

MEETING AGENDA

- 1. Welcome**
- 2. Approval of Minutes for February 8, 2022**
- 3. Public Comments***
- 4. Action Item**
 - A. External Auditor Communication/OCLTA Measure M2 Agreed-Upon Procedures Reports, Year Ended June 30, 2021 - Crowe LLP
Jennifer Richards, Partner; and Johnson Chung, Senior Staff
 - OCLTA Measure M2 Local Fair Share Agreed-Upon Procedures Report, Year Ended June 30, 2021
 - OCLTA Measure M2 Senior Mobility Program Agreed-Upon Procedures Report, Year Ended June 30, 2021
- 5. Presentation Item**
 - A. M2 Ordinance Compliance Matrix
Francesca Ching, Program Manager, Planning
- 6. Adjournment**

The next TOC Audit Subcommittee meeting is scheduled for June 14, 2022

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

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA Clerk of the Board, telephone (714) 560-5676, no less than two business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

**Measure M Taxpayer Oversight Committee
Audit Subcommittee
Orange County Transportation Authority
550 S. Main Street, Orange CA
Teleconference
February 8, 2021 @ 4:00 p.m.**

MEETING MINUTES

Committee Members Present:

Frank Davies, County of Orange Auditor-Controller
Harry Sloan, Second District Representative
Mark Kizzar, Second District Representative
Tuan Nguyen, Third District Representative

Committee Members Absent:

Michael Pascual, Fourth District Representative

Orange County Transportation Authority Staff Present:

Christina Byrne, Department Manager, Public Outreach
Francesca Ching, Section Manager, M2 Program Management Office
Allison Imler, Associate Community Relations Specialist, Public Outreach
Kia Mortazavi, Executive Director, Planning
Sean Murdock, Director, Finance and Administration
Andrew Oftelie, Chief Financial Officer, Finance and Administration
Alice Rogan, Director, External Affairs
Janet Sutter, Executive Director, Internal Audit

Recorder:

Teri Lepe, Executive Assistant, Internal Audit

Guests:

Kathy Lai, Partner, Crowe LLP
A. J. Johnson, Senior Auditor, Crowe LLP

1. Welcome

Mr. Frank Davies called the Orange County Transportation Authority (OCTA) Taxpayer Oversight Committee (TOC) Audit Subcommittee (AS) meeting to order at 4:00 p.m.

Mr. Davies asked Ms. Alice Rogan, Director, External Affairs, to announce teleconference meeting protocol, and to conduct an attendance roll call. Ms. Rogan announced there was a quorum.

2. Approval of the Minutes for June 22, 2021

A motion was made by Mr. Mark Kizzar, seconded by Mr. Harry Sloan, and following a roll call vote, declared passed 4-0, to approve the TOC AS meeting minutes of June 22, 2021.

3. Public Comments

Ms. Rogan informed the TOC AS that no public comments had been submitted before the deadline. Ms. Rogan then asked for live public comments, of which there were none.

4. Action Items

A. External Auditor Communications/Annual Audit and Agreed-Upon Procedures Reports – Crowe LLP

Ms. Kathy Lai, Partner, Crowe LLP (Crowe), informed the TOC AS that she would be presenting the results related to three different deliverables, the first of which is the financial statements and compliance report related to the Orange County Local Transportation Authority (OCLTA). Ms. Lai was very pleased to report that Crowe had issued an unmodified opinion regarding the OCLTA Annual Financial and Compliance Report, which is the highest level of assurance that Crowe can issue. Essentially, Crowe's opinion states that the financial statements are fairly stated in accordance with Generally Accepted Accounting Principles (GAAP).

In tandem with GAAP, the audit is conducted in accordance with Government Auditing Standards, which requires Crowe to review the internal controls over financial reporting to the extent that they are material to the financial statements and compliance and other matters. Ms. Lai announced there were no non-compliance matters to report, although Crowe did make one recommendation related to internal controls over financial reporting.

Ms. Lai next discussed the agreed-upon procedures that were performed in relation to the OCLTA appropriations limit calculation. Ms. Lai reported that the procedures were performed without exception, and that there was nothing to report to the TOC AS.

Mr. A. J. Johnson, Senior Auditor, Crowe, reviewed the Measure M2 Status Report Agreed-Upon Procedures with the TOC AS, and indicated there were no exceptions.

A motion was made by Mr. Sloan, seconded by Mr. Tuan Nguyen, and following a roll call vote, declared passed 4-0, to find OCTA in compliance with the Measure M2 Transportation Ordinance and Investment Plan for fiscal year 2021.

A. Review of Second Quarter M2 Revenue and Expenditure Report

Mr. Sean Murdock, Director, Finance and Administration, gave a quick update on the December 31, 2021, M2 Revenue and Expenditure Report, and conveyed that sales tax collections have been strong thus far in the fiscal year. Mr. Murdock stated that in November 2021, OCTA received the true-up payment for the first quarter of the fiscal year, and that sales tax receipts were up 30 percent from the same quarter for the prior fiscal year. Since the end of the first quarter, OCTA has continued to receive monthly advances that are growing on average 25 percent over the same months in the last fiscal year. In the next few weeks, OCTA will receive the February payment, which will include the true-up payment for the second quarter which ended December 31, 2021, and which is traditionally a pretty good quarter, considering it includes holiday sales, as well.

Mr. Murdock next relayed there were \$106 million in expenditures for the second quarter on freeway projects. The majority of expenditures related to the Freeway Mode for the second quarter was roughly \$100 million spent on two projects which include the Interstate 405 Project, at approximately \$75 million, as well as the Interstate 5 South Projects, which are approximately \$25 million. The Streets and Roads mode had \$14 million in expenditures, most of which was given to the cities to maintain their streets and roads due to the Local Fair Share program. The Transit mode showed \$120 million in expenditures, with \$110 million being transferred from M2 Project R, which funds Metrolink service, to the long-term operating fund used to support Metrolink service.

A motion was made by Mr. Sloan, seconded by Mr. Kizzar, and following a roll call vote, declared passed 4-0, to receive and file the Second Quarter M2 Revenue and Expenditure Report.

Ms. Rogan asked for live public comments, of which there were none.

5. Presentation Item

A. Measure M2 Triennial Performance Assessment Update

Ms. Francesca Ching, Section Manager, M2 Program Management Office, stated that as a taxpayer safeguard, the Measure M2 (M2) Ordinance requires that a triennial performance assessment, conducted by an independent consultant, be performed every three years, to provide insight into the Orange County Transportation Authority's (OCTA) effectiveness in implementing the ordinance.

The current effort covering fiscal years 2018-19 through 2020-21 began in July 2021. A draft report with the initial recommendations was provided to OCTA last month. Overall, the draft report confirms that OCTA has addressed all recommendations from the previous performance assessment, commends OCTA's continued progress

in delivering M2, and identifies four recommendations for consideration and implementation, as appropriate.

Ms. Ching is currently working with OCTA staff to draft a response to the assessment and an action plan to address recommendations. Ms. Ching anticipates the draft report will be finalized later this month and presented to OCTA's Board of Directors and the TOC in April 2022.

Ms. Rogan asked for live public comments, of which there were none.

6. Adjournment

The Measure M TOC AS meeting adjourned at 4:36 p.m. The next regularly scheduled meeting will be at **4 p.m. on Tuesday, June 14, 2022**, in Conference Room 08 of the 550 Building, OCTA Headquarters.



March 23, 2022

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: Orange County Local Transportation Authority Measure M2
Agreed-Upon Procedures Reports, Year Ended June 30, 2021

Overview

Crowe LLP, an independent accounting firm, has applied agreed-upon procedures related to Measure M2 Local Fair Share funds provided to six cities and Senior Mobility Program funds provided to five cities, for the fiscal year ended June 30, 2021. Local Fair Share program reports include observations of funded projects not reflected in cities' Seven-Year Capital Improvement Program reports, disallowed maintenance of effort expenditures due to lack of support, misreporting of direct or indirect costs, and indirect cost charges supported by an outdated cost allocation plan. Senior Mobility Program reports include observations relating to late submission of monthly reports and misreporting of expenditures and/or fund balance.

Recommendation

Direct staff to monitor implementation of corrective actions proposed by the cities.

Background

Annually, the Audit Subcommittee (Subcommittee) of the Taxpayer Oversight Committee selects a sample of local jurisdictions receiving Measure M2 (M2) funding for audit, to determine the local jurisdictions' level of compliance with provisions of the M2 Ordinance. For the fiscal year (FY) ended June 30, 2021, the Subcommittee selected six cities for review of Local Fair Share (LFS) program funding and five cities for review of Senior Mobility Program (SMP) funding. The agreed-upon procedures (AUP) applied for these reviews were approved by the Subcommittee.

The LFS program is a formula-based allocation provided to eligible jurisdictions for use on allowable transportation planning and implementation activities. Since the LFS program is intended to augment, not replace, existing transportation expenditures, each jurisdiction is typically required to maintain a minimum level of local streets and roads expenditures to conform to a defined maintenance of effort (MOE) benchmark requirement. Cities are required to submit copies of their Seven-Year Capital Improvement Program (CIP), reflecting projects that will be funded with LFS.

The SMP funds local community transportation services for seniors. This program provides up to 80 percent of the funding for these services, and participating local jurisdictions provide a 20 percent match. Seniors must be age 60 or older to be eligible to participate in the program. A cooperative agreement, along with a written service plan, is executed between the local jurisdiction and the Orange County Local Transportation Authority, to outline requirements of the program and to describe services to be provided. Consistent with the program guidelines, cities are required to submit monthly SMP activity reports within 30 days of month end.

All M2 revenues, interest earned on net revenues, expenditures, and expenditures of earned interest are required to be reflected on an annual expenditure report. The expenditure report requires certification by the respective city's finance director and must be adopted by the city council and filed with OCLTA within six months of FY end.

Discussion

Crowe LLP (auditors), conducted interviews of city finance and program-related staff, and applied the AUP, including testing of expenditures for compliance with program requirements, review of indirect costs for adequate support and reasonableness, testing to ensure allocation of interest, and testing of annual expenditure reports for accuracy.

AUP: LFS Program Funds

The auditors examined the cities of Fountain Valley, Fullerton, Laguna Niguel, Laguna Woods, Newport Beach, and Yorba Linda. No observations resulted from the audit of the City of Laguna Woods.

One city was unable to provide support for indirect MOE charges; however, after removing these costs, the city continued to meet its minimum MOE benchmark. Another city allocated indirect costs based on a ten-year old cost allocation plan. While the methodology for allocation was deemed reasonable, the ten-year old analysis upon which the plan was based is considered not appropriate.

At two cities, the auditors identified expenditures that were not properly classified as direct or indirect costs in the cities' expenditure reports. At four cities, LFS expenditures were charged to projects not reflected on the cities' FY 2020-21 CIP reports.

A summary of all findings and city management responses can be found in Attachment A, and the detailed reports, along with written management responses, can be found in Attachment B.

AUP: SMP Funds

The auditors examined the cities of Irvine, Orange, Rancho Santa Margarita, Seal Beach, and Westminster. No observations resulted from the audit of the City of Rancho Santa Margarita

At two cities, the auditors identified expenditures that were not properly classified as direct or indirect costs in the cities' expenditure reports. One city had misreported total SMP expenditures and fund balance on its expenditure report. Late submission of required monthly reports was identified at another city.

A summary of all findings and city management responses can be found in Attachment C, and the detailed reports, along with written management letters, can be found in Attachment D.

Summary

The independent audit firm, Crowe LLP, has completed AUP related to M2 LFS and SMP funds provided to 11 cities for the FY ended June 30, 2021. Detailed results are attached.

Attachments

- A. Summary of Agreed-Upon Procedures Reports Orange County Local Transportation Authority Measure M2 Local Fair Share for the Year Ended June 30, 2021
- B. Orange County Local Transportation Authority Measure M2 Local Fair Share Agreed-Upon Procedures Reports Year Ended June 30, 2021
- C. Summary of Agreed-Upon Procedures Reports Orange County Local Transportation Authority Measure M2 Senior Mobility Program for the Year Ended June 30, 2021

- D. Orange County Local Transportation Authority Measure M2 Senior Mobility
Program Agreed-Upon Procedures Reports Year Ended June 30, 2021

Approved by:



Janet Sutter
Executive Director, Internal Audit
714-560-5591

SUMMARY OF AGREED-UPON PROCEDURES REPORTS
Orange County Local Transportation Authority
Measure M2 Local Fair Share for the Year Ended June 30, 2021

City	Result	City Management Response
Fountain Valley	None	Not Applicable
Fullerton	Three Local Fair Share (LFS) expenditures totaling \$133,641 were not listed on the City of Fullerton's Seven-Year Capital Improvement Program (CIP) report. The expenditures were related to the Gilbert Street Traffic Signal Synchronization Project.	Management took immediate action to amend the CIP and obtain city council approval.
Laguna Niguel	Two LFS expenditures totaling \$599,084 were not listed on the City of Laguna Niguel's CIP report. The expenditures related to the Residential Annual Resurfacing Program.	Management amended the CIP to include this project in February 2022.
Laguna Woods	None	Not Applicable
Newport Beach	The City of Newport Beach (Newport Beach) reported \$10,358,536 in indirect expenditures, of which \$621,170 should have been reported as direct expenditures. Inspection of the remaining \$9,737,366 in indirect expenditures found that the expenditures were allocated based on a cost allocation plan prepared ten years prior. While the cost allocation plan methodology was reasonable, the age of the plan analysis upon which it was based is not appropriate.	Management will report these expenditures as direct going forward. Management will conduct a new indirect cost allocation plan more frequently and has already started the process of updating the cost allocation plan to be used for the fiscal year (FY) 2021-22.
	One LFS expenditure for \$638,545 was not listed on Newport Beach's CIP report. The expenditure related to the Concrete Street Pavement Reconstruction Project.	This project was reflected in prior years' CIPs but was delayed due to the coronavirus. Management will include any projects that may have Measure M2 expenditures in the CIP going forward.
Yorba Linda	The City of Yorba Linda (Yorba Linda) reported direct maintenance of effort (MOE) expenditures of \$3,199,913 on its expenditure report, of which \$470,426 represented indirect expenditures.	Management will report direct and indirect costs in the correct categories going forward.
	All indirect MOE expenditures , totaling \$829,848, were disallowed because Yorba Linda was unable to provide support demonstrating a reasonable, appropriate methodology for allocating these costs. After removing these expenditures, Yorba Linda continued to meet its MOE benchmark.	Management is working with a consultant to prepare a cost allocation plan and will only charge indirect costs to MOE once the plan has been developed.
	One LFS expenditure of \$58,049 was not listed on Yorba Linda's CIP report. The expenditure related to the Fairmont at Mustang Fields Project.	This project was included in the CIP for FY 2017-18 but was inadvertently excluded from the CIP. Management will include all eligible projects in the CIP going forward.

