will allocate funds from the Trade Corridor Improvement Fund and likely refer to the Trade Infrastructure and Goods Movement Action Plan that is scheduled for completion in January 2007. Potential projects in Orange County and adjoining corridors could be grade separations on the Orangethorpe Corridor, triple track between Los Angeles and Fullerton, triple track between Fullerton and Riverside, and goods movement projects on SR-91.

State Transportation Improvement Program Augmentation

Proposition 1B would provide approximately \$97 million to OCTA via the normal STIP formula. OCTA will nominate projects to the CTC much like a normal STIP process. Potential projects include unfunded projects that were submitted for the 2006 STIP, such as a portion of the State Route 22 Phase 2, Ortega Highway (State Route 74)/Interstate 5 interchange, lower State Route 74 improvements, various freeway chokepoint projects, and retrofit soundwalls. Staff anticipates the STIP augmentation process to occur in the winter or spring of 2007 and will return with a full set of recommended projects once the CTC adopts a STIP augmentation schedule.

State-Local Partnership Program Account

Proposition 1B would provide \$1 billion to establish a State-Local Partnership Program Account that would provide a dollar-for-dollar match with the local RTPA. It is intended to encourage locally funded projects and requires significant local funding and is likely to reward self-help counties. The CTC will administer the account and a working group was established to develop program guidelines. OCTA staff has participated in the first working group meeting.

Transit System Safety, Security, and Disaster Response Account

Proposition 1B would provide \$1 billion for transit system safety, security, and disaster response projects. The allocation process will be determined by legislative statutes for capital projects that provide increased protection against a security and safety threat, and to develop a disaster response transportation system that can move people, goods, emergency personnel, and equipment in the aftermath of a disaster.

Highway-Railroad Crossing Safety Account

Proposition 1B would provide \$250 million for highway-railroad crossing safety projects. The amount of funding is minimal and staff expects significantly more demand than the available funding. Of that amount, \$150 million will be allocated through the California Public Utilities Commission, and \$100 million will be allocated through the CTC. Program guidelines have not yet been developed for this program. This program will partially fund grade safety improvements based on a statewide ranking list. Staff will continue to monitor this potential program and return to the Board with potential candidate projects after the November 7, 2006, election, upon passage of Proposition 1B and adoption of the program guidelines by CTC.

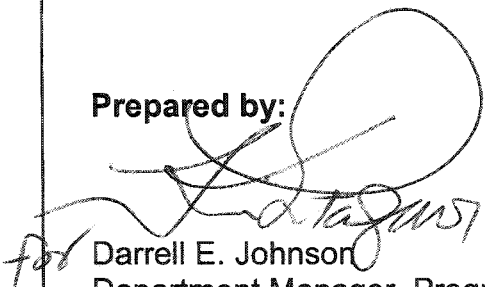
Summary

Proposition 1B, which will be on the ballot on November 7, 2006, would provide \$19.9 billion for investment in transportation infrastructure. Staff is currently participating in the development of the program guidelines for the Corridor Mobility Improvement Account and the State-Local Partnership Account. In addition, staff is closely monitoring the other accounts under Proposition 1B and is in the early stages of identifying potential projects to bring to the Board for approval should Proposition 1B pass on November 7, 2006, following the outcome of the November elections.

Attachment

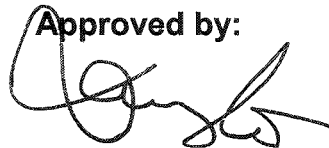
A. Proposition 1B Program Categories

Prepared by:



for Darrell E. Johnson
Department Manager, Programming,
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(714) 560-5343

Approved by:



Paul C. Taylor, P.E.
Executive Director, Development
(714) 560-5431

Proposition 1B Program Categories

Programs	Dollar Amount (in Millions of \$)	Allocation Process	Estimated OC Amount
Corridor Mobility Improvement Account	\$ 4,500	Competitive	TBD
State Route 99	\$ 1,000	N/A	N/A
Port Infrastructure, Security, and Air Quality	See amounts in sub programs below	Competitive	
• Trade Corridor Improvement Fund	\$ 2,000	Competitive	TBD
• Reduce Emissions and Improve Air Quality	\$ 1,000	Competitive	TBD
• Port, Harbor and Ferry Terminal Security	\$ 100	Competitive	TBD
School Bus Retrofit for Air Quality	\$ 200	Competitive	TBD
STIP Augmentation	\$ 2,000	Formula	\$ 97
Public Transportation Modernization, Improvement, and Service Enhancement	\$ 4,000	Formula	\$ 210
Transit System Safety, Security, and Disaster Response Account	\$ 1,000	Competitive	TBD
State-Local Partnership Program Account	\$ 1,000	Competitive	TBD
Local Bridge Seismic Retrofit	\$ 125	Competitive	TBD
Highway-Railroad Crossing Safety Account	\$ 250	Competitive	TBD
SHOPP	\$ 750	Need Based	TBD
Local Street and Roads, Congestion Relief, and Traffic Safety Account of 2006	\$ 2,000	Formula	\$94 million to Orange County Cities. \$62 million for County of Orange
TOTAL	\$ 19,925		



BOARD COMMITTEE TRANSMITTAL

September 25, 2006

To: Members of the Board of Directors
From: Wendy Knowles^{WK}, Clerk of the Board
Subject: 91 Express Lanes Concrete Median Barrier Modification Project

Regional Planning and Highways Committee

September 18, 2006

Present: Directors Correa, Cavecche, Dixon, Green, Monahan, Norby, Pringle, Ritschel, and Rosen
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Cooperative Agreement C-6-0569 between the Orange County Transportation Authority and the California Department of Transportation, under which the California Department of Transportation will reimburse the Orange County Transportation Authority, in an amount not to exceed \$500,000, for construction and construction management of the 91 Express Lanes Concrete Median Barrier Modification Project.



September 18, 2006

To: Regional Planning and Highways Committee
From: Arthur T. Leahy, ^{AL} Chief Executive Officer
Subject: 91 Express Lanes Concrete Median Barrier Modification Project

Overview

The Orange County Transportation Authority proposes to enter into a cooperative agreement with the California Department of Transportation. A cooperative agreement is required to establish the roles, responsibilities, funding, and process for construction and construction management of the 91 Express Lanes Concrete Median Barrier Modification Project.

Recommendation

Authorize the Chief Executive Officer to execute Cooperative Agreement C-6-0569 between the Orange County Transportation Authority and the California Department of Transportation, under which the California Department of Transportation will reimburse the Orange County Transportation Authority, in an amount not to exceed \$500,000, for construction and construction management of the 91 Express Lanes Concrete Median Barrier Modification Project.

Background

The Orange County Transportation Authority (Authority) is the owner and operator of the 91 Express Lanes under a franchise agreement with the California Department of Transportation (Caltrans). As part of the franchise agreement, the Authority is granted the right to finance, study, develop, acquire, design, install, construct, and operate the 91 Express Lanes.

The 91 Express Lanes are contained within the median area of the Riverside Freeway (State Route 91) and are delineated from the State Route 91 (SR-91) general purpose lanes by three-foot high plastic delineators placed on 12-foot centers. A constructed concrete median barrier divides the entire length of the SR-91, except for the locations at the weigh station, Weir Canyon Road, and

Coal Canyon Road along the eastbound direction, which is constructed of metal beam guardrail (MBGR).

Discussion

To enhance the safety feature of the 91 Express Lanes facility, the Authority is proposing to remove and replace approximately 6,250 feet of MBGR with a concrete median barrier in the eastbound direction at the weigh station, Weir Canyon Road, and Coal Canyon Road, as part of the 91 Express Lanes Concrete Median Barrier Modification Project. The project's goal is to improve safety while minimizing maintenance costs.

The Authority and Caltrans have agreed to jointly participate in the construction of this project. The proposed cooperative agreement between Caltrans and the Authority outlines the roles and responsibilities of each agency and prescribes the reimbursement of funds by Caltrans sufficient to cover all costs.

Under this agreement, the Authority will act as the lead agency and advertise, award, and administer the construction contract and perform construction management services. The Authority will be reimbursed by Caltrans for the costs incurred, in the amount of \$500,000, for the project's construction capital and construction management.

Fiscal Impact

This project was approved in the Authority's Fiscal Year 2006-07 Budget, Development, Account 0036-6061-B3200-F36, and is funded by the State Route 91 Toll Road Fund. The agreement will be executed with Caltrans to reimburse the Authority in the amount of \$500,000 for the construction and construction management costs associated with this project.

Summary

Staff requests Board approval for the Chief Executive Officer to execute a cooperative agreement between the Authority and Caltrans for the reimbursement of funds and outlining the roles and responsibilities of each agency. The Authority will be the lead agency to advertise, award, and administer the contract for the 91 Express Lanes Concrete Median Barrier Modifications Project.

Attachment

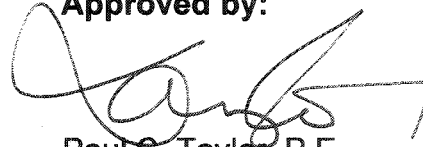
None.

Prepared by:



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Approved by:



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BOARD COMMITTEE TRANSMITTAL

September 25, 2006

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Fiscal Year 2005-06 Fourth Quarter Budget Status Report

Finance and Administration Committee

September 13, 2006

Present: Directors Cavecche, Campbell, Correa, Duvall, Pringle, and Wilson
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Receive and file as an information item.



September 13, 2006

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Fiscal Year 2005-06 Fourth Quarter Budget Status Report

Overview

The Orange County Transportation Authority's staff has implemented the fiscal year 2005-06 budget. This report summarizes the material variances between the budget plan and unaudited actual revenues and expenses.

Recommendation

Receive and file as an information item.

Background

The Board of Directors (Board) approved the Orange County Transportation Authority (OCTA) Fiscal Year (FY) 2005-06 Budget on June 13, 2005. The approved budget itemizes the anticipated revenues and expenses necessary to meet OCTA's transportation programs and service commitments. The OCTA budget is a compilation of individual budgets for each of OCTA's funds including: the General Fund, three enterprise funds (Orange County Transit District (OCTD), Orange County Taxicab Administration Program (OCTAP), and the 91 Toll Road), eight special revenue funds, two capital project funds, one debt service fund, three trust funds, and five internal service funds.

The approved revenue budget is \$681.8 million comprised of \$612.3 million in current year revenues and \$69.5 million in use of reserves. The approved expenditure budget is \$681.8 million with \$669.7 million of current year expenditures and \$12.1 million of designations.

This report will analyze material variances between the year-end budget and actuals for both revenues and expenditures.

Through the fourth quarter, there have been the following Board approved budget amendments.

Fiscal Year 2005-06 Amended Revenue Budget

In Thousands	Current Year	Reserves	Other Sources	Total
Approved Budget	\$612,357	\$ 69,459		\$681,816
Rapid Transit Development - Project Management Consultant		750		750
Santa Ana Freeway Oso Parkway Chokepoint Improvement Project ¹			1,633	1,633
Purchase of 50 Compressed Natural Gas 40-Foot Buses ²		21,409		21,409
Improve Fueling System on Liquefied Natural Gas Buses ³		1,120		1,120
Santa Ana Freeway Gateway Project		2,000		2,000
91 Express Lanes Office Expansion		10		10
Commuter Rail:		14,582		14,582
-Extended Services (\$215)				
-52 New Trailer Cars (\$10,613) ²				
-Santa Ana Second Main Track Project (\$3,453)				
-Railroad Capital Improvements (\$301)				
Reimbursement From Cities for the Garden Grove Freeway project		24,277	7,723	32,000
Funds to Cover Acquisition of 249 Compressed Natural Gas buses/New Flyer of America			106,447	106,447
Total Amended Budget	\$612,357	\$133,607	\$115,803	\$861,767

Note:

- 1 - State Transit Improvement Program
- 2 - Congestion Mitigation Air Quality
- 3 - Air Quality Management District

Less Reserves: \$133,607
 Working Budget: \$728,160

Discussion

Staff monitors and analyzes current year revenues and expenditures versus the amended budget. This report will provide budget-to-actual explanations for any material variances.

Staffing

A staffing plan of 1,909 full-time equivalent (FTE) positions was approved in the FY 2005-06 budget. The average filled positions through the end of June 2006 were 1,852. Through the fourth quarter, the overall vacancy rate for OCTA was 3.1 percent, while administrative and union experienced a 7.6 and 1.6 percent rate, respectively. A breakdown of the vacancy rate by job category is provided on the following page.

Full-Time Equivalent Average Vacancy Rate

	Budget	Filled	Vacancy Rate
Coach Operators	1,125	1,109	1.4%
Maintenance Union	256	250	2.4%
Transportation Communications International Union	45	44	2.3%
Union Subtotal	1,426	1,403	1.6%
Direct Transit Operations Support	204	198	3.0%
Other Administrative	279	251	11.2%
Administrative Subtotal	483	449	7.6%
Total Authority	1,909	1,852	3.1%

Revenue Summary

Through the fourth quarter, OCTA has augmented its revenue budget by \$152.3 million in new funds and \$27.6 million in use of reserves. As the table below indicates, the amended current year revenue budget for FY 2005-06 is \$861.8 million.

Fiscal Year 2005-06 Amended Revenue Budget

In Thousands	Current Year	Reserves	Other Sources	Total
Approved Budget	\$612,357	\$ 69,459		\$681,816
Rapid Transit Development - Project Management Consultant		750		750
Santa Ana Freeway Oso Parkway Chokepoint Improvement Project			1,633	1,633
Purchase of 50 Compressed Natural Gas 40-Foot Buses		21,409		21,409
Improve Fueling System on Liquefied Natural Gas Buses		1,120		1,120
Santa Ana Freeway Gateway Project		2,000		2,000
91 Express Lanes Office Expansion		10		10
Commuter Rail:		14,582		14,582
-Extended Services (\$215)				
-52 New Trailer Cars (\$10,613)				
-Santa Ana Second Main Track Project (\$3,453)				
-Railroad Capital Improvements (\$301)				
Reimbursement From Cities for the Garden Grove Freeway Project		24,277	7,723	32,000
Funds to Cover Acquisition of 249 Compressed Natural Gas Buses/New Flyer of America			106,447	106,447
Total Amended Budget	\$612,357	\$133,607	\$115,803	\$861,767
			Less Reserves:	\$133,607
			Working Budget:	\$728,160

Actual year-end revenue of \$705.4 million is 3.1 percent under the amended budget of \$728.2 million. Variances at the summary object level are presented below.

Fiscal Year 2005-06 Revenue Summary

In Thousands

Description	Year to Date Budget	Year to Date Actual	Variance	%
Federal Capital Grants	\$ 123,017	\$ 76,331	\$ (46,685)	(0.38)
Interest Income	29,762	20,622	(9,140)	(0.31)
Farebox Revenue	53,382	51,467	(1,915)	(0.04)
State Grants	1,633	330	(1,303)	(0.80)
Advertising Revenue	3,900	3,129	(771)	(0.20)
Federal Operating Grants	23,666	23,360	(305)	(0.01)
Miscellaneous	4,647	4,416	(231)	(0.05)
Fees & Fines	184	169	(14)	(0.08)
Gas Tax Exchange	23,000	23,000	-	0.00
Department of Motor Vehicles Fees Revenue	4,951	5,096	145	0.03
Rental Income	993	1,182	189	0.19
Property Tax Revenue	8,937	9,762	825	0.09
Sales Tax Revenue	405,239	408,090	2,851	0.01
Toll Road Revenue	32,841	44,231	11,390	0.35
Other Financial Assistance	12,010	34,258	22,249	1.85
Total Revenue	\$ 728,160	\$ 705,444	\$ (22,716)	(0.03)

*(under) / over

Note: Revenues in the following four categories (Federal Capital and Operating Grants, State Grants and Other Financial Assistance) are received on a reimbursement basis. Revenues budgeted here can be received in future years rather than the year in which they are reflected in the budget. In addition, reimbursements budgeted in a prior year can be received in the current year. This will lead to a variance between budgeted revenues and actual cash receipts. Revenues received include reimbursements from the Federal Transit Administration (FTA), California Department of Transportation (Caltrans), cities, and other agencies.

Federal Capital Grants: Year-end actuals of \$76.3 million were 38 percent below the budget of \$123 million. The majority of the revenues received through the fourth quarter are Congestion Mitigation Air Quality (CMAQ) funds for the Garden Grove Freeway (State Route 22) Design-Build Project (\$70 million). However, there was an amendment for \$106.5 million for

the acquisition of 249 compressed natural gas (CNG) fixed route buses, which was approved by the Board on May 8, 2006. These buses are anticipated to be received beginning March 2007. Staff will seek reimbursement upon inspection and acceptance. The balance of these revenue receipts (\$7.7 million) are associated with prior year FTA grants. Federal revenues are yet to be received due to the timing of the following projects: Bus rapid transit development, the construction of the Buena Park Rail Station, acquisition of contracted revenue vehicles, and American with Disabilities Act (ADA) bus stop modifications, grade crossing safety enhancements and debt service reimbursement.

Interest Income: The fourth quarter actuals of \$20.6 million are \$9.1 million below the budgeted amount of \$29.8 million. The return on the OCTA's investment portfolio totaled 2.08 percent for FY 2005-06. This return exceeded the Merrill Lynch one to three year Treasury Index benchmark return of 1.83 percent; however, the return was 92 basis points below the budgeted amount of 3 percent. The variance between the actual and budgeted rate was attributed to market price fluctuations in the current rising interest rate environment and the shifting of the yield curve.

Farebox Revenue: There is a variance of \$1.9 million through June or 3.6 percent below the budgeted amount of \$53.4 million. This variance is primarily due to a shift in ridership behavior, where customers are purchasing fewer full-fares and utilizing monthly and other pre-paid passes to maximize their investment.

State Grants: The variance of \$1.3 million is associated with the Oso Parkway Chokepoint Improvement Project, which is pending State Transit Improvement Program (STIP) dollars upon completion. Staff anticipates completion of the project by December 2006.

Toll Road Revenue: The year-end total of \$44.2 million was \$11.4 million greater than the amended budget of \$32.8 million. Traffic volume surpassed forecast by 14.2 percent causing \$4.7 million of the variance. The budget for the toll revenue was based on a conservative 90 percent of the Vollmer forecast causing another \$1.7 million. The increase in both account minimum fee and the violation processing fee added \$4.1 million of variance. The increase in the account minimum fee over last year (5.5 percent) is proportional to the increase in transponder sales (6.5 percent). Transponders in circulation increased from 172,220 in FY 2004-05 to 183,374 in FY 2005-06. In addition, lost/stolen transponder fees came in higher than anticipated (\$0.5 million).

Other Financial Assistance: Year-end actuals of \$34.3 million were \$22.2 million over the amended budget of \$12 million. Reimbursements from Caltrans for the State Route 22 (SR-22) Design-Build Project were budgeted last fiscal year and received in the current fiscal year.

Expense Summary

During FY 2005-06, the expenditure budget was increased by \$179.9 million to accommodate multiple projects; the purchase of 50 CNG 40-foot buses (\$21.4 million), improve the fueling system on the liquefied natural gas (LNG) buses (\$1.1 million), additional funding required for the Santa Ana Freeway (Interstate 5) Oso Parkway Chokepoint Improvement Project (\$1.6 million), the Interstate 5 (I-5) Freeway Gateway project (\$2 million) and a project management consultant for bus rapid transit development (\$0.8 million). In addition, OCTA is implementing the initial stages of the Metrolink service expansion with the extension of weekend service (\$0.2 million), 52 new trailer cars (\$10.6 million), a new main track in Santa Ana (\$3.5 million), and railroad capital improvements (\$0.3 million). In the last quarter of the year there were amendments for the SR-22 Design Build project construction (\$32 million), as well as \$106.5 million for the acquisition of 249 CNG buses. The amended current year expenditure budget of \$861.8 million is presented below.

Fiscal Year 2005-06 Amended Expenditure Budget

In Thousands	Expenditures		
	Current Year	Designations	Total
Approved Budget	\$ 669,729	\$ 12,087	\$ 681,816
Amendments	179,950	-	179,950
Total Amended Budget	\$ 849,679	\$ 12,087	\$ 861,766

The year-end actual expenditures of \$617 million represent a 37.7 percent under-run in comparison to the budget of \$849.7 million. Variances at the object summary level are presented in the table on the following page.

Fiscal Year 2005-06 Expense Summary

In Thousands

Description	Budget	Actual	Variance	%
Salaries				
Compensated Absences	\$ 10,595	\$ 9,790	\$ 805	8.2%
Salaries	86,380	86,444	(63)	-0.1%
<i>Total Salaries</i>	96,975	96,234	741	0.8%
Benefits				
Pensions	13,888	15,897	(2,010)	-12.6%
Insurances	2,152	1,983	169	8.5%
Other Benefits	4,076	3,736	340	9.1%
<i>Total Benefits</i>	20,116	21,617	(1,501)	-6.9%
<i>Total Salaries and Benefits</i>	\$ 117,091	\$ 117,851	\$ (759)	-0.6%
Services and Supplies				
Fuels and Lubricants	\$ 10,563	\$ 17,370	\$ (6,807)	-39.2%
Utilities	2,265	2,250	16	0.7%
Leases	5,081	4,926	155	3.1%
Travel, Training, Mileage	674	503	171	34.1%
Tires and Tubes	2,310	2,069	240	11.6%
Advertising Fees	1,038	736	302	41.0%
Debt Service	99,517	99,213	304	0.3%
Miscellaneous Expense	1,289	758	531	70.0%
Maintenance Expense	9,882	9,321	560	6.0%
Taxes	888	205	683	332.5%
Other Materials and Supplies	3,027	1,998	1,029	51.5%
Office Expense	4,502	3,192	1,309	41.0%
Outside Services	32,350	30,812	1,538	5.0%
Insurance Claims Expense	32,351	23,834	8,517	35.7%
Contract Transportation	45,013	36,832	8,180	22.2%
Professional Services	61,613	50,181	11,432	22.8%
Contributions to Other Agencies	153,989	95,513	58,476	61.2%
<i>Total Services and Supplies</i>	\$ 466,351	\$ 379,715	\$ 86,636	22.8%
Capital and Fixed Assets				
Capital Expense-Local Funding	\$ 48	\$ -	\$ 48	100.0%
Work In Process	77,032	70,183	6,850	9.8%
Construction in Progress	27,939	20,133	7,806	38.8%
Capital Expense-Grant Funding	161,218	29,190	132,028	452.3%
<i>Total Capital and Fixed Assets</i>	\$ 266,237	\$ 119,505	\$ 146,732	122.8%
<i>Total All Expenses</i>	\$ 849,679	\$ 617,070	\$ 232,609	37.7%

*under / (over)

Salaries and Benefits

Actuals through the fourth quarter of \$117.9 million were 0.6 percent or \$0.8 million over the amended budget of \$117.1 million. This over-run in salaries and benefits can be attributed primarily to pension costs (\$2 million). This cost increase is offset by under-runs in compensated absences, insurance and other benefits totaling \$1.3 million. These under-runs reflect the vacancies rates experienced throughout the year.

Pension costs were higher partially due to the change in the Orange County Employees Retirement Systems (OCERS) Additional Retiree Benefit Account (ARBA) rate, which rose from 0.5 percent to 1 percent, and equates to \$1.2 million. The new rate took effect July 1, 2005, which was subsequent to the budget development. Furthermore, the teamsters pension expense for maintenance employees was budgeted lower than actually experienced due to the unknowns of the pending contract negotiations, which led to part of the variance (\$0.8 million) as well.

Services and Supplies

Actual services and supplies through the fiscal year-end of \$379.7 million are 22.8 percent below the amended budget of \$466.4 million. Detailed explanations for each of these sub-categories are provided below.

Fuels and Lubricants: Year-end actuals of \$17.4 million are over the amended budget of \$10.6 million by 39.2 percent. The primary reason for this over-run is that diesel fuel was excluded from the Contract Transportation Service (CTS) Department budget in anticipation of this cost being rolled into the new ACCESS provider service rates. Since the diesel cost was not included in the new rates, CTS absorbed the \$2.9 million in unbudgeted diesel cost. Another factor contributing to the over-run was the price of diesel and LNG. Diesel fuel was budgeted at \$1.50 per gallon while actuals through June were running at \$2.14 per gallon. This difference in cost resulted in (a variance of) approximately \$1.1 million. LNG fuel costs overran the budget by \$2.2 million as a result of a renegotiated contract completed in November 2005. LNG was initially budgeted at \$0.53 per gallon per contract, while the average rate for the year amounted to \$1.04 per gallon.

Other Materials & Supplies: Year-end actuals of \$2 million are under the amended budget of \$3 million by 51.5 percent. It was determined by staff at mid-year that the 91 Express Lanes toll road transponders should be capitalized as a fixed asset as opposed to being expensed. This change in accounting

methodology has resulted in a variance of \$1 million. In the future, the budget for transponders will be recorded within the capital and fixed assets account category.

Office Expense: Actuals through the fourth quarter of \$3.2 million are under the amended budget of \$4.5 million by \$1.3 million. The under-run is due to several items. There is an under-run in the software budget due to the delay of Trapeze Software Project (\$0.2 million). This item will be used for the mobile data terminals in the paratransit vehicles, however, due to some complexities, the first phase of the project has been delayed until FY 2006-07. Postage for the 91 Express Lanes originally budgeted in this category has been absorbed into the new contract with Cofiroute (\$0.5 million). Furthermore, the replacement of personal computer workstations has been slower than anticipated, contributing to the overall variance (\$0.2 million).

Insurance Claims Expense: The year-end actuals of \$23.8 million were \$8.5 million below the amended budget of \$32.4 million. There are a couple of factors that contributed to this under-run. First, due to the success of programs and changes instituted by the Risk Management Department, this year's actuarial adjustment caused a decrease in the reserve and a reduction of claims expense contributing \$1 million of variance. In addition, there was a \$1.2 million decrease over last year in actual benefits paid. Due to the increase of claims expense over the last few years that culminated in last year's increase in reserve and expense of \$3.7 million, it was anticipated that the claims expense in FY 2005-06 would be \$4 million higher.

Secondly, the OCTA made comprehensive changes to its healthcare program, which included the elimination of the self-funded medical plan. This resulted in a net savings of health care costs of approximately \$0.8 million annually so half of that amount was realized in savings in FY 2005-06. This, coupled with more staff vacancies than planned, caused a significant under-run in health care costs (approximately \$2.1 million). However, many run-off claims from the self-funded plan are pending. Approximately \$1 million has been budgeted in FY 2006-07 to accommodate these pending claims so the actual variance is closer to \$1.1 million, which is consistent with the savings realized from the plan changes made.