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY
MEASURE M2 LOCAL FAIR SHARE
AGREED-UPON PROCEDURES REPORTS
Year Ended June 30, 2021**

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 LOCAL FAIR SHARE

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2021

The cities listed below were selected by the Audit Subcommittee of the Taxpayers Oversight Committee to perform agreed-upon procedures for the fiscal year ended June 30, 2021. Please refer to the individual divider tab for our report on each Agency.

City of Fountain Valley

City of Fullerton

City of Laguna Niguel

City of Laguna Woods

City of Newport Beach

City of Yorba Linda

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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Fountain Valley's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2021. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2021. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

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

Findings: The MOE expenditures were tracked in the City's general ledger by fund and account number. The City recorded its MOE expenditures in its General Fund (11), Gas Tax Fund (23), and various account numbers. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2021 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2020/2021. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, Line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2021 were \$2,601,157 (see Schedule A), which exceeded the MOE benchmark requirement of \$1,564,638. We agreed the total expenditures of \$2,601,157 to the amount reported on the City's Expenditure Report (Schedule 3, line 18), with no differences. No exceptions were found as a result of this procedure.

(Continued)

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

Findings: We selected 25 direct MOE expenditures totaling \$829,889, which represented approximately 40% of direct MOE expenditures of \$2,056,026 for the fiscal year ended June 30, 2021. No exceptions were found as a result of this procedure.

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

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2021. We agreed \$545,131 of indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected three charges for inspection with a total amount of \$454,575 representing 83% of the total MOE indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs included maintenance charges for the Public Works department. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were properly classified as indirect expenditures and based upon a reasonable and appropriate methodology. No exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2021 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt. Explain any differences.

Findings: The City received \$3,234,352 for the past three fiscal years ended June 30, 2019, 2020 and 2021. We agreed the fund balance of \$1,889,965 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2021. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund and account number. The City recorded its LFS expenditures in its Traffic Improvement Fund (24), Measure M Fund (25), various account numbers. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2021 were \$1,278,234 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

(Continued)

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

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected five direct Measure M2 Local Fair Share expenditures for inspection totaling \$1,055,400 representing approximately 83% of total direct Measure M2 Local Fair Share expenditures of \$1,278,234 for the fiscal year ended June 30, 2021. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

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

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2021. No exceptions were found as a result of this procedure.

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

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$18,645 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY21) by inspecting the OCLTA Board agenda and action items.

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

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

(Continued)

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

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

A handwritten signature in black ink that reads "Crowe LLP". The letters are cursive and fluid, with the "L" and "P" being particularly stylized.

Crowe LLP

Costa Mesa, California
March 2, 2022

CITY OF FOUNTAIN VALLEY, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2021
(Unaudited)

SCHEDULE A

Maintenance of Effort (MOE) Expenditures:	
Maintenance	
Other Street Purpose Maintenance	<u>\$ 2,601,157</u>
 Total MOE Expenditures	 <u>\$ 2,601,157</u>
 Measure M2 Local Fair Share Expenditures (Schedule 4):	
Signal Timing Maint. (TI160)	\$ 25,000
Citywide Signal Communication Maint. (TI267)	22,457
Euclid/ Condor & Talbert/ Bushard Signal Mod. (TI268)	5,600
Harbor Signal Synchronization (TI280)	1,176
Newland from Talbrt/ Ellis & Brookhrst @Garfield Resurfacing Co-Op (TI270)	209,006
Warner Ave. Arterial Rehab. from Brookhurst to Euclid (TI275)	951,913
Euclid St. Arterial Rehab. from Heil to Warner (TI276)	<u>63,082</u>
 Total Measure M2 Local Fair Share Expenditures	 <u>\$ 1,278,234</u>
 Total MOE and Measure M2 Local Fair Share Expenditures	 <u>\$ 3,879,391</u>

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

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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Fullerton (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2021. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2021. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

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

Findings: The MOE expenditures were tracked in the City's general ledger by fund, account number, and object code. The City recorded its MOE expenditures in its General Fund (10), Sanitation Fund (23), and various program codes and object codes. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2021 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2020/2021. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, Line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2021 were \$5,767,907 (see Schedule A), which exceeded the MOE benchmark requirement of \$4,413,567. We agreed the total expenditures of \$5,767,907 to the amount reported on the City's Expenditure Report (Schedule 3, line 18), with no differences. No exceptions were found as a result of this procedure.

(Continued)

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

Findings: We selected 25 direct MOE expenditures totaling \$671,457, which represented approximately 15% of direct MOE expenditures of \$4,567,615 for the fiscal year ended June 30, 2021. No exceptions were found as a result of this procedure.

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

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2021. We agreed \$1,200,292 of indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 32 charges for inspection with a total amount of \$963,859 representing 80% of the total MOE indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs included administrative and maintenance charges. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were properly classified as indirect expenditures and based upon a reasonable and appropriate methodology. No exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2021 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt. Explain any differences.

Findings: The City received \$6,948,371 for the past three fiscal years ended June 30, 2019, 2020, and 2021. We agreed the fund balance of \$3,433,439 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2021. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund and object unit codes. The City recorded its LFS expenditures in its Measure M2 Fund (25), its Capital Projects Fund (74), and various object unit codes. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2021 were \$2,584,948 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

(Continued)

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

Findings: We selected 16 Measure M2 Local Fair Share direct expenditures for inspection totaling \$1,820,948 representing approximately 70% of total Measure M2 direct Local Fair Share expenditures of \$2,584,948 for the fiscal year ended June 30, 2021. When comparing the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, three expenditures in the amount of \$133,641 relating to Gilbert Street Traffic Signal Synchronization Project were not listed on the City's Seven-Year CIP. No other exceptions were found as a result of this procedure.

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

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2021. We agreed \$102,082 of indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 14 charges for inspection with a total amount of \$73,350 representing 72% of the total indirect Local Fair Share costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs included allocated professional and contractual fees. Upon inspecting the supporting documentation for the samples selected, we determined that the expenditures were properly classified as indirect Local Fair Share costs and were allowable per the Ordinance and percentages allocated to Local Fair Share were justifiable. In addition, the indirect LFS costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No exceptions were found as a result of this procedure.

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

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$70,582 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY21) by inspecting the OCLTA Board agenda and action items.

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

(Continued)

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

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

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

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

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

Crowe LLP

Costa Mesa, California
February 28, 2022

CITY OF FULLERTON, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2021
(Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 1,200,292
Maintenance	
Overlay & Sealing	\$ 1,920,312
Street Lights & Traffic Signals	257,475
Other Street Purpose Maintenance	<u>2,389,828</u>
 Total MOE Expenditures	 <u>\$ 5,767,907</u>
 Measure M2 Local Fair Share Expenditures (Schedule 4):	
Victoria Drive Infrastructure Improvement (44038)	\$ 835,742
Orangethorpe/Woods - Highland (44046)	24,960
Victoria Dr Infrastructure Ph2 (44049)	99,358
Nutwood-Yale St. Improvements (44053)	11,114
Arterial St. Reconstruction, Rehab. & Repair (44400)	8,985
Residential Street Program (44589)	7,834
Orangethorpe Avenue Traffic Signal Synchronization Program (46000)	68,299
Countrywide Signal Synchronzation Program (46007)	24,000
Gilbert Street Traffic Signal Synchronization Program (46022)	80,110
Brookhurst Signal Synchronization (46023)	3,213
Magnolia Signal Synchronization (46024)	5,506
Signal Operation Enhancement (46027)	7,683
Traffic Signal System Network (46028)	2,301
Harbor Signal Synchronization (46029)	906
Signal Battery Backup Unit (46030)	5,988
NOC Triangle Corridor (46032)	5,225
Loma Alta Area Infrastructure (53009)	1,235,644
El Rancho Area Infrastructure Improvements (53012)	25,170
Nutwood/Yale Infrastructure (53013)	29,047
Marion Area Infrastructure Impr (53021)	1,781
Administration (Indirect & Overhead)	<u>102,082</u>
 Total Measure M2 Local Fair Share Expenditures	 <u>\$ 2,584,948</u>
 Total MOE and Measure M2 Local Fair Share Expenditures	 <u><u>\$ 8,352,855</u></u>

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



CITY OF FULLERTON

Administrative Services Department

Exhibit 1

February 28, 2022

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Fullerton as of and for the fiscal year ended June 30, 2021.

Procedure #7

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

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

Findings:

We selected 16 Measure M2 Local Fair Share direct expenditures for inspection totaling \$1,820,948 representing approximately 70% of total Measure M2 direct Local Fair Share expenditures of \$2,584,948 for the fiscal year ended June 30, 2021. When comparing the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, three expenditures in the amount of \$133,641 relating to Gilbert Street Traffic Signal Synchronization Project were not listed on the City's Seven-Year CIP. No other exceptions were found as a result of this procedure.

City's Response:

The City acknowledges the FY 2020-21 finding related to the Gilbert Street Traffic Signal Synchronization Project (Gilbert Project). In FY 2019-2020, the City placed the Gilbert Project in the FY 2019-2020 Seven-Year Capital Improvement Program (CIP) List.

The City did not include the Gilbert Project in FY 2020-2021 Seven Year CIP List. During OCTA's review of the City's M2 Eligibility Report, it was brought to our attention that the Gilbert Project was not on the approved list. The City took immediate corrective action and City Council approved the amended Seven-Year CIP List on November 16, 2021.

Attached are the following Seven-Year CIP Lists where the Gilbert Street RTSSP was programed.

- Seven-Year CIP list FY19-20 showing Gilbert Street RTSSP project
- Seven-Year CIP list FY21-22 showing Gilbert Street RTSSP project

THE EDUCATION COMMUNITY

303 West Commonwealth Avenue, Fullerton, California 92832-1775
(714) 738-6520 • administrativeservices@cityoffullerton.com • www.cityoffullerton.com

OCTA Measure M2 Local Fair Share Program Audit FYE June 30, 2021

Thank you for allowing the City of Fullerton to respond to this finding. The city would also like to thank the audit staff that was assigned to our city with regard to their courtesy and professionalism exhibited during the audit.

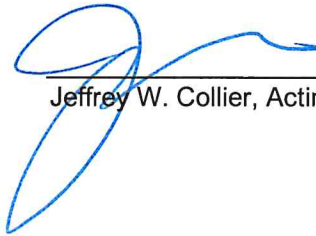
Should you need additional information, please do not hesitate to contact us.



Meg McWade, Director of Public Works



Ellis Chang, Director of Administrative Services



Jeffrey W. Collier, Acting City Manager

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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Laguna Niguel (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2021. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2021. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

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

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

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2021 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2020/2021. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, Line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2021 were \$1,619,289 (see Schedule A), which exceeded the MOE benchmark requirement of \$908,566. We agreed the total expenditures of \$1,619,289 to the amount reported on the City's Expenditure Report (Schedule 3, line 18), with no differences. No exceptions were found as a result of this procedure.

(Continued)

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

Findings: We selected 25 direct MOE expenditures totaling \$414,347, which represented approximately 26% of direct MOE expenditures of \$1,619,289 for the fiscal year ended June 30, 2021. No exceptions were found as a result of this procedure.

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

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2021. No exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2021 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt. Explain any differences.

Findings: The City received \$3,466,036 for the past three fiscal years ended June 30, 2019, 2020, and 2021. We agreed the fund balance of \$2,707,230 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2021. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund, function code, and object codes. The City recorded its LFS expenditures in its Measure M2 Fund (220), various function codes and object codes. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2021 were \$872,394 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

(Continued)

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

Findings: We selected five Measure M2 Local Fair Share direct expenditures for inspection totaling \$830,959, representing approximately 95% of total Measure M2 direct Local Fair Share expenditures of \$872,394 for the fiscal year ended June 30, 2021. When comparing the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, two expenditures in the amount of \$599,084 relating to Residential Annual Resurfacing Program were not listed on the City's Seven-Year CIP. No other exceptions were found as a result of this procedure.

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

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2021. No exceptions were found as a result of this procedure.

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

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$598 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY21) by inspecting the OCLTA Board agenda and action items.