Contract Transportation: The year-end actuals of \$36.8 million is \$8.2 million below the amended budget of \$45 million. The reason for this variance can be attributed to savings associated with both ACCESS and Contracted Fixed Route (CFR) service hours and the hourly rates. Contract Transportation Service utilized 64,467 less service hours for ACCESS, which is our primary

ADA provider, compared to the budget (\$3.1 million). In addition, the hourly rate was \$5 lower than budgeted, which led to a savings of \$3 million. One reason why the hourly rate was lower was due to the exclusion of the fuel component that was anticipated with the new procurement. For CFR, there was a difference in service hours of 7,779 (\$1 million). In addition, the CFR hourly rate was \$3 lower compared to budget (\$1.2 million).

Professional Services: Year end actuals of \$50.2 million are under the amended budget of \$61.6 million by \$11.4 million. The variance can be attributed to under-runs in the General Fund (\$4.3 million), OCTD (\$0.9 million), the 91 Express Lanes Fund (\$0.7 million) and the Orange County Unified Transportation Trust (OCUTT) Fund (\$1.3 million). Detailed explanations are listed below.

Within the General Fund, there is a variance of \$1 million due to the delay in the planning/design of the commuter rail strategic plan implementation. This project is scheduled to begin next fiscal year.

There are two project development studies related to Orange County freeway interchanges for (\$1.5 million), which were budgeted in the second and third quarters, respectively, each has been re-budgeted in next FY 2006-07.

The Central County Corridor Study (CCC) has been delayed until next year. This study is contingent upon the completion of other studies that have not yet been completed and been re-budgeted for the next fiscal year (\$0.9 million). Furthermore, the vanpool program has been re-budgeted for next year to allow time for OCTA to evaluate and implement this program (\$0.9 million).

Within the OCTD fund, there is an under-run of \$0.9 million. Under-runs include the bus rapid transit – signal prioritization (\$0.5 million), and Harbor Boulevard bus rapid transit - planning/implementation (\$0.4 million). The budget was amended for these projects and approved by the Board in September 2005. However, staff continues to work out the initial operating plan so the majority of costs associated with BRT have been re-budgeted for next year.

Under-runs in the 91 Express Lanes Fund (\$0.7 million) are attributed to the delay in the Traffic and Revenue Study (\$0.3 million), the Technical Studies for Environmental Documentation (\$0.2 million) and the Engineering Technical Support and Project Management (\$0.2 million). All of these projects have been re-budgeted into the following fiscal year.

OCUTT experienced an under-run due to the reduction in the scope of work related to the Long Range Transportation Plan (LRTP) development project (\$0.5 million). In addition, there was an under-run of \$0.8 million related to the direct mail/publishing project because the Board cancelled Measure M mailings.

Contributions to Other Agencies: The year-end actuals of \$95.5 million are \$58.5 million below the amended budget of \$154 million. The primary reason for this variance is the Measure M Combined Transportation Funding Program. There is an under-run of \$32.6 million in this program due to cities not requesting reimbursements at the rate OCTA had anticipated. Furthermore, there is a variance of \$23 million associated with the Metrolink program due to the delay of purchasing rolling stock and other capital improvements. These purchases that will occur in FY 2006-07. In addition, the BRT implementation plan has been delayed as the initial operating plan is finalized in the upcoming fiscal year (\$1.2 million).

Capital and Fixed Assets Summary

Through the fourth quarter, capital and fixed asset actuals of \$119.5 million are 122.8 percent below the amended budget of \$266.2 million.

Work in Process: Year-end actuals of \$70.2 million are \$6.9 million below the amended budget of \$77 million. The majority of this variance is due to fewer than anticipated contract change orders for the SR-22 project (\$6.9 million). OCTA generally budgets contract change orders in the event of unforeseen cost increases.

Construction in Progress: The year-end actuals of \$20.1 million are 38.8 percent under the budgeted amount of \$27.9 million. The variance is due to the Interstate 5 Freeway Gateway project construction/construction management project (\$5.7 million), which will be paid directly by Caltrans using STIP funds for the first \$60 million of the total project costs. In addition, there was an under-run associated with the ADA bus stop modifications/construction management project, which will continue into the following fiscal year (\$2.1 million).

Capital Expense – Grant Funding: Year-end actuals of \$29.2 million are \$132 million below the amended budget of \$161.2 million. The largest variance (\$106.5 million) is associated with the procurement of the 249 CNG buses. This project is expected to move forward next fiscal year as OCTA and the manufacturer agree to terms on the contract. These buses are anticipated to begin arriving in March 2007. In addition, there is a delay with the North American Bus Industries engine replacements campaign (\$4.8 million), which

has been re-budgeted next fiscal year. Furthermore, the first articles of small bus and paratransit revenue vehicles are also contributing the variance by \$7.5 million and \$2.8 million to this variance, respectively. The small buses have been re-budgeted into next fiscal year, while the 47 paratransit buses were lowered to 32 units causing the under-run. The ACCESS radio replacement project (\$4.5 million) has been postponed pending a paratransit consultant's recommendation on a communication study currently being evaluated. Lastly, the proposed project cost associated with the articulated bus repair bays at the Garden Grove Base exceeded the original budget estimates so this project has been cancelled (\$3 million).

Fund Level Analysis

A fund level analysis as well as fund level financial schedules for the General Fund, Local Transportation Authority Fund, OCTD, 91 Express Lanes Fund, and the Internal Service Funds are included as Attachments A and B.


Summary

This summary report of budget-to-actuals provides year-end information for fiscal year 2005-06 activities of the Orange County Transportation Authority. Year-end revenues were 3.1 percent lower than the amended revenue budget, with the expenditures also coming in lower than the amended budget by 37.7 percent during this same period. Staff recommends this report be received and filed as an information item by the Finance and Administration Committee.


Attachments

- A. Fund Level Analysis
- B. Fund Level Financial Schedules

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Fund Level Analysis

General Fund – Revenue and Expense Summary

Annual revenues of \$0.8 million are 73.1 percent below the amended budget of \$2.9 million. Annual expenditures of \$45.5 million are 9.6 percent under the amended budget of \$50.3 million. Expenses in the General Fund are greater than revenues due to the majority of General Fund activities being on behalf of other funds to which they are appropriately allocated at year end.

General Fund - Variance Analysis – Revenues

Other Financial Assistance: Revenues in this category are received in response to the reimbursement of expenditures. Revenues budgeted here will most likely be received in future years. Conversely, revenues received in the current year were most likely budgeted in prior years. The \$2.5 million variance is made up of the FY 2005-06 State Transit Improvement Program (STIP) of \$2 million associated with the Planning, Programming, and Monitoring (PPM) Program. Staff is in the process of reimbursing a portion of these STIP revenues which will be received within the next fiscal year. The remaining \$0.5 million is the Federal Rideshare Allocation and will be reimbursed as expenditures for rideshare are made.

General Fund – Variance Analysis – Expenses

Salaries and Benefits: Annual expenditures of \$25.1 million are 4.1 percent less than the amended budget of \$26.2 million. Salaries and compensated absences are \$1.3 million under budget due to the actual vacancy rate of 7.6 percent being greater than budgeted 3 percent. This variance is partially offset by expenses running greater than budgeted in the category of pensions (\$0.2 million) and Other Benefits (\$0.1 million).

Pension costs were higher due to the change in the Orange County Employees Retirement System (OCERS) Additional Retiree Benefit Account (ARBA) rate. The rate rose from 0.5 percent to 1 percent costing an additional \$0.2 million. The new rate took effect July 1, 2005, and was subsequent to the completion of the annual budget development.

Services and Supplies: Through the fourth quarter, actuals of \$19.3 million are 16.9 percent less than the amended budget of \$23.2 million for the same period.

Professional Services: Annual expenditures of \$7.8 million are 28.8 percent less than the amended budget of \$10.9 million. There is a variance of \$1 million due to the delay in the Commuter Rail Capital Project Development which has since been re-budgeted for fiscal year 2007.

The Central County Corridor Study Phase II will be delayed until next year (\$0.8 million) as will the \$0.4 million Orange County/Los Angeles Border Transportation Study. There is another under-run of \$0.9 million associated with the Vanpool Program. The status of the Vanpool Program is currently under review.

Local Transportation Authority (LTA) Fund – Revenue and Expense Summary

Annual revenues of \$408.8 million are 42.5 percent higher than the amended budget of \$286.9 million. Annual expenditures of \$172.8 million are 22 percent under the amended budget of \$221.4 million.

Local Transportation Authority Fund - Variance Analysis – Revenues

Sale Capital Assets: The year-end amount of \$6.7 million represents payments from the Anaheim Redevelopment Agency for the purchase of 19 excess parcels and one Stingray parcel. The total revenues expected to be received for these parcels is \$14.3 million. Payments on the purchase will be repaid quarterly over the next five years.

Other Financial Assistance: Revenues in this category are received in response to the reimbursement of expenditures. Revenues budgeted here will most likely be received in future years. Conversely, revenues received in the current year were most likely budgeted in prior years. \$41.8 million in this category is from Caltrans for the Garden Grove Freeway (State Route 22) Design Build project that was budgeted in a prior year.

Federal Capital Assistance Grants: Revenues in this category are received in response to the reimbursement of expenditures. Revenues budgeted here will most likely be received in future years. Conversely, revenues received in the current year were most likely budgeted in prior years. Annual actuals of \$70.5 million is from the receipt of Congestion Mitigation Air Quality (CMAQ) funds for the State Route 22 (SR-22) Design Build project budgeted in a prior year.

Local Transportation Authority Fund – Variance Analysis – Expenses

Total Services and Supplies: Annual actuals of \$88.1 million are 29.6 percent less than the amended budget of \$125 million.

Professional Services: Spending through the fourth quarter of \$26.8 million was 13.6 percent less than the amended budget of \$31 million. Items re-budgeted were the Local Streets and Roads Project Delivery Implementation Plan, SR-22 Public Awareness Consultant, Santa Ana Freeway (Interstate 5) Public Awareness Campaign, Aliso Creek Soundwall Design, Regional Programming

Support and Disadvantage Business Enterprise (DBE) Compliance on the SR-22 all totaling \$1.8 million. The Santa Ana Rail Crossing (SARX) preliminary engineering and Environmental Assessment (EA) Supplemental Report and the Combined Transportation Funding Program (CTFP) Payment Request Reviews were not re-budgeted saving \$0.6 million. Furthermore, a total of \$1.5 million in savings was realized from the SR-22 Design Build Project management.

Contributions to Other Agencies: Year-end actuals of \$60.3 million are 35.1 percent less than the amended budget of \$92.8 million. This is due to the delay in invoicing by cities for CTFP projects.

Total Capital Expenditures: The annual expenditures of \$84.7 million are 12.1 percent less than the amended budget of \$96.4 million.

Work in Process: Annual actuals of \$67.3 million are 7.5 percent below the amended budget of \$72.7 million. The majority of this variance is due to lower than anticipated contract change orders for the SR-22 project (\$9.2 million). OCTA generally budgets contract change orders in the event of unforeseen cost increases. In addition, \$1.7 million of this variance is a combination of higher than anticipated right-of-way land acquisition (\$1.6 million) and lower than anticipated right-of-way utility relocation (\$3.3 million).

Construction in Progress: Year-end actuals of \$17.4 million are 26.2 percent below the amended budget of \$23.6 million. The Interstate 5 (I-5) Gateway construction project had \$5.7 million budgeted in the current year that will be unused because Caltrans will be paying the first \$60 million of the total project cost directly using State Transportation Improvement Program (STIP) funds. A \$0.2 million agreement for city police services was re-budgeted. \$1.4 million reserved for the Peralta soundwall was unused as construction and construction management was completed using a prior year allocation. The I-5 Far North Construction Support Services and Management was \$1.2 million under budget as well as the I-5 Far North Right of Way Acquisition being \$0.4 million less than budgeted.

Orange County Transit District Fund – Revenue and Expense Summary

Annual revenues of \$120.8 million are 47.1 percent below the amended budget of \$228.4 million. Annual expenditures of \$202.8 million are 40.1 percent under amended budget of \$338.5 million.

Orange County Transit District Fund - Variance Analysis – Revenues

Federal Capital Grants: Revenues in this category are received in response to the reimbursement of expenditures. Revenues budgeted here will most likely be received in future years. Conversely, revenues received in the current year were most likely budgeted in prior years. Items budgeted in the current fiscal

year that will be received in subsequent fiscal years include Bus Rapid Transit development, procurement of contracted revenue vehicles and ADA bus stop modifications totaling \$13.1 million. In addition, a \$106.4 million budget amendment was recorded in May 2006 for the acquisition of 249 Compressed Natural Gas (CNG) buses with New Flyer of America, anticipated to begin arriving in the Spring of 2007.

Federal Operating Grants: Annual revenues of \$21.4 million are 9.7 percent below the amended budget of \$23.7 million. Budgeted Preventative Maintenance was \$1.7 million less than received.

Farebox Revenue: There is a variance of \$1.9 million or 3.6 percent through June below the budgeted amount of \$53.4 million. This variance is primarily due to a shift in ridership behavior where customers are purchasing fewer full-fares and utilizing the monthly and other pre-paid passes to maximize their investment.

Interest Income: Annual actuals of \$3.5 million are 26.3 percent lower than the amended budget of \$4.7 million. The return on the OCTA's investment portfolio totaled 2.08 percent for FY 2006. This return exceeded the Merrill Lynch one to three year Treasury Index benchmark return of 1.83 percent; however, the return was 92 basis points below the budgeted amount of 3 percent. The variance between the actual and budgeted rate was attributed to market price fluctuations in the current rising interest rate environment and the shifting of the yield curve.

Orange County Transit District Fund – Variance Analysis – Expenses

Total Salaries and Benefits: Annual actuals of \$92.8 million are 2.3 percent higher than the amended budget of \$90.7 million.

Pension costs were higher partially due to the change in the Orange County Employees Retirement Systems (OCERS) Additional Retiree Benefit Account (ARBA) rate, which rose from 0.5 percent to 1 percent, which equates to \$1 million. The new rate took effect July 1, 2005, which was subsequent to the budget development. Furthermore, the teamsters pension expense for maintenance employees was budgeted lower than actually experienced due to the unknowns of the pending contract negotiations, which led to part of the variance (\$0.8 million) as well.

Salaries-Regular Employees: Annual actuals of \$68.4 million are over the amended budget of \$67.3 million by 1.7 percent. \$0.7 million of the overage was a retroactive pay distribution to Maintenance and TCU employees resulting from contract negotiations. The remainder is due to Maintenance overtime over-runs (\$0.9 million). This year there were several activities that required additional manpower such as the preparation, dedication, ribbon cutting and open house for the new Santa Ana facility and hosting this year's Regional and International Rodeos.

Total Services and Supplies: Year-end actuals of \$80.2 million are 9 percent below the amended budget of \$88.1 million.

Fuels and Lubricants: Annual actuals of \$17.4 million are over the amended budget of \$10.6 million by 64.4 percent. The primary reason for this over-run is that diesel fuel was excluded from the Contract Transportation Service (CTS) Department budget in anticipation of this cost being rolled into the new ACCESS provider service rates. Since the diesel cost was not included in the new rates, CTS absorbed the \$2.9 million in unbudgeted diesel cost. Another factor contributing to the over-run was the price of diesel and liquefied natural gas (LNG). Diesel fuel was budgeted at \$1.50 per gallon while actuals through June were running at \$2.14 per gallon. This difference in cost resulted in approximately \$1.1 million variance. LNG fuel costs over-ran the budget by \$2.2 million as a result of a renegotiated contract completed in November 2005. LNG was initially budgeted at \$0.53 per gallon per contract, while the average rate for the year amounted to \$1.04 per gallon.

Professional Services: Annual expenditures of \$3.3 million are 41.4 percent less than the amended budget of \$5.6 million. The Customer Information Center contract (CIC) ran \$0.3 million below budget due to lower than anticipated call volume. Other under-runs include the Vanpool Program (\$0.9 million) currently under review by the External Affairs Division, the Americans with Disabilities Act (ADA) in-house assessment (\$0.3 million), Radio Consultant (\$0.2 million) and another \$0.2 million for Bus Operations Hiring for Customer Service consultant.

Contributions to Other Agencies: Annual actuals of \$0.5 million are \$3.6 million below the amended budget of \$4.1 million. There are under-runs of \$1.2 million in both the Bus Rapid Transit project and the Senior Mobility Program. The contracted express bus service (Route 149) from Riverside to the Mall of Orange has a \$0.2 million under-run as well as the OCARC pilot project under-run of \$0.3 million.

Contract Transportation: The year-end actuals of \$31.3 million are \$7.7 million below the amended budget of \$39 million. The reason for this variance can be attributed to savings associated with both ACCESS and Contracted Fixed Route (CFR) service. ACCESS Service utilized 64,467 less service hours compared to budget (\$3.1 million). In addition, the hourly rate was \$5 lower than budgeted, leading to a savings of \$3 million. One reason why the hourly rate was lower was due to the exclusion of the fuel component that was anticipated with the new procurement. For CFR, there was a difference in service hours of 7,779, (\$1 million) and the hourly rate was \$3 lower than budgeted (\$1.2 million).

Total Capital Expenditures: Actuals through the fiscal year-end of \$29.9 million are \$129.7 million less than the amended budget of \$159.6 million. All of the

following projects have been re-budgeted or staff will request a budget amendment in FY 2006-07: procurement of 249 compressed natural gas buses (\$106.4 million), NABI bus engine replacements (\$4.8 million), 47 Paratransit Buses (\$2.7 million) and Fixed Route Small Buses (\$7.5 million). The ACCESS radio replacement project (\$2.9 million) has been postponed pending a paratransit consultant's recommendations on a communications study currently being evaluated. The Lawson Payroll System upgrade (\$0.6 million) has been postponed and re-budgeted in FY 2006-07.

State Route 91 Toll Road Fund – Revenue and Expense Summary

Annual revenues of \$46.2 million are 38.3 percent above the amended budget of \$33.4 million. Annual expenditures of \$22.7 million are 25.8 percent under the amended budget of \$30.6 million.

State Route 91 Toll Road Fund - Variance Analysis – Revenues

Interest Income: The annual revenue of \$1.9 million is \$1.4 million above the amended budget of \$0.5 million. Interest is higher mainly due to the restricted cash from the 91 Express Lanes refinancing being structured to earn approximately 5 percent interest. It is separate from the Authority's commingled investment pool that earned 2.3 percent in FY 2005-06. The average restricted cash balance of \$24.4 million was not included in the budgeted calculation causing \$1.1 million of the overage. The remaining amount was caused by the average non-restricted cash balance of \$17.3 million being used in the budget calculation rather than the actual average balance of \$25.8 million. This was partially offset by the lower interest rate (2.3 percent actual and the 3 percent budgeted) and resulted in another \$0.2 million in increased interest revenue.

Miscellaneous Toll Road: Annual revenues of \$9.2 million are 118.6 percent greater than the amended budget of \$4.2 million. Most of the variance is centered in two areas: the account minimum fee (\$2 million) and the violation processing fee (\$2.1 million). The increase in the account minimum fee over last year (5.5 percent) is proportional to the increase in transponder sales (6.5 percent). Transponders in circulation increased from 172,220 in FY 2004-05 to 183,374 in FY 2005-06. In addition, lost/stolen transponder fees came in higher than anticipated (\$0.5 million).

Toll Road Revenue: Year-end actuals of \$35 million are 22.3 percent greater than the amended budget of \$28.6 million. This variance is caused by combination of factors. The revenue forecast for the toll revenue was developed utilizing a conservative approach by taking 90 percent of Vollmer's forecast (\$2.7 million). In addition, traffic volume has surpassed the forecast at a rate of 14.2 percent. Furthermore, OCTA also receives revenues from the Transportation Corridor Agencies (TCA) associated with the interoperating

agreement. As TCA customers utilize the 91 Toll Road, OCTA bills the TCA accordingly (\$3.5 million).

State Route 91 Toll Road Fund – Variance Analysis – Expenses

Total Services and Supplies: Year-end actuals of \$21.4 million are 11.9 percent less than the amended budget of \$24.3 million.

Total Capital Expenditures: Annual actuals of \$1.3 million are 79.6 percent less than the amended budget of \$6.2 million. This variance is due to delays in the following projects: traffic operations center/traffic management system upgrade (\$2 million), the phone system replacement (\$0.2 million) and the Roadway Upgrade (\$2.5 million). All three were re-budgeted in FY 2006-07.

Internal Service Funds – Revenue and Expense Summary

Annual revenues of \$37.3 million are 24.6 percent above the amended budget of \$29.9 million. Annual expenditures of \$26.9 million are 19.5 percent below the amended budget of \$33.5 million.

Internal Service Funds - Variance Analysis – Revenues

Charges for Services: Annual actuals of \$36.1 million are 27.5 percent greater than the amended budget of \$28.3 million. The variance is due to charge backs to the funds (\$7.8 million) being greater than anticipated as a result of several large liability claims.

Internal Service Funds – Variance Analysis – Expenses

Total Services and Supplies: Annual expenditures of \$26.9 million are 19.5 percent more than the amended budget of \$33.5 million.

Professional Services: Year-end expenditures of \$2.6 million are 101.2 percent over the amended budget of \$1.3 million. The variance is caused by legal fees for liability lawsuits (\$0.3 million) and the multiple year encumbrance of our third party administered workers' compensation program that was only budgeted for a single year (\$0.9 million).

Insurance Claims Expense: Year end actuals of \$24.2 million are 24.2 percent lower than the amended budget of \$31.9 million. \$6.3 million of the difference is in Workers' Compensation Claims Expense. First, due to the success of programs and changes instituted by the Risk Management Department, this year's actuarial adjustment caused a decrease in the reserve and a reduction of claims expense contributing \$1 million of variance. In addition, there was a \$1.2 million decrease over last year in actual benefits paid. Due to the increase of claims expense over the last few years that culminated in last year's increase

in reserve and expense of \$3.7 million, it was anticipated that the claims expense in FY 2005-06 would be \$4 million higher.

The OCTA also made comprehensive changes to its health care program, which included the elimination of the self-funded medical plan. This resulted in a net savings of health care costs of approximately \$0.8 million per year so half of that amount was realized in savings in FY 2005-06. This, coupled with more staff vacancies than planned, caused a significant under-run in health care costs of \$2.1 million. However, many run-off claims from the self-funded plan are pending. Approximately \$1 million has been budgeted in FY 2006-07 to accommodate these pending claims so the actual variance is closer to \$1.1 million, which is consistent with the savings realized from the plan changes made.