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

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

(Continued)

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

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

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

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

Crowe LLP

Costa Mesa, California
March 2, 2022

CITY OF LAGUNA NIGUEL, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2021
(Unaudited)

SCHEDULE A

Maintenance of Effort (MOE) Expenditures:	
Maintenance	
Other Street Purpose Maintenance	<u>\$ 1,619,289</u>
Total MOE Expenditures	<u>\$ 1,619,289</u>
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Residential Annual Resurfacing Program (Zones 1-2)	\$ 627,841
Paseo de Colinas Groundwater Seepage	<u>244,553</u>
Total Measure M2 Local Fair Share Expenditures	<u>\$ 872,394</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 2,491,683</u></u>

Note: The above amounts were taken directly from the financial records of the City of Laguna Niguel and



CITY of LAGUNA NIGUEL

30111 Crown Valley Parkway / Laguna Niguel, California, 92677
Phone / 949-362-4300 Fax / 949-362-4340

CITY COUNCIL

Mayor Elaine Gennawey
Mayor Pro Tem Sandy Rains
Council Member Kelly Jennings
Council Member Fred Minagar
Council Member Risch Paul Sharma

March 2, 2022

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Laguna Niguel as of and for the fiscal year ended June 30, 2021.

Procedure #7

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

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


Findings: We selected five Measure M2 Local Fair Share direct expenditures for inspection totaling \$830,959 representing approximately 95% of total Measure M2 direct Local Fair Share expenditures of \$872,394 for the fiscal year ended June 30, 2021. When comparing the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, two expenditures in the amount of \$599,084 relating to Residential Annual Resurfacing Program were not listed on the City's Seven-Year CIP. No other exceptions were found as a result of this procedure.

City's Response:

The City agrees with this finding. OCTA subsequently approved an amended FY 2020/2021 Seven-Year CIP Program, which included the Residential Annual Resurfacing Program, on February 3, 2022.


Eric Hendrickson, Finance Director 3/2/2022
Date


Jacki Scott, Public Works Director 3-2-22
Date


Tamara S. Letourneau, City Manager 3/2/22
Date

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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Laguna Woods (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2021. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2021. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

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

Findings: The MOE expenditures were tracked in the City's general ledger by fund, account number, and object code. The City recorded its MOE expenditures in its General Fund (001), Fuel Tax Fund (100), Road Repair and Accountability Act Fund (105), various account codes, and object codes. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2021 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2020/2021. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, Line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2021 were \$104,578 (see Schedule A), which met the MOE benchmark requirement of \$104,578. We agreed the total expenditures of \$104,578 to the amount reported on the City's Expenditure Report (Schedule 3, line 18), with no differences. No exceptions were found as a result of this procedure.

(Continued)

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

Findings: We selected 25 direct MOE expenditures totaling \$66,997, which represented approximately 64% of direct MOE expenditures of \$104,578 for the fiscal year ended June 30, 2021. No exceptions were found as a result of this procedure.

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

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2021. No exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2021 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt. Explain any differences.

Findings: The City received \$659,911 for the past three fiscal years ended June 30, 2019, 2020, and 2021. We agreed the fund balance of \$139,906 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2021. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund and object unit codes. The City recorded its LFS expenditures in its Measure M2 Fund (111) and various object unit codes. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2021 were \$221,174 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

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

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected five direct Measure M2 Local Fair Share expenditures for inspection totaling \$114,555 representing approximately 52% of total direct Measure M2 Local Fair Share expenditures of \$221,174 for the fiscal year ended June 30, 2021. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

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

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2021. We agreed \$650 of indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected one charge for inspection with a total amount of \$650 representing 100% of the total indirect Local Fair Share costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs included the allocation of consulting charges for the purpose of the City's Annual Street Report. Upon inspecting the supporting documentation for the sample selected, we determined that the expenditure was properly classified as indirect Local Fair Share costs and were allowable per the Ordinance. No exceptions were found as a result of this procedure.

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

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$1,660 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY21) by inspecting the OCLTA Board agenda and action items.

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

(Continued)

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

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

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

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

Crowe LLP

Costa Mesa, California
March 3, 2022

CITY OF LAGUNA WOODS, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2021
(Unaudited)

SCHEDULE A

Maintenance of Effort (MOE) Expenditures:	
Maintenance	
Other Street Purpose Maintenance	\$ 104,578
Total MOE Expenditures	<u>\$ 104,578</u>
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Street Lighting - Public Right-of-Way	\$ 28,633
Contract - Traffic Engineering	145,635
Contract - Traffic Signal Maintenance	46,256
Allowable Overhead Costs, Indirect	<u>650</u>
Total Measure M2 Local Fair Share Expenditures	<u>\$ 221,174</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 325,752</u></u>

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

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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Newport Beach (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2021. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2021. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

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

Findings: The MOE expenditures were tracked in the City's general ledger by fund, account number, and organization code. The City recorded its MOE expenditures in its General Fund (010), Capital Projects Fund (012), as well as multiple organization codes that are specific to different areas of maintenance and capital improvement programs. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2021 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2020/2021. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, Line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2021 were \$17,776,641 (see Schedule A), which exceeded the MOE benchmark requirement of \$12,547,102. We agreed the total expenditures of \$17,776,641 to the amount reported on the City's Expenditure Report (Schedule 3, line 18), with no differences. No exceptions were found as a result of this procedure.

(Continued)

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

Findings: We selected 25 direct MOE expenditures totaling \$3,401,300, which represented approximately 46% of direct MOE expenditures of \$7,418,105 for the fiscal year ended June 30, 2021. No exceptions were found as a result of this procedure.

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

Findings: The City of Newport Beach reported \$10,358,536 in MOE indirect expenditures. Through inspection of the City's general ledger detail, Crowe identified \$621,170 of indirect costs that should have been reported as direct costs. Crowe selected 40 indirect MOE costs for inspection with a total amount of \$2,088,424 representing 21% of the total indirect MOE costs of \$9,737,366. Crowe determined all (100%) were developed from a written cost allocation plan for FY 11/12. Through further inspection of the City's indirect cost allocation plan, Crowe determined the methodology was reasonable. However, the allocation was based upon analysis of activities from over 10 years ago. No other exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2021 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt. Explain any differences.

Findings: The City received \$5,820,095 for the past three fiscal years ended June 30, 2019, 2020, and 2021. We agreed the fund balance of \$3,159,550 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2021. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund and organization unit codes. The City recorded its LFS expenditures in its Measure M2 Fund (122) and various organization unit codes. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2021 were \$951,147 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

(Continued)

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

Findings: Crowe selected three Measure M2 Local Fair Share direct expenditures for inspection totaling \$760,458 representing approximately 80% of total Measure M2 direct Local Fair Share expenditures of \$951,147 for the fiscal year ended June 30, 2021. When comparing the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, one expenditure in the amount of \$638,545 relating to a Concrete Street Pavement Reconstruction Project was not listed on the City's Seven-Year CIP. No other exceptions were found as a result of this procedure.

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

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2021. No exceptions were found as a result of this procedure.

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

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$4,103 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY21) by inspecting the OCLTA Board agenda and action items.

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

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

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

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

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

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

Crowe LLP

Costa Mesa, California
March 7, 2022

CITY OF NEWPORT BEACH, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2021
(Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 10,358,536
Construction & Right-of-Way	
Street Reconstruction	868,587
Signals, Safety Devices, & Street Lights	468,211
Pedestrian Ways & Bikepaths	104,240
Storm Drains	<u>456,902</u>
Maintenance	
Overlay & Sealing	\$ 1,667,918
Street Lights & Traffic Signals	789,978
Other Street Purpose Maintenance	<u>3,062,269</u>
 Total MOE Expenditures	 <u>\$ 17,776,641</u>
 Measure M2 Local Fair Share Expenditures (Schedule 4):	
Concrete Street Pavement Reconstructon (12201-98000-18R21)	\$ 689,684
Bison Ave Pavement Rehabilitaion (12201-980000-19R21)	75,634
Balboa Peninsula Crosswalks Improvements (12201-980000-19T11)	108,831
Concrete Replacement Program (12201-980000-20R06)	<u>76,998</u>
 Total Measure M2 Local Fair Share Expenditures	 <u>\$ 951,147</u>
 Total MOE and Measure M2 Local Fair Share Expenditures	 <u><u>\$ 18,727,788</u></u>

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



CITY OF NEWPORT BEACH

100 Civic Center Drive
Newport Beach, California 92660
949 644-3127 | 949 644-3339 FAX
newportbeachca.gov/finance

March 7, 2022

Board of Directors
Orange County Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Transportation Authority
550 South Main Street
Orange, California 92868

Dear Board of Directors:

The following response is being submitted to address results from the agreed-upon-procedures performed by Crowe LLP ("Crowe") for the Measure M2 Local Fair Share program on the City of Newport Beach as of and for the fiscal year ended June 30, 2021.

Procedure #4

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

Findings:

The City of Newport Beach reported \$10,358,536 in MOE indirect expenditures. Through inspection of the City's general ledger detail, Crowe identified \$621,170 of indirect costs that should have been reported as direct costs. Crowe selected 40 indirect MOE costs for inspection with a total amount of \$2,088,424 representing 21% of the total indirect MOE costs of \$9,737,366. Crowe determined all (100%) were developed from a written cost allocation plan for FY 11/12. Through further inspection of the City's indirect cost allocation plan, Crowe determined the methodology was reasonable. However, the allocation was based upon analysis of activities from over 10 years ago. No other exceptions were found as a result of this procedure.

City's Response:

The City concurs with Crowe's comment that \$621,170 of indirect costs should have been reported as direct costs. These costs were related to street- light and traffic- signal electricity. Going forward, the City will report these as direct costs. Additionally, the City agrees that the cost allocation methodology was reasonable. Going forward, the City will conduct a new indirect cost allocation plan more frequently, and has already started the process of updating the cost allocation plan to be used for fiscal year 2021-22.

Procedure #7

Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible

Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

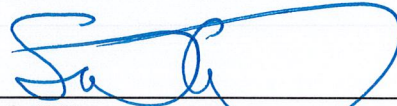
- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
- b. Determine that the expenditures selected in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

Findings:

Crowe selected three Measure M2 Local Fair Share direct expenditures for inspection totaling \$760,458 representing approximately 80% of total Measure M2 direct Local Fair Share expenditures of \$951,147 for the fiscal year ended June 30, 2021. When comparing the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, one expenditure in the amount of \$638,545 relating to a Concrete Street Pavement Reconstruction Project was not listed on the City's Seven-Year CIP. No other exceptions were found as a result of this procedure.

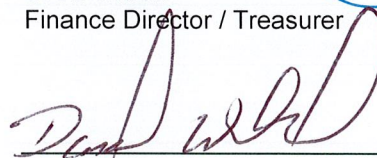
City's Response:

The City concurs with the comment that the Concrete Street Pavement Rehabilitation Project was not listed on the FY 2020-21 Measure M 7-year CIP. The full cost of the project in question was included in the FY 2019-20 Measure M 7-year CIP. The City has historically identified projects that may involve Measure M funds on the Measure M 7-year CIP that are programmed for the upcoming fiscal year. If the project is delayed or is still in progress after fiscal year end, remaining unappropriated funds for that project would roll over (rebudget) to the next fiscal year. We complete our Measure M 7-year CIP based on the City's draft CIP. If a project rolls over into subsequent fiscal years, then it would appear in the City's upcoming CIP and would be identified in the Measure M 7-year CIP (again). If a project is completed/hearing completion, with necessary funds appropriated and remaining unappropriated funds not needed, then it would not appear in the City's upcoming CIP and would not be identified in subsequent Measure M 7-year CIP. OCTA staff has been receptive of this approach and has approved all of the City's annual Measure M Eligibility submittals for the past 15+ years. Additionally, the Concrete Street Pavement Rehabilitation project was delayed due to the COVID-19 pandemic and the original contractor was unable to complete the contract. The City completed the remaining work in FY 2020-21 as part of a separate contract associated with Alleys Reconstruction Project, which was included in the FY 2020-21 Measure M CIP. Going forward, the City will include in the 7-year Measure M CIP any projects that may potentially have Measure M expenditures within that fiscal year.



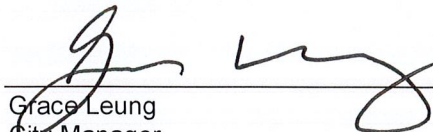
3/7/2022

Scott Catlett
Finance Director / Treasurer



3/7/2022

Dave Webb
Public Works Director



3/7/2022

Grace Leung
City Manager

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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Yorba Linda (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2021. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2021. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

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

Findings: The MOE expenditures were tracked in the City's general ledger by fund, organization codes, and account codes specific to different functions of maintenance. The City recorded its MOE expenditures in its General Fund (101), various organizational codes, and account codes. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2021 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2020/2021. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, Line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2021 were \$3,559,334 (see Schedule A), which exceeded the MOE benchmark requirement of \$2,608,191. We agreed the total expenditures of \$3,559,334 to the amount reported on the City's Expenditure Report (Schedule 3, line 18), with no differences. No exceptions were found as a result of this procedure.

(Continued)

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

Findings: City of Yorba Linda reported \$3,199,913 in MOE direct expenditures. Through inspection of the City's general ledger detail, Crowe identified \$470,426 of direct costs that should have been reported as indirect costs. We selected 25 direct MOE expenditures totaling \$1,216,002 for testing, which represented approximately 45% of direct MOE expenditures of \$2,729,460 for the fiscal year ended June 30, 2021. There were no exceptions resulting from the direct expenditures tested. Through procedure #4, Crowe determined the total amount of \$829,848 in indirect costs was not supported by a reasonable and appropriate methodology. As a result, this amount is considered disallowed, and should be removed from the total MOE expenditures. However, after removing these expenditures from total MOE expenditures, the City of Yorba Linda (Yorba Linda) continued to meet the MOE benchmark requirement. No other exceptions were found as a result of this procedure.

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

Findings: We selected 25 indirect MOE costs for inspection with a total amount of \$252,936 representing 30% of the total indirect MOE costs of \$829,848. Through inspection of supporting documentation, Crowe determined all indirect expenditures (100%) were considered disallowed due to the City's inability to provide support for a reasonable and appropriate methodology. As a result, the total amount of indirect costs should be removed from the total MOE expenditures. No other exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2021 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt. Explain any differences.

Findings: The City received \$3,271,767 for the past three fiscal years ended June 30, 2019, 2020, and 2021. We agreed the fund balance of \$3,425,440 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2021. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund and budget unit. The City recorded its LFS expenditures in its Capital Expenditures Fund (212) and various budget units. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2021 were \$981,397 (see Schedule A), which agreed to the City's Expenditure Report.

(Continued)

(Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

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

Findings: We selected 8 Measure M2 Local Fair Share direct expenditures for inspection totaling \$759,361, representing approximately 77% of total Measure M2 direct Local Fair Share expenditures of \$981,397, for the fiscal year ended June 30, 2021. When comparing the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, one expenditure in the amount of \$58,049, relating to Fairmont at Mustang Fields Project, was not listed on the City's Seven-Year CIP. No other exceptions were found as a result of this procedure.

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

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2021. No other exceptions were found as a result of this procedure.

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

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$9,450 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY21) by inspecting the OCLTA Board agenda and action items.

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

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

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

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

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

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

Crowe LLP

Costa Mesa, California
March 2, 2022

CITY OF YORBA LINDA, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2021
(Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 829,848
Maintenance	
Street Lights & Traffic Signals	\$ 672,663
Other Street Purpose Maintenance	<u>2,056,823</u>
Total MOE Expenditures	<u>\$ 3,559,334</u>
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Fairmont At Mustang Fields	\$ 61,035
Street/Pavement Maintenance Program	719,275
Traffic Calming	161,351
Traffic Signal Timing	23,333
Yorba Linda Widening - La Palma to SR91	<u>16,403</u>
Total Measure M2 Local Fair Share Expenditures	<u>\$ 981,397</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 4,540,731</u></u>

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



CITY of YORBA LINDA

FINANCE DEPARTMENT

March 2, 2022

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Yorba Linda as of and for the fiscal year ended June 30, 2021.

Procedure #3

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

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

Findings: City of Yorba Linda reported \$3,199,913 in MOE direct expenditures. Through inspection of the City's general ledger detail, Crowe identified \$470,426 of direct costs that should have been reported as indirect costs. We selected 25 direct MOE expenditures totaling \$1,216,002 for testing, which represented approximately 45% of direct MOE expenditures of \$2,729,460 for the fiscal year ended June 30, 2021. There were no exceptions resulting from the direct expenditures tested. Through procedure #4, Crowe determined the total amount of \$829,848 in indirect costs was not supported by a reasonable and appropriate methodology. As a result, this amount is considered disallowed, and should be removed from the total MOE expenditures. However, after removing these expenditures from total MOE expenditures, the City of Yorba Linda (Yorba Linda) continued to meet the MOE benchmark requirement. No other exceptions were found as a result of this procedure.

City's Response:

The amount classified as indirect costs and later identified as direct costs, represent expenditures allocated per the former Public Works Director's methodology. The supporting documents for this methodology are no longer available. The City is currently working with an outside consultant on a Cost Allocation Plan. We will work with our consultant to produce a plan to calculate indirect costs related to MOE. The City will only charge indirect costs once a cost allocation plan has been developed. The City will report the direct and indirect costs in the correct categories going forward.

Procedure #4

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

Findings: We selected 25 indirect MOE costs for inspection with a total amount of \$252,936 representing 30% of the total indirect MOE costs of \$829,848. Through inspection of supporting documentation, Crowe determined all indirect expenditures (100%) were considered disallowed due to the City's inability to provide support for a



CITY of YORBA LINDA

FINANCE DEPARTMENT

reasonable and appropriate methodology. As a result, the total amount of indirect costs should be removed from the total MOE expenditures.

City's Response:

The City's methodology for calculating indirect MOE expenditures was produced by the City's previous Public Works Director. His records to back up the percentages reflected in staff's work papers are no longer available. The City, with the help of an outside consultant, is currently preparing a Cost Allocation Plan. We will make sure to address indirect costs related to MOE in this study. The City will only charge indirect costs once a cost allocation plan has been developed. The City will report the direct and indirect costs in the correct categories going forward.

Procedure #7

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

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

Findings: We selected 8 Measure M2 Local Fair Share direct expenditures for inspection totaling \$752,361, representing approximately 77% of total Measure M2 direct Local Fair Share expenditures of \$981,397, for the fiscal year ended June 30, 2021. When comparing the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, one expenditure in the amount of \$58,049, relating to Fairmont at Mustang Field Project, was not listed on the City's Seven-Year CIP. No other exceptions were found as a result of this procedure.

City's Response:

Funds were first appropriated for Fairmont at Mustang Fields project in the City's Seven Year CIP in FY 17/18. The project funds were then carried over for several years until construction was completed in FY 20/21. The City's submittal of the OCTA Fundtracker Database annual CIP project list included the Fairmont at Mustang Fields in each of the carryover years between FY 18/19 and FY 19/20 (see attached). The project was inadvertently excluded from the City's Seven Year CIP in FY 20/21, but the project funds were noted as carryover in the prior year submittal (FY 19/20) of the Annual OCTA Fundtracker Database. The City will include all eligible projects in the City's Seven Year CIP going forward.

Mark Pulone, City Manager

Dianna Honeywell, Finance Director / City Treasurer

Jamie Lai, Public Works Director / City Engineer

SUMMARY OF AGREED-UPON PROCEDURES REPORTS
Orange County Local Transportation Authority
Measure M2 Senior Mobility Program for the Year Ended June 30, 2021

City	Result	City Management Response
Irvine	Two of four monthly reports tested were not submitted within 30 days of month end.	Management has implemented a corrective action plan to ensure monthly reports are submitted within the required 30 day period. Staff will now be required to forward evidence of timely submittal to supervisory personnel by the 15th day following month end.
Orange	The City of Orange reported \$48,471 of direct expenditures as administrative costs on its expenditure report. The costs represented payments to Cabco Yellow, Inc., for taxi services provided as part of the Senior Mobility Program (SMP).	Management acknowledges the error and will properly report direct costs going forward.
Rancho Santa Margarita	None	Not Applicable
Seal Beach	The City of Seal Beach (Seal Beach) reported total SMP expenditures of \$124,184 on its expenditure report; however, per the general ledger detail, total expenditures were \$129,184, a variance of \$5,000.	Management will reflect the additional \$5,000 in the upcoming SMP report.
	Seal Beach reported a fund balance of negative \$146,028 on its expenditure report; however, per the general ledger detail, the fund balance was negative \$146,063, a variance of \$35.	Management will correct this variance in the current fiscal year.
Westminster	The City of Westminster reported \$5,948 in administrative costs as direct expenditures on its expenditure report.	Management will properly report these as administrative costs in future reports.

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY
MEASURE M2 SENIOR MOBILITY PROGRAM
AGREED-UPON PROCEDURES REPORTS
Year Ended June 30, 2021**

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2021

The cities listed below were selected by the Audit Subcommittee of the Taxpayers Oversight Committee to perform agreed-upon procedures for the fiscal year ended June 30, 2021. Please refer to the individual divider tab for our report on each Agency.

City of Irvine

City of Orange

City of Rancho Santa Margarita

City of Seal Beach

City of Westminster

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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Irvine's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2021. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2021. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

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

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

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2021. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and activity code. The City recorded its Senior Mobility Program expenditures in its General Fund (1), and activity code (3078). The City reported \$183,396 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2021, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2021, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$549,581 for the past three fiscal years ended June 30, 2019, 2020 and 2021. We compared the fund balance of \$0 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$0; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$183,396 during the fiscal year ended June 30, 2021, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

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

Findings: Based on the Expenditure Report (Schedule 2, line 8 – Project U), the City reported \$0 in interest revenue. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no interest revenues were identified for the fiscal year ended June 30, 2021. We inspected the interest allocation methodology. The City of Irvine methodology for interest calculation was to calculate the average monthly cash balance to determine if interest should be allocated to the program. Given that the City had monthly negative cash balances for the entire fiscal year, no interest was allocated to the program. Additionally, we inquired of City personnel and inspected the City's general ledger detail regarding fare collection methodologies. Fares were collected by the City of Irvine and properly credited to the Senior Mobility Program fund. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2021.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$404,693 which was approximately 69% of the total expenditures of \$588,088 (M2 funded portion of \$183,395 and City's matching portion of \$404,693) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

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

(Continued)

Findings: We selected 25 Measure M2 Senior Mobility Program expenditures for inspection totaling \$82,742 representing approximately 45% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2021. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions were found as a result of this procedure.

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

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

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

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2021. No exceptions were found as a result of this procedure.

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

Findings: Based on interview with City personnel and inspection of the general ledger detail of expenditures, the City did not contract with a third-party provider to provide senior transportation services under the Senior Mobility Program. As a result, we did not perform the procedures listed above.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.
 - b. Determine whether the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the City of Irvine that used in-house staff to provide services for the Senior Mobility Program, and determined that the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

(Continued)

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2020, December 2020, February 2021, and June 2021). OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2020	December 31, 2020	December 31, 2020	-
December 2020	January 31, 2021	January 29, 2021	-
February 2021	March 31, 2021	April 12, 2021	12
June 2021	July 31, 2021	August 9, 2021	9

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

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

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

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

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



Crowe LLP

Costa Mesa, California
March 7, 2022

CITY OF IRVINE, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2021
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u>183,396</u>
 Total Measure M2 Senior Mobility Program Expenditures	 <u>\$ 183,396</u>

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



March 7, 2022

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

RE: Measure M2 Senior Mobility Program City of Irvine Audit Response

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility Program (SMP) for the City of Irvine (City) as of and for the fiscal year ended June 30, 2021.

Procedure #11

Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2020, December 2020, February 2021, and June 2021). Orange County Local Transportation Authority (OCLTA) staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2020	December 31, 2020	December 31, 2020	-
December 2020	January 31, 2021	January 29, 2021	-
February 2021	March 31, 2021	April 12, 2021	12
June 2021	July 31, 2021	August 9, 2021	9

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

City's Response:

City staff acknowledges the late submittal of SMP Operational Reports for the months of February and June 2021. The reports were submitted outside of the 30 day-window due to staff error. During program year 2020-21, reports were submitted via document attachment and email to OCLTA Community Transportation Coordinator. That method did not allow management to ensure timely submittal of SMP reports.

Measure M2 Senior Mobility Program
City of Irvine Audit Response
Page 2

The City has implemented a corrective action plan to ensure SMP reports are submitted within the required 30 day period. OCLTA implemented a new system for the submittal of SMP reports in August 2021. The new electronic portal sends out a confirmation email to the reporting party with each successful upload. To ensure the timely submittal of SMP reports, staff responsible for submittal is required to forward receipts to Supervisor by the 15th day of the following month. Additionally, the City has designated alternate staff to submit SMP reports in the absence of primary staff responsible for this task. The City is confident that with these measures in place, SMP reports will be submitted as required.

DocuSigned by:

Therese Washle

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Therese Washle, Finance Officer

DocuSigned by:

Pamela Baird

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Pamela Baird, Director of Community Services

DocuSigned by:

Oliver Chi

7800AA719A2B4C7...

Oliver Chi, City Manager

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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Orange's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2021. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2021. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

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

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

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2021. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and program number. The City recorded its Senior Mobility Program expenditures in its Senior Transportation Grant Fund (263), and program number (20385). The City reported \$50,126 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2021, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2021, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$409,790 for the past three fiscal years ended June 30, 2019, 2020 and 2021. We compared the fund balance of \$277,422 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$277,422; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$136,747 during the fiscal year ended June 30, 2021, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

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

Findings: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$1,655, which was calculated by multiplying the average monthly cash balance for all the Senior Mobility Program projects of \$261,074 and the average Senior Transportation Grant Fund interest rate of 0.63%. The City reported \$1,655 of interest income for the year ended June 30, 2021 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). Additionally, we inquired of City personnel and inspected the City's general ledger detail regarding fare collection methodologies. Fares are collected by Cabco Yellow, Inc. for the Senior Mobility Program. The revenues were properly credited to the program. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2021.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$30,128 which was approximately 38% of the total expenditures of \$80,254 (M2 funded portion of \$50,126 and City's matching portion of \$30,128) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

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

(Continued)

Findings: We selected 8 Measure M2 Senior Mobility Program expenditures for inspection totaling \$37,997 representing approximately 76% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2021. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions were found as a result of this procedure.

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

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

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

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$48,471 in administrative costs. Per discussion with the City's accounting personnel, inspection of the general ledger expenditure detail, and testing of the expenditure detail, the \$48,471 reported as administrative costs was actually for taxi services provided by Cabco Yellow, Inc. and should have been reported as SMP direct charges under (Other) charges on the City's Expenditure Report (Schedule 3, line 17). No other exceptions were found as a result of the procedure.

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

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

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.
 - b. Determine whether the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor, and determined that the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

(Continued)

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2020, December 2020, February 2021, and June 2021). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2020	December 31, 2020	December 23, 2020	-
December 2020	January 31, 2021	January 29, 2021	-
February 2021	March 31, 2021	March 25, 2021	-
June 2021	July 31, 2021	July 29, 2021	-

No exceptions were found as a result of this procedure.