**General Fund
Revenues and Expenses**

In Thousands

Description	Budget	Actual	Variance	%
Other Financial Assistance	\$ 2,405	\$ (135)	\$ (2,540)	-105.6%
Fees and Fines	162	163	0	0.2%
Interest Income	223	335	112	50.0%
Miscellaneous	124	421	296	238.1%
Total Revenues	\$ 2,915	\$ 784	\$ (2,131)	-73.1%
Pensions	\$ 3,874	\$ 4,110	\$ (236)	-6.1%
Other Benefits	1,062	1,169	(107)	-10.1%
Extra Help Employees	632	655	(22)	-3.5%
Insurances	648	493	155	23.9%
Compensated Absences	2,375	1,893	482	20.3%
Salaries-Regular Employees	17,604	16,804	800	4.5%
Total Salaries & Benefits	\$ 26,196	\$ 25,125	\$ 1,071	4.1%
Utilities	\$ 765	\$ 806	\$ (41)	-5.4%
Maintenace Expense	6	1	5	90.9%
Contributions to other Agencies	1,027	1,015	12	1.2%
Office Expense	1,776	1,728	48	2.7%
Other Materials and Supplies	175	118	56	32.3%
Advertising Fees	496	430	66	13.3%
Miscellaneous Expense	459	389	70	15.3%
Leases	3,961	3,887	74	1.9%
Travel, Training, and Mileage	448	346	103	22.9%
Outside Services	3,214	2,808	406	12.6%
Professional Services	10,888	7,758	3,130	28.8%
Total Services & Supplies	\$ 23,215	\$ 19,286	\$ 3,930	16.9%
Capital Expense-Locally Funded	\$ 919	\$ 1,078	\$ (159)	-17.3%
Total Expenses	\$ 50,330	\$ 45,488	\$ 4,842	9.6%

*Revenues - (under) / over

*Expenses - under / (over)

Local Transportation Authority Fund (Measure M) Revenues and Expenses

In Thousands

Description	Budget	Actual	Variance	%
Interest Income	\$ 12,400	\$ 11,253	\$ (1,148)	-9.3%
Miscellaneous	-	15	15	100.0%
Rental Income	75	199	124	166.9%
Taxes/Fees	261,721	268,118	6,397	2.4%
Sale Capital Assets	-	6,729	6,729	100.0%
Other Financial Assistance	7,723	51,988	44,266	573.2%
Federal Capital Assistance Grants	5,000	70,467	65,467	1309.3%
Total Revenues	\$ 286,919	\$ 408,769	\$ 121,850	42.5%
Debt Service	\$ 540	\$ 840	\$ (301)	-55.7%
Utilities	-	21	(21)	100.0%
Leases	-	19	(19)	100.0%
Miscellaneous Expense	4	5	(1)	-16.9%
Travel, Training, and Mileage	21	4	17	80.4%
Other Materials & Supplies	35	-	35	100.0%
Advertising Fees	64	26	37	58.6%
Outside Services	200	55	145	72.6%
Office Expense	293	10	283	96.5%
Professional Services	31,038	26,819	4,218	13.6%
Contributions to Other Agencies	92,841	60,276	32,565	35.1%
Total Services & Supplies	\$ 125,036	\$ 88,076	\$ 36,960	29.6%
Capital Expense-Locally Funded	\$ 18	\$ -	\$ 18	100.0%
Capital Expense-Grant Funded	48	-	48	100.0%
Work in Process	72,700	67,278	5,422	7.5%
Construction in Progress	23,589	17,411	6,178	26.2%
Total Capital	\$ 96,355	\$ 84,689	\$ 11,666	12.1%
Total Expenses	\$ 221,391	\$ 172,764	\$ 48,626	22.0%

*Revenues - (under) / over

*Expenses - under / (over)

Orange County Transit District Fund Revenues and Expenses

In Thousands

Description	Budget	Actual	Variance	%
Federal Capital Grants	\$ 109,217	\$ 7,480	\$ (101,737)	-93.2%
Federal Operating Grants	23,666	21,360	(2,306)	-9.7%
Farebox Revenue	53,222	51,101	(2,121)	-4.0%
Interest Income	4,732	3,488	(1,244)	-26.3%
Other Financial Assistance	23,917	23,194	(724)	-3.0%
Advertising Revenue	4,060	3,494	(566)	-13.9%
Operating Transfer In	-	65	65	100.0%
Rental Income	393	469	75	19.2%
Insurance Recoveries	258	358	100	38.9%
Taxes/Fees	8,937	9,762	825	9.2%
Total Revenues	\$ 228,402	\$ 120,771	\$ (107,631)	-47.1%
Pensions	\$ 9,988	\$ 11,766	\$ (1,778)	-17.8%
Salaries-Regular Employees	67,254	68,372	(1,118)	-1.7%
Compensated Absences	8,203	8,052	151	1.8%
Insurances	1,500	1,490	10	0.7%
Extra Help Employees	748	513	235	31.4%
Other Benefits	3,010	2,564	445	14.8%
Total Salaries & Benefits	\$ 90,701	\$ 92,756	\$ (2,054)	-2.3%
Fuels and Lubricants	\$ 10,563	\$ 17,363	\$ (6,800)	-64.4%
Other Materials and Supplies	1,511	1,841	(329)	-21.8%
Utilities	1,022	1,143	(121)	-11.8%
Miscellaneous Expense	395	415	(20)	-5.1%
Insurance Claim Expense	-	12	(12)	100.0%
Leases	716	703	13	1.9%
Advertising Fees	169	151	18	10.4%
Debt Service	187	163	24	13.0%
Travel, Training, and Mileage	172	139	33	19.3%
Tires and Tubes	2,310	2,069	240	10.4%
Outside Services	11,127	10,877	250	2.2%
Office Expense	1,404	858	546	38.9%
Maintenance Expense	9,876	9,321	555	5.6%
Professional Services	5,617	3,290	2,328	41.4%
Contributions to other Agencies	4,078	493	3,585	87.9%
Contract Transportation	38,988	31,333	7,656	19.6%
Total Services & Supplies	\$ 88,134	\$ 80,169	\$ 7,965	9.0%
Work in Process	\$ 4,332	\$ 2,905	\$ 1,427	32.9%
Capital Exp-Locally Funded	155,286	27,013	128,273	82.6%
Total Capital	\$ 159,619	\$ 29,918	\$ 129,700	81.3%
Total Expenses	\$ 338,454	\$ 202,843	\$ 135,611	40.1%

*Revenues - (under) / over

*Expenses - under / (over)

Toll Road Fund Revenues and Expenses

In Thousands

Description	Budget	Actual	Variance	%
Rental Income	\$ 7	\$ 7	\$ -	0.0%
Insurance Recovery	15	54	39	261.2%
Interest Income	518	1,869	1,351	260.9%
Miscellaneous Toll Road Revenue	4,221	9,229	5,008	118.6%
Toll Road Revenue	28,620	35,003	6,383	22.3%
Total Revenues	\$ 33,381	\$ 46,162	\$ 12,781	38.3%
Outside Services	\$ 1,509	\$ 1,800	\$ (291)	-19.3%
Equipment/Structure	-	10	(10)	100.0%
Travel, Training, and Mileage	11	7	4	37.0%
Leases	404	317	87	21.6%
Utilities	293	132	161	54.9%
Advertising Fees	310	118	192	61.9%
Insurance Claims Expense	460	249	211	45.8%
Office Expense	875	552	323	36.9%
Contract Transportation	6,024	5,500	524	8.7%
Debt Service	10,603	10,035	568	5.4%
Professional Services	3,602	3,034	568	15.8%
Miscellaneous Expense	263	(308)	571	217.4%
Total Services & Supplies	\$ 24,354	\$ 21,446	\$ 2,908	11.9%
Capital Expense-Locally Funded	\$ 6,245	\$ 1,273	\$ 4,972	79.6%
Total Capital	\$ 6,245	\$ 1,273	\$ 4,972	79.6%
Total Expenses	\$ 30,599	\$ 22,719	\$ 7,880	25.8%

*Revenues - (under) / over

*Expenses - under / (over)

Internal Service Funds Revenues and Expenses

In Thousands

Description	Budget	Actual	Variance	%
Charges for Services	\$ 28,282	\$ 36,065	\$ 7,782	27.5%
Interest Income	1,374	1,053	(321)	-23.4%
Insurance Recoveries	266	168	(98)	-36.7%
Total Revenues	\$ 29,923	\$ 37,286	\$ 7,364	24.6%
Professional Services	\$ 1,304	\$ 2,624	\$ (1,320)	-101.2%
Taxes	83	93	(10)	-12.4%
Insurance	-	-	-	0.0%
Miscellaneous Expense	4	3	1	19.4%
Outside Services	183	63	120	65.8%
Insurance Claims Expense	31,891	24,160	7,731	24.2%
Total Services and Supplies Expenses	\$ 33,464	\$ 26,943	\$ 6,522	19.5%

*Revenues - (under) / over

*Expenses - under / (over)



BOARD COMMITTEE TRANSMITTAL

September 25, 2006

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Fourth Quarter Fiscal Year 2005-06 Grant Status Report

Finance and Administration Committee

September 13, 2006

Present: Directors Cavecche, Campbell, Correa, Duvall, Pringle, and Wilson
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Receive and file as an information item.



September 13, 2006

To: Finance and Administration Committee
From: Arthur T. Leahy, ^mChief Executive Officer
Subject: Fourth Quarter Fiscal Year 2005-06 Grant Status Report

Overview

The Quarterly Grant Status Report summarizes grant activities for information purposes for the Orange County Transportation Authority Board of Directors. This report focuses on significant activity for the period of April through June 2006. The Quarterly Grant Status Report summarizes future and pending grant applications, executed and current grant awards, and closed-out grant agreements.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority's (OCTA) long-term, proactive planning approach ensures the effective utilization of limited capital resources and improved operating effectiveness. One critical aspect of this proactive planning approach is to strategically seek and obtain federal, state, and local grant funding.

Discussion

The ongoing grant activities are categorized by future grant applications, pending grant applications, awarded/executed grant agreements, current grant agreements, and closed-out grant agreements.

Future Grant Applications

The OCTA has three future grant applications under development which are enumerated and summarized below.

Fiscal Year (FY) 2006 Federal Transit Agency (FTA) Section 5309 Discretionary Capital Grant Program

- Efforts to reprogram \$247,507 in federal earmark funds originally allocated to the City of Costa Mesa continue. The earmark change was included in the transportation spending bill approved by the Senate Appropriations Committee on July 20, 2006, but it must be passed by the full Congress and signed by the President. Over the past year, staff had been working with congressional representatives to reprogram funds originally allocated to the City of Costa Mesa to ensure the funds are not lost to the region. The city declined the funds in July 2004 due to project ineligibility under the Section 5309 program. Once the revisions to the earmark are completed, the earmark funds can be included in a federal grant application to support OCTA's bus transit system.
- Staff has initiated work on the FY 2007 FTA Section 5309 Discretionary Capital Grant application and will be assisting in the development of several FY 2006 earmark projects in the upcoming months. The FY 2006 earmarks are itemized in Attachment A and include over \$3.5 million in federal funding to support bus rapid transit, security equipment, traffic mitigation projects, transit terminal improvements, park-and-ride facility, and senior mobility program. Grant applications will be developed and submitted throughout the fiscal year based on project readiness. The federal funds require a 20 percent local match contribution and must be applied for by September 2008.

FY 2006 Mobile Source Air Pollution Reduction Review Committee (MSRC): Air Quality Management District

- A grant proposal is under development to pursue up to \$928,000 in MSRC funds allocated towards the Freeway Service Patrol Program. The proposal will outline the purpose and need for automated vehicle locator and mobile data terminal equipment in increasing the efficiency of the patrols servicing Orange County. The proposal is targeted for submittal by September 2006 pending the selection of a preferred vendor. An award would require a 25 percent local match contribution.

Additionally, staff is researching potential projects and programs to compete for \$9.3 million in grant funds made available statewide through the FY 2008 Transportation Planning Grant Program. The California Department of Transportation (Caltrans) planning grant presents an opportunity to pursue funds for a wide range of worthwhile transportation planning projects. Grant proposals are due September 18, 2006, and October 13, 2006, depending on the specific funding category.

Pending Grant Applications

The OCTA has seven pending grant applications awaiting approval (Attachment B).

FY 2006 FTA Section 5307 Capital Formula Grant Program

- The FY 2006 FTA Section 5307 Capital Formula Grant application was submitted on June 27, 2006, and requests over \$47 million in federal capital and operating assistance to support OCTA's fixed route and paratransit operations, as well as the purchase of 95 replacement vehicles. The grant application also includes the transfer of \$450,000 in Congestion Mitigation and Air Quality (CMAQ) funds to support rideshare services. The grant request is currently under review and is anticipated for award within the next several weeks.

FY 2006 FTA Section 5309 Discretionary Capital Grant Program

- The FY 2006 FTA Section 5309 Discretionary Capital Grant application was submitted on July 12, 2006, and awarded on August 17, 2006. The grant awards a total of \$970,874 in federal earmark funds to make possible the purchase of fare collection equipment to improve dwell time, enhance customer service, while supporting anticipated increases in transit demand. The federal funds require a 20 percent local contribution.

FY 2007 FTA Section 5310 Paratransit Grant Program

- On April 25, 2006, a total of eight grant applications were forwarded to Caltrans for statewide competition under the FY 2007 FTA Section 5310 program. Earlier this year, grant staff had been assisting local agency and non-profit applicants in Orange County in preparing competitive proposals. The requests totaled over \$1.28 million to facilitate the purchase or replacement of paratransit vehicles to help meet the transportation needs of elderly persons and persons with disabilities. A prioritized list of recommended projects and authorizing resolution was approved by the Board on April 24, 2006. Grant award announcements are anticipated for release in November 2006.

FY 2006 Transit Security Grant Program: Department of Homeland Security (DHS)

- Over the past several weeks, staff has been working cooperatively with federal and state Homeland Security officials and various transit agencies,

including the Los Angeles County Metropolitan Transportation Authority (LACMTA), to secure funds made available through the FY 2006 Transit Security Grant Program. On June 29, 2006, a total of \$2.2 million was allocated regionally to enhance the security of bus transit systems in the greater Los Angeles area, which includes Orange County. On July 31, 2006, staff submitted a comprehensive package of project proposals requesting a total of \$950,000 in grant funds. The requested funds are intended to facilitate the purchase of on-board bus security camera equipment (\$498,000), a security camera system for the Buena Park Metrolink Station (\$252,000), operational testing of a remote vehicle shutdown and driver authentication system (\$50,000), and the development of the OCTA System Security Emergency Preparedness Plan (\$150,000). The grant funds would not require a local match contribution. A timeframe for grant award notifications has yet to be announced.

FY 2005 Urban Area Security Initiative (UASI): Department of Homeland Security

- Staff is working to secure up to \$529,302 from the FY 2005 allocation of the Urban Area Security Initiative grant program. The funds are allocated to the cities of Santa Ana, Anaheim, and the Orange County Sheriffs Department who have sub-allocated a portion of their grant awards to enhance transportation security to meet state, federal and regional security goals. A grant proposal submitted on June 12, 2006, pursues funds that may equip 50 new transit vehicles with on-board bus cameras (\$511,802), and facilitate the purchase of five mobile handheld radios (\$15,000) for use by transit operations staff during emergency situations. The proposal is currently in review.

FY 2006 MSRC: Air Quality Management District

- On June 26, 2006, staff submitted a proposal to the MSRC requesting up to \$200,000 in grant funds made available through the FY 2006 Alternative Fuel Infrastructure Program. The MSRC funds are being pursued to offset the capital costs of leasing compressed natural gas (CNG) fueling equipment at the Santa Ana Bus Base. The request also includes funding support for facility modifications needed to accommodate the maintenance and repair of CNG vehicles. Award notifications are expected for release within the next several months.

Targeted Rubberized Asphalt Concrete Incentive Grant Program: California Integrated Waste Management Board (CIWMB)

- A grant proposal requesting \$150,000 was submitted June 14, 2006, to help offset the costs associated with using rubberized asphalt on the Garden Grove Freeway (State Route 22) Improvement Project. The funds are made available statewide on a competitive basis through the Targeted Rubberized Asphalt Concrete Incentive Grant Program, which is administered by the CIWMB to promote recycled products derived from waste tires generated within California. A resolution authorizing submittals to the CIWMB was adopted by the OCTA Board on June 12, 2006, as required by the grant program. Final award recommendations are expected to be announced in October 2006.

Awarded/Executed Grants

The OCTA was awarded one grant in the current quarter.

FY 2007 Transportation Planning Grant: Caltrans

- On May 19, 2006, Caltrans awarded OCTA \$200,000 in planning grant funds to supplement the multi-county regional goods movement study that is currently underway. The funds will facilitate additional environmental justice impact analysis and community outreach activities. Project partners include LACMTA, Riverside County Transportation Commission (RCTC), San Bernardino Associated Governments (SANBAG), Ventura County Transportation Commission, and the Southern California Association of Governments (SCAG). The 12 percent local match requirement will be shared between the project partners.

Current Grant Agreements

The OCTA has five current capital formula grant and five current capital discretionary grant agreements which are summarized on Attachment C.

Capital Formula Grants: OCTA receives an annual formula capital grant from the FTA. There are five active formula capital grants, totaling \$472.4 million. A total of \$304.4 million of these grants has been expended or obligated for procurement, leaving a remaining and available balance of \$168.1 million. Of the \$168.1 million available balance, \$122.2 million represents future procurements of alternative fuel buses for the expansion and replacement of OCTA's current fixed route fleet.

Capital Discretionary Grants: There are five active discretionary capital grants, totaling \$11.7 million. A total of \$6.8 million of these grants have been expended or obligated for procurement, leaving a remaining and available balance of \$4.9 million. The \$4.9 million available balance represents the

construction of the Irvine Transportation Center parking structure, construction of the Buena Park Intermodal Facility, Harbor Boulevard bus rapid transit demonstration project, security camera system at the Fullerton Transportation Center, mobile fare equipment for the City of Anaheim and buses for the cities of Anaheim and Brea.

OCTA has \$292.7 million in current other discretionary grants which are summarized on Attachment D.

In addition to the specific grants outlined above, OCTA receives a variety of discretionary grants from sources such as SCAG, South Coast Air Quality Management District (SCAQMD), MSRC, FHWA, CMAQ, Traffic Congestion Relief Program (TCRP), Caltrans, and the State Highway Fund. The remaining and available balance on these discretionary grants is \$56.2 million. These funds will be received on a reimbursement of eligible expense basis.

Closed-out Grant Agreements

There were no grants closed-out in the current quarter.

Summary

This report provides an update of the grant funded activities for the fourth quarter of fiscal year 2005-06, April through June 2006. Staff recommends this report be received and filed as an information item.

Attachments

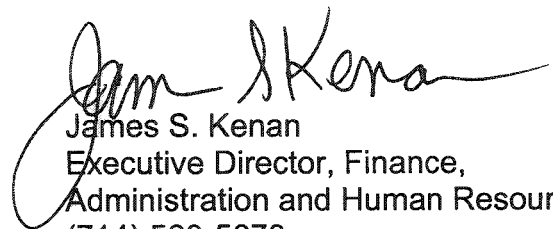
- A. Quarterly Grant Status Report, April through June 2006, Future Grant Applications.
- B. Quarterly Grant Status Report, April through June 2006, Pending Grant Applications.
- C. Quarterly Grant Status Report, April through June 2006, Current Formula & Discretionary Grants.
- D. Quarterly Grant Status Report, April through June 2006, Current Other Discretionary Grants.
- E. Quarterly Grant Status Report, April through June 2006, Federal Transit Administration Section 5307 Grant Funds.
- F. Quarterly Grant Status Report, April through June 2006, Federal Transit Administration Capital Grant Index.

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**Quarterly Grant Status Report
April through June 2006
Future Grant Applications**

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Federal Transit Authority Section 5309 (c) - Bus and Bus Related Facilities Program						
Discretionary grants funded by Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) / Transportation Equity Act for the 21st Century (TEA 21)						
Grants provide capital funds for projects that improve efficiency and coordination of transportation systems.						
GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	EST. SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
Fiscal Year 2002 City of Costa Mesa	\$ 247,507	\$ 61,877	\$ 309,384	TBD	TBD	Seeking Scope of Work change via the Federal Fiscal Year 2007 Appropriations Bill
Fiscal Year 06 Earmark: OCTA Bus Rapid Transit	\$ 1,485,000	\$ 371,250	\$ 1,856,250	TBD	TBD	Pending Scope of Work; Awarded application required by Sept 2008
Fiscal Year 06: Earmark:OCTA Security Surveillance and Monitoring Equipment	\$ 1,006,989	\$ 251,747	\$ 1,258,736	TBD	TBD	Pending Scope of Work; Awarded application required by Sept 2008
Fiscal Year 06 Earmark: OC Purchase Buses for Rapid Transit	\$ 190,357	\$ 38,989	\$ 229,346	TBD	TBD	Pending Scope of Work; Awarded application required by Sept 2008
Fiscal Year 06 Earmark: OC Projects to Encourage Use of Transit to Reduce Congestion	\$ 190,357	\$ 47,589	\$ 237,946	TBD	TBD	Pending Scope of Work; Awarded application required by Sept 2008
Fiscal Year 06 Earmark: Santa Ana, Improve Santa Ana Transit Terminal	\$ 190,357	\$ 47,589	\$ 237,946	TBD	TBD	Pending Scope of Work; Awarded application required by Sept 2008
Fiscal Year 06 Earmark: Yorba Linda Senior Mobility Program - TRAILS	\$ 40,590	\$ 10,148	\$ 50,738	TBD	TBD	Pending Scope of Work; Awarded application required by Sept 2008
Fiscal Year 06 Earmark: La Habra Shuttle Senior Transportation Program	\$ 155,430	\$ 38,858	\$ 194,288	TBD	TBD	Pending Scope of Work; Awarded application required by Sept 2008
Fiscal Year 06 Earmark: Intermodal Park and Ride Facility at Discovery	\$ 297,000	\$ 74,250	\$ 371,250	TBD	TBD	Pending Scope of Work; Awarded application required by September 2008
Discretionary Grants Sub-Total	\$ 3,803,587	\$ 942,296	\$ 4,745,883			

Mobile Source Air Pollution Reduction Review Committee						
GRANT	GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	EST. SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
Freeway Service Patrol Program Automated Vehicle Locator/Mobile Data Terminal Equipment	\$ 928,000	\$ 309,333	\$ 1,237,333	September 2006	TBD	Under Development
Discretionary Grants Sub-Total	\$ 928,000	\$ 309,333	\$ 1,237,333			

Future Grants Total	\$ 4,731,587	\$ 1,251,630	\$ 5,983,217			
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**Quarterly Grant Status Report
April through June 2006
Pending Grant Applications**

Federal Transit Authority Section 5307 - Urbanized Area Formula Capital Grant Program						
Formula grants funded by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) / Transportation Equity Act for the 21st Century (TEA 21) Funds are generally used to purchase revenue vehicles, vehicle and facility modifications and bus related equipment.						
GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
Fiscal Year 2006	\$ 47,043,235	\$ 28,931,809	\$ 75,975,044	June 2006	September 2006	Submitted
Formula Grants Sub-Total	\$ 47,043,235	\$ 28,931,809	\$ 75,975,044			

Federal Transit Authority Section 5309 (c) - Bus and Bus Related Facilities Program						
Discretionary grants funded by Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) / Transportation Equity Act for the 21st Century (TEA 21) Grants provide capital funds for projects that improve efficiency and coordination of transportation systems.						
GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
Fiscal Year 2006	\$ 970,874	\$ 242,719	\$ 1,213,593	July 2006	August 2006	Submitted
Discretionary Grants Sub-Total	\$ 970,874	\$ 242,719	\$ 1,213,593			

Federal Transit Authority Section 5310 Paratransit Grant Program						
GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
Fiscal Year 2007 Paratransit Vehicles for the Elderly and Disabled	\$ 1,281,740	\$ 147,016	\$ 1,428,756	April 2006	November 2006	Submitted
Discretionary Grants Sub-Total	\$ 1,281,740	\$ 147,016	\$ 1,428,756			

Department of Homeland Security						
These grants are to be used for the protection of the Orange County's transportation system and the hardening of Orange County Transportation Authority's critical facilities.						
GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
Fiscal Year 2006 Homeland Security Grant Program	\$ 950,000	\$ -	\$ 950,000	June 2006	TBD	Submitted
Discretionary Grants Sub-Total	\$ 950,000	\$ -	\$ 950,000			

Urban Area Security Initiative: Department of Homeland Security						
These grants are to be used for the protection of the Orange County's transportation system and the hardening of Orange County Transportation Authority's critical facilities.						
GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
Fiscal Year 2005 Urban Area Security Initiative: Department of Homeland Security Grant Program	\$ 529,302	\$ -	\$ 529,302	June 2006	TBD	Submitted
Discretionary Grants Sub-Total	\$ 529,302	\$ -	\$ 529,302			

Mobile Source Air Pollution Reduction Review Committee						
GRANT	GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
Leasing Certified Natural Gas Fueling Equipment Santa Ana Bus Base	200,000	-	200,000	June 2006	January 2007	Submitted
Discretionary Grants Sub-Total	\$ 200,000	\$ -	\$ 200,000			

**Quarterly Grant Status Report
April through June 2006
Pending Grant Applications**

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California Integrated Waste Management Board

GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
Targeted Rubberized Asphalt Concrete Incentive Grant Program	\$ 150,000	\$ -	\$ 150,000	June 2006	October 2006	Submitted
Discretionary Grants Sub-Total	\$ 150,000	\$ -	\$ 150,000			
Pending Grants Sub-Total	\$ 51,125,151	\$ 29,321,543	\$ 80,446,694			

**Quarterly Grant Status Report
April through June 2006
Current Formula & Discretionary Grants**

ATTACHMENT C

Federal Transit Authority SECTION 5307, 5309 AND 5313 GRANT FUNDS

Federal Transit Authority Section 5307 - Urbanized Area Formula Capital Grant Program

Formula grants funded by the Transportation Equity Act for the 21st Century (TEA-21).

Funds are generally used to purchase revenue vehicles, vehicle and facility modifications and bus related equipment.

CURRENT GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	EXPENDED TO DATE	UNLIQUIDATED OBLIGATIONS	REMAINING BALANCE
Fiscal Year 2005	\$ 83,581,587	\$ 15,342,902	\$ 98,924,489	\$ 22,075,244	\$ 1,865,403	\$ 74,983,842
Fiscal Year 2004 **	45,164,302	14,024,519	59,188,821	45,793,058	5,675,135	7,720,628
Fiscal Year 2002-03 *	131,076,208	24,996,716	156,072,924	146,222,634	2,190,879	7,659,411
Fiscal Year 2001	30,138,775	7,474,532	37,613,307	20,007,313	353,415	17,252,579
Fiscal Year 2000	88,838,958	31,811,225	120,650,183	60,203,540	-	60,446,643
Formula Grants Total	\$ 378,799,830	\$ 93,649,894	\$ 472,449,724	\$294,301,789	\$ 10,084,832	\$ 168,063,103

Note: The Remaining Balance reflects funds in an Approved Grant waiting for the procurement contract.

* The Fiscal Year 2001-03 Section 5307 Grant is a consolidated Fiscal Year 2001-02 and Fiscal Year 2002-03 mega grant.

** The Fiscal Year 2003-04 Section 5307 Grant is "ONLY" 9/12 of the amount available because the extension of TEA-21 expired June 30, 2004.

Federal Transit Authority Section 5309 - Discretionary Capital Grant Program

Discretionary grants funded by the Transportation Equity Act for the 21st Century.

Grants provide capital funds for projects that improve efficiency and coordination of transportation systems.

CURRENT GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	EXPENDED TO DATE	UNLIQUIDATED OBLIGATIONS	REMAINING BALANCE
Fiscal Year 2005 Bus Application	\$ 4,344,932	\$ 1,037,983	\$ 5,382,915	\$ 1,286,700	\$ -	\$ 4,096,215
Fiscal Year 2002-03 City of Anaheim	986,854	\$ 202,127	1,188,981	-	5,833	1,183,148
Fiscal Year 2001-02 Cities of Anaheim and Brea and Santa Ana Bus Base	1,930,671	469,249	2,399,920	1,654,951	79,320	665,649
Fiscal Year 2001 Irvine Transportation Center Transitway	2,481,380	620,345	3,101,725	-	-	3,101,725
Fiscal Year 2000 Buses/Intermodal Facility	4,103,680	928,299	5,031,979	2,919,876	2,112,103	-
Discretionary Grants Total	\$ 9,502,585	\$ 2,220,020	\$ 11,722,605	\$ 4,574,827	\$ 2,197,256	\$ 4,950,522

Note: The above grant amounts include Federal Transit Authority amount and Orange County Transportation Authority local match but excludes operating assistance.

**Quarterly Grant Status Report
April through June 2006
Current Other Discretionary Grants**

DISCRETIONARY ALLOCATIONS					
<u>South Coast Air Quality Management District Grant Program and Mobile Source Air Pollution Reduction Review Committee</u> Provides grants for the purchase of clean fuel revenue vehicles and other activities to reduce mobile source emissions.					
CURRENT GRANT	STATE GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	REMAINING BALANCE	PROJECT STATUS
Fiscal Year 2004-05 Mobile Source Air Pollution Reduction Committee Contract # PT05063	\$ 603,500	-	\$ 603,500	\$ 603,500	This grant was awarded February 2005 and provides funds of \$150,000 to purchase and install 71 catalyzed diesel particulate filter systems to retrofit certain diesel-fueled buses. In June 2005, the Mobile Source Air Pollution Reduction Committee Board increased the amount of the award to \$603,500. Contract was executed on March 26, 2006. The project is budgeted in Fiscal Year 2007. Buses to be modified are the 5200 series 40 New Flyer and 7200 & 7400 series New Flyer sixty foot articulated vehicles.
Fiscal Year 2004-05 Mobile Source Air Pollution Reduction Committee Contract # MS05047	75,563	-	75,563	7,556	This grant provides \$75,563 to fund the modernization of an obsolete Liquefied Natural Gas displacement pump. Grant was submitted in September 2004 and awarded in January 2005. Pump is undergoing acceptance. A reimbursement request was received for \$68,006.70. Retentions of \$7,556.30 remain to be submitted for reimbursement.
Fiscal Year 2004-05 Mobile Source Air Pollution Reduction Committee Contract # MS05040	200,000	-	200,000	200,000	Provides funding for the purchase of up to 25 natural gas buses at \$8,000 per bus. The Mobile Source Air Pollution Reduction Committee contract was executed on March 23, 2006. This will fund buses from the procurement with New Flyer, contract C50746.
Fiscal Year 2002-03 Mobile Source Air Pollution Reduction Committee Contract #MS03041	1,360,000	-	1,360,000	1,360,000	This grant provides funding for 68 Liquefied Natural Gas Buses at \$20,000 each. On June 1, 2004, Orange County Transportation Authority executed a contract with Mobile Source Air Pollution Reduction Committee with an expiration date of 2008. OCTA is working with MSRC to reprogram the funding to the current CNG bus procurement.
Fiscal Year 2002-03 Mobile Source Air Pollution Reduction Committee Contract #MS03059	375,000	-	375,000	-	Funds five new freeway service patrol beats. The grant was approved by Air Quality Management District on June 6, 2003 and executed by the Orange County Transportation Authority on December 23, 2003. Final reimbursement has been received. The Final Report is scheduled to be submitted in the next quarter.
Fiscal Year 2002-03 Mobile Source Air Pollution Reduction Committee Contract #MS04006	405,000	-	405,000	333,000	Funds 10 gasoline/electric hybrid buses at \$40,000 each plus \$5,000 for mechanical training. Contract executed on November 9, 2004. Two vehicles have been received and accepted. A reimbursement has been received for \$72,000 with the balance to be reimbursed upon submittal of the Final Report.
Fiscal Year 2002-03 South Coast Air Quality Management District Contract # TBD	1,000,000	-	1,000,000	1,000,000	Funds the expansion of the Liquefied Natural Gas fueling infrastructure at the Garden Grove and Anaheim facilities. Funds were awarded in October 2002. Orange County Transportation Authority submitted a request to Air Quality Management District on August 12, 2004, to use the funds for Liquefied Natural Gas fuel tank upgrades. Air Quality Management District staff responded on September 29, 2004, agreeing to the scope change and also agreeing to allow funds to be used for new alternative fuel refueling infrastructure. The Air Quality Management District Board concurred with staff recommendation on December 3, 2004. Awaiting contract.

**Quarterly Grant Status Report
April through June 2006
Current Other Discretionary Grants**

DISCRETIONARY ALLOCATIONS					
Traffic Congestion Relief Program					
Governor's Traffic Congestion Relief Program State funding for the Garden Grove Project Advanced Planning Study					
CURRENT GRANT	STATE GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	REMAINING BALANCE	PROJECT STATUS
Fiscal Year 2002	\$ 394,269.00	-	\$ 394,269.00	-	The advanced Planning Study for the Garden Grove Project is complete and the final reimbursement was received on 1/15/2003.
Governor's Traffic Control Relief Program funding for the Garden Grove Project Planning, Construction, Construction Management, ROW					
Fiscal Year 2002	180,100,000	-	180,100,000	16,563,652	In July 2005, Orange County Transportation Authority was granted the remaining allocation of \$123.7 million of Traffic Congestion Relief Program funds. To date, Orange County Transportation Authority has been allocated \$180.1 million with \$4.9 million allocated to Caltrans for environmental and Quality Assurance and Quality Control activities. Reimbursements received to date total \$163.5 million against the following phases: Phase 2 (Preliminary Design and detailed Plans, Specifications and Estimates) at \$28.9 million and Phase 3 (Right of Way) at \$24.3 million, and Phase 4 (Initial Mobilization for Construction) at \$110.2 million.
State Transportation Improvement Program					
Programming, Planning, Monitoring					
Fiscal Year 2003 Program	3,500,000	-	3,500,000	70,000	Annual State Transportation Improvement Program allocation for the Programming, Planning, Monitoring.
Fiscal Year 2006 Program	1,287,000	-	1,287,000	1,287,000	Annual State Transportation Improvement Program allocation for the Programming, Planning, Monitoring.
Fiscal Year 2007 Program	1,777,000	-	1,777,000	1,777,000	Annual State Transportation Improvement Program allocation for the Programming, Planning, Monitoring.
Federal Highway Administration Grant Program Congestion Mitigation Air Quality					
Federal funding for the Garden Grove Project Construction					
Fiscal Year 2004	101,276,120	-	101,276,120	32,593,184	Funding for the construction of Carpool lanes on the State Route 22. Amount received to date is \$68,682,935.98. Reimbursement pending in the amount of \$16,459,246.72
Federal Transit Authority Section 5313 (b) - Transit Planning Grant Program					
Caltrans is the Federal Grant Recipient					
Fiscal Year 2004	50,000	12,000	62,000	59,341	Funds statewide planning and other technical assistance activities, planning support for non-urbanized areas, research, development and demonstration projects, fellowships for training in the public transportation field, and human resource development. OCTA is utilizing funding for (5) Intern positions. A reimbursement in the amount of \$4,756.50 is pending.
Fiscal Year 2003-04	280,000	33,037	313,037	313,037	Funding to conduct a commuter rail needs assessment at 18 commuter rail stations located along the three Metrolink lines in Orange County. The study will assess demand for parking, transit feeder service, and transit oriented development. Southern California Association of Governments is the recipient of these funds, with Orange County Transportation Authority as management lead on the project. Currently awaiting a finalized Memorandum of Understanding, which is currently in draft form.
Total	\$ 292,683,452	\$ 45,037	\$ 292,728,489	\$ 56,187,269	

Quarterly Grant Status Report April through June 2006

FEDERAL TRANSIT ADMINISTRATION SECTION 5307 GRANT FUNDS

Federal Transit Administration Section 5307 - Urbanized Area Formula Capital Grant Program

Note: Operating Assistance Only

CURRENT GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	FTA DATE PAID
Fiscal Year 2005 *	\$ 5,341,510	\$ 24,844,621	\$ 30,186,131	Oct. 4, 2005
Fiscal Year 2004 *	3,010,031	15,503,544	18,513,575	Aug. 30, 2004
Fiscal Year 2002-03	6,966,007	37,562,925	44,528,932	Aug. 21, 2003
Fiscal Year 2001 *	3,155,000	16,411,495	19,566,495	March 8, 2002
Fiscal Year 2000 *	-	-	-	Sept. 29, 2000
Formula Grants Sub-Total	\$ 18,472,548	\$ 94,322,585	\$ 112,795,133	

Note: * Includes ADA Paratransit Operating Assistance "ONLY"

**Quarterly Grant Status Report
April through June 2006
Federal Transit Administration Capital Grant Index**

GRANT NO.	DESCRIPTION	OBLIG. DATE	GRANT BUDGET	UNLIQUIDATED OBLIGATIONS	TOTAL OUTLAYS	TOTAL COMMIT/ COSTS	REMAINING BALANCE	PERCENT COMPLETE	ANTICIPATED
									CLOSE-OUT
CA-03-0561	Bus Purchase/Intermodal Facility	9/21/2000	5,031,979	2,112,103	2,919,876	5,031,979	-	58.03%	June '07
CA-03-0585	Invine Transportation Center	9/26/2001	3,101,725	-	-	-	3,101,725	0.00%	December '07
CA-03-0626	Cities of Anaheim and Brea	8/25/2003	2,399,920	79,320	1,654,951	1,734,271	665,649	68.96%	March '08
CA-03-0685	Cities of Anaheim and Brea	8/25/2004	1,188,981	5,833	-	5,833	1,183,148	0.00%	November '06
CA-03-0709	2005 Section 5309 Bus Applicatio	3/3/2006	5,382,915	-	1,286,700	1,286,700	4,096,215	23.90%	February '08
CA-90-X962	Program of Projects	9/25/2000	120,650,183	-	60,203,540	60,203,540	60,446,643	49.90%	March '07
CA-90-Y048	Program of Projects	3/4/2002	37,613,307	353,415	20,007,313	20,360,728	17,252,579	53.19%	March '08
CA-90-Y163	Program of Projects	8/14/2003	156,072,924	2,190,879	146,222,634	148,413,513	7,659,411	93.69%	March '08
CA-90-Y237	Program of Projects	8/19/2004	59,188,821	5,675,135	45,793,058	51,468,193	7,720,628	77.37%	March '08
CA-90-Y349	Program of Projects	9/22/2005	98,924,489	1,865,403	22,075,244	23,940,647	74,983,842	22.32%	March '11
TOTALS			\$489,555,244	\$ 12,282,088	\$300,163,316	\$ 312,445,404	\$ 177,109,840	61.31%	

(thru June 30, '06)



BOARD COMMITTEE TRANSMITTAL

September 25, 2006

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Agreement for Health Services

Finance and Administration Committee

September 13, 2006

Present: Directors Cavecche, Campbell, Correa, Duvall, Pringle, and Wilson
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement C-5-0455 between the Orange County Transportation Authority and Kaiser Foundation Health Plan, Inc., in an estimated annual amount of \$881,000, for prepaid medical services through December 31, 2007. The annual 2007 Kaiser premium costs are estimates due to the fact the actual total annual premium will vary in accordance with actual enrollment.

- B. Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement C-5-2860 between the Orange County Transportation Authority and CIGNA Healthcare of California, in an estimated annual amount of \$1,014,000, for prepaid medical services through December 31, 2007. The annual 2007 CIGNA healthcare premium costs are estimates due to the fact the actual total annual premium will vary in accordance with actual enrollment.



BOARD COMMITTEE TRANSMITTAL

- C. Authorize the Chief Executive Officer to execute Amendment No.1 to Agreement C-5-2861 between the Orange County Transportation Authority and CIGNA Healthcare of California, in an estimated annual amount of \$3,068,000, for open access plus medical services through December 31, 2007. The annual 2007 CIGNA healthcare premium costs are estimates due to the fact the actual total annual premium will vary in accordance with actual enrollment.
- D. Authorize the Chief Executive Officer to execute Agreement C-6-0657 between the Orange County Transportation Authority and Vision Service Plan, in an estimated annual amount of \$111,000, for vision claims and administration services through December 31, 2009. The annual 2007 Vision Service Plan premium costs are estimates due to the fact the actual total annual premium will vary in accordance with actual enrollment.
- E. Authorize the Chief Executive Officer to execute Purchase Order C-6-0658 between the Orange County Transportation Authority and Lincoln Financial Group, in an estimated annual amount of \$151,000 for life and accidental death and dismemberment insurance through December 31, 2008. The annual 2007 Lincoln Financial Group premium costs are estimates due to the fact the actual total annual premium will vary in accordance with actual volume in the plan.
- F. Authorize the Chief Executive Officer to execute Purchase Order C-6-0659 between the Orange County Transportation Authority and Lincoln Financial Group, in an estimated annual amount of \$119,000, for short-term and long-term disability insurance through December 31, 2008. The annual 2007 Lincoln Financial Group premium costs are estimates due to the fact the actual total annual premium will vary in accordance with actual volume in the plan.
- G. Authorize the Chief Executive Officer to execute Purchase Order C-6-0660 between the Orange County Transportation Authority and Creative Benefits, Inc., in an estimated annual amount of \$8,500, for administering the Flexible Spending Account through December 31, 2009. The annual 2007 Creative Benefits, Inc. premium costs are estimates due to the fact the actual total annual premium will vary in accordance with actual enrollment.



September 13, 2006

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Agreement for Health Services

Overview

The Orange County Transportation Authority presently has agreements with various companies to provide medical, dental, vision, life insurance, and disability services for administrative employees and employees represented by the Transportation Communications Union.

Recommendations

- A. Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement C-5-0455 between the Orange County Transportation Authority and Kaiser Foundation Health Plan, Inc., in an estimated annual amount of \$881,000, for prepaid medical services through December 31, 2007. The annual 2007 Kaiser premium costs are estimates due to the fact the actual total annual premium will vary in accordance with actual enrollment.
- B. Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement C-5-2860 between the Orange County Transportation Authority and CIGNA Healthcare of California, in an estimated annual amount of \$1,014,000, for prepaid medical services through December 31, 2007. The annual 2007 CIGNA healthcare premium costs are estimates due to the fact the actual total annual premium will vary in accordance with actual enrollment.
- C. Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement C-5-2861 between the Orange County Transportation Authority and CIGNA Healthcare of California, in an estimated annual amount of \$3,068,000, for open access plus medical services through December 31, 2007. The annual 2007 CIGNA healthcare premium costs are estimates due to the fact the actual total annual premium will vary in accordance with actual enrollment.

- D. Authorize the Chief Executive Officer to execute Agreement C-6-0657 between the Orange County Transportation Authority and Vision Service Plan, in an estimated annual amount of \$111,000, for vision claims and administration services through December 31, 2009. The annual 2007 Vision Service Plan premium costs are estimates due to the fact the actual total annual premium will vary in accordance with actual enrollment.
- E. Authorize the Chief Executive Officer to execute Purchase Order C-6-0658 between the Orange County Transportation Authority and Lincoln Financial Group, in an estimated annual amount of \$151,000 for life and accidental death and dismemberment insurance through December 31, 2008. The annual 2007 Lincoln Financial Group premium costs are estimates due to the fact the actual total annual premium will vary in accordance with actual volume in the plan.
- F. Authorize the Chief Executive Officer to execute Purchase Order C-6-0659 between the Orange County Transportation Authority and Lincoln Financial Group, in an estimated annual amount of \$119,000, for short-term and long-term disability insurance through December 31, 2008. The annual 2007 Lincoln Financial Group premium costs are estimates due to the fact the actual total annual premium will vary in accordance with actual volume in the plan.
- G. Authorize the Chief Executive Officer to execute Purchase Order C-6-0660 between the Orange County Transportation Authority and Creative Benefits, Inc., in an estimated annual amount of \$8,500, for administering the Flexible Spending Account through December 31, 2009. The annual 2007 Creative Benefits, Inc. premium costs are estimates due to the fact the actual total annual premium will vary in accordance with actual enrollment.

Background

Due to competition in the labor market, the Orange County Transportation Authority (OCTA) has implemented several Board of Directors (Board) authorized programs designed to attract and retain top talent for the agency. The employee benefits program is one such program and is the focus of this staff report.

Medical Services

OCTA has offered three choices of medical plans to its employees and their families since 1981. On November 14, 2005, the Board approved new

contracts for CIGNA Healthcare of California (CIGNA) to provide an open access plus (OAP) plan and a health maintenance organization (HMO) plan for the period January 1, 2006 through December 31, 2006. In addition, the Board approved an amendment to the agreement with Kaiser Foundation Health Plan, Inc. (Kaiser) to provide an HMO plan for the period July 1, 2006 through December 31, 2006.

Dental Services

OCTA has offered two choices of dental plans to its employees and their families since 1981. On June 14, 2005, the Board approved a new agreement with SmileSaver for the period July 1, 2005 through June 30, 2006, for prepaid dental services. On November 14, 2005, the Board approved extending the contract with SmileSaver from July 1, 2006 through December 31, 2007. Additionally, on November 14, 2005, the Board approved a new contract with MetLife to provide a preferred dental plan (PDP) for the period January 1, 2006 through December 31, 2007. There will be no additional increase in dental plan rates for calendar year 2007.

Vision Services

Vision Service Plan (VSP) has been under contract with OCTA since 1984 to provide vision coverage to OCTA employees. Effective August 1993, OCTA self-funded the vision care program with VSP administering the claims. On June 14, 2004, the Board approved a new agreement with VSP for the period July 1, 2004 through June 30, 2006. On November 14, 2005, the Board approved extending the contract with VSP from June 30, 2006 to December 31, 2006.

Life and Disability Insurances

To provide for the employee's financial security, life insurance, accidental death and dismemberment (AD&D), short-term disability (STD), and long-term disability (LTD) coverages are purchased. Short-term disability and LTD programs provide financial protection to employees by paying a portion of their income while disabled for an extended period of time. On June 14, 2004, the Board approved policies with Jefferson Pilot Life Insurance Company (Jefferson Pilot) to provide life, AD&D, and disability coverages for the period July 1, 2004 through June 30, 2006. On November 14, 2005, the Board approved extending the contract with Jefferson Pilot from June 30, 2006 to December 31, 2006.

Flexible Spending Account

OCTA offers employees a Flexible Spending Account (FSA) for healthcare expenses of the employee, spouse, and dependents, as well as dependent care expenses through non-taxable reimbursements. Employees contribute money to the plan on a pre-tax basis and are reimbursed accordingly. This is made available to employees through the Internal Revenue Code Section 125 cafeteria plan. Currently, the FSA is administered internally by Human Resources staff. Due to the Health Insurance Portability and Accountability Act (HIPAA) related to protected health information (PHI), it is recommended that OCTA contract with a third-party administrator to review medical claims and receipts for reimbursing employees. Currently, only 105 employees participate in the FSA for medical and 15 employees for dependent care out of an employee population of approximately 2,000. The third-party administrator will actively market the benefits of the FSA to OCTA employees, which is expected to significantly increase participation.

OCTA requested Mercer Health & Benefits, LLC (Mercer) to obtain renewal quotes for the medical plans and to market the vision, life, AD&D, and disability benefit programs as well as the FSA with an effective date of January 1, 2007.

Discussion

These procurements were conducted as a competitively negotiated procurement by Mercer. Request for renewals were e-mailed to Kaiser and CIGNA; and Request for Proposals were e-mailed to three carriers for vision coverage and to seventeen carriers for life, AD&D, and disability coverages.

On June 30, 2006, renewal quotes were received by Kaiser and CIGNA. In addition, offers were received from two vision carriers and five life, AD&D and disability carriers. A Healthcare Review Committee, comprised of representatives from the Finance, Administration and Human Resources Division and Safety & Environmental Compliance Department, met with Mercer to evaluate these healthcare options. The committee considered the following factors in determining the best proposal: cost, performance standards and guarantees, offerors' qualifications and experience, network disruption, and benefit plan flexibility.

Medical Services

Kaiser offered a 17.03 percent renewal increase for calendar year 2007. Amendment No. 1 to Agreement C-5-0455 was approved by the Board to extend the prior contract an additional six months with no increase in rates to OCTA although rates throughout the industry were rising. OCTA is now

experiencing the impact of six months with no rate increase. In addition, effective January 1, 2007, Kaiser also changed their rating methodology and will apply higher group-specific risk adjustment factors rather than spreading the risk among many employers. The heavier weighting applied to risk factors is the main contributor to the relatively higher rate increase in 2007 than in prior years. OCTA's administrative and Transportation Communications Union (TCU) employee enrollment in Kaiser as of August 1, 2006, was 128.

CIGNA offered an 18 percent renewal increase for calendar year 2007 for both the HMO and OAP plans. This renewal rate is based on the claims experience during the six-month period of January 1, 2006 through June 30, 2006. During this limited period there were several large claims, and many of the claims are not yet fully mature. As a result, CIGNA applied very conservative factors when developing the renewal rates, leading to the higher than anticipated increases.

Vision Services

Mercer surveyed the marketplace for administrative services for vision coverage. Two companies, Medical Eye Services (MES) and VSP, provided quotations.

Medical Eye Services offered competitive fees guaranteed for three years. The MES network consists of ophthalmologists, optometrists, and opticians, which include many retail stores.

VSP, the incumbent carrier, offered a 9.8 percent renewal increase for calendar year 2007. Similar to Kaiser, VSP extended the prior contract from July 1, 2005 through December 31, 2005 with no increase in rates. The new rate will be guaranteed for three years. The VSP network is comprised primarily of ophthalmologists and optometrists and no retail stores.

Although, the projected annual administrative fee offered by MES is approximately \$1,000 lower than the VSP fee, the Healthcare Review Committee agreed to recommend VSP based on the following justification:

- The slight decrease in fees offered by MES does not justify the disruption of service to OCTA employees.
- The OCTA administrative costs to change plans would far exceed the approximate \$1,000 fee reduction offered by MES.
- Benefits are different between each plan primarily for the out-of-network reimbursements.

- VSP allows members to get contact lenses in addition to glasses, and MES only offers one or the other.
- VSP provides outstanding customer service to OCTA employees.

Life and Disability Insurance

Mercer received proposals from CIGNA, The Guardian, Lincoln Financial Group (formerly Jefferson Pilot Life Insurance Company), Prudential, and The Standard. Prudential did not provide responses to the questionnaire or to proposal requirements and did not offer competitive rates. The Standard did not quote LTD coverage, had many deviations from proposal requirements, and did not offer competitive rates. CIGNA had many deviations from proposal requirements and was not willing to implement performance guarantees. The Committee short-listed the carriers to The Guardian and Lincoln Financial Group.

The Guardian offered competitive rates based on take-over of the life, AD&D, and disability plans. All rates are guaranteed for two years. The Guardian is willing to negotiate performance guarantees for two years; however, their scheduled customer service hours would reduce the time OCTA employees could conveniently access their service because customer service representatives are only available from 8:00 a.m. to 6:00 p.m., Eastern Standard Time. In addition, the proposal included deviations from the requirements.

Lincoln Financial Group, the incumbent carrier, offered the most competitive rates with a zero percent increase. All rates are guaranteed for two years. In addition, Lincoln Financial Group provided an enhanced AD&D policy, with no change in rates, to include paralysis, repatriation, seat belt benefits and education, among other benefits. Lincoln Financial also agreed to increase the annual maximum benefit amount for the life and AD&D policies to \$500,000 with no change in premium. OCTA has been satisfied with the claims service provided by Lincoln Financial Group.

Flexible Spending Account

Mercer received proposals from Automatic Data Processing, Inc., Aflac, Conexis, Creative Benefits, CIGNA, and Tri-AD. Mercer recommended the top five FSA administrators including ADP, Aflac, Conexis, Creative Benefits, and Tri-AD. CIGNA was not included due to fewer services being offered compared with the other administrators. The committee short-listed the administrators to Aflac and Creative Benefits.

Aflac offered competitive fees with a rate guarantee of three years; however, the references received to date were not favorable with regard to Aflac's

customer service. In addition, Aflac does not offer a direct interface with medical providers, which automatically reimburses employees for out-of-pocket medical expenses. The committee is evaluating the possibility of implementing an FSA debit card in the future where employees could utilize the card for health-related expenses instead of submitting individual receipts. When including the costs of the debit card, Aflac's debit card cost is higher than the other administrator.

Creative Benefits offered competitive fees with a rate guarantee of three years, and they are a very experienced FSA administrator. The references received were extremely positive related to customer service and turnaround time. Creative Benefits also offers a direct interface with medical providers to automatically reimburse employees for expenses. Due to competitive costs, excellent customer service, and the direct interface, the committee recommendation is to contract with Creative Benefits.

Employee Contributions

In accordance with the Board approved Fiscal Year 2007 Personnel and Salary Resolution, administrative and TCU employees hired prior to June 27, 2004, shall have the entire cost of employee and dependent premiums paid beginning the pay period following the completion of seven years of service. For all other administrative and TCU employees, beginning with fiscal year (FY) 2006, employee contribution levels were set at a percentage amount based upon the cost of the plan selected. For those employees with no dependents, a 10 percent contribution was set. For those employees who selected dependent coverage, a 15 percent rate was established. During FY 2006, the Board approved the conversion to a calendar year basis for the health programs. As a result of that change, the costs of some of OCTA's plans changed. To mitigate the impact of the change to employees, the OCTA kept the dollar amounts constant for calendar year 2006. This resulted in utilizing fixed amounts versus percentages that were previously established prior to FY 2006.

Staff is recommending returning a 10 percent contribution level for employees who select no dependents and 15 percent for those who select dependent coverage for calendar year 2007. This will result in the proposed monthly contributions levels shown on Attachment A for each of the plans.

Future Initiatives

The OCTA's Healthcare Review Committee is currently working with CIGNA Healthcare of California to study the feasibility of implementing CIGNA's

Healthy Awards program for the entire employee population, including union employees, and a consumer driven plan for administrative and Transportation Communications Union employees.

CIGNA's Healthy Awards program allows employers to offer incentive programs to all employees regardless of their medical coverage. Programs include disease management, smoking cessation, personal health risk appraisal, etc. These types of programs encourage wellness and a healthy lifestyle, which assists in decreasing the experience rate resulting in lower healthcare costs overall. The target implementation date is April 2007.

The consumer driven plan will be in addition to the existing Kaiser, CIGNA HMO, and CIGNA OAP plans. The target implementation date for the new plan will be January 1, 2008. Staff will begin providing informational sessions to employees during the first half of 2007.

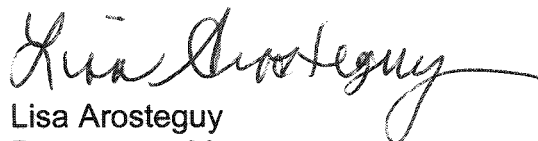
Summary

Based on the information provided, staff recommends approval of agreements with Kaiser Foundation Health Plan Inc., CIGNA Healthcare, Vision Service Plan, Lincoln Financial Group, and Creative Benefits to provide continuity of health coverages for the employees and their families.

Attachments

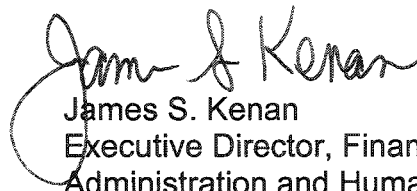
- A. Proposed Plan Rates and Contributions Effective January 1, 2007
- B. Fact Sheet Kaiser Foundation Health Plan, Inc., Agreement C-5-0455
- C. Fact Sheet CIGNA Healthcare, Agreement C-5-2860
- D. Fact Sheet CIGNA Healthcare, Agreement C-5-2861
- E. Fact Sheet Vision Service Plan, Agreement C-6-0657
- F. Fact Sheet Lincoln Financial Group, Agreement C-6-0658
- G. Fact Sheet Lincoln Financial Group, Agreement C-6-0659

Prepared by:



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Department Manager
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Approved by:



James S. Kenan
Executive Director, Finance,
Administration and Human Resources
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**Proposed Plan Rates and Contributions
Effective January 1, 2007**

Plan	Monthly Premium		Employee Share (%)
	Plan Cost	Proposed Employee Contribution	
Kaiser HMO			
Employee Only	\$ 296.54	\$ 29.65	10%
Employee + 1 Dependent	\$ 593.08	\$ 88.96	15%
Employee + Family	\$ 839.21	\$ 125.88	15%
CIGNA HMO			
Employee Only	\$ 298.56	\$ 29.86	10%
Employee + 1 Dependent	\$ 641.90	\$ 96.29	15%
Employee + Family	\$ 865.81	\$ 129.87	15%
CIGNA OAP Medical			
Employee Only	\$ 499.24	\$ 49.92	10%
Employee + 1 Dependent	\$ 1,073.37	\$ 161.01	15%
Employee + Family	\$ 1,447.81	\$ 217.17	15%
SmileSaver			
Employee Only	\$ 10.35	\$ 1.04	10%
Employee + 1 Dependent	\$ 16.00	\$ 2.40	15%
Employee + Family	\$ 21.00	\$ 3.15	15%
MetLife PPO Dental			
Employee Only	\$ 49.95	\$ 5.00	10%
Employee + 1 Dependent	\$ 107.39	\$ 16.11	15%
Employee + Family	\$ 144.19	\$ 21.63	15%
Vision Service Plan			
Employee Only	\$ 12.43	\$ 1.24	10%
Employee + 1 Dependent	\$ 24.86	\$ 3.73	15%
Employee + Family	\$ 35.51	\$ 5.33	15%

**Fact Sheet
Kaiser Foundation Health Plan, Inc.
Agreement C-5-0455**

1. May 23, 2005, Agreement C-5-0455, \$850,000, approved by Board of Directors.
 - To provide prepaid medical services for OCTA's Administrative employees and employees represented by Transportation Communications Union for the period July 1, 2005 through June 30, 2006.
2. November 14, 2005, Amendment No. 1 to Agreement C-5-0455, \$450,000, approved by Board of Directors.
 - To extend the termination date to December 31, 2006.
3. September 25, 2006, Amendment No. 2 to Agreement C-5-0455, \$881,000, pending approval by Board of Directors.
 - To extend contract for period January 1, 2007 through December 31, 2007.