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

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

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

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

Crowe LLP

Costa Mesa, California
March 2, 2022

CITY OF ORANGE, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2021
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u>50,126</u>
 Total Measure M2 Senior Mobility Program Expenditures	 <u>\$ 50,126</u>

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



CITY OF ORANGE

FINANCE DEPARTMENT

www.cityoforange.org

PHONE: (714) 744-2230 • FAX: (714) 744-2245

March 2, 2022

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of Orange as of and for the fiscal year ended June 30, 2021.

Procedure #8

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

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$48,471 in administrative costs. Per discussion with the City's accounting personnel, inspection of the general ledger expenditure detail, and testing of the expenditure detail, these costs were actually for taxi services provided by Cabco Yellow, Inc. and should have been reported as SMP direct charges under (Other) charges on the City's Expenditure Report (Schedule 3, line 17). No other exceptions were found as a result of the procedure.

City's Response:

The City acknowledges the misclassification and we will ensure that we will report direct cost on Schedule 3, line 17 instead of line 1 in the future.

Tom Hatch, Interim City Manager

Will Kolbow, Assistant City Manager -
Administrative Services Director

Bonnie Hagan, Assistant City Manager -
Community Services Director

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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Rancho Santa Margarita's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2021. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2021. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

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

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

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2021. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and program number. The City recorded its Senior Mobility Program expenditures in its General Fund (100), and Senior Mobility Program (710-674). The City reported \$7,084 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2021, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2021, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$86,923 for the past three fiscal years ended June 30, 2019, 2020 and 2021. We compared the fund balance of \$53,890 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$53,890; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$29,006 during the fiscal year ended June 30, 2021, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

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

Findings: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$502, which was calculated by determining the percentage of Senior Mobility Program (SMP) annual cash balance in General Fund (GF). The Senior Mobility Program (SMP) cash balance percentage was then applied to the annual interest income generated by General Fund cash balance of \$365,236.25 and the General Fund interest rate of 0.1375%. The City reported \$502 of interest income for the year ended June 30, 2021 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). Additionally, we inquired of City personnel and inspected the City's general ledger detail regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2021.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$3,638 which was approximately 33.9% of the total expenditures of \$10,722 (M2 funded portion of \$7,084 and City's matching portion of \$3,638) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

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

(Continued)

Findings: We selected 8 Measure M2 Senior Mobility Program expenditures for inspection totaling \$5,198 representing approximately 73% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2021. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions were found as a result of this procedure.

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

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The City then verifies that the applicant is a resident of the City of Rancho Santa Margarita, and 60 years of age or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

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

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2021. No exceptions were found as a result of this procedure.

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

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

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.
 - b. Determine whether the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor, and determined that the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

(Continued)

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2020, December 2020, February 2021, and June 2021). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2020	December 31, 2020	December 3, 2020	-
December 2020	January 31, 2021	January 11, 2021	-
February 2021	March 31, 2021	March 3, 2021	-
June 2021	July 31, 2021	July 8, 2021	-

No exceptions were found as a result of this procedure.

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

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

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

Crowe LLP

Costa Mesa, California
March 2, 2022

CITY OF RANCHO SANTA MARGARITA, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2021
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u>7,084</u>
 Total Measure M2 Senior Mobility Program Expenditures	 <u><u>\$ 7,084</u></u>

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

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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Seal Beach's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2021. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2021. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

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

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

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to the Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2021. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and program number. The City recorded its Senior Mobility Program expenditures in its General Fund (1), and Senior Bus Program (16). The City reported total SMP expenditures of \$124,184 on its Expenditure Report (Schedule 2, line 21 for Project U) for fiscal year 2021. The actual total SMP expenditures per the general ledger detail was \$129,184 (M2 funded portion of \$73,020 and City's matching portion of \$56,164), a variance of \$5,000. No other exceptions were found as a result of the procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2021, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2021, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$218,818 for the past three fiscal years ended June 30, 2019, 2020 and 2021. We compared the fund balance of negative \$146,063 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of negative \$146,028; a variance of \$35 was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$73,020 during the fiscal year ended June 30, 2021, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No other exceptions were identified as a result of this procedure.

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

Findings: Based on the Expenditure Report (Schedule 2, line 8 – Project U), the City reported \$0 in interest revenue. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no interest revenues were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2021. We inspected the interest allocation methodology. The City of Seal Beach methodology for interest calculation was to calculate the average monthly cash balance to determine if interest should be allocated to the program monthly for the fiscal year ended June 30, 2021. Given that the City had monthly negative cash balances for the entire fiscal year, no interest was allocated to the SMP. Additionally, we inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2021.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$56,164 which was approximately 44% of the total expenditures of \$129,184 (M2 funded portion of \$73,020 and City's matching portion of \$56,164) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

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

(Continued)

Findings: We selected 20 Measure M2 Senior Mobility Program expenditures for inspection totaling \$51,928 representing approximately 71% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2021. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions were found as a result of this procedure.

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

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

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

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2021. No exceptions were found as a result of this procedure.

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

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

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.
 - b. Determine whether the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor, and determined that the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

(Continued)

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2020, December 2020, February 2021, and June 2021). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2020	December 31, 2020	December 3, 2020	-
December 2020	January 31, 2021	January 4, 2021	-
February 2021	March 31, 2021	March 4, 2021	-
June 2021	July 31, 2021	July 21, 2021	-

No exceptions were found as a result of this procedure.

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

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

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

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



Crowe LLP

Costa Mesa, California
March 9, 2022

CITY OF SEAL BEACH, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2021
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u>73,020</u>
 Total Measure M2 Senior Mobility Program Expenditures	 <u>\$ 73,020</u>

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



Exhibit 1

March 09, 2022

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of Seal Beach as of and for the fiscal year ended June 30, 2021.

Procedure #2

Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2021. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and program number. The City recorded its Senior Mobility Program expenditures in its General Fund (1), and Senior Bus Program (16). The City reported total SMP expenditures of \$124,184 on its Expenditure Report (Schedule 2, line 21 for Project U) for fiscal year 2021. The actual total SMP expenditures per the general ledger detail was \$129,184 (M2 funded portion of \$73,020 and City's matching portion of \$56,164), a variance of \$5,000. No other exceptions were found as a result of the procedure.

Procedure #3

Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2021, agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2021, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$218,818 for the past three fiscal years ended June 30, 2019, 2020 and 2021. We compared the fund balance of negative \$146,063 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of negative \$146,028; a variance of -\$35 was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$73,020 during the fiscal year ended June 30, 2021, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No other exceptions were identified as a result of this procedure.

City's Response: The City agrees with the finding of \$5,000 variance. The \$5,000 will be included in the upcoming SMP report. As for the \$35 variance in fund balance, we will do a correction in the current fiscal year.

Jill R. Ingram CM
Name and Title of Responsible Party

[Signature] Community Development Director
Name and Title of Responsible Party

[Signature], Interim Finance Director
Name and Title of Responsible Party

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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Westminster's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2021. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2021. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

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

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

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2021. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and program number. The City recorded its Senior Mobility Program expenditures in its Senior Transportation Fund (290), and various program numbers. The City reported \$80,645 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2021, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2021, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$334,994 for the past three fiscal years ended June 30, 2019, 2020 and 2021. We compared the fund balance of \$102,006 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$102,006; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$114,463 during the fiscal year ended June 30, 2021, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

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

Findings: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$950 for the Senior Mobility Program, which was calculated by multiplying the Senior Transportation Fund (STF) average monthly cash balance of \$1,552,353 and the STF interest rate of 0.17%, then applied the percentage of average cash balance (36%) for the Senior Mobility Program in the Senior Transportation Fund. The City reported \$950 of interest income for the year ended June 30, 2021 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). Additionally, we inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2021.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$20,161 which was approximately 20% of the total expenditures of \$100,806 (M2 funded portion of \$80,645 and City's matching portion of \$20,161) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

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

(Continued)

Findings: We selected 25 Measure M2 Senior Mobility Program expenditures for inspection totaling \$53,259 representing approximately 66% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2021. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions were found as a result of this procedure.

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

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

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

Findings: City of Westminster reported \$0 in SMP administrative expenditures. Through inspection of the City's general ledger detail and testing through procedure #6, Crowe identified \$5,948 of direct costs that should have been reported as administrative costs. We confirmed that these administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. No other exceptions were found as a result of this procedure.

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

Findings: Based on interview with City personnel and inspection of general ledger detail of expenditures, the City did not contract with a third-party provider to provide senior transportation services under the Senior Mobility Program. As a result, we did not perform the procedures listed above.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.
 - b. Determine whether the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the City of Westminster that used in-house staff to provide services for the Senior Mobility Program, and determined that the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2020, December 2020, February 2021, and June 2021). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2020	December 31, 2020	December 23, 2020	-
December 2020	January 31, 2021	January 28, 2021	-
February 2021	March 31, 2021	March 31, 2021	-
June 2021	July 31, 2021	July 27, 2021	-

No exceptions were found as a result of this procedure.

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

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

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

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

Crowe LLP

Costa Mesa, California
March 1, 2022

CITY OF WESTMINSTER, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2021
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u>80,645</u>
 Total Measure M2 Senior Mobility Program Expenditures	 <u>\$ 80,645</u>

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

Exhibit 1

March 1, 2022

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of Westminster as of and for the fiscal year ended June 30, 2021.

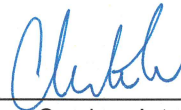
Procedure #8

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

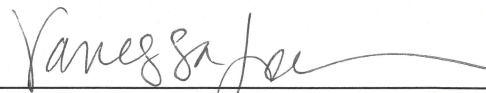
Findings: City of Westminster reported \$0 in SMP administrative expenditures. Through inspection of the City's general ledger detail and testing through procedure #6, Crowe identified \$5,948 of direct costs that should have been reported as administrative costs. We confirmed that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. No other exceptions were found as a result of this procedure.

City's Response:

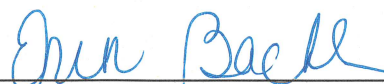
The City will move the identified items to the administrative costs line on future reports.



Christine Cordon, Interim City Manger



Vanessa Johnson, Acting Community Services Director



Erin Backs, Finance Director

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Ordinance No. 3 Tracking Matrix
For Period Ending December 31, 2021

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
1.00	Administrative and General Requirements						
2.00	Has a transportation special revenue fund ("Local Transportation Authority [LTA] Special Revenue Fund") been established to maintain all Revenues?	Sec. 10.1	F & A	One-time, start-up	Done	Sean Murdock	Yes. The LTA Fund (Fund 17) was established for this purpose. A discussion of the fund and its purpose can be found in the OCLTA audited financial statements. Please reference: "FY 2020-21 Single Audit and Agreed-Upon Procedures Reports," Attachment D, dated January 24, 2022. M2 Revenue and Expense Report through 6-30-2020 M2 Revenue and Expense Report through 6-30-2021
3.00	Have the imposition, administration and collection of the tax been done in accordance with all applicable statutes, laws, rules and regulations prescribed and adopted by California Department of Tax and Fee Administration (formerly State Board of Equalization)?	Sec. 3	F & A	Recurring	Done to date	Sean Murdock	Yes. See independent auditor's findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report. Please reference: "FY 2020-21 Single Audit and Agreed-Upon Procedures Reports," Attachment D, dated January 24, 2022. M2 Revenue and Expense Report through 6-30-2020 M2 Revenue and Expense Report through 6-30-2021
4.00	Have Net Revenues been allocated solely for the transportation purposes described in the Ordinance?	Sec. 4	F & A	Recurring	Done to date	Sean Murdock	Yes. See independent auditor's findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report. Please reference: "FY 2020-21 Single Audit and Agreed-Upon Procedures Reports," Attachment D, dated January 24, 2022. M2 Revenue and Expense Report through 6-30-2020 M2 Revenue and Expense Report through 6-30-2021
5.00	"Pay as you go" financing is the preferred method of financing transportation improvements and operations under the Ordinance. Before issuing bonds, has the Authority determined the scope of expenditures made "pay-as-you-go" financing unfeasible?	Sec. 5	F & A, Planning	Recurring	Done to date	Sean Murdock	Yes. Please reference: "Plan of Finance for Early Action Plan," Attachment D, dated November 9, 2007. "Renewed Measure M Early Action Plan Review," dated December 14, 2009. "Paying for M2 - Bond Financing Legal Memo," dated March 5, 2012.
6.00	Have maintenance of effort (MOE) levels been established for each jurisdiction for fiscal year (FY) 2010-2011 pursuant to Ordinance No. 2?	Sec. 6	Planning	One-time, start-up	Done	Adriann Cardoso/ Charvalen Alacar	Yes. The MOE benchmark for each jurisdiction was originally established under Ordinance No. 2. MOE for FY 2010-11 was established and adopted by the OCTA Board of Directors (Board) as part of the M2 Eligibility Guidelines. Please reference:

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Ordinance No. 3 Tracking Matrix
For Period Ending December 31, 2021