Total committed to Kaiser Foundation Health Plan, Inc., Agreement C-5-0455 for the amount of \$2,181,000.

**Fact Sheet
CIGNA Healthcare
Agreement C-5-2860**

1. November 14, 2005, Agreement C-5-2860, \$850,000, approved by Board of Directors.
 - To provide prepaid medical services for OCTA's Administrative employees and employees represented by Transportation Communications Union for the period January 1, 2006 through December 31, 2006.
2. September 25, 2006, Amendment No. 1 to Agreement C-5-2860, \$1,014,000, pending approval by Board of Directors.
 - To extend contract for period January 1, 2007 through December 31, 2007.

Total committed to CIGNA Healthcare, Agreement C-5-2860 for the amount of \$1,864,000.

**Fact Sheet
CIGNA Healthcare
Agreement C-5-2861**

1. November 14, 2005, Agreement C-5-2861, \$2,800,000, approved by Board of Directors.
 - To provide open access plus medical services for OCTA's Administrative employees and employees represented by Transportation Communications Union for the period January 1, 2006 through December 31, 2006.
2. September 25, 2006, Amendment No. 1 to Agreement C-5-2861, \$3,068,000, pending approval by Board of Directors.
 - To extend contract for period January 1, 2007 through December 31, 2007.

Total committed to CIGNA Healthcare, Agreement C-5-2861 for the amount of \$5,868,000.

**Fact Sheet
Vision Service Plan
Agreement C-6-0657**

1. September 25, 2006, Agreement C-6-0657, \$111,000, pending approval by Board of Directors.
 - To provide vision services for OCTA's Administrative employees and employees represented by Transportation Communications Union for period January 1, 2007, through December 31, 2009.

Total committed to Vision Service Plan, Agreement C-6-0657 for the amount of \$111,000.

**Fact Sheet
Lincoln Financial Group
Agreement C-6-0658**

1. September 25, 2006, Agreement C-6-0658, \$151,000, pending approval by Board of Directors.
 - To provide life insurance and accidental death and dismemberment policies for OCTA's Administrative employees and employees represented by Transportation Communications Union for period January 1, 2006, through December 31, 2008.

Total committed to Lincoln Financial Group, Agreement C-6-0658 for the amount of \$151,000.

**Fact Sheet
Lincoln Financial Group
Agreement C-6-0659**

1. September 25, 2006, Agreement C-6-0659, \$119,000, pending approval by Board of Directors.
 - To provide short-term and long-term disability coverage for OCTA's Administrative employees and employees represented by Transportation Communications Union for period January 1, 2007, through December 31, 2009.

Total committed to Lincoln Financial Group, Agreement C-6-0659 for the amount of \$119,000.



BOARD COMMITTEE TRANSMITTAL

September 25, 2006

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Contractor Employee Health Benefits Incentive

Finance and Administration Committee

September 13, 2006

Present: Directors Cavecche, Campbell, Correa, Duvall, Pringle, and Wilson
Absent: None

Committee Vote

The Committee Members voted as follows:

Director Cavecche – Yes
Director Pringle – Yes
Director Correa – No
Vice Chairman Duvall – Yes
Director Campbell - No
Chairman Wilson – Yes

Motion passed by 4-3.

Committee Recommendation

Do not adopt a specific incentive program but emphasize in the Request For Proposals documents that the Board of Directors strongly encourages contractors to offer health insurance to their employees.



September 13, 2006

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Contractor Employee Health Benefits Incentive

Overview

On December 12, 2005, the Board of Directors directed staff to develop incentives that would encourage contractors to provide health benefits to their employees.

Recommendation

Provide direction to staff regarding the adoption of a program that encourages service contractors whose employees work exclusively at the Orange County Transportation Authority to provide health benefits to their employees:

Option One – Adopt the incentive program described within that provides additional evaluation points to those contractors who offer affordable health insurance to their full time employees who work exclusively at Orange County Transportation Authority.

Option Two - Do not adopt a specific incentive program but emphasize in the Request For Proposals documents that the Board of Directors strongly encourages contractors to offer health insurance to their employees.

Background

The Orange County Transportation Authority (OCTA) does not require firms under contract to provide health benefits to their employees. In February 2005, the Board of Directors (Board) discussed enacting such a requirement while taking action to exercise the option term for a janitorial contract. The Board asked staff to research this topic and present the findings at a subsequent Board meeting. On December 12, 2005, the Board reviewed the options presented by staff and agreed to create procurement incentives, which would encourage contractors to provide health benefits to their employees. Staff presented various incentive options to the Finance and Administration (F&A) Committee on March 22, 2006, and July 12, 2006. At each meeting, the

F&A Committee voiced some concerns regarding the options offered and directed staff to revise the incentives and return to the F&A Committee at a later date.

Discussion

In an effort to determine the number of OCTA service contractors who provide or offer health insurance to their employees, a telephone survey was conducted during the summer of 2005. The survey found that 87 percent of OCTA's service contractors offer health benefits to their employees and/or entire families.

The incentive program is aimed at maintaining this high percentage of firms providing or offering health insurance and at the same time encouraging those service contractors who do not offer health insurance to do so.

Option One

In response to the direction given by the Finance and Administration Committee, language will be added to the Request For Proposals (RFP) stating that OCTA strongly encourages all contractors to offer health insurance to their full-time employees with affordable deductibles and co-payment terms. Firms submitting proposals will be asked to indicate if they offer health insurance to their employees; if yes, to provide details on the health benefits offered, including: type of coverage, if employee or family coverage, employee eligibility to receive health benefits, the amount of cost sharing involved, the amount of the deductible and/or co-payment, and any additional health benefits offered i.e. dental services, vision services or wellness programs. Documentation showing proof of such health insurance will be required.

In the evaluation criteria, under the cost and price category, firms will have the ability to earn up to an additional ten points if they provide health insurance to their employees with affordable deductibles or co-payment terms (Attachment A). An affordable deductible or co-payment is defined as a dollar amount that the employee can pay given the amount of wages he/she earns at that particular job. A health insurance program that stipulates an annual deductible of \$3,000 would not be considered within the financial ability of a minimum wage employee.

The evaluation committee's recommendation will be presented to the Board along with information on the health care benefits offered by the recommended service contractor. The selected service contractor will be required to update the proof of health insurance on an annual basis. Staff will track the health

insurance requirement in the same manner used to monitor the other insurances required in the contract.

Staff is proposing to focus the program initially on service procurements in which contractors' employees work exclusively for OCTA; however, the Board may chose to include this incentive in all procurements. Currently, OCTA has three contracts in place where the contractors' employees work on a daily basis at OCTA facilities. These contracts are for janitorial, bus cleaning and detailing, and bus shelter maintenance services.

The janitorial services are provided by the firm Diamond Contract Services. The company does not provide health benefits. There are 31 full-time janitors working under this contract exclusively at OCTA. The current contract is set to expire on December 31, 2006.

Bus cleaning and detailing is performed by the firm Corporate Image Maintenance. It has 16 part-time employees and four full-time employees working exclusively at OCTA. The company currently does not provide health insurance and the contract is due to expire on December 31, 2006.

The bus shelter maintenance is performed by the firm, Shelter Clean. It has 15 full-time employees who work exclusively for OCTA. The company does provide health insurance and the contract is set to expire on November 30, 2006. Two one-year option terms remain beyond the November 30 expiration.

Option Two

OCTA would continue its current practice of not requiring contractors to provide health insurance to their employees. Request for Proposals language will encourage contractors to offer health insurance to their employees.

Summary

Orange County Transportation Authority is interested in doing business with firms that offer their employees health benefits. Toward that end, an incentive program has been developed.

Attachment

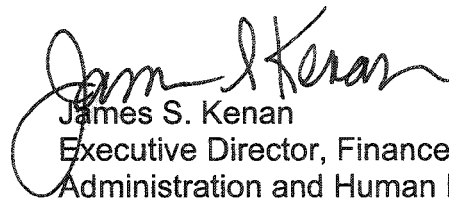
A. Orange County Transportation Authority Proposal Evaluation Forms

Prepared by:



Virginia Abadessa
Manager, Contracts Administration and
Materials Management
(714) 560-5623

Approved by:



James S. Kenan
Executive Director, Finance,
Administration and Human Resources
(714) 560-5678

ORANGE COUNTY TRANSPORTATION AUTHORITY

PROPOSAL EVALUATION FORM

Proposal: RFP 6-1234
 Proposing Firm: ABC Company

Criteria	Rating* (0-5)	Weight Factor II	Score (Column I x Column II)	Comments
QUALIFICATION OF THE FIRM - experience working on similar projects - financial capability of firm to do the work - client references	4	4	16	
PROPOSED STAFFING - adequacy of assigned staffing - qualifications of project staff - project organization	4	5	20	
WORK PLAN - understanding scope requirements -quality of the work plan	4	6	24	
COST AND PRICING A. Base Price Proposal - reasonableness of tasks and total price - competitiveness of price with other offers received	3	5	15	
B. Optional Health Incentives - health coverage provided - is affordable to employees given the deductible/co-payment	5 5	1 1	5 5	

- Use scale of 0-5, with 5 as best rating.

TOTAL: 85

Maximum number of points available is 110 points

ORANGE COUNTY TRANSPORTATION AUTHORITY

PROPOSAL EVALUATION FORM

Proposal: RFP 6-1234
 Proposing Firm: MNO Company

Criteria	Rating* (0-5)	Weight Factor II	Score (Column I x Column II)	Comments
QUALIFICATION OF THE FIRM - experience working on similar projects - financial capability of firm to do the work - client references	4	4	16	
PROPOSED STAFFING - adequacy of assigned staffing - qualifications of project staff - project organization	4	5	20	
WORK PLAN - understanding scope requirements -quality of the work plan	4	6	24	
COST AND PRICING A. Base Price Proposal - reasonableness of tasks and total price - competitiveness of price with other offers received	4	5	20	
B. Optional Health Incentives - health coverage provided - is affordable to employees given the deductible/co-payment	5 0	1 1	5 0	Offer health insurance but deductible too high

• Use scale of 0-5, with 5 as best rating.

TOTAL: 85

Maximum number of points available is 110 points

ORANGE COUNTY TRANSPORTATION AUTHORITY

PROPOSAL EVALUATION FORM

Proposal: RFP 6-1234
 Proposing Firm: XYZ Company

Criteria	Rating* (0-5)	Weight Factor II	Score (Column I x Column II)	Comments
QUALIFICATION OF THE FIRM - experience working on similar projects - financial capability of firm to do the work - client references	4	4	16	
PROPOSED STAFFING - adequacy of assigned staffing - qualifications of project staff - project organization	4	5	20	
WORK PLAN - understanding scope requirements -quality of the work plan	4	6	24	
COST AND PRICING A. Base Price Proposal - reasonableness of tasks and total price - competitiveness of price with other offers received	5	5	25	
B. Optional Health Incentives - health coverage provided	0	1	0	
- is affordable to employees given the deductible/co-payment	0	1	0	

• Use scale of 0-5, with 5 as best rating.

TOTAL: 85

Maximum number of points available is 110 points



BOARD COMMITTEE TRANSMITTAL

September 25, 2006

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Designation of State Transit Assistance Funds for Fare Stabilization for Seniors and Persons with Disabilities

Finance and Administration Committee

September 13, 2006

Present: Directors Cavecche, Campbell, Correa, Duvall, Pringle, and Wilson
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Adopt Resolution No. 2006-111 to designate funds, in the amount of \$712,000, in the State Transit Assistance Fund to provide fare assistance for seniors and persons with disabilities.
- B. Authorize the Chief Executive Officer to prepare and submit claims against the State Transit Assistance Fund to the Orange County Auditor-Controller for the Fiscal Year 2006-07 Fare Stabilization Program.



September 13, 2006

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer *ATL by PL*
Subject: Designation of State Transit Assistance Funds for Fare Stabilization for Seniors and Persons with Disabilities

Overview

The Orange County Transit District is eligible to receive State Transit Assistance Funds for providing public transit service to senior citizens and persons with disabilities throughout Orange County. In order to receive these funds, staff requests approval to designate funds in the State Transit Assistance Fund in the amount of \$712,000, and authorization to prepare corresponding claims during fiscal year 2006-07.

Recommendations

- A. Adopt Resolution No. 2006-111 to designate funds, in the amount of \$712,000, in the State Transit Assistance Fund to provide fare assistance for seniors and persons with disabilities.
- B. Authorize the Chief Executive Officer to prepare and submit claims against the State Transit Assistance Fund to the Orange County Auditor-Controller for the Fiscal Year 2006-07 Fare Stabilization Program.

Background

Since 1974, the Orange County Transit District (OCTD) has provided reduced fares for senior citizens riding on the OCTD's local fixed route service and was expanded to include persons with disabilities in July 1990. The fare assistance program has been funded by the State Transit Assistance Fund (STAF) and on March 8, 1999, the Orange County Transportation Authority (OCTA) Board of Directors (Board) approved an expansion in the fare subsidy program to include both Measure M and STAF funding for fare stabilization.

Discussion

According to the Transportation Development Act rules and regulations, the transportation planning agency is required to substantiate certain prerequisites before funds may be allocated. These prerequisites are contained in Section 6754 of the California Code of Regulations. Staff has completed the certification of compliance with the eligibility requirements of Public Utilities Code Section 99314.6.

Under the fare stabilization program, STAF provides a fare subsidy for senior and disabled persons. The Board has authorized subsidies as follows:

PASS			
	30 Day	15 Day	7 Day
STAF Subsidy	\$ 8.50	\$ 5.50	\$ 2.50
Rider	\$15.00	\$ 9.00	\$ 5.00
Total	\$23.50	\$14.50	\$ 7.50

OCTA must adopt a resolution allocating funding for the fare stabilization program before fare subsidies are distributed. The OCTA Board is due to authorize the filing of STAF claims for fiscal year 2006-07 by adoption of OCTA Resolution No. 2006-112 at the meeting of September 25, 2006.


Summary

Adopt Resolution No. 2006-111 to reserve State Transit Assistance Funds in the amount of \$712,000, to continue the fare stabilization program for seniors and persons with disabilities that use 30-day, 15-day, and 7-day passes on Orange County Transportation Authority's fixed route service.


Attachment

- A. Resolution of the Orange County Transportation Authority Reserving State Transit Assistance Funds

Prepared by:


Monica Giron
Associate Financial Analyst
Financial Planning and Analysis
(714) 560-5905

Approved by:


James S. Kenan
Executive Director, Finance
Administration and Human Resources
(714) 560-5678

**RESOLUTION OF THE
ORANGE COUNTY TRANSPORTATION AUTHORITY
RESERVING STATE TRANSIT ASSISTANCE FUNDS**

WHEREAS, the Orange County Transportation Authority is the designated agency for allocating State Transit Assistance Funds pursuant to California Public Utilities Code Section 99314.5; and

WHEREAS, the State Controller has allocated funds to the Orange County Transportation Authority pursuant to California Public Utilities Code Sections 99313 and 99314; and

WHEREAS, the Orange County Transportation Authority is authorized to allocate these funds to the Orange County Transit District; and

WHEREAS, the Orange County Transit District has authorized the filing of a claim to reserve \$712,000 from the State Transit Assistance Fund pursuant to California Code of Regulations, Title 21, Chapter 3, Subchapter 2.5, Article 4, Section 6730(a) for the Fiscal Year 2006-07 Fare Stabilization for Senior Citizens and Persons with Disabilities Program; and

WHEREAS, the Orange County Transit District is an eligible claimant for such funds; and

WHEREAS, the Orange County Transportation Authority has reviewed the claim of the Orange County Transit District for conformity with the applicable laws, rules, and regulations of the Transportation Development Act, as amended.

NOW, THEREFORE, BE IT RESOLVED that the Orange County Transportation Authority makes the following findings in connection with the Orange County Transit District's claim for funds:

1. The Orange County Transit District's proposed expenditures conform to the Regional Transportation Plan.
2. The Orange County Transit District's level of passenger fares and charges sufficiently meets the fare revenue requirements of Public Utilities Codes, Sections 99268.2, 99268.3, 99268.4, 99268.5, and 99268.9, as may be applicable.
3. The Orange County Transit District makes full use of federal funds available under the Federal Transit Act, as amended.
4. The sum of the Orange County Transit District's allocations from the State Transit Assistance Fund and from the Local Transportation Fund does not exceed the amount the Orange County Transit District is eligible to receive during Fiscal Year 2006-07.

5. Priority consideration has been given to offsetting unanticipated increases in the cost of fuel, enhancement of existing public transportation services, and high priority countywide public transportation needs.
6. The Orange County Transit District has made a reasonable effort to implement the productivity improvements recommended pursuant to Public Utilities Code Section 99244.
7. The Orange County Transit District is receiving the maximum allowable amount from the Local Transportation Fund.
8. The Orange County Transit District has not entered into an agreement on or after June 28, 1979 that would preclude it from employing part-time drivers or from contracting with common carriers of persons operating under a franchise or license.
9. The Orange County Transit District has received a certification by the California Highway Patrol verifying that the District is in compliance with Section 1808.1 of the Vehicle Code by participating in the drivers' pull notice system, as required by Public Utilities Code Section 99251.
10. The Orange County Transit District is in conformance with the eligibility requirements outlined in Public Utilities Code Section 99314.6.

BE IT FURTHER RESOLVED that the Orange County Transportation Authority hereby approves the reserve of State Transit Assistance Funds in the amount of \$712,000, pursuant to California Code of Regulations Section 6730(a), for the Fiscal Year 2006-07 Fare Stabilization for Senior Citizens and Persons with Disabilities Program.

ADOPTED, SIGNED, AND APPROVED this 25th day of September, 2006.

AYES:

NOES:

ABSENT:

ATTEST:

Wendy Knowles
Clerk of the Board

Arthur C. Brown, Chairman
Orange County Transportation Authority



BOARD COMMITTEE TRANSMITTAL

September 25, 2006

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: State Transit Assistance Fund Claims for Fiscal Year 2006-07

Finance and Administration Committee

September 13, 2006

Present: Directors Cavecche, Campbell, Correa, Duvall, Pringle, and Wilson
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Adopt Resolution No. 2006-112 to authorize the filing of State Transit Assistance Fund claims, in the amount of \$36,937,156, to support public transportation.



September 13, 2006

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer *ATL by PEG*
Subject: State Transit Assistance Fund Claims for Fiscal Year 2006-07

Overview

The Orange County Transit District is eligible to receive funding from the State Transit Assistance Fund for providing public transportation services throughout Orange County. In order to receive these funds, the Orange County Transit District, as the public transit and community transit services operator, must file claims with the Orange County Transportation Authority, the transportation planning agency for Orange County.

Recommendation

Adopt Resolution No. 2006-112 to authorize the filing of State Transit Assistance Fund claims, in the amount of \$36,937,156, to support public transportation.

Background

The Transportation Development Act (TDA) of 1971 established a funding source dedicated to transit and transit-related projects. The funding source consists of two parts: Local Transportation Fund (LTF), which is derived from 1/4 cent of the current retail sales tax and the State Transit Assistance Fund (STAF), which consists of sales taxes on gasoline and diesel fuel appropriated by the State Legislature from the State Transportation Planning and Development Account.

The STAF revenues are distributed by the State Controller and returned quarterly to each regional entity based on the amount of the appropriation approved in the State Budget. In Orange County, the STAF receipts are deposited in the Orange County STAF Account (Fund 185) in the Orange County Treasury and administered by the Orange County Auditor-Controller. The STAF receipts are distributed by the Auditor-Controller to the Orange

County Transit District (OCTD) based on claims against the STAF as specified in the TDA.

Discussion

Section 6732 of the California Code of Regulations requires OCTD to file a claim with Orange County Transportation Authority (OCTA) in order to receive an allocation from the STAF for providing public transportation services. State Transit Assistance funds are used to offset operating expenses of OCTD and to provide a fare subsidy for seniors and persons with disabilities that use 30-day, 15-day, and 7-day passes on OCTA's fixed route service.

The State Controller is required by Public Utilities Code Section 99312.7 to notify each transportation planning agency yearly by January 31 of an estimate of funds to be allocated during the next fiscal year. The State Controller notified each transportation planning agency of the actual amount appropriated for the STAF program after the fiscal year 2006-07 budget was approved by the legislature. The State Controller's revised allocation estimate for fiscal year 2006-07 equals \$36,937,156. The State Controller based this estimate on OCTA receiving 5.87 percent of an expected statewide STAF program of \$629,714,613.

Summary

The State Transit Assistance Fund provides funding to the Orange County Transit District for public transit services. In order to receive these funds, Orange County Transit District must file the appropriate State Transit Assistance Fund claims with Orange County Transportation Authority. Staff recommends the Orange County Transportation Authority Board of Directors adopt Resolution No. 2006-112 to file these claims.

Attachment

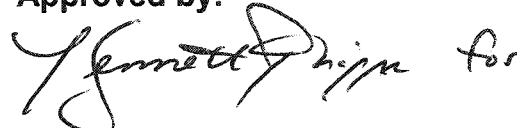
- A. Resolution of the Orange County Transportation Authority Authorizing the Filing of State Transit Assistance Fund Claims

Prepared by:



Monica Giron
Associate Financial Analyst
Financial Planning and Analysis
(714) 560-5905

Approved by:



James S. Kenan
Executive Director, Finance
Administration and Human Resources
(714) 560-5678

**RESOLUTION OF THE
ORANGE COUNTY TRANSPORTATION AUTHORITY**

**AUTHORIZING THE FILING OF
STATE TRANSIT ASSISTANCE FUND CLAIMS**

WHEREAS, the Orange County Transportation Fund was created by the Transportation Development Act (SB 325:1971) to aid in meeting the public transportation and community transit needs that exist in Orange County; and

WHEREAS, the Orange County Transit District is submitting transportation claims for funds from the Orange County Transportation Fund; and

WHEREAS, the Orange County Transportation Authority has the authority to review claims and allocate such funds in accordance with the California Code of Regulations and the California Transportation Development Act.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Orange County Transit District hereby requests the Orange County Transportation Authority to allocate funds to the Orange County Transit District for the purpose of providing the support of a public transportation system as described under Article 6.5 of the California Transportation Development Act.

BE IT FURTHER RESOLVED that the Orange County Transit District agrees to provide the Orange County Transportation Authority with such information as may be necessary to support these transportation claims.

ADOPTED, SIGNED AND APPROVED this 25th day of September, 2006.

AYES:

NOES:

ABSENT:

ATTEST:

Wendy Knowles
Clerk of the Board

Arthur C. Brown, Chairman
Orange County Transit District

BOARD COMMITTEE TRANSMITTAL



September 19, 2006

To: Members of the Board of Directors
From: Wendy Knowles^{WK}, Clerk of the Board
Subject: Agreement for Orange County Rideshare Program Software and Database Services

This item will be considered by the Legislative and Government Affairs/Public Communications Committee on September 21, 2006. Following Committee consideration of this matter, staff will provide you with a summary of the discussion and action taken by the Committee.

Please call me if you have any comments or questions concerning this correspondence. I can be reached at (714) 560-5676.



September 21, 2006

To: Legislative and Government Affairs/Public Communications Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Agreement for Orange County Rideshare Program Software and Database Services

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2006-07 Budget, the Board of Directors approved resources to provide regional rideshare software and database maintenance services. Board approval is requested to execute a new agreement with Riverside County Transportation Commission.

Recommendation

Authorize the Chief Executive Officer to execute Agreement C-6-0678 between the Orange County Transportation Authority and the Riverside County Transportation Commission, in an amount not to exceed \$227,498, to provide regional ridematching software and database maintenance services for an initial term from October 1, 2006 through June 30, 2009, with two one-year option terms.

Background

Since July 1, 2003, county transportation commissions in the Southern California Association of Governments (SCAG) region have collaborated on a regional rideshare program with the central rideshare information database hosted by the Riverside County Transportation Commission (RCTC).

The Orange County Transportation Authority (OCTA), Los Angeles County Metropolitan Transportation Authority (LACMTA), Ventura County Transportation Commission (VCTC), and San Bernardino Associated Governments (SANBAG) each have a contract with RCTC for providing support services for the RidePro3 software and database. The regional database software and maintenance services provided by RCTC serve as an instrumental platform for storing cross-county commuters' traveler information

and enable the processing of ridematching lists. Through the current contract, RCTC supports OCTA with various program needs such as database system maintenance, updates, and upgrades. With the support of RCTC services, OCTA is able to deliver the Rideshare program for Orange County which consists of:

- Outreach to employers to provide bus, rail, carpool, employer transit pass program, and other transportation information
- Training of employee transportation coordinators and familiarizing them with bus services, Metrolink and rideshare
- Providing information by calling 1-800-COMMUTE and OCTA's Customer Information Center (CIC)
- Providing website information and real-time ridematching services at www.commutessmart.info
- Participation in programs such as Bike to Work and Rideshare Week
- Assisting employers with processing carpool matchlists and average vehicle ridership surveys
- Providing personalized RideGuides and trip information to commuters

Discussion

OCTA, LACMTA, VCTC, and SANBAG each contract with RCTC for the RidePro3 software license and database support services. Each county transportation commission's regional share of the cost is based upon the county population within the SCAG region.

Operating the rideshare program locally with the regional database and software has enabled OCTA to serve cross-county commuters with their rideshare needs, as well as provide employers with services to meet air quality mandates. This in turn, supports the regional goals of reducing traffic on Orange County roadways and reducing air emissions.

Fiscal Impact

Resources for Rideshare program software and database services were approved with the OCTA Fiscal Year 2006-07 Budget in the External Affairs Division Account 7519. This amount is funded through the Congestion Mitigation and Air Quality (CMAQ) program.

Summary

Staff recommends approval of Agreement C-6-0678 with RCTC, in an amount not to exceed \$227,498 for the period October 1, 2006 through June 30, 2009, with two one-year option terms to provide Rideshare program software and database maintenance services in support of OCTA's Rideshare program.

Attachment

None.

Prepared by:



Stella Lin
Manager, Marketing
(714) 560-5342

Approved by:



Ellen S. Burton
Executive Director, External Affairs
(714) 560-5923



BOARD COMMITTEE TRANSMITTAL

September 25, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board ^{WK}
Subject: Garden Grove Freeway (State Route 22) Design-Build Project
Construction Contingency and Project Update

Regional Planning and Highways Committee

September 18, 2006

Present: Directors Correa, Cavecche, Dixon, Green, Monahan, Norby, Pringle,
Ritschel, and Rosen
Absent: None

Committee Vote

No action was taken.

Staff Recommendation

Receive and file as an information item.



September 18, 2006

To: Regional Planning and Highways Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Garden Grove Freeway (State Route 22) Design-Build Project Construction Contingency and Project Update

Overview

On August 23, 2004, the Orange County Transportation Authority Board of Directors awarded a design-build contract to improve 12 miles of the Garden Grove Freeway (State Route 22) from Valley View Street east to the Costa Mesa Freeway (State Route 55) interchange. Construction contingency has been budgeted to account for unforeseen and changed conditions that occur during construction. An update on the construction contingency and status of the ongoing construction project is presented.

Recommendation

Receive and file as an information item.

Background

On August 23, 2004, the Orange County Transportation Authority's (Authority) Board of Directors (Board) awarded a design-build contract, in the amount of \$390,379,000, to the joint venture of Granite-Meyers-Rados (GMR). The contract is for improvements of 12 miles of the Garden Grove Freeway (State Route 22) from the Costa Mesa Freeway (State Route 55) interchange west to Valley View Street. The contract is a lump-sum, design-build contract; however, it is not a fixed-fee contract.

One of the major considerations of a design-build project is risk allocation. In a traditional design-bid-build project, the owner bears the risk that the project will not perform according to the project plans and specifications. Design-build shifts risk from the owner to the contractor because the contractor warrants that the project will meet certain established criteria. If the performance is not adequate, the contractor will be liable for the cost to repair. The design-builder also bears significantly greater risk than in traditional contracting with respect

to differing site conditions, worker safety, plan inconsistencies, inaccurate or missing quantities, and delays in obtaining permits.

To provide the best value to the Authority, not all risk was transferred to the contractor. Some of those risk items include steel escalation, asphalt escalation, sharing of utility-caused delays to the work, and force majeure weather events. Before the State Route 22 (SR-22) project was bid, a construction contingency was estimated and established for risk elements accepted by the Authority and minor changes in project scope. The contingency budget was set at \$16,050,000, approximately 4 percent of the contract value.

Discussion

Construction Contingency

Attachment A is the Change Order Forecast Log depicting the total executed changes to date, the forecasted potential changes, the total expended project contingency, and the forecasted contingency balance upon project completion. The executed contingency-funded change orders to date is \$6,461,992, which is 40 percent of the original \$16,050,000. The remaining project contingency balance is \$9,588,008. An updated project contingency report is provided monthly to the Regional Planning and Highways Committee (Committee).

Since the last contingency report to the Committee on August 7, 2006, one pending change order has been executed. Change Order No. 27, in the amount of \$95,328, was executed for the federally mandated apprentice training program.

The largest forecasted contingency item remaining is the steel and asphalt cost escalations included in the contract. The total actual cost of these items will be finalized upon project completion and a detailed accounting provided to the Board.

The original contract amount with GMR was \$390,379,000. To date out-of-scope changes, in the amount of \$43,987,027, have been executed, as well as \$6,461,992 of contingency-funded changes, bringing the current contract value to \$440,828,019. The final construction contract value is forecasted to be approximately \$454 million.

The project is currently forecasted to be under the current approved construction budget of \$458,700,645.

Project Update

The project is currently 90 percent complete, with 73 days remaining until the completion date of November 30, 2006. On that date all traffic lanes and ramps along the SR-22 will be open, except those lanes impacted by the incorporation of the City of Garden Grove's Magnolia Street bridge reconstruction into the project. Magnolia Street bridge reconstruction will delay opening of the new auxiliary lane between Magnolia Street and Beach Boulevard. It will also make it difficult to open the high-occupancy vehicle (HOV) lane west of Magnolia Street; the project team is evaluating options for interim use of the HOV lane in that area.

The continuous-access HOV lane will be open between Magnolia Street and State Route 55 by November 30.

Efforts will continue for some months to complete work previously scheduled to follow the November 30 date. Those items will include landscaping, local street work, additional project scope (i.e., some added soundwalls), and typical project closeout work.

Looking forward, there will be three major milestones:

- | | |
|--------------------|--|
| November 30, 2006: | Project substantial completion with all lanes open along the SR-22 except those impacted by incorporation of added bridge reconstruction at Magnolia Street. |
| March 2007: | Magnolia Street bridge reconstruction complete. Auxiliary lanes west of Magnolia Street and HOV lanes open. Local street construction and added soundwalls complete. |
| June 2007: | Final project acceptance. All closeout work complete. Contractor is fully demobilized from project. |

A number of ramp openings will be complete in September, including the La Veta Avenue on- and off-ramps. A weekly update of the openings and closings is distributed by the public outreach team to each Board Member Thursday afternoons.

An updated monthly project contingency and construction status report will be provided to the Committee in October.

Phase II

On August 28, 2006, the Board approved an implementation strategy to proceed with preliminary engineering on Phase II of the SR-22. The request for proposals was issued on August 29, 2007. Proposals are due on September 29, 2006. Board approval will be requested by the end of the year with preliminary engineering beginning in January 2007.

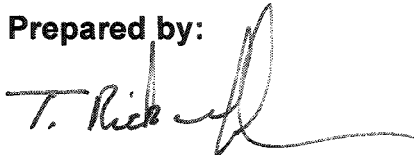
Summary

The Authority continues on schedule and budget to complete the first project in the State of California to be constructed on an active freeway using the innovative design-build delivery method.

Attachment

- A. Garden Grove Freeway (SR-22) HOV Lane Design-Build Project Change Order Forecast, September 18, 2006

Prepared by:



T. Rick Grebner, P.E.
Program Manager
(714) 560-5729

Approved by:



Paul C. Taylor, P.E.
Executive Director, Development
(714) 560-5431

Garden Grove Freeway (SR-22) HOV Lane Design-Build Project

CHANGE ORDER FORECAST
September 18, 2006

Approved Contingency = \$16,050,000

CCO Number	Description	Scope Change	CCO Amount	Funding Source			CCO Status	Board Status		Comments
				In-Scope (Contingency Funded)				Board Status	Date	
				Actual	Forecasted	Other				
1	Contract defined extra maintenance work. \$1,000,000 budgeted in project contingency for this anticipated, but unquantifiable work.		\$ 145,000	\$ -	\$ -	Executed	N/A		Budgeted in project contingency for this anticipated, but unquantifiable work.	
2	Contract defined extra maintenance work. \$1,000,000 budgeted in project contingency for this anticipated, but unquantifiable work.		\$ 855,000	\$ -	\$ -	Executed	Approved	4/11/05	Budgeted in project contingency for this anticipated, but unquantifiable work.	
3	Addition of enhanced project aesthetics including soundwall planters and landscaping removed during the BAFO process. (See Note #1)	✓	\$ 5,000,000	\$ -	\$ 5,000,000	Executed	Approved	5/9/05	Board added \$5M of landscaping removed during the BAFO process.	
4	GMR to perform civil portion of SCE work near Yockey Street. SCE could not meet project schedule. Payments to GMR will be withheld from SCE.		\$ 21,500	\$ -	\$ -	Executed	N/A		Work to be performed by utility company on time-and-materials basis. Work transferred to GMR to facilitate project schedule.	
5	GMR to perform civil portion of SCE work near Lewis Channel. SCE could not meet project schedule. Payments to GMR will be withheld from SCE.		\$ 27,784	\$ -	\$ -	Executed	N/A		Work to be performed by utility company on time-and-materials basis. Work transferred to GMR to facilitate project schedule.	
6	Civil design work for SCE utility relocation at Dunklee Street.		\$ 143,098	\$ -	\$ -	Executed	N/A		Work to be performed by utility company on time-and-materials basis. Work transferred to GMR to facilitate project schedule.	
7	Civil design work for SBC utility relocation at Dunklee Street.		\$ 50,093	\$ -	\$ -	Executed	N/A		Work to be performed by utility company on time-and-materials basis. Work transferred to GMR to facilitate project schedule.	
8	Deductive Change Order for Caltrans provided ITS equipment. (See Note #2)		\$ (1,181,512)	\$ (1,181,512)	\$ -	Executed	N/A		Caltrans to provide hardware. Caltrans cost estimated to be \$750k. Net savings to project of approximately \$400k.	
9	Removal and placement of 66" storm sewer pipe adjacent to the County of Orange Animal shelter. (See Note 3)		\$ 1,197,462	\$ 1,197,462	\$ -	Executed	Approved	8/22/05	Unknown 66" storm drain line owned by County of Orange. Cost to be shared with County (approx 50% reimbursement).	
10	Full Replacement of Magnolia Street bridge. Funding to be provided by Garden Grove 2005 TEA funds. (See Note 4)	✓	\$ 5,830,000	\$ -	\$ 5,830,000	Pending	Approved	4/10/06	Garden Grove received earmark in TEA reauthorization and requested full reconstruction of Magnolia bridge as part of this project.	
11	2004 Caltrans Design Standard Changes	✓	\$ 4,388,910	\$ -	\$ -	Executed	Approved	4/10/06	Caltrans mandated safety upgrades to all overhead sign structures.	
12	Revisions to City Drive under SR-22	✓	\$ 1,047,767	\$ -	\$ -	Executed	Approved	4/10/06	Widening of City Drive under the SR-22 required to facilitate turning movements onto realigned Metropolitan Drive.	
13	Relocation of Wall 163 due to reconfiguration of ramp.	✓	\$ 234,115	\$ -	\$ -	Executed	Approved	12/5/05	Additional wall height reduced R/W take at Amnsource/Berlegen property.	
14	Third Lane on Tustin Ave	✓	\$ 146,890	\$ -	\$ 146,890	Executed	Approved	4/10/06	City of Orange requested addition. CTFP Funded	
15	Additional right turn lane at Town and County	✓	\$ 213,114	\$ -	\$ -	Executed	Approved	4/10/06	Modifications required to add third lane at new signalized intersection.	
16	Changes at Metropolitan	✓	\$ 1,200,222	\$ -	\$ -	Executed	Approved	4/10/06	Modifications to freeway ramps to facilitate 4th leg construction and wall required to reduce R/W take.	
17	Additional EB through lane at Garden Grove Blvd	✓	\$ 572,286	\$ -	\$ 572,286	Executed	Approved	4/10/06	City of Garden Grove requested barrierment.	
18	Documentation of existing route design exceptions		\$ -	\$ -	\$ -	Deleted			Caltrans required documentation and approval of existing design conditions along freeway. Incorporated into CCO #11	

Garden Grove Freeway (SR-22) HOV Lane Design-Build Project

CHANGE ORDER FORECAST
September 18, 2006

Approved Contingency =
\$16,050,000

CCO Number	Description	Scope Change	CCO Amount	Funding Source				CCO Status	Board Status		Comments
				In-Scope (Contingency Funded)		Scope Additions			Board Status	Date	
				Actual	Forecasted	Other	Measure M				
19	Thunderbird Sanitary Relocation		\$ 650,000	\$ -	\$ 650,000	\$ -	\$ -			See Note 1	Unknown sanitary line conflict.
20	ADA ramp reconstruction at ramps		\$ 125,000	\$ -	\$ 125,000	\$ -	\$ -				Caltrans may require additional ADA ramp improvements at intersections adjacent to impacted areas. Board directed scope change
21	Rubberized AC along freeway (Euclid - Magnolia)	✓	\$ 2,500,000	\$ -	\$ -	\$ -	\$ 2,500,000	Executed	Approved	4/10/06	Board directed scope change
22	Safety Barrier in lieu of metal rail	✓	\$ 142,411	\$ -	\$ -	\$ -	\$ 142,411	Executed	Approved	4/10/06	Board directed scope change
23	Misc Soundwall and retaining additions	✓	\$ 2,500,000	\$ -	\$ -	\$ -	\$ 2,500,000	Executed	Approved	4/10/06	Misc soundwalls added along the corridor. Some walls qualify as future retrofit candidates - more economical to construct now. Caltrans required upgrade to ITS system
24	FEP for Caltrans	✓	\$ 299,602	\$ -	\$ -	\$ -	\$ 299,602	Executed	Approved	4/10/06	
25	Steel Escalation		\$ 5,500,000	\$ -	\$ 5,500,000	\$ -	\$ -			See Note 2	Steel escalation clause added in contract to eliminate cost escalation in bid. Used as mechanism to reduce risk to bidders.
26	AC price adjustment		\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -			See Note 2	AC price escalation clause added in contract to eliminate cost escalation in bid. Used as mechanism to reduce risk to bidders.
27	Training / Apprenticeship		\$ 95,328	\$ 95,328	\$ -	\$ -	\$ -	Executed	N/A		Contract requirement to reimburse contractor apprenticeship training expenses
28	Shoulder width adjustment (2.4m to 3.0m)	✓	\$ 1,734,439	\$ -	\$ -	\$ -	\$ 1,734,439	Executed	Approved	4/10/06	Caltrans required change to shoulder width created more asphalt and taller retaining walls Implementation of HOV demonstration project. Cost impact unknown.
29	HOV Demonstration project	✓	\$ -	\$ -	\$ -	\$ -	\$ -				
30	Weather: Santa Ana river impacts		\$ 252,670	\$ 252,670	\$ -	\$ -	\$ -	Executed	Approved	6/26/06	Winter rains of 2004 caused water releases in upstream dams into dry season. Cost is for clean-up and dewatering.
31	Weather: Additional SWPPP effort		\$ 300,000	\$ 300,000	\$ -	\$ -	\$ -	Executed	Approved	6/26/06	Winter rains of 2004 created additional repair and replacement of storm water prevention items over and above reasonable and customary.
32	Utility schedule impacts and work arounds		\$ 4,491,515	\$ 4,491,515	\$ -	\$ -	\$ -	Executed	Approved	6/26/06	Time impact to critical path of 14 days SCE delay for Trask Ave. Cost also accounts for additional GMR incurred costs for utility work arounds.
33	Conn 3 (Horseshoe)	✓	\$ 1,261,420	\$ -	\$ -	\$ -	\$ 1,261,420	Executed	Approved	4/10/06	Caltrans and FHWA required replacement of the bridge connecting E/B SR-22 to N/B SR-57 in lieu of widening.
34	Seismic Design Change Requirements	✓	\$ 22,745,851	\$ -	\$ -	\$ -	\$ 22,745,851	Executed	Approved	4/10/06	Resolution of project related cost and schedule through the Board date of April 10, 2006.
35	No Cost Settlement of Outstanding Project Issues through April 10, 2006		\$ -	\$ -	\$ -	\$ -	\$ -	Executed	N/A		Additional road widening to accommodate "4th leg" at Metropolitan. Most of work accounted for in CCO #16.
36	Added thru lane for future 4th leg at Metropolitan Dr.		\$ 64,054	\$ 64,054	\$ -	\$ -	\$ -	Executed	N/A		

Garden Grove Freeway (SR-22) HOV Lane Design-Build Project

CHANGE ORDER FORECAST
September 18, 2006

Approved Contingency =
\$16,050,000

CCO Number	Description	Scope Change	CCO Amount	Funding Source				CCO Status	Board Status		Comments
				In-Scope (Contingency Funded)		Scope Additions			Board Status	Date	
				Actual	Forecasted	Other	Measure M				
	Totals =		\$ 63,554,019	\$ 6,461,992	\$ 7,275,000	\$ 11,549,176	\$ 36,267,851				

Approved Project Contingency = \$ 16,050,000 (Original Board Approved Const. Contingency)
 Forecasted Total Contingency Changes = \$ 13,138,261 (Column "B" + "C" less 50% County reimbursement for CCO #9)
 Forecasted Contingency Balance = \$ 2,911,739 -18.14%

Approved Additional Budget for Scope Additions = \$ 50,871,645 (Board Approved on April 10, 2006)
 Forecasted Additional Budget Expended = \$ 49,817,027 (Total Columns "D" + "E")
 Forecasted Balance = \$ 1,054,618 -2.07%

Initial Contract Value = \$ 390,379,000
 Total Executed CCO's To-Date = \$ 50,449,019
 Current Contract Value = \$ 440,828,019
 Forecasted Final Contract = \$ 453,933,019 (Initial Contract + "A")

Current Construction Budget = \$ 458,700,645

Notes: 1) Anticipated Board date in +/- next 60 days
 2) Anticipated Board date near end of project

Note: Values in column "A" are final CCO amounts if "CCO Status" is listed as "Executed". If CCO is not executed the number is an estimated value.



BOARD COMMITTEE TRANSMITTAL

September 25, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Amendment to Agreement for Bus Stop Maintenance

Transit Planning and Operations Committee

September 18, 2006

Present: Directors Brown, Duvall, Green, Norby, Pulido, and Winterbottom
Absent: Director Silva

Director Norby was not present to vote on this item.

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement C-3-0810 between the Orange County Transportation Authority and ShelterCLEAN, Inc., in an amount not to exceed \$1,222,700, for preventive and corrective maintenance for the Orange County Transportation Authority's bus stops and zones.



September 18, 2006

To: Transit Planning and Operations Committee
From: ^{ML/E2} Arthur T. Leahy, Chief Executive Officer
Subject: Amendment to Agreement for Bus Stop Maintenance

Overview

On October 27, 2003, the Board of Directors approved an agreement with ShelterCLEAN, Inc., in an amount not to exceed \$3 million, to provide ongoing preventive and corrective maintenance for the Orange County Transportation Authority's bus stops and zones, for a three-year period with two one-year options. ShelterCLEAN, Inc., was retained in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement C-3-0810 between the Orange County Transportation Authority and ShelterCLEAN, Inc., in an amount not to exceed \$1,222,700, for preventive and corrective maintenance for the Orange County Transportation Authority's bus stops and zones.

Background

The Orange County Transportation Authority's (Authority) Stops and Zones section is responsible for the approximately 6,500 bus stops and zones located in 46 individual jurisdictions within Orange and Los Angeles counties. Since September 1, 1994, the bus stop maintenance program has been outsourced to the private sector. The contractor has been responsible for servicing each of the 75 plus individual bus routes 12 times per year and performing preventive maintenance at each location.

When performing preventive maintenance, the contractor inspects each bus stop location along an assigned route ensuring that the stop is safe, clean, and in good order. Typical activities include repairing or replacing a missing bus stop sign and post, removing trash or debris, emptying trash receptacles, removing

graffiti, and reporting any safety related issues to the proper party or local jurisdiction.

In addition to the preventative maintenance cycles, the contractor is also responsible for installing new stops, relocating stops, removing discontinued bus stop signs and posts, and placing red curbs. On a weekly basis 2,500 of the 6,500 stops, which are considered "trash hot spots", are serviced to remove trash or debris and eradicate graffiti.

Discussion

This procurement was originally handled in accordance with the Authority's procedures for professional and technical services. The original agreement was awarded on a competitive basis. It has become necessary to amend the agreement to exercise the first option year.

The original agreement awarded on October 27, 2003, was in an amount not to exceed \$3 million. This agreement has been amended previously with no increase (Attachment A). Amendment No. 3, in the amount of \$1,222,700, will increase the total agreement amount to \$4,222,700.

ShelterCLEAN, Inc., provides comprehensive medical benefits for each of their employees (Attachment B). Kaiser Permanente is their current health care provider and are contracted to provide coverage through June 30, 2007.

Fiscal Impact

The bus stop maintenance program as described in Amendment No. 3 to Agreement C-3-0810 was approved in the Authority's Fiscal Year 2006-07 Budget, Transit Division, Maintenance Department, Account 7612, and is funded through the Local Transportation Fund.

Summary

Staff recommends approval of Amendment No. 3 to Agreement C-3-0810, in an amount not to exceed \$1,222,700, with ShelterCLEAN, Inc.

Attachments


- A. ShelterCLEAN, Inc., Agreement C-3-0810 Fact Sheet
- B. ShelterCLEAN, Inc., Employee Health Care Benefit Program

Prepared by:



Al Pierce
Department Manager, Maintenance
714-560-5975

Approved by:



John D. Byrd
General Manager, Transit
714-560-5341

ATTACHMENT A

**ShelterCLEAN, Inc.
Agreement C-3-0810 Fact Sheet**

1. October 27, 2003, Agreement C-3-0810, \$3 million, approved by Board of Directors.
 - To provide maintenance services for the Authority bus stops and zones for a three-year period.
2. February 5, 2004, Amendment No. 1 to Agreement C-3-0810, no increase, approved by purchasing agent.
 - To add service change task pricing as Task 3.31 to Attachment A of the Agreement (firm fixed unit pricing sheet).
3. January 23, 2006, Amendment No. 2 to Agreement C-3-1810, no increase, approved by purchasing agent.
 - To add 11 additional service change tasks to Attachment A of the Agreement (firm fixed unit pricing sheet).
4. September 25, 2006, Amendment No. 3 to Agreement C-3-1810, \$1,222,700, pending approval by Board of Directors.
 - To exercise the first option year.

Total committed to ShelterCLEAN, Inc. : \$4,222,700

**ShelterCLEAN, Inc.
Employee Health Care Benefit Program**

Proposed Benefit Summary
227527 ShelterClean, Inc.

Principal Benefits for Kaiser Permanente Traditional Plan (7/1/06—6/30/07)

- Services described below are covered only if all the following conditions are satisfied:
- The Services are Medically Necessary
 - The Services are provided, prescribed, authorized, or directed by a Plan Physician and you receive the Services from Plan Providers inside our Service Area, except where specifically noted to the contrary in the Evidence of Coverage for authorized referrals, Emergency Care, Post-stabilization Care, Out-of-Area Urgent Care, and emergency ambulance Services

Annual Out-of-Pocket Maximum	
For one Member	\$1,500 per calendar year
For an entire Family Unit of two or more Members	\$3,000 per calendar year
Deductible or Lifetime Maximum	
None	
Coordination of Benefits	
Included	
Professional Services (Plan Provider office visits)	
You Pay	
Primary and specialty care visits (includes routine and urgent care appointments)	\$20 per visit
Routine preventive physical exams	\$20 per visit
Well-child preventive care visits (0-23 months)	No charge
Family planning visits	\$20 per visit
Scheduled prenatal care and first postpartum visit	No charge
Eye exams	\$20 per visit
Hearing tests	\$20 per visit
Physical, occupational, and speech therapy visits	\$20 per visit
Outpatient Services	
You Pay	
Outpatient surgery	\$20 per procedure
Allergy injection visits	No charge
Allergy testing visits	\$20 per visit
Immunizations	No charge
X-rays and lab tests	No charge
Health education	\$20 per individual visit No charge for group visits
Hospitalization Services	
You Pay	
Room and board, surgery, anesthesia, X-rays, lab tests, and drugs	No charge
Emergency Health Coverage	
You Pay	
Emergency Department visits	\$50 per visit (does not apply if admitted directly to the hospital as an inpatient)
Ambulance Services	
You Pay	
Ambulance Services	\$50 per trip
Prescription Drug Coverage	
You Pay	
Covered outpatient items in accord with our drug formulary from Plan Pharmacies or from our mail order program (MOP):	
Generic items from a Plan Pharmacy	\$10 for up to a 30 day supply, \$20 for a 31-60 day supply, or \$30 for a 61-100 day supply
Refills from our mail order program	\$20 for a 100 day supply
Brand name items from a Plan Pharmacy	\$20 for up to a 30 day supply, \$40 for a 31-60 day supply, or \$60 for a 61-100 day supply
Refills from our mail order program	\$40 for a 100 day supply
Durable Medical Equipment	
You Pay	
Most covered durable medical equipment for home use in accord with our DME formulary	20% Coinsurance
Mental Health Services	
You Pay	
Inpatient psychiatric care (up to 30 days per calendar year)	No charge
Outpatient visits:	
Up to a total of 20 individual and group therapy visits per calendar year	\$20 per individual therapy visit \$10 per group therapy visit

ShelterCLEAN, Inc.
Employee Health Care Benefit Program (continued)

continued

Mental Health Services	You Pay
Up to 20 additional group therapy visits that meet the Medical Group criteria in the same calendar year	\$10 per group therapy visit
Note: Visit and day limits do not apply to serious emotional disturbances of children and severe mental illnesses as described in the <i>Evidence of Coverage</i> .	
Chemical Dependency Services	You Pay
Inpatient detoxification	No charge
Outpatient individual therapy visits	\$20 per visit
Outpatient group therapy visits	\$5 per visit
Transitional residential recovery Services (up to 60 days per calendar year, not to exceed 120 days in any five-year period)	\$100 per admission
Home Health Services	You Pay
Home health care (up to 100 two-hour visits per calendar year)	No charge
Other	You Pay
Skilled Nursing Facility care (up to 100 days per benefit period)	No charge
Hospice care	No charge

This is a summary of the most frequently asked-about benefits. This chart does not explain benefits, exclusions, or limitations, and it does not list all benefits, Copayments, and Coinsurance. For a complete explanation, please refer to the *Evidence of Coverage*. Please note that we provide all benefits required by law (for example, diabetes testing supplies).



BOARD COMMITTEE TRANSMITTAL

September 25, 2006

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Rail Program Status Update

Transit Planning and Operations Committee

September 18, 2006

Present: Directors Brown, Duvall, Green, Norby, Pulido, and Winterbottom
Absent: Director Silva

Committee Vote

No action was taken on this receive and file information item.

Committee Recommendation

Receive and file as an information item.