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							<p>"Measure M2 Local Agency Eligibility Guidelines and Requirements," dated January 25, 2010.</p>
7.00	<p>Have city MOE levels been adjusted by July 1, 2014, and every three years thereafter using the Caltrans Construction Cost Index?</p>	Sec. 6	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. The third MOE benchmark adjustment was presented to the Board on April 13, 2020. Please reference: "Fiscal Year 2020-21 Updates to the Measure M2 Eligibility, Local Signal Synchronization Plan, and Pavement Management Plan Guidelines," dated April 13, 2020.</p> <p>Due to the coronavirus (COVID-19) pandemic, on May 11, 2020, the Board authorized staff to initiate the amendment process to the M2 Ordinance No. 3 in order to adjust MOE requirements. On June 22, 2020, the Board held a public hearing and approved the amendment. Please reference: "Proposed Amendment to the Orange County Local Transportation Authority Measure M2 Ordinance No. 3," dated May 11, 2020. "Public Hearing to Amend the Measure M2 Orange County Local Transportation Authority Ordinance No. 3," dated June 22, 2020.</p> <p>On December 14, 2020, the Board approved MOE Benchmark correction/adjustments for the cities of Buena Park and Villa Park. Please reference: "Measure M2 Annual Eligibility Review," dated December 14, 2020.</p> <p>Due to the continued impacts of COVID-19, on April 12, 2021, the Board authorized staff to initiate the amendment process to M2 Ordinance No. 3 to adjust MOE requirements for another FY. On May 24, 2021, the Board held a public hearing and approved the amendment. Please reference: "Proposed Amendment to the Orange County Local Transportation Authority Measure M2 Ordinance No. 3," dated April 12, 2021. "Public Hearing to Amend the Measure M2 Orange County Local Transportation Authority Ordinance No. 3," dated May 24, 2021.</p>

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Ordinance No. 3 Tracking Matrix
For Period Ending December 31, 2021

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							<p>Please also reference the following: “Fiscal Year 2014-15 Measure M2 Maintenance of Effort Adjustment and Updates to Eligibility and Local Signal Synchronization Plan Guidelines,” dated April 14, 2014. “Fiscal Year 2014-15 Maintenance of Effort Benchmark Adjustments,” dated August 11, 2014 to see adjustments made for the cities of La Habra, Laguna Woods, Los Alamitos, and Yorba Linda. “Fiscal Year 2017-18 Measure M2 Maintenance of Effort Adjustment and Updates to the Eligibility and Local Signal Synchronization Plan Guidelines,” dated April 10, 2017. “Measure M2 Eligibility Review Recommendations for Fiscal Year 2015-16 Expenditure Reports and City of San Juan Capistrano’s Maintenance of Effort Benchmark,” dated May 8, 2017. “Fiscal Year 2018-19 Measure M2 Eligibility and Countywide Pavement Management Plan Guidelines and City of Placentia’s Maintenance of Effort Benchmark,” dated April 9, 2018.</p>
8.00	Have MOE requirements been met annually by each jurisdiction?	Sec. 6	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	<p>No. Due to the 2019 audit findings, on May 13, 2019, the Board found the cities of Stanton and Santa Ana ineligible to receive net M2 Revenues based upon failing to meet and/or substantiate MOE requirements for FY 2017-18. The Board suspended all disbursements of M2 funding and required the cities to sign separate settlement agreements that identified steps to regain compliance. Please reference: “Measure M2 Eligibility for the City of Santa Ana,” and “Measure M2 Eligibility for the City of Stanton,” dated May 13, 2019.</p> <p>On April 13, 2020, the Board determined the cities of Santa Ana and Stanton eligible to receive M2 net revenues again based on second audit findings that each city fulfilled the settlement agreement terms and their respective MOE requirements. Payments were reinitiated and suspended funds that were held in reserve were disbursed. Please reference: “Measure M2 Eligibility for the City of Santa Ana,” and “Measure M2 Eligibility for the City of Stanton,” dated April 13, 2020.</p>

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Ordinance No. 3 Tracking Matrix
For Period Ending December 31, 2021

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							<p>For the remaining 33 entities, MOE requirements have been met annually. Please reference: "Measure M2 Eligibility Review Recommendations for Fiscal Year 2019-20 Expenditure Reports," dated June 14, 2021.</p>
9.00	<p>Have Revenues expended for salaries and benefits of Authority administrative staff remained within the one percent per year limit?</p>	Sec 7	F & A	Recurring	Action plan in place	Sean Murdock/ Changsu Lee	<p>Yes. These are tracked on a FY basis. Expenditures were 0.86% for the FY period between July 1, 2020, and June 30, 2021, which was less than the one percent of net revenue requirement. The amount under one percent for the FY was \$474,252. Program-to-date expenditures are at one percent, which meets the one percent of net revenue requirement. There were periods when expenditures needed to be covered by borrowings in order to meet the one percent of net revenue requirement. OCTA has Board approval to borrow from the Orange County Unified Transportation Trust with the understanding that those funds will be repaid with interest in the future. This is being paid back when administrative expenditures underrun revenue in any given year of the program. During FY 2020-21, the borrowings to date along with interest from the Orange County Unified Transportation Trust were paid off. Please reference: "OCTA Summary of Measure M2 Administrative Costs from Inception through June 30, 2021."</p>
10.00	<p>Has the Authority, to the extent possible, used existing state, regional and local planning and programming data and expertise to carry out the purposes of the Ordinance?</p>	Sec. 7	Planning	Recurring	Done to date	Francesca Ching	<p>Yes. OCTA, as appropriate, looks to other existing resources to ensure that work is not duplicative and that expenses are kept to a minimum. In cases where OCTA does not have the expertise available, OCTA contracts with other external agencies. For example, OCTA regularly has cooperative agreements with the California Department of Transportation, local universities, Army Corp of Engineers, and contracts with private sector experts as needed to meet the requirements of the Ordinance.</p>

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Ordinance No. 3 Tracking Matrix
For Period Ending December 31, 2021

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
11.00	Have expenses for administrative staff and for project implementation incurred by the Authority, including contracted expenses, been identified in an annual report pursuant to Ordinance No. 3, Sec. 10.8?	Sec. 7 and Sec. 10.8	External Affairs	Recurring	Done to date	Alice Rogan & Jennifer Beaver	<p>Yes. Annual reports identify expenses for administrative staff and for project implementation incurred by the Authority, including contracted expenses. M1 Annual reports from years 2008 - 2011 included minor updates on M2 Early Action Plan progress and funding. All reports are saved in the M2 Document Center.</p> <p>Please reference:</p> <p>"Measure M Annual Report 2010."</p> <p>"Measure M Annual Report 2011."</p> <p>"Measure M Annual Report 2012."</p> <p>"Measure M Annual Report 2013."</p> <p>"Measure M Annual Report 2014."</p> <p>"Measure M Annual Report 2015."</p> <p>"Measure M Annual Report 2016."</p> <p>"Measure M Annual Report 2017."</p> <p>"Measure M Annual Report 2018."</p> <p>"Measure M Annual Report 2019."</p> <p>"Measure M Annual Report 2020."</p> <p>"Measure M Annual Report 2021."</p>
12.00	Has the 2006-2007 Authority appropriations limit been set at \$1,123 million?	Sec. 8	F & A	One-time, start-up	Done	Sean Murdock	<p>Yes.</p> <p>Please reference:</p> <p>"Board Resolution 2006-32 Establishing LTA Appropriations Limit FY 2006-07," dated June 12, 2006.</p>
13.00	Has the Authority's appropriations limit been adjusted annually?	Sec. 8	F & A	Recurring	Done to date	Sean Murdock	<p>Yes. All Board Resolutions establishing LTA appropriations are saved in the M2 Document Center.</p> <p>Please reference:</p> <p>"Board Resolution 2011-046 Establishing LTA Appropriations Limit FY 2011-12," dated June 13, 2011.</p> <p>"Board Resolution 2012-031 Establishing LTA Appropriations Limit FY 2012-13," dated June 11, 2012.</p> <p>"Board Resolution 2013-164 Establishing LTA Appropriations Limit FY 2013-14," dated May 24, 2013.</p> <p>"Board Resolution 2014-027 Establishing LTA Appropriations Limit FY 2014-15," dated June 9, 2014.</p>

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Ordinance No. 3 Tracking Matrix
For Period Ending December 31, 2021

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							<p>"Board Resolution 2015-023 Establishing LTA Appropriations Limit FY 2015-16," dated June 22, 2015.</p> <p>"Board Resolution 2016-025 Establishing LTA Appropriations Limit FY 2016-17," dated June 13, 2016.</p> <p>"Board Resolution 2017-028 Establishing LTA Appropriations Limit FY 2017-18," dated June 12, 2017.</p> <p>"Board Resolution 2018-055 Establishing LTA Appropriations Limit FY 2018-19," dated June 11, 2018.</p> <p>"Board Resolution 2019-027 Establishing LTA Appropriations Limit FY 2019-20," dated June 10, 2019.</p> <p>"Board Resolution 2020-022 Establishing LTA Appropriations Limit FY 2020-21," dated June 22, 2020.</p> <p>"Board Resolution 2021-043 Establishing LTA Appropriations Limit FY 2021-22," dated June 28, 2021.</p>
14.00	<p>Has the County of Orange Auditor-Controller, in the capacity as Chair of the Taxpayer Oversight Committee (TOC), annually certified that the Revenues were spent in compliance with the Ordinance?</p>	Sec. 10.2	External Affairs	Recurring	Done to date	Alice Rogan	<p>Yes. Each year since 2007, subsequent to Measure M Annual Hearings, the County Auditor-Controller has annually certified that revenues were spent in compliance with the Ordinance. For this reporting period, on June 8, 2021, County Auditor-Controller Frank Davies certified that OCTA has spent revenues in compliance with the Ordinance. All Annual Hearing Compliance Memos are saved in the M2 Document Center.</p> <p>For the most recent confirmation of compliance, please reference: "Taxpayer Oversight Committee Measure M2 Annual Public Hearing Results and Compliance Findings," dated June 28, 2021.</p>
15.00	<p>Have receipt, maintenance, and expenditure of Net Revenues been distinguishable in each jurisdiction's accounting records from other funding sources, and distinguishable by program or project?</p>	Sec. 10.3	F&A, Internal Audit	Recurring	Action plan in place	Sean Murdock	<p>Yes. Local jurisdictions submit expenditure reports annually that distinguish funding sources and tie to accounting records that are subject to audits. Starting with the 2011 version of the annual expenditure report, local jurisdictions' finance directors are also required to attest to this requirement and each year hereafter. Jurisdictions are also subject to audits that cover this requirement. Internal Audit, through contractors, conducts audits of 8 to 10 jurisdictions per year covering this matter. Expenditure Reports for each jurisdiction are reviewed by staff and the TOC. The jurisdictions to be</p>

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Ordinance No. 3 Tracking Matrix
For Period Ending December 31, 2021

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							audited are selected by the TOC Audit Subcommittee. The TOC approved jurisdictions' FY 2019-20 Expenditure Reports on April 13, 2021. Please reference: "Measure M2 Annual Eligibility Review Recommendations for Fiscal Year 2019-20 Expenditure Reports," dated June 14, 2021.
16.00	Has interest earned on Net Revenues allocated pursuant to the Ordinance been expended only for those purposes for which Net Revenues were allocated?	Sec. 10.3	F & A	Recurring	Done to date	Sean Murdock	Yes. See independent auditor's findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report. Please reference: "FY 2020-21 Single Audit and Agreed-Upon Procedures Reports," Attachment D, dated January 24, 2022. M2 Revenue and Expense Report through 6-30-2020 M2 Revenue and Expense Report through 6-30-2021
17.00	Have jurisdictions used Net Revenues only for transportation purposes authorized by the Ordinance?	Sec. 10.4	F&A, Internal Audit	Recurring	Action plan in place	Sean Murdock	Yes. See Item 15 notes.
18.00	If any jurisdiction used Net Revenues for other than transportation purposes, has it fully reimbursed the Authority the Net Revenues misspent and been deemed ineligible to receive Net Revenues for a period of five years?	Sec. 10.4	F & A	Recurring	N/A	Sean Murdock	Not applicable. There have been no such occurrences to date. Compliance is subject to audits by Internal Audit.
19.00	Has a TOC been established to provide an enhanced level of accountability for expenditures of Revenues and to help ensure that all voter mandates are carried out as required?	Sec. 10.5	External Affairs	One-time, start-up	Done	Alice Rogan	Yes. The Citizens Oversight Committee (COC) established under M1 was transitioned into the TOC in August 2007. The transition was mentioned in the OCTA staff update portion of the June 12, 2007, COC Meeting Minutes, included in the August 28, 2007, TOC Meeting Agenda Packet. The TOC has since met regularly to provide an enhanced level of accountability for expenditures of Revenues and to help ensure that all voter mandates are carried out as required. Agenda Packets and Meeting Minutes for each TOC meeting can be found in the Document Center. Please reference: "TOC Agenda Packet," dated August 28, 2007.