September 18, 2006

To: Transit Planning and Operations Committee
From: ^{ATLIER} Arthur T. Leahy, Chief Executive Officer
Subject: Rail Program Status Update

Overview

Staff is providing an update on the Orange County Transportation Authority rail program, including the Metrolink commuter rail program, grade crossing improvements, and capital improvements underway in Orange County.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA) rail program is comprised mainly of the Metrolink commuter rail program and associated capital improvements to support service expansion and railroad grade crossing improvements.

Metrolink Commuter Rail Program

The Southern California Regional Rail Authority (SCRRA) operates Southern California's five-county commuter rail system known as Metrolink. Metrolink is a joint powers authority with five member agencies representing the counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura.

Grade Crossing Improvements

On June 13, 2005, the OCTA Board of Directors (Board) approved a Grade Crossing Safety Enhancement Program to provide funding for specific recommended safety enhancements at 55 at-grade highway-rail crossings in Orange County. The program covers the three crossings on the Burlington Northern Santa Fe (BNSF) San Bernardino subdivision that are not part of the

City of Placentia program, as well as the 52 crossings on the OCTA Orange/Olive subdivision.

Additionally, other grade crossing improvements, including grade separation projects, are underway in the cities of Fullerton (State College Boulevard), Irvine (Jeffrey Road), Anaheim/Yorba Linda (Imperial Highway [State Route 90]), and Placentia (Bradford Avenue pedestrian bridge and quiet zone implementation).

Discussion

This report provides an update for the Board regarding recent activity on the various elements of the rail program. Additional information on the program elements is offered in Attachment A.

Metrolink Commuter Rail Program

Ridership - Ridership continues to show positive quarterly and annual growth.

Weekend Service - Start-up of weekend service began on the Orange County (OC) line on Saturday, June 3, 2006, followed by Sunday service on July 2, 2006. Year-round weekend service began on the Inland Empire – Orange County (IEOC) line on July 15, 2006. OCTA, Riverside County Transportation Commission, and San Bernardino Associated Governments (SANBAG) introduced a special, new promotional fare at a reduced rate of 50 percent off regular fares through December 31, 2006.

In order to further attract off-peak weekend riders during the winter, staff is discussing the continuance of the promotional fare of 50 percent off regular weekday adult fares through June 30, 2007. For both the OC and IEOC lines, revenue forgone for the six months is projected at \$140,000. Staff believes there will be increases in ridership and revenue due to the promotional fare, sufficient to recoup most of the \$140,000.

Passenger Information/Station Signage

Electronic Passenger Information System (EPIS) - Metrolink stations are currently equipped with public address/changeable message signs; this system is being upgraded with new equipment and technology referred to as the EPIS. Stations will be equipped with flat panel liquid crystal displays at the ticket vending machine and platform area in addition to the existing light-emitting diode displays currently at the platforms. The project is currently underway and scheduled for roll-out in January 2007.

Boarding Information Signage - In addition to the EPIS system, OCTA, in cooperation with Metrolink, is installing interim boarding information signage at the stations. This project includes track identification, path finding signage, and boarding information signage.

Member Agency Cost Allocation Formula

Metrolink's operating costs are funded by each member agencies' operating subsidy. The operating subsidy establishes the share of member agency cost and is calculated using a cost allocation formula. On August 19, 2006, the five member agencies successfully agreed on a formula that staff believes is fair and equitable and reflective of true cost drivers. The Metrolink Board is scheduled to consider the new cost allocation formula in October 2006.

Metrolink Service Expansion (Expansion)

On June 26, 2006, the Board approved selection of Parsons Brinckerhoff Quade & Douglas, Inc. (PBQD) as the top-ranked firm to provide project management consulting services for expansion of service in Orange County. The first task for PBQD will be to develop a master schedule and identify critical path items to support the Expansion.

Capital Projects

Anaheim Pedestrian Access - In order to improve connectivity to the Anaheim station, the Stadium Towers Plaza, and the OCTA bus stop on Katella Avenue, Equity Offices (the adjacent property owner) agreed to construct a pedestrian walkway. Construction was completed at the end of August.

Buena Park Station - Construction for the Buena Park Metrolink station began on January 23, 2006, with construction proceeding to a February 2007 completion. This will be the 11th Metrolink station in Orange County.

Irvine Transportation Parking Structure - OCTA and the City of Irvine entered into a cooperative agreement to contract for design services and construction funding for a parking structure including 1,500 spaces at the Irvine station. Construction is anticipated to begin January 2007, with completion by December 2007.

Orange Pedestrian Crossing - Included in the Expansion is a grade-separated pedestrian crossing at the Orange station. Design is currently underway and expected to be completed by December 2006; schedule calls for construction to be completed by June 2007.

Santa Ana Second Main Track - Currently, there is a 1.8-mile single track between the Orange and Santa Ana stations. Completion of this Metrolink-administered project will facilitate the expansion of service between Fullerton and Laguna Niguel/Mission Viejo. Track construction will begin early next year and will be completed by June 2007.

Santa Ana Pedestrian Bridge Improvement Project - In order to provide safer access to northbound boarding passengers from the station platform, construction of a pedestrian bridge is underway and nearing completion at the Santa Ana station. A dedication event is scheduled to take place on October 23, 2006, at the Santa Ana station.

Placentia Metrolink Station - The City of Placentia is leading the effort to develop a Metrolink station located on the south side of the BNSF railroad, between Melrose and Main Streets. On June 26, 2006, the Board approved \$2.5 million in State Transportation Improvement Program (STIP) funds for the plans, specifications & estimates phase of the project. The California Transportation Commission (CTC) funding approval is scheduled to occur on September 7, 2007.

Rolling Stock

Locomotives - On March 29, 2006, Metrolink and MotivePower, Inc., signed a purchase agreement for the locomotives, of which seven will support the Expansion in Orange County. Locomotives are expected to be delivered in 2008.

Cab Cars/Trailer Cars - Metrolink has issued a Notice to Proceed to Rotem Company for the purchase of 87 trailer and cab cars, of which 52 trailer cars and 7 cab cars will support service expansion in Orange County. The first trailer car is expected to be delivered December 2008.

Grade Crossing Improvements

There are three main railroad lines providing passenger and freight railroad service in Orange County. There are a total of 64 at-grade highway-rail crossings on these three rail lines.

As a result of planned increases in passenger and freight rail traffic on the three rail lines described above, a renewed focus should be placed on grade crossing improvements. Improvements to at-grade highway-rail crossings can cover a wide spectrum: beginning with basic safety improvements (improving crossing surfaces, re-applying of pavement markings, and enhancing signing), to the installation of supplemental safety measures that allow for the

discontinuance of locomotive horn blowing (quiet zones), to grade crossing closures, and at-grade highway-railroad separations that completely separate rail traffic from vehicular and pedestrian traffic.

Safety Enhancement Program - The OCTA Grade Crossing Safety Enhancement Program is underway with Metrolink, OCTA, and affected cities. Both kick-off and diagnostic meetings have occurred with the cities of Anaheim, Dana Point, Fullerton, Orange, Santa Ana, and Tustin. A separate scope of work for quiet zone improvements is identified and tracked for cities to use in their consideration of quiet zones. The initial kick-off meetings with the cities of Irvine, San Clemente, and San Juan Capistrano took place in August followed by diagnostic reviews planned for October.

Quiet Zones - After years of development and 18 months of final review, the Federal Railroad Administration released its Final Train Horn Rule (Final Rule) on June 24, 2005. The Final Rule establishes a basic requirement for trains to sound horns at all public at-grade highway-rail crossings except in quiet zones established under the procedures set forth in the Final Rule.

OCTA currently does not have a policy on the implementation, funding, or ongoing operating costs related to quiet zones. Staff plans to bring the Metrolink Board-adopted SCRRA Quiet Zone Implementation Guidelines and Procedures forward at a subsequent meeting for consideration by the OCTA Board. Staff expects that any policy adopted by OCTA will also address capital costs, ongoing operating and maintenance costs, liability, and funding sources.

Grade Separations

Imperial Highway (State Route 90) - The project was advertised by the California Department of Transportation for construction on July 24, 2006, with bid opening scheduled for October 19, 2006.

Jeffrey Road - On June 26, 2006, the Board approved \$24 million in STIP funds for the project. If funding allocation is approved by the CTC on November 9, 2006, the project could be advertised by the City of Irvine for construction in the fall of 2006.

State College Boulevard - The City of Fullerton is pursuing the grade separation of State College Boulevard and the BSNF railroad; the City of Fullerton has a funding shortfall of \$40 million. OCTA staff is conferring with city staff on next steps.

Alameda Corridor East - The Alameda Corridor East received a \$125 million federal funding earmark that provides \$31.25 million for Orange County. OCTA and the City of Placentia will need to work together to identify the 20 percent local match. Current plans by the City of Placentia call for the earmark to be used on the Kraemer Boulevard undercrossing project in the City of Placentia.

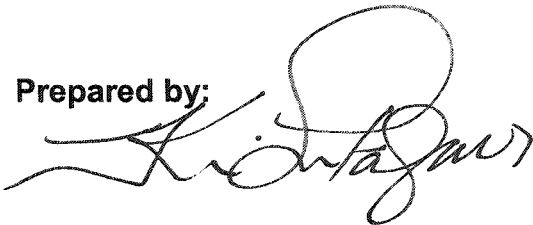
Summary

This report provides an update on the OCTA rail program, including the Metrolink commuter rail program and grade crossing improvements.

Attachment

- A. Rail Program Status – As of September 14, 2006

Prepared by:



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Approved by:



Paul C. Taylor, P.E.
Executive Director, Development
(714) 560-5431

for

Rail Program Status – As of September 14, 2006

Metrolink Commuter Rail Program	page 2
<ul style="list-style-type: none">• Ridership• Weekend Service	
Passenger Information/Station Signage	pages 3
<ul style="list-style-type: none">• Electronic Passenger Information System• Boarding Information Signage	
Member Agency Cost Allocation Formula	page 4
Metrolink Service Expansion	page 4
Capital Projects	page 5
<ul style="list-style-type: none">• Anaheim Pedestrian Access• Buena Park Station• Irvine Transportation Parking Structure• Orange Pedestrian Crossing• Santa Ana Second Main Track• Santa Ana Pedestrian Bridge Improvement Project• Placentia Metrolink Station	
Rolling Stock	page 7
<ul style="list-style-type: none">• Locomotives• Cabs Cars/Trailer Cars	
Grade Crossing Improvements	page 7
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Metrolink Commuter Rail Program

Ridership

Ridership continues to show positive quarterly and annual growth. The Orange County (OC) line average fiscal year (FY) 2005-06 fourth quarter ridership compared to fourth quarter FY 2004-05 is up by 7.2 percent, at 6,499 riders per weekday. This increase does not include Rail 2 Rail Program ridership which allows Metrolink monthly pass holders to ride Amtrak trains. The average ridership on the Inland Empire-Orange County (IEOC) line compared to the previous years' quarter is up 18 percent, at 4,410 riders per weekday. Lastly, the ridership on the 91 line is up 18.4 percent compared to last year, with 2,354 average weekday riders. Rail 2 Rail average weekday ridership of 1,284 remained virtually the same for the fourth quarter of FY 2005-06 compared to the previous year's fourth quarter.

Fiscal year 2005-06 (July 1, 2005 through June 30, 2006) ridership on all three lines has increased by 10.8 percent from the previous year, to a total of 3.5 million riders including Rail 2 Rail ridership on the OC line (Exhibit A).

Weekend Service

Start-up of weekend service began on the OC line on Saturday, June 3, 2006, followed by Sunday service on July 2, 2006, and includes six trains (three round trips) on both Saturday and Sunday.

Year-round weekend service began on the IEOC line on July 15, 2006. This service previously operated as a *summer-only* service known as the "Beach Train" and last year as the "Summerlink" service. The IEOC weekend service consists of six trains (three round trips) on Saturday and four trains (two round trips) on Sunday. The Orange County Transportation Authority (OCTA), Riverside County Transportation Commission (RCTC), and San Bernardino Associated Governments (SANBAG) are partners in funding the IEOC weekend service.

Metrolink's fare policy allows for a reduced weekend fare up to 25 percent off the regular fare. OCTA in cooperation with RCTC and SANBAG proposed a special, new service, introductory, promotional fare at a reduced rate of 50 percent off regular fares through December 31, 2006. The Metrolink Board of Directors approved the special promotional weekend fare on April 21, 2006. To further encourage ridership, OCTA's marketing campaign includes a free ride day once a month from a designated station in Orange County. The first free ride day was held on June 24, 2006, from Laguna Niguel/Mission Viejo station, followed by a free day on July 29, 2006, from the Orange station, and August 27, 2006, from the Tustin station. This program is ongoing and will continue through fall and winter.

Generally speaking, summer is high season for off-peak and leisure type travel. In order to further attract off-peak weekend riders during the winter, staff is discussing the continuance of the promotional fare of 50 percent off regular weekday adult fares through June 30, 2007. For both the OC and IEOC lines, revenue forgone for the six months is projected at \$140,000. Staff believes there will be increases in ridership and revenue due to the promotional fare, sufficient to recoup most of the \$140,000.

In addition to the monthly station free ride day promotion and 50 percent adult fare discount, RCTC is offering a special "End of Season" promotion for IEOC passengers traveling between San Bernardino and Oceanside. The RCTC established agreements with past "Beach Train" outlets at the cities of San Bernardino, Riverside, and Moreno Valley to sell a limited number of tickets through December 31, 2006, on a consignment basis at the group fare rate. This promotion will assist in transitioning past "Beach Train" riders accustomed to buying tickets through the sales outlets into the year-round IEOC weekend service. The outlets will be responsible for advertising and promoting the discounted fare.

The first year daily weekend ridership goal is approximately 100 passengers per train on the OC line and 125 passengers per train on the IEOC line. As illustrated in Exhibit B, weekend ridership peaked on June 24, 2006, July 29, 2006, and August 27, 2006, due to the station free ride promotion. In general, weekend ridership is increasing weekly on both lines. Currently, ridership expectations are exceeding the first-year ridership goal on the IEOC line, and are nearing forecasts on the Saturday OC line service. Sunday OC line service has not yet reached the forecast, but continues to increase each week. Staff will continue to monitor and report on weekend ridership.

Passenger Information/Station Signage

Electronic Passenger Information System (EPIS)

Metrolink stations are currently equipped with public address/changeable message signs which provide limited train status information to riders standing on the platform. This system is being upgraded with new equipment and technology referred to as the EPIS. The new EPIS system is web-based and can accept multiple source inputs through a central processing server and will provide real-time information including train number, destination, time, delay, track information, and specific service disruption information. Stations will be equipped with flat panel liquid crystal displays at the ticket vending machine and platform area in addition to the existing light-emitting diode displays currently at the platforms. Passengers can also subscribe to real-time train information via email and/or cell phone paging. The project is currently underway and scheduled for roll-out in January 2007. Phase 1 of the project includes availability of email and

cell phone subscriber options and roll-out of the initial test station. This project is federally funded with a 50 percent local match provided by member agencies. Funding for this project was approved as part of OCTA's FY 2005-06 Metrolink budget.

Boarding Information Signage

In addition to the EPIS system, Metrolink is installing interim boarding information signage at the stations. This project includes track identification, path finding signage, and boarding information signage. Phase 1 of this project is currently underway and is anticipated to be complete by the end of the second quarter this FY. Phase 2, which includes path finding and track boarding directory signage, is currently in planning and expected to be complete the third quarter of this FY.

Member Agency Cost Allocation Formula

Metrolink's operating costs are funded by each member agencies' operating subsidy. The operating subsidy establishes the share of member agency cost and is calculated using a cost allocation formula. A methodology known as the "base allocation formula" has been used to determine cost allocation since FY 1998-99.

Over time the system has grown with significant changes in the operating environment, including a new line and new service. The base allocation formula does not properly capture the growth and changes in service over time, resulting in various inequities in the cost allocation methodology. The base allocation formula has been under discussion with the member agency Technical Advisory Committee members since 2001, and negotiations to change the formula have been unsuccessful. In 2003, the member agencies agreed to an interim formula for a three-year period which is set to expire the end of FY 2006-07.

For the past six months OCTA has been negotiating with member agencies to develop a fair and equitable allocation formula based on cost drivers for each expense category. On August 19, 2006, the five member agencies successfully agreed on a formula that staff believes is fair and equitable and reflective of true cost drivers. The Metrolink Board is scheduled to consider the new cost allocation formula in October 2006.

Metrolink Service Expansion (Expansion)

On June 26, 2006, the Board approved selection of Parsons Brinckerhoff Quade & Douglas, Inc. (PBQD) as the top-ranked firm to provide project management consulting services for the service expansion as an extension of staff and assist OCTA's project manager. Cost negotiations have been finalized and the contract has been executed. In the interim, Berg & Associates was hired under a small dollar procurement to perform site utility investigation work to prepare for the

upcoming track and signal projects. A kick-off meeting was held with Metrolink on August 23, 2006, to define roles and responsibility for the project. PBQD's first task will be to develop a master schedule and identify critical path items to support the Expansion.

Capital Projects

Anaheim Pedestrian Access

In order to improve connectivity to the Anaheim station, the Stadium Towers Plaza, and the OCTA bus stop on Katella Avenue, Equity Offices (the adjacent property owner) agreed to construct a pedestrian walkway, compliant with the American with Disabilities Act, between the Anaheim station, Stadium Towers Plaza, and the OCTA bus stop on Katella Avenue. A cooperative agreement between OCTA and Equity Offices was signed July 20, 2006. Final construction was completed at the end of August.

Buena Park Station

Construction for the 11th Orange County Metrolink station began on January 23, 2006, with construction proceeding to a February 2007 completion. Sitework, utilities, and foundations are completed. Platform and pedestrian bridge structures are being constructed. Near track construction is slated for completion by September 30, 2006, as required by agreement with BNSF railroad. Design tasks for bus layover positions and installation design for security cameras are underway. The City of Buena Park is the lead agency on the project, and OCTA is providing project management oversight and \$11.563 million of funding through a cooperative agreement with the city.

Irvine Transportation Parking Structure

OCTA and the City of Irvine entered into a cooperative agreement to contract for design services and construction funding for a parking structure including 1,500 spaces at the Irvine station. OCTA is providing project management oversight, technical assistance, and funding in the amount of \$24.9 million. The construction of a temporary parking lot is being readied for bidding. The final design for the main parking structure is nearing completion and will undergo permit review. Request for funding allocation from the California Transportation Commission (CTC) is scheduled for October 2006 followed by advertisement for construction upon receipt of State Transportation Improvement Program (STIP) funding allocation in November. Construction is anticipated to begin January 2007, with completion by December 2007.

Orange Pedestrian Crossing

Included in the Expansion is a grade-separated pedestrian crossing at the Orange station. The project is funded with \$8 million of STIP funds. On May 9, 2006, the Orange City Council approved their preference for an undercrossing with a northern platform extension. OCTA, the City of Orange, and Metrolink are working together to deliver this project by the end of 2007. A community meeting was held in July 2006 and information regarding the project was also distributed on the Metrolink platforms to solicit input from riders and residents alike. Design is currently underway and expected to be completed by December 2006. The schedule calls for this project to be under construction by June 2007.

Santa Ana Second Main Track

Currently, there is a 1.8-mile single track between the Orange and Santa Ana stations. Completion of this project will facilitate the expansion of service between Fullerton and Laguna Niguel/Mission Viejo. A limited Notice to Proceed was issued in May 2006, and full Notice to Proceed was issued in June 2006. The contractor has mobilized the field office and is working with the cities of Orange and Santa Ana, coordinating street closures, tree removal, and utility work. Track construction will begin early next year and will be completed by June 2007. The project is administered by Metrolink.

Santa Ana Pedestrian Bridge Improvement Project

In order to provide safer access to northbound boarding passengers from the station platform, construction of a pedestrian bridge is underway and nearing completion at the Santa Ana station. Currently, passengers traveling northbound cross a set of tracks and wait on the center platform. Upon completion of the project a new northbound platform and accessible bridge will be constructed for safer access and boarding. This project is expected to be completed by September 2006. A dedication event is scheduled to take place on October 23, 2006, at the Santa Ana station.

Placentia Metrolink Station

The City of Placentia is leading the effort to develop a Metrolink station located on the south side of the BNSF railroad, between Melrose and Main Streets. The development of the station is one component of a larger downtown development plan. OCTA staff and Metrolink staff participated in a planning open house hosted by city staff and attended by members of the public. The City of Placentia has estimated the total project cost at \$31.7 million. The City of Placentia is currently proceeding with the Project Report and Environmental Document phase using \$650,000 in developer fees. On June 26, 2006, the Board approved \$2.5 million in STIP funds for the plans, specifications & estimates (PS&E) phase

of the project. The CTC funding approval is scheduled to occur on September 7, 2007.

Rolling Stock

Locomotives

On March 24, 2006, Metrolink's Board approved acceptance of assignment of Utah Transit Authority's contract for the purchase of 11 remanufactured locomotives from the single proposer, MotivePower, Inc. On March 29, 2006, Metrolink and MotivePower, Inc., signed a purchase agreement for the locomotives, of which seven will support the Expansion in Orange County. On June 23, 2006, Metrolink's Board approved the option for four additional locomotives followed by CTC approval of funds. Locomotives are expected to be delivered in 2008.

Cab Cars/Trailer Cars

On April 13, 2006, Metrolink issued a Notice to Proceed to Rotem Company for the purchase of 87 trailer and cab cars, of which 52 trailer cars and 7 cab cars will support the Expansion in Orange County. The kick-off meeting between Metrolink and Rotem Company was held the first week in May. The first trailer car is expected to be delivered December 2008. Metrolink and Rotem Company met in July 2006 to finalize and discuss the crash energy management/carbody structural design and schedule.

Grade Crossing Improvements

There are three main railroad lines providing passenger and freight railroad service in Orange County. There are a total of 64 at-grade highway-rail crossings on these three rail lines.

OCTA is the owner of the Orange and Olive subdivisions. The Orange subdivision stretches from the San Diego County line to the junction with the BNSF in the City of Fullerton. Rail traffic on the Orange subdivision consists of Metrolink OC line and IEOC service, Amtrak Pacific Surfliner trains, and a minimal number of freight trains. There are 41 at-grade highway-rail crossings on the Orange subdivision. The Olive subdivision stretches from just north of the City of Orange Metrolink station to the junction with the BNSF in the City of Placentia. Rail traffic on the Olive subdivision consists of Metrolink IEOC line trains and a minimal number of freight trains. There are 11 at-grade highway rail crossings on the Olive subdivision.

The BNSF is the owner of the San Bernardino subdivision in Orange County. The San Bernardino subdivision stretches from the Orange County/Riverside County line near the City of Yorba Linda to the Orange County/Los Angeles

County line in the City of Buena Park. The BNSF San Bernardino subdivision runs through the cities of Yorba Linda, Anaheim, Placentia, Fullerton, and Buena Park and is frequently referred to as the Orangethorpe Corridor or the Alameda Corridor East. Rail traffic on the BNSF San Bernardino subdivision consists largely of BNSF freight trains and a minimal number of Metrolink 91 line, IEOC line (over a portion of the line), and Amtrak trains. There are nine at-grade highway-rail crossings on the San Bernardino subdivision in Orange County.

As a result of planned increases in passenger and freight rail traffic on the three rail lines described above, a renewed focus should be placed on grade crossing improvements. Improvements to at-grade highway-rail crossings can cover a wide spectrum, beginning with basic safety improvements (improving crossing surfaces, re-applying of pavement markings, and enhancing signing), to the installation of supplemental safety measures that allow for the discontinuance of locomotive horn blowing (quiet zones), to grade crossing closures and at-grade highway-railroad separations that completely separate rail traffic from vehicular and pedestrian traffic.

OCTA, the City of Placentia, and the members of Alameda Corridor East (OCTA, City of Placentia, SANBAG, RCTC, Alameda Corridor East Construction Authority) have each conducted a number of studies over recent years addressing safety enhancements, quiet zones, and grade separations covering all three rail lines described above. These studies have provided significant amounts of data that has allowed each individual crossing to be examined for safety enhancements as well as the potential for separation. This existing data provides the ability to examine and prioritize grade crossing improvements on a countywide level.

Safety Enhancement Program

The OCTA Grade Crossing Safety Enhancement Program is underway with Metrolink, OCTA, and affected cities. Both kick-off and diagnostic meetings have occurred with the cities of Anaheim, Dana Point, Fullerton, Orange, Santa Ana, and Tustin. During the diagnostic review the team meets in the field at the individual railroad grade crossing and finalizes the safety enhancement scope of work. A revised cost estimate is prepared and will be scheduled for individual city council approval following OCTA review. The diagnostic reviews also include defining additional scope of work that may be initiated by the city and is beyond the required safety enhancement. Lastly, a separate scope of work for quiet zone improvements is identified and tracked for cities to use in their consideration of quiet zones. The initial kick-off meetings with the cities of Irvine, San Clemente, and San Juan Capistrano took place in August followed by diagnostic reviews planned for September (Attachment C). To date, 45 field diagnostic review meetings have been completed with full participation from OCTA, Metrolink, the California Public Utilities Commission, and the local city in which the grade crossing is located.

Quiet Zones

After years of development and 18 months of final review, the Federal Railroad Administration released its Final Train Horn Rule (Final Rule) on June 24, 2005. The Final Rule establishes a basic requirement for trains to sound horns at all public at-grade highway-rail crossings except in quiet zones established under the procedures set forth in the Final Rule. During the development of the Final Rule, several jurisdictions within the Metrolink service area in Orange County began consideration of the establishment of quiet zones under the federal rule. During this time, Metrolink staff began the development of a set of policies and procedures which are intended to guide staff in discussions with public authorities to establish the roles and responsibilities of Metrolink and the public authorities in these matters.

On April 21, 2006, the Metrolink Board adopted the SCRRRA Quiet Zone Implementation Guidelines and Procedures. These policies and procedures focus on diagnostic reviews, cost recovery, and liability as the critical areas to be considered. The policies and procedures call for every crossing within the proposed quiet zone to be subject to diagnostic review. Secondly, the policy calls for the public authority designating the quiet zone (typically a city) to reimburse Metrolink for the full cost of designing and constructing improvements the public authority determines are required for the crossings within the quiet zone, and share in the ongoing maintenance costs. Finally, due to the unavailability of commercial Railroad Protective Liability Insurance (to the public authority), the policies and procedures call for adherence to a higher standard of safety in the design of grade crossings.