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
20.00	Have performance assessments to evaluate efficiency, effectiveness, economy, and program results been conducted every three years?	Sec. 10.6	PMO	Recurring	Done to date	Francesca Ching	<p>Yes. To date, four Triennial M2 Performance Assessments have been conducted. The fifth performance assessment covering FY 2018-19 to FY 2020-21 is currently underway. A final report is anticipated to be presented to the Board in spring 2022.</p> <p>Please reference: "Triennial M2 Performance Assessment FY 2006-07 to FY 2008-09," dated November 22, 2010. "Triennial M2 Performance Assessment FY 2009-10 to FY 2011-12," dated April 8, 2013. "Triennial M2 Performance Assessment FY 2012-13 to FY 2014-15," dated August 8, 2016. "Triennial M2 Performance Assessment FY2015-16 to FY 2017-18," dated March 11, 2019.</p>
21.00	Have the performance assessments been provided to the Taxpayers Oversight Committee?	Sec. 10.6	PMO, External Affairs	Recurring	Done to date	Francesca Ching & Alice Rogan	<p>Yes. To date, four performance assessments have been provided to the TOC.</p> <p>Please reference: "TOC Agenda Packet 2010," dated December 14, 2010. "TOC Agenda Packet 2013," dated April 9, 2013. "TOC Agenda Packet 2016," dated June 14, 2016. "TOC Agenda Packet 2019," dated April 9, 2019.</p>
22.00	Have quarterly status reports regarding the major projects detailed in the Plan been brought before the Authority in public meetings?	Sec. 10.7	PMO	Recurring	Done to Date	Francesca Ching	<p>Yes. Quarterly reports have consistently been brought before the Board. The reports are posted on the OCTA website and saved in the M2 Document Center. These reports can be found by searching for "M2 Quarterly Report." The latest report was presented to the Board on March 14, 2022.</p> <p>Please reference: "Measure M2 Quarterly Progress Report for the Period of January 2021 to March 2021," dated June 14, 2021. "Measure M2 Quarterly Progress Report for the Period of April 2021 to June 2021," dated September 13, 2021. "Measure M2 Quarterly Progress Report for the Period of July 2021 to September 2021," dated December 13, 2021. "Measure M2 Quarterly Progress Report for the Period of October 2021 to December 2021," dated March 14, 2022.</p>

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23.00	Has the Authority published an annual report on how revenues have been spent and on progress toward implementation and publicly reported on the findings?	Sec. 10.8	External Affairs	Recurring	Done to date	Alice Rogan	Yes. These annual reports were prepared and made public since FY 2010-11. The FY 2020-21 information can be found on the 2021 infographic and M2 website .
24.00	Has the Authority, every ten years, conducted a comprehensive review of all projects and programs implemented under the Plan to evaluate the performance of the overall program?	Sec. 11	PMO	Recurring	Done to date	Francesca Ching	Yes. The first comprehensive Ten-Year Review was conducted for the period covering November 8, 2006, through June 30, 2015. The final report was presented to the Board on October 12, 2015. Please reference: "M2 Ten-Year Review Report," dated October 12, 2015.
25.00	If the Authority has amended the Ordinance, including the Plan, has the Authority followed the process and notification requirements in Ordinance No. 3, Sec. 12, including approval by not less than two-thirds vote of the TOC?	Sec. 12	PMO, External Affairs	Recurring	Done to Date	Francesca Ching & Alice Rogan	<p>Yes. There have been five amendments to Ordinance No. 3.</p> <p>For Amendment #1 (November 9, 2012) to the Plan (Freeway Category), OCTA followed the Plan amendment process and notification requirements (including TOC approval on October 9, 2012). Please reference: "Public Hearing to Amend the Measure M2 Transportation Investment Plan for the Freeway Program," dated November 9, 2012 for Amendment #1.</p> <p>For Amendment #2 (November 25, 2013) to the Ordinance (Attachment C), OCTA followed the Ordinance amendment process and notification requirements (did not require TOC approval). Please reference: "Public Hearing on Proposal to Amend Orange County Local Transportation Authority Ordinance No. 3 to Modify Taxpayer Oversight Committee Membership Eligibility," dated November 25, 2013 for Amendment #2.</p> <p>For Amendment #3 (December 14, 2015, corrected on March 14, 2016) to the Plan (Transit Category) and Ordinance (Attachment B), OCTA followed the Plan amendment process and notification requirements (including TOC approval on November 10, 2015). Please reference: "Public Hearing to Amend the Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation</p>

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							<p>Investment Plan for the Transit Program,” dated December 14, 2015 for Amendment #3. “Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan Amendment Update,” dated March 14, 2016, for corrections to the Amendment.</p> <p>For Amendments #4 (June 22, 2020) and #5 (May 24, 2021) to the Ordinance (Attachment C), OCTA followed the Ordinance amendment process and notification requirements (did not require TOC approval). Please reference: “Public Hearing to Amend the Measure M2 Orange County Local Transportation Authority Ordinance No. 3,” dated June 22, 2020 for Amendment #4. “Public Hearing to Amend the Measure M2 Orange County Local Transportation Authority Ordinance No. 3,” dated May 24, 2021 for Amendment #5.</p>
26.00	General Requirements – Allocation of Net Revenues						
27.00	Have at least five percent of the Net Revenues allocated for Freeway Projects been used to fund Programmatic Mitigation of Freeway Projects, and have these funds derived by pooling funds from the mitigation budgets of individual Freeway Projects?	Att. B, Sec. II.A.5	Planning, F & A	30-year	Done to date	Sean Murdock	<p>Yes. See independent auditor’s findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report. Please reference: “FY 2020-21 Single Audit and Agreed-Upon Procedures Reports,” Attachment D, dated January 24, 2022. M2 Revenue and Expense Report through 6-30-2020 M2 Revenue and Expense Report through 6-30-2021</p>
28.00	<p>Has the Authority used Revenues as follows:</p> <ul style="list-style-type: none"> - First, paid the California Department of Tax and Fee Administration (formerly State Board of Equalization) for services and functions? - Second, paid the administrative costs of the Authority? - Third, satisfied the annual allocation of two percent of Revenues for Environmental Cleanup? - Fourth, satisfied the debt service requirements of all bonds issued pursuant to the Ordinance that are not satisfied out of separate allocations? 	Att. B, Sec. IV.A.1-4	F & A	Recurring	Done to date	Sean Murdock	<p>Yes. See independent auditor’s findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report. Please reference: “FY 2020-21 Single Audit and Agreed-Upon Procedures Reports,” Attachment D, dated January 24, 2022. M2 Revenue and Expense Report through 6-30-2020 M2 Revenue and Expense Report through 6-30-2021</p>

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29.00	<p>After providing for the use of Revenues as described above, has the Authority allocated Net Revenues as follows:</p> <ul style="list-style-type: none"> - Freeway Projects – 43%? - Streets and Roads Projects – 32%? - Transit Projects – 25%? 	Att. B, Sec. IV.B.1-3	F & A	Recurring	Done to date	Sean Murdock	<p>Yes. See independent auditor's findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report. Please reference: "FY 2020-21 Single Audit and Agreed-Upon Procedures Reports," Attachment D, dated January 24, 2022. M2 Revenue and Expense Report through 6-30-2020 M2 Revenue and Expense Report through 6-30-2021</p>
30.00	<p>Has the allocation of the 32 percent for Streets and Roads Projects been made as follows:</p> <ul style="list-style-type: none"> - Regional Capacity Program projects – 10% of Net Revenues? - Regional Traffic Signal Synchronization Program projects – 4% of Net Revenues? - Local Fair Share Program projects – 18% of Net Revenues? 	Att. B, Sec. IV.C.1-3	F & A	Recurring	Done to date	Sean Murdock	<p>Yes. See independent auditor's findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report. Please reference: "FY 2020-21 Single Audit and Agreed-Upon Procedures Reports," Attachment D, dated January 24, 2022. M2 Revenue and Expense Report through 6-30-2020 M2 Revenue and Expense Report through 6-30-2021</p>
31.00	<p>If the percentage basis of the allocation of Net Revenues in any given year is different than required by Sections B and C (except for Local Fair Share Program projects), have the percentage allocations set forth in Sections B and C been achieved during the duration of the Ordinance?</p>	Att. B, Sec. IV.D	F & A	30-year	Not yet required	Sean Murdock	<p>The percentage basis allocation is not an annual requirement but must be achieved during the duration of the Ordinance.</p>
32.00	<p>Have Net Revenues allocated for the Local Fair Share Program pursuant to Att. B, Sec. IV.C been paid to Eligible Jurisdictions within 60 days of receipt by the Authority?</p>	Att. B, Sec. IV.E	F & A	Recurring	Done to date	Sean Murdock	<p>Yes. See General Accounting payments for Local Fair Share funds for FY 2020-21. Also note Agreed-Upon Procedures to the Measure M2 Status Report. Please reference: "FY 2020-21 Single Audit and Agreed-Upon Procedures Reports," Attachment D, dated January 24, 2022. M2 Revenue and Expense Report through 6-30-2020 M2 Revenue and Expense Report through 6-30-2021 FY 2020-21 Project Q Local Fair Share Payments</p>
33.00	<p>If the Authority exchanged Net Revenues from a Plan funding category for federal, state or other local funds, has the Authority and the exchanging public agency used the exchanged funds for the same program or project authorized for the use of the funds prior to the exchange, have such federal, state or local funds received by the Authority been</p>	Att. B, Sec. IV.F	Planning, F & A	Recurring	N/A	Sean Murdock	<p>Not applicable to date because there have been no exchanges.</p>

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	allocated to the same Plan funding category that was the source of the exchanged Net Revenues?						
34.00	Has the Authority followed the requirement that in no event shall an exchange of funds reduce the Net Revenues allocated for Programmatic Mitigation of Freeway Projects?	Att. B, Sec. IV.F	Planning, F & A	Recurring	N/A	Sean Murdock	Not applicable to date because there have been no exchanges.
35.00	Has the Authority, upon review and acceptance of any Project Final Report, allocated the balance of Net Revenues, less the interest earned on the Net Revenues allocated for the project?	Att. B, Sec. IV.H	Planning	Recurring	Done to Date	Adriann Cardoso/ Charvalen Alacar	Yes. As projects are completed, any unused funds from each project are made available for other projects within the same category, as needed. Examples below: "Ordinance Amendment 1," dated November 9, 2012. "Ordinance Amendment 3," dated March 14, 2016. There have been no reallocations across categories (43% Freeway, 32% Streets and Roads, and 25% Transit), in accordance with overall requirements in Att. B, Sec IV.B.
36.00	Requirements Related to All Freeway Projects						
37.00	Have Freeway Projects been planned, designed and constructed with consideration for their aesthetic, historic and environmental impacts on nearby properties and communities?	Att. A, p. 5 Freeway Projects Overview	Capital Programs – Highways	Recurring	Done to Date	Rose Casey	Yes. Freeway Projects are developed with input from Cities, the public, other stakeholders and various interest groups. For example, landscaping and aesthetics are prepared with input from city representatives and the public to ensure that each city is given an opportunity to include its own "theme" while preserving the overall uniformity on the freeways throughout Orange County. Please reference: "Historic Resources Compliance Report HRCR," dated December 2008, Project H portion in the Environmental Document.
38.00	Has a Master Agreement for environmental and programmatic mitigation of freeway projects between OCLTA and state and federal resource agencies been executed?	Att. A, p.5 Freeway Projects Overview	Planning	One-time, start-up	Done	Dan Phu	Yes. The Memorandum of Agreement and Planning Agreement, executed in January 2010, served as the Master Agreement. As a note, the termination date on the Planning Agreement was extended as it took longer than anticipated to complete the Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP) and Environmental Impact Report/Environmental Impact Status (EIR/EIS).

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							Please reference: "C-9-0278 Agreement, Environmental Mitigation Program MOA."
39.00	Has the OCLTA made every effort to maximize Orange County's share of state and federal freeway dollars?	Att. B, Sec. II.A.1	Govt Relations, Planning	Recurring	Done to date	Adriann Cardoso	Yes. Since 2006, OCTA has received and programmed \$1.783 billion for freeway projects included in the M2 Plan: federal - \$650 million, state - \$1.01 billion, other local - \$123 million. OCTA was also successful in receiving a TIFIA loan for \$629 million against future toll revenues for the I-405 from SR-73 to I-605 project. Please reference: "Capital Programming Policies Update," dated December 13, 2021.
40.00	Have all major approval actions for Freeway Projects, including project concept, location, and any change in scope, been agreed upon by Caltrans, the Authority, project sponsors, and where appropriate, the FHWA and/or the California Transportation Commission?	Att. B, Sec. II.A.2	Capital Programs - Highways	Recurring	Done to Date	Rose Casey	Yes. Coordination with the agencies listed is constant, and the required approval actions are obtained from the appropriate agencies. Project concept, location, and scope are determined when the preferred alternative is selected and identified in the final approved environmental document (ED). The Final ED is approved by Caltrans, which includes delegated NEPA authority from FHWA. The environmental documents are also provided to the CTC. Scope changes will often require changes to the Cooperative Agreement between OCTA and Caltrans. Design modifications and exceptions to design requirements are coordinated with Caltrans District 12 and Headquarters (Sacramento), which has the delegated authority from FHWA to approve design exceptions. Project Change Requests are required to be approved by both OCTA and Caltrans when a change in scope is large enough to warrant a change in project funding. Approval by the California Transportation Commission may also be required if state funds are requested, or a baseline agreement amendment is required.
41.00	Has the Authority, prior to allocation of Net Revenues for any Freeway Project, obtained written assurances from the appropriate state agency that after the project is constructed to at least minimum acceptable state standards, the State shall be responsible for maintenance and operation?	Att. B, Sec. II.A.3	Capital Programs - Highways	Recurring	Done to Date	Rose Casey	Yes. Construction Cooperative Agreements between OCTA and Caltrans include language that assigns maintenance and operations to Caltrans. For an example, please reference Attachment A, article 31 of the "Cooperative Agreement with the California Department of Transportation for the Interstate 5 HOV Improvement Project Between Avenida Pico and Avenida Vista Hermosa," dated December 9, 2013. This agreement (C-3-2080) was executed on May 1, 2014.