OCTA currently does not have a policy on the implementation, funding, or ongoing operating costs related to quiet zones. Staff plans to bring the Metrolink Board-adopted SCRRRA Quiet Zone Implementation Guidelines and Procedures forward at a subsequent meeting for consideration by the OCTA Transit Planning and Operations Committee and the Board. Staff is currently developing quiet zone policy options for the Board's consideration. Staff expects that the policy will need to address capital costs, ongoing operating and maintenance costs, liability, and funding sources. In addition, staff expects that two separate policies will be needed. One will likely address quiet zones on OCTA-owned rail right-of-way. The other will address quiet zones on non-OCTA-owned rail right-of-way.

Grade Separations

Imperial Highway

The Imperial Highway Grade Separation design is complete. The CTC approved the construction allocation of \$39.1 million on June 8, 2006. The project was

advertised for construction on July 24, 2006, with bid opening scheduled for October 19, 2006. Construction is planned to begin on February 1, 2007. The project is expected to be completed by 2010.

Jeffrey Road

The Jeffrey Road Grade Separation Project in the City of Irvine was advertised for construction late last year. Only one bid was received by the city and was ultimately rejected for not being responsive to all federal requirements. In addition, the one bid received exceeded the programmed amount by \$24 million. City of Irvine staff has reviewed the engineers' estimate, compared it to the bid received, and believes that additional funding is needed to complete the project. On June 26, 2006, the Board approved \$24 million in STIP funds for the project. If funding allocation is approved by the CTC on November 9, 2006, the project could be advertised for construction in the fall of 2006.

State College Boulevard

The City of Fullerton is pursuing the grade separation of State College Boulevard and the BSNF railroad. The PS&E phase is expected to be completed in November 2006. The total estimated project cost is currently \$57.8 million. The city received a federal earmark of \$12.8 million and has programmed \$5 million in developer fees. This leaves a funding shortfall of \$40 million. OCTA staff is conferring with city staff on next steps.

Alameda Corridor East

The Alameda Corridor East received a \$125 million earmark in the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users . Agreement has previously been reached by the Alameda Corridor East Construction Authority, SANBAG, RCTC, the City of Placentia, and OCTA to evenly allocate the \$125 million earmark. This provides \$31.25 million for Orange County.

OCTA staff is currently participating with the other four parties and the California Department of Transportation to develop the required application to access the federal earmark. Upon approval of the application, a 20 percent local match will be required. OCTA and the City of Placentia will need to work together to identify the 20 percent local match. Current plans by the City of Placentia call for the earmark to be used on the Kraemer Boulevard undercrossing project in the City of Placentia.

**Metrolink Commuter Rail Program
Fourth Quarter and Fiscal Year End Ridership**

Fourth Quarter	Orange County Line	Inland Empire - Orange County Line	91 Line	Rail 2 Rail	Total Weekday Average
2005	6,060	3,737	1,988	1,280	13,065
2006	6,499	4,410	2,354	1,284	14,547
Change	7.2%	18.0%	18.4%	0.3%	11.3%

Fiscal Year End	Orange County Line	Inland Empire - Orange County Line	91 Line	Rail 2 Rail	Total Fiscal Year-to-date
2004-05	1,485,342	918,057	473,820	324,983	3,202,202
2005-06	1,597,992	1,066,558	531,930	351,217	3,547,697
Change	7.6%	16.2%	12.3%	8.1%	10.8%

**Metrolink Commuter Rail Program
Weekend Ridership**

Date	Orange County Line (Sat)	Orange County Line (Sun)	Inland Empire - Orange County Line (Sat)	Inland Empire - Orange County Line (Sun)
6/3/2006	577			
6/10/2006	395			
6/17/2006	415			
6/24/2006*	1,262			
7/1/2006	429			
7/2/2006		486		
7/8/2006	407			
7/9/2006		210		
7/15/2006	403		1,415	
7/16/2006		253		1,243
7/22/2006	425		1,096	
7/23/2006		267		762
7/29/2006*	1,216		2,146	
7/30/2006		347		615
8/5/2006	531		1,466	
8/6/2006		260		641
8/12/2006	462		1,511	
8/13/2006		379		777
8/19/2006	560		1,569	
8/20/2006		359		567
8/26/2006*	531		1,411	
8/27/2006		934		1,427
Average per day	586	320	1,516	768
Average per train	98	53	253	192

* Station Free Ride Day

PROGRAM STATUS SUMMARY SHEET

OCTA Grade Crossing Safety Enhancement Program

Contract Package	City	No. of Crossings	Kick-Off Meeting	Site Diagnostic Meeting(s)	MOU	Current Level of Completion
1	Santa Ana	10	4/3/2006	Completed 5/22/06-5/23/06	In progress	Scoping 50% Complete
	Tustin	1	4/13/2006	Completed 5/25/06	In progress	Scoping 95% Complete
	Irvine	3	8/7/2006	TBD	Not initiated	Scoping 0% Complete
2	Orange	16	3/13/2006	Completed 4/24/06-4/26/06	In progress	Scoping 95% Complete
3	Anaheim	14	6/12/2006	Completed 7/26/06-7/28/06	In progress	Scoping 65% Complete
	Fullerton	3	6/19/2006	Completed 7/26/06	In progress	Scoping 65% Complete
4	Dana Point	1	5/3/2006	Completed 5/24/06	In progress	Scoping 75% Complete
	San Juan Capistrano	4	8/31/2006	TBD	Not initiated	Scoping 0% Complete
	San Juan Capistrano (Private Crossing)	1		TBD	Not initiated	Scoping 0% Complete
	San Clemente	2	8/21/2006	TBD	Not initiated	Scoping 0% Complete
TOTALS		55				



BOARD COMMITTEE TRANSMITTAL

September 25, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board ^{WK}
Subject: Request to Award Contract for Customer Information Center Services

Transit Planning and Operations Committee

September 18, 2006

Present: Directors Brown, Duvall, Green, Norby, Pulido, and Winterbottom
Absent: Director Silva

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Agreement C-6-0461 between the Orange County Transportation Authority and Alta Resources, in an amount not to exceed \$6,917,366, to operate the Customer Information Center for an initial four and one-half-year term from January 1, 2007 through June 30, 2011, with three one-year option terms.



September 18, 2006

To: Transit Planning and Operations Committee
From: ^{AL} Arthur T. Leahy, Chief Executive Officer
Subject: Request to Award Contract for Customer Information Center Services

Overview

The Orange County Transportation Authority's Customer Information Center assists over 800,000 callers per year with transit information. Additionally, the Customer Information Center sells fare media to the public and distributes Reduced Fare Identification Cards to qualified individuals. In accordance with the Orange County Transportation Authority's procurement procedures, a Request for Proposals was issued for a firm to manage and operate the Customer Information Center. Offers were received in accordance with the Authority's procurement procedures for professional services. Board approval of the recommended firm is requested.

Recommendation

Authorize the Chief Executive Officer to execute Agreement C-6-0461 between the Orange County Transportation Authority and Alta Resources, in an amount not to exceed \$6,917,366, to operate the Customer Information Center for an initial four and one-half-year term from January 1, 2007 through June 30, 2011, with three one-year option terms.

Background

The Orange County Transportation Authority's (OCTA) Customer Information Center (CIC) provides transit information to more than 800,000 callers per year, with over 615,000 trip itineraries generated by CIC operators. Customers receive bus schedules, route information, and general bus information by calling the (714) 636-RIDE or 1-800-636-RIDE telephone numbers.

The CIC operates seven days a week, 365 days per year. The hours of operation are as follows:

Weekdays: 5 A.M. – 10 P.M.
Weekends: 7 A.M. – 7 P.M.
Holidays: 8 A.M. – 5 P.M.

The CIC also enables customers to purchase bus passes and ACCESS fare coupons, and qualified individuals to obtain the OCTA's Reduced Fare Identification (RFID) Card. The CIC was first outsourced in October 1995, and the Pass Sales functions in July 2005.

In November 2001, the Board of Directors (Board) approved a two-year agreement with Alta Resources (Alta) to operate the CIC. The agreement provided for three additional years at the OCTA's option. All three of the option years have been exercised, with the final option year ending on December 31, 2006. In July 2005, the Board approved the CIC administering the Pass Sales and RFID programs enabling customers to purchase bus passes and ACCESS fare coupons directly through the contracted provider.

Discussion

OCTA provides the CIC with the Hastinfo computer program to provide bus routing itineraries. This system, updated periodically to ensure accuracy, builds upon a geographic database, and is linked to OCTA's bus stops, bus routes and timetables. CIC representatives access actual OCTA schedule data to provide customers with trip planning and travel itineraries, general bus information including community-based transit and rail feeder lines, status of buses, fares and pass sales information, and contact information for other transit agencies. CIC representatives also transfer or refer inquiries relative to all OCTA services.

Bus pass orders placed via OCTA's website, by mail, and telephone are fulfilled by CIC staff. Approximately 24,000 transactions are processed per year, with an annual sales total of more than \$1.6 million. Additionally, RFID cards are provided to qualified individuals who are either disabled, 65 years or older, ACCESS eligible riders who also use the fixed route bus system, and/or mobility trainers. The CIC utilizes an Integrated Voice Response (IVR) system which allows customers to speak with a live person or access information in both English and Spanish via touch-tone phones.

Performance requirements have been established to ensure high-quality service is provided to OCTA customers. This includes 90 percent of all calls being answered within two minutes; a call abandonment rate of 5 percent or less for

calls terminated after the first 30 seconds; and receipt of no more than one complaint per 15,000 calls answered. Copies of randomly recorded calls are provided to and reviewed by OCTA staff on a regular basis to ensure quality and accuracy of information. Additionally, all CIC staff members are required to ride the fixed route bus system a minimum of two hours per month to maintain familiarity with the service.

On February 9, 2006, the Board authorized staff to release a Request for Proposals (RFP) for the operation of the CIC. This authorization established the following criteria for evaluation of the proposals:

- Qualifications of the Firm 25 percent
- Staffing and Project Organization 25 percent
- Work Plan 25 percent
- Cost and Price 25 percent

A Request for Comments on the draft CIC Scope of Work was sent by email to 544 potential vendors registered on OCTA's CAMMNET for a two-week period beginning May 15, 2006. Two firms requested clarification about the telecommunications and Information Services (IS) systems, HASTUS and manual routing issues, special projects and reporting requirements. As a result of these inquiries, some changes were made to the Scope of Work to more clearly define the requirements.

The RFP to manage and operate the CIC was issued on June 14, 2006. An electronic notice was sent to 551 firms registered on CAMMNET. In addition, notice of the RFP was advertised in the Orange County Register on June 14 and June 19, 2006. A pre-proposal conference was held on June 20, 2006, allowing OCTA to meet with potential bidders and to clarify RFP requirements. The pre-proposal conference was attended by four firms. One addendum was issued to address clarification of the Scope of Work. On July 14, 2006, three firms responded to the Request for Proposals:

Firm and Location

Alta Resources
Brea, California

CDSNet-MyTransitPlus
Los Angeles, California

Covenant Industries
West Covina, California

A seven-member evaluation committee was established to evaluate all proposals submitted. The committee was comprised of staff from OCTA's Contracts Administration and Materials Management, Customer Relations, IS Technical Services and Telecommunications, Accounting and Financial Reporting departments, and a Metrolink representative.

Two firms, Alta Resources in Brea, California (CA) and CDSNet-MyTransitPlus in Los Angeles, CA were short-listed. Site visits and interviews were conducted on August 1, 2006. The scores from the technical proposals, along with the interviews and site visit scores, were averaged to arrive at an overall ranking. Alta Resources received the highest overall ranking by all members of the committee. Therefore, the evaluation committee recommends Alta Resources as the top firm.

Evaluation Criteria	Alta Resources (Alta)	My Transit Plus (MTP)
Qualifications of the Firm	23	18
Staffing	22	13
Work Plan	24	14
Cost and Price	17	20
Total	86	65

Following is a discussion of the four evaluation criteria categories:

Qualifications of the Firm

Alta Resources, headquartered in Neenah, Wisconsin, with a location in Brea, CA, has extensive experience managing call centers, handling both inbound and outbound calls. Alta Resources currently has a staff of over 750 employees, 200 in their Brea location which occupies 42,000 square feet. Alta Resources specializes in managing and operating call centers for customers throughout the United States for transportation, healthcare, pharmaceutical, and entertainment industries; including Metrolink, Johnson & Johnson, Nestle/Purina, and Disney.

CDSNet-MyTransitPlus, located in Los Angeles, indicate they have a diverse business model with experience in transportation management services, specialized transit call centers and information management and business support technology. They are currently providing services to the City of Los Angeles, CityRide Paratransit Program; the Bay Area Rapid Transit District, Tickets2Go Program; and the San Diego Regional SAFE Authority, SAFE

Freeway Call Box Answering Center. They have also had previous contracts with OCTA and Metrolink.

Alta Resources was deemed more qualified to meet OCTA's customer service and technical requirements. Their proposal addressed each requirement in the RFP; clearly demonstrating a thorough comprehension of the Scope of Work. The firm has a depth of resources and a proven track record which supports its ability to perform the work described in this RFP.

Alta Resources has demonstrated their experience in performing work of a similar nature and their competence in providing call center services. This has been established through their list of national and international clients and by having met or exceeded the requirements of the current contract with OCTA for the past four and one-half years.

Staffing

The staffing section of the proposal established the methods that the firms will use to manage the project; identified key management staff assigned; and detailed overall levels of staffing. Alta Resources received the highest score in this area.

The evaluation committee felt that staffing levels are critical to the success of the project. Based on their review of the Scope of Work, CDSNet-MyTransitPlus believed that far fewer staff were required. In consideration of these facts, the evaluation committee felt that the level of staffing that Alta Resources proposed is consistent with current call volumes and consistent with the staffing level necessary to continue the high level of service currently provided to our customers. Alta Resources proposed the highest level of staffing which included a total of 30 customer service representatives, with at least 14 being bilingual. The CDSNet-MyTransitPlus proposal included a total of 12 call center agents with no reference to bilingual staff. CDSNet-MyTransitPlus did indicate that their IVR can direct calls to operators by language preference.

Alta Resources' proposal, interview, and site visit identified one information technology (IT) team leader with a number of resources available from the firm's IT Department. The proposal submitted by CDSNet-MyTransitPlus, in addition to the interview and site visit, identified one IT technical manager but no back-up resources were identified. The committee felt very strongly that having no technical support within this department could jeopardize the firm's ability to maintain and uphold performance standards.

The RFP requested the firms to detail the total number of employees for each position, indicating full-time and part-time employees and identifying what the staffing levels would be during various hours of the day. The proposals indicated the following:

Description	Alta	MTP
Program / Training Manager	1	1
Supervisor	1	1
Senior Operators - Bilingual - Operator	2	1
Operators (Mix F/T & P/T) - Bilingual - Operator	14 11-16	10-12
Pass Sales Staff - Bilingual - Other Staff	2 2	3.5
Information Technology	1	1
Total Proposed	34-39	18-20

Due to the nature of the services provided to OCTA customers, it is critical that sufficient staffing and support be available during all hours of operation. In addition, the evaluation committee felt that CDSNet-MyTransitPlus essentially under-estimated the staffing requirements by proposing only 12 staff with no reference to full-time, part-time or bilingual operators. Since a fair proportion of the passengers who utilize the fixed route bus system are Spanish-speaking, it is imperative that sufficient bilingual operators be available during all hours of operation.

Work Plan

The work plan is intended to provide a comprehensive description of how the services will be performed. Alta Resources received the highest rating in this area. The Alta Resources work plan was detailed and well thought out; thoroughly addressing every item in the RFP throughout the proposal. This clearly communicated their ability to meet or exceed all aspects of the project.

CDSNet-MyTransitPlus did not include the same level of detail in the development of the plan. Their proposal did not address each and every requirement, nor did they provide some requested information which was to be

included in the proposal. Listed below are the specific items that CDSNet-MyTransitPlus did not include:

- Sample reports showing the reporting capability of their proposed system to produce required statistics
- Sample monthly invoice indicating how monthly invoicing will be calculated
- The firm's specific location and size of facilities, including diagrams and/or floor plans of the proposed work environment
- Clearly defined configuration and spacing of the CIC operator workstations
- Total number of employees for each position, indicating full-time and part-time status and what the staffing levels would be during various hours of the day
- Description of how the firm will respond efficiently to Spanish callers
- Samples of IVR data in monthly and annual formats

Since their proposal did not clearly communicate that they had a thorough comprehension of the Scope of Work, the evaluation committee felt they would be challenged to meet all aspects of the project.

Alta Resources' recruiting, training, and staffing procedures were ranked superior by the committee. Alta Resources offers extensive training programs, both for new hires and regularly throughout employment. This ongoing and refresher training of the staff assigned to OCTA's account directly impacts the customer service and efficiency provided to OCTA's customers. This has been repeatedly demonstrated over the term of OCTA's agreement with Alta and has resulted in many positive comments from the public on their experiences when calling in to OCTA's 636-RIDE "one-stop" information line. Being located in Orange County will allow OCTA and Alta Resources staff to more easily interact and allow easier monitoring of the operation. While location was not a criteria for selection, it has the added benefit of operators who are familiar with Orange County landmarks and streets because they work and live in Orange County and as a result, can more effectively assist bus riders when planning their trips.

Cost and Price

Alta Resources ranked second in cost and price at a cost of \$1.935 per call for operator-assisted calls for the first two years of the initial term; \$2.00 for the third year and \$2.04 for the fourth year of the initial term. Alta Resources' bid included 13 cents per call for recorded information for the first three years of the initial term and 14 cents per call for the fourth year of the initial term.

CDSNet-MyTransitPlus bid \$1.75 per call for operator-assisted calls for the first year of the initial term, \$1.80 for the second and third years, and \$1.91 for the fourth year of the initial term, with no charge for recorded information.

In addition, the bids for the Pass Sales and RFID programs are as follows: Alta Resources bid \$22,296 per month for the first two years of the initial term, \$22,831.10 per month for the third year and \$23,379.05 per month for the fourth year. CDSNet-MyTransitPlus bid \$18,578 per month for the first year of the initial term, \$18,946 per month for the second year, \$19,515 per month for the third year, and \$20,100 per month for the fourth year of the initial term.

Additional costs that must be considered include monthly telecom costs which are incurred by OCTA's Information Systems, Telecommunications Section. OCTA must provide the designated customer telephone lines to the location where the Customer Information Center is located. The monthly costs for providing this service to Alta Resources in Brea are approximately \$7,818 (\$93,816, annually), and approximately \$10,860 (\$130,320, annually) to CDSNet-MyTransitPlus in Los Angeles.

Alta's proposal is approximately 7 percent higher but indicates their clear understanding of the contract. The chart below provides the cost differences:

Description	Alta	MTP
Proposal	\$6,696,866	\$6,041,226
Postage	\$108,000	\$108,000
Other	\$112,500	\$112,500
Subtotal	\$6,917,366	\$6,261,726
Telecom Costs to OCTA	\$422,172	\$586,440
Total	\$7,339,538	\$6,848,166
Dollar difference for 4 ½ year initial term		\$491,372
Percent difference for 4 ½ year initial term		6.70 percent

The Scope of Work requires an initial term of four and one-half years, with three one-year option terms. The chart in Attachment A indicates the pricing for the initial term and three option terms, based on the current average monthly number of calls.

Fiscal Impact

This project was approved in the OCTA's Fiscal Year 2007 Budget, External Affairs/Customer Relations, Account 7519, and is funded through the Orange County Transit District. Funds for additional years of the initial term will be budgeted in each respective year's budget.

Summary

An evaluation committee met and reviewed proposals for the Customer Information Center procurement. Based on the information provided, staff recommends award of Agreement C-6-0461 to Alta Resources, in an amount not to exceed \$6,917,366, for managing and operating OCTA's Customer Information Center.

Attachment

- A. Cost Proposal Comparison Chart

Prepared by:



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Approved by:


for

Ellen S. Burton
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ATTACHMENT A

Cost Proposal Comparison Chart

Year 1.5	Alta	MTP	Variance	Percent
Operator Assisted Calls Initial Term Yr 1.5	\$ 1.94	\$ 1.75	\$ 0.19	9.6%
# Calls (18 months)	922,697.00	922,697.00	-	
Cost 1st 18 months	1,785,418.70	1,614,719.75	170,698.95	9.6%
IVR Telephone Calls	0.13	-	0.13	
Volume 1,800 / month	4,212.00	-	-	
Pass Sales / RFID Servicing (18 months)	401,328.00	334,408.00	66,920.00	16.7%
Year 2	Alta	MTP	Variance	Percent
Operator Assisted Calls Initial Term Yr 2	1.94	1.80	0.14	7.0%
# Calls (12 months)	615,131.00	615,131.00	-	
Cost Operator Assisted Calls (12 Months)	1,190,278.49	1,107,235.80	83,042.69	7.0%
IVR Telephone Calls	0.13	-	0.13	
Volume 1,800 / month	2,808.00	-	-	
Pass Sales / RFID Servicing (12 months)	267,552.00	227,353.00	40,199.00	15.0%
Year 3	Alta	MTP	Variance	Percent
Operator Assisted Calls Initial Term Yr 3	2.00	1.80	0.20	10.0%
# Calls (12 months)	615,131.00	615,131.00	-	
Cost Operator Assisted Calls (12 Months)	1,230,262.00	1,107,235.80	123,026.20	10.0%
IVR Telephone Calls	0.13	-	0.13	
Volume 1,800 / month	2,808.00	-	-	
Pass Sales / RFID Servicing (12 months)	273,975.00	234,174.00	39,801.00	14.5%
Year 4	Alta	MTP	Variance	Percent
Operator Assisted Calls Initial Term Yr 4	2.04	1.91	0.13	6.4%
# Calls (12 months)	615,131.00	615,131.00	-	
Cost Operator Assisted Calls (12 Months)	1,254,867.24	1,174,900.21	79,967.03	6.4%
IVR Telephone Calls	0.14	-	0.14	
Volume 1,800 / month	2,808.00	-	-	
Pass Sales / RFID Servicing (12 months)	280,549.00	241,199.00	39,350.00	14.0%
Total Proposal Costs - Initial Term	6,696,866.42	6,041,225.56	655,640.86	9.79%
Other Costs				
Postage Reimbursement - 54 months	108,000.00	108,000.00	-	
Special Projects / Other	112,500.00	112,500.00	-	
Total Proposal Costs	6,917,366.42	6,261,725.56	655,640.86	9.48%
Other Variable Costs to OCTA				
Telecom Costs - Routing to CIC - 54 months	422,172.00	586,440.00	(164,268.00)	-38.9%
Grand Total	\$7,339,538.42	\$6,848,165.56	\$491,372.86	6.7%

Award Contract for Customer Information Center Services

Board of Directors

September 25, 2006



Background

- Request for Proposals June 14, 2006
- Pre-proposal Conference June 20, 2006
- Proposals Received July 14, 2006
 - Alta Resources, Brea
 - CDS Net / MyTransitPlus, LA
 - Covenant Industries, West Covina
- Interviews and Site Visits August 1, 2006

Customer Information Center (CIC)

- Open 7 days per week, 365 days/year
 - Weekdays 5 a.m. – 10 p.m.
 - Weekends 7 a.m. – 7 p.m.
 - Holidays 8 a.m. – 5 p.m.
- 800,000 calls per year
- 12 operators & 2 management staff at peak
- Contractor fulfills pass orders & requests for Reduced Fare ID cards

Outsourced Operations

OCTA	Contractor
Phone Numbers	Phone System
T-1, Firewall at OCTA	Firewall at CIC
Software, Server	PC Workstations, Facilities
Contract Oversight	Management & Staff
Train the Trainer	Train the Staff

Performance Requirements

- 90% of calls answered within 2 minutes
- Call abandonment rate of 5% or less
- No more than 1 complaint / 15,000 calls
- Same day processing of pass orders
- RFID applications processed within 48 hours*

* RFID = Reduced Fare Identification Cards

Evaluation Criteria

Qualifications of the Firm	25%
Staffing	25%
Work Plan	25%
Cost and Price	25%

Combined Average Scores

Evaluation Criteria	Alta Resources (Alta)	My Transit Plus (MTP)
Qualifications of the Firm	23	18
Staffing	22	13
Work Plan	24	14
Cost and Price	17	20
Total	86	65

Qualifications of the Firm

Alta	MTP
International Call centers are core business	Diverse business model 4 regional companies
Current CIC Clients: <ul style="list-style-type: none"> • OCTA • Metrolink • Disney • SC Johnson • Revlon • Sara Lee • Energizer / Schick 	Current CIC Clients: <ul style="list-style-type: none"> • LA DOT CITYRIDE Paratransit • San Diego Regional SAFE* • BART (Tickets2Go)
Financially sound	Financially sound



Staffing

Description	Alta	MTP
Program / Training Manager	1	1
Supervisor	1	1
Senior Operators		
- Bilingual	2	
- Operator		1
Operators (Mix F/T & P/T)		
- Bilingual	14	
- Operator	11-16	10-12
Pass Sales Staff		
- Bilingual	2	
- Other Staff	2	3.5
Information Technology*	1	1
Total Proposed	34-39	18-20

* Note: Does not include Alta IT group



Work Plan

Alta	MTP
<ul style="list-style-type: none"> • Detailed work plan • Reports, floor plan, workstation detail included • Specific hiring plan, ongoing training & monitoring • Technical infrastructure adequate • Strong technical support team 	<ul style="list-style-type: none"> • Did not address all scope elements • Limited reports, no floor plan, no workstation detail • General hiring/training approach, ongoing monitoring • Technical infrastructure mostly adequate; call volume concerns • Limited technical support

Costs Initial Term

Account/Category	Cost	Initial Term	Cost
Account/Category	\$	\$	\$
Account/Category	\$	\$	\$
Account/Category	\$	\$	\$
Account/Category	\$	\$	\$
Account/Category	\$	\$	\$
Account/Category	\$	\$	\$
Account/Category	\$	\$	\$
Account/Category	\$	\$	\$
Account/Category	\$	\$	\$
Account/Category	\$	\$	\$
Account/Category	\$	\$	\$
Account/Category	\$	\$	\$
Account/Category	\$	\$	\$
Account/Category	\$	\$	\$
Account/Category	\$	\$	\$
Account/Category	\$	\$	\$
Account/Category	\$	\$	\$
Account/Category	\$	\$	\$



* OCTA cost to link calls to center

Recommendation

- Award agreement to Alta Resources for CIC services for the period January 1, 2007 to June 30, 2011 in an amount not to exceed \$6,917,366
- Include 3 one-year option terms