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42.00	Have Freeway Projects been built largely within existing rights of way using the latest highway design and safety requirements?	Att. B, Sec. II.A.4	Capital Programs - Highways	Recurring	Done to Date	Rose Casey	Yes. Keeping generally within existing right-of-way (ROW) is one of the largest project parameters. For example, elimination of braided ramps on the I-405 Improvement Project was approved in the final EIR/EIS to reduce the full ROW acquisitions while still ensuring that the design meets Caltrans design and safety standards. Keeping the ROW impacts to some partial acquisitions and primarily temporary construction easements while adding four lanes to the I-405 is a major accomplishment for a \$2.08 billion project, the largest project in the M2 freeway program, highlighting the importance placed on working within ROW constraints. Please reference: "I-405 Supplemental Draft Environmental Impact Report/EIS."
43.00	To the greatest extent possible within the available budget, have Freeway Projects been implemented using Context Sensitive Design? ("Context Sensitive Design features" are further described in the referenced provision.)	Att. B, Sec. II.A.4	Capital Programs - Highways	Recurring	Done to Date	Rose Casey	Yes. Freeway projects include many context sensitive design features, from the Planning stages, through Environmental, Design, and Construction. The project team, including Public Outreach, coordinates with local cities and other agencies on landscaping, aesthetic and soft/hardscape features. For example, the construction of sound walls requires public input, in the form of a soundwall survey, to determine if soundwalls will be built. Aesthetics of soundwalls, retaining walls and bridges take into account City and community preferences.
44.00	Have Freeway Projects, to the greatest extent possible within the available budget, been planned, designed, and constructed using a flexible community-responsive and collaborative approach to balance aesthetic, historic and environmental values with transportation safety, mobility, maintenance and performance goals?	Att. B, Sec. II.A.4	Capital Programs - Highways	Recurring	Done to Date	Rose Casey	Yes. Community Outreach is a constant on all the Freeway Projects. Open Houses, City Council presentations, local agency meetings and other forms of Outreach are deployed in order to obtain community feedback so that modifications are made, where possible, to retain these values. All design features and proposed changes are reviewed and approved by Caltrans to ensure safety, mobility, maintenance and performance goals.
45.00	Have the Net Revenues allocated to Freeway Projects for use in funding Programmatic Mitigation for Freeway Projects been subject to the following:	Att. B, Sec. II.A.5	Planning		Done	Dan Phu	See items 45.01 - 45.09
45.01	Has a Master Environmental Mitigation and Resource Protection Plan and Agreement (Master Agreement) between the Authority and state and federal resources been developed?	Att. B, Sec. II.A.5.a	Planning	One-time, start-up	Done	Dan Phu	Yes. The Memorandum of Agreement and Planning Agreement executed in January 2010, served as the Master Agreement. As a note, the Planning Agreement was extended as it took longer than anticipated to complete the NCCP/HCP and EIR/EIS. Please reference:

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							"C-9-0278 Agreement, Environmental Mitigation Program MOA."
45.02	Does the Master Agreement include commitments by the Authority to provide programmatic environmental mitigation of Freeway Projects?	Att. B, Sec. II.A.5.a.(i)	Planning	One-time, start-up	Done	Dan Phu	Yes. The Memorandum of Agreement and Planning Agreement executed in January 2010, served as the Master Agreement. See Item 1 within the Agreement which refers to commitments by OCTA to provide programmatic environmental mitigation of Freeway Projects. As a note, an extension of the termination date on the Planning Agreement was required since it took longer than anticipated to complete the NCCP/HCP and EIR/EIS. Please reference: "C-9-0278 Agreement, Environmental Mitigation Program MOA."
45.03	Does the Master Agreement include commitments by state and federal agencies to reduce project delays associated with permitting and streamline the process for Freeway Projects?	Att. B, Sec. II.A.5.a.(ii)	Planning	One-time, start-up	Done	Dan Phu	Yes. The Memorandum of Agreement and Planning Agreement executed in January 2010, served as the Master Agreement. See Items 6 and 8 within the Agreement as it relates to commitments by state and federal agencies to reduce project delays associated with permitting and streamline the process for Freeway Projects. As a note, an extension of the termination date on the Planning Agreement was required since it took longer than anticipated to complete the NCCP/HCP and EIR/EIS. Please reference: "C-9-0278 Agreement, Environmental Mitigation Program MOA."
45.04	Does the Master Agreement include an accounting process for mitigation obligations and credits that will document net environmental benefit from regional, programmatic mitigation in exchange for net benefit in the delivery of transportation improvements through streamlined and timely approvals and permitting?	Att. B, Sec. II.A.5.a.(iii)	Planning	One-time, start-up	Done	Dan Phu	Yes. Development of the NCCP/HCP set forth the process to meet this provision (Sections 5 and 6). The Final NCCP/HCP was approved by the Board and the Final EIR/EIS was certified by the Board on November 28, 2016. Please reference: "Final Natural Community Conservation Plan/Habitat Conservation Plan and Associated EIR/EIS," dated November 28, 2016. The corresponding state and federal wildlife agency permits were received in June 2017. Please reference: "OCTA M2 NCCP-HCP Implementing Agreement with Fed and State Fish-Wildlife and Caltrans."

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							An accounting process is folded into the NCCP/HCP for mitigation obligations and credits. An annual report is required and will document freeway project level impacts as well as mitigation performed for those freeway projects. The first annual report will be finalized in 2019 and will include activities related to the NCCP/HCP from 2011. The future annual reports will only include one year's activities in relation to the NCCP/HCP. Actual impacts will be compared against assumptions made within the NCCP/HCP. Net environmental benefits from the NCCP/HCP are summarized in Table ES-1 of the NCCP/HCP. Biological permits from the wildlife regulatory agencies were issued in advance, therefore streamlining the delivery of the transportation projects.
45.05	Does the Master Agreement include a description of the specific mitigation actions and expenditures to be undertaken and a phasing, implementation, and maintenance plan?	Att. B, Sec. II.A.5.a.(iv)	Planning	One-time, start-up	Done	Dan Phu	Yes. The Memorandum of Agreement and Planning Agreement, executed in January 2010, included this provision. Please reference: "C-9-0278 Agreement, Environmental Mitigation Program MOA."
45.06	Does the Master Agreement include appointment by the Authority of a Mitigation and Resource Protection Oversight Committee to make recommendations to the Authority on the allocation of Net Revenues for programmatic mitigation and to monitor implementation of the Master Agreement?	Att. B, Sec. II.A.5.a.(v)	Planning	One-time, start-up	Done	Dan Phu	Yes. The Environmental Oversight Committee makes recommendations to the Authority on the allocation of Net Revenues for programmatic mitigation and also monitors the implementation of the Environmental Mitigation Program which is based on the Master Agreement. Please reference: "C-9-0278 Agreement, Environmental Mitigation Program MOA."
45.07	Was an Environmental Oversight Committee appointed and does it consist of no more than 12 members and is comprised of representatives of the Authority, Caltrans, state and federal resource agencies, non-governmental environmental organizations, the public and the TOC?	Att. B, Sec. II.A.5.a.(v)	Planning, External Affairs	One-time, start-up	Done	Dan Phu & Marissa Espino	Yes. Creation of the EOC occurred in 2007 with applicant scoring and selection for membership by the Transportation 2020 Committee on October 15, 2007. The first EOC meeting took place on November 13, 2007. Please reference: "Renewed Measure M Environmental Committees Selection Process," dated October 22, 2007. "EOC Minutes," dated November 13, 2007. "Status Report on Renewed Measure M Environmental Programs," dated August 25, 2008. "EOC Roster 2021"
45.08	Was the Master Agreement developed as soon as practicable following the approval of the ballot proposition by the electors?	Att. B, Sec. II.A.5.b	Planning	One-time, start-up	Done	Dan Phu	Yes. The Memorandum of Agreement and Planning Agreement process began in early 2008.

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45.09	Have the Authority and state and federal resource agencies developed the Master Agreement prior to the implementation of Freeway Projects?	Att. B, Sec. II.A.5.b	Planning	One-time, start-up	Done	Dan Phu	Yes. The Memorandum of Agreement and Planning Agreement process began in early 2008 and was fully executed by OCTA and state and federal resources agencies in January 2010. During this timeframe, the Early Action Plan also authorized the project development processes for various M2 freeway projects, which included preliminary engineering, environmental studies, and final design work. The initiation of this work also maximized OCTA's ability to compete for state and federal funds (i.e., CMIA and federal stimulus). With the exception of the eastbound SR-91 lane addition between SR-241 and SR-71 and the State Route 22 access improvements, the rest of the M2 freeway projects did not begin construction until after January 2010. The Eastbound SR-91 lane addition project began construction in late 2009 and utilized primarily American Recover and Reinvestment Act (ARRA) federal stimulus funds and the SR-22 improvements were amended into Measure M1 and completed early in 2007 as a "bonus project" as part of the SR-22 D/B project. Please reference: "C-9-0278 Agreement, Environmental Mitigation Program MOA"
46.00	Requirements Related to Specific Freeway Projects						
47.00	Project A						
48.00	Have Santa Ana Freeway (I-5) improvements between the Costa Mesa freeway (SR-55) and "Orange Crush" (SR-57) described in Project A been built:	Att. A, p. 7, Project A	Capital Programs - Highways	30-year	Modified; Completed	Rose Casey	
48.01	At the SR-55/I-5 interchange area between the Fourth Street and Newport Boulevard ramps on I-5?	Att. A, p. 7	Capital Programs - Highways	30-year	Modified	Rose Casey	See notes for Item 48.02.
48.02	On SR-55 between Fourth Street and Edinger Avenue?	Att. A, p. 7	Capital Programs - Highways	30-year	Modified	Rose Casey	No. Project A improvement limits do not include SR-55 between Fourth Street and Edinger Avenue (agreed to by cities and Caltrans) due to lack of support/consensus between Caltrans and local jurisdictions which is a requirement of M2. There are some improvements included in Project F on SR-55 between I-405 and I-5.
48.03	On I-5 between SR-55 and SR-57?	Att. A, p. 7	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes. Construction on this project began in December 2018 and was completed in January 2021.

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49.00	Have the Project A improvements, as built, increased capacity and reduced congestion?	Att. A, p. 7, Project A	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes. The project added capacity with a second carpool lane and relieved congestion upon construction completion as identified during the environmental phase.
50.00	Project B						
51.00	Have new lanes been built and interchanges improved on the Santa Ana Freeway (I-5) between the Costa Mesa freeway (SR-55) to El Toro "Y"?	Att. A, p. 7, Project B	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The environmental phase for the project was completed in January 2020. The project was segmented into two segments for design and construction. Final Design for Segment 1 (I-405 to Yale Avenue) began in October 2021 and Segment 2 (Yale Avenue to SR-55) began in May 2021. Construction on Segment 1 is anticipated to be completed in 2029 and Segment 2 in 2028.
52.00	Have the Project B improvements as built increased capacity and reduced congestion?	Att. A, p. 7, Project B	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes in Item 51.00. The project will add capacity with one additional general-purpose lane in each direction and relieve congestion upon construction completion as identified during the environmental phase.
53.00	Project C						
54.00	Have Santa Ana Freeway (I-5) improvements south of the El Toro "Y" been built with:	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>The I-5, Avenida Pico to San Juan Creek Road (including interchange improvements at Avenida Pico) was divided into three segments for design and construction. This project added a new HOV lane in both directions of I-5 between PCH and Avenida Pico, reconstructed the Avenida Pico Interchange, and reconstructed on- and off-ramps along the project area. All three segments are now complete.</p> <p>The I-5, SR-73 to El Toro Road project (including interchange improvements at Avery Parkway and La Paz Road) completed the environmental phase in May 2014. The project was divided into three segments for design and construction. All three segments are currently under construction. This project adds a general-purpose lane in each direction, extends the second HOV lane in both directions from El Toro Road to Alicia Parkway, reconstructs the La Paz Road and Avery Parkway interchanges, and adds auxiliary lanes where needed.</p>
54.01	New lanes from the vicinity of the El Toro Interchange in Lake Forest to the vicinity of SR-73 in Mission Viejo?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>See notes Item 54.00. New lanes will be added upon construction completion.</p> <p>Segment 1, I-5 between SR-73 and Oso Parkway (including improvements to Avery Parkway Interchange): The construction contract was awarded in December 2019 and construction began in</p>

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							<p>February 2020. The project is anticipated to be completed in September 2024.</p> <p>Segment 2, I-5 between Oso Parkway and Alicia Parkway (including improvements to La Paz Interchange): The construction contract was awarded in March 2019 and construction began in April 2019. The project is anticipated to be completed in January 2024.</p> <p>Segment 3, I-5 between Alicia Parkway and El Toro Road, the construction contract was awarded in September 2020 and construction began in January 2021. The project is anticipated to be completed in October 2024.</p>
54.02	New lanes between Pacific Coast Highway and Avenida Pico?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Completed	Rose Casey	<p>Yes. New HOV lanes have been added between PCH and Avenida Pico in both directions. This project was broken into three segments. See notes in Item 54.00.</p> <p>The I-5, Avenida Pico to Vista Hermosa project (including interchange improvements at Avenida Pico) began construction in December 2014 and was completed in August 2018. Please reference: “Plan Sheets” are available on Caltrans’ website using Contract No. 12-0F96A4, Invitation for Bids dated September 2, 2014. “FC101 Master Schedule Complete,” Project Controls Schedule dated October 16, 2018.</p> <p>The I-5, Vista Hermosa to PCH project began construction in July 2014 and was completed in July 2017. Please reference: “Plan Sheets” are available on the Caltrans’ website using Contract No. 12-0F96C4, Invitation for Bids dated February 3, 2014. “FC103 Master Schedule Complete,” Project Controls Schedule dated August 17, 2017.</p> <p>The I-5, PCH to San Juan Creek Road project started construction in December 2013 and was completed in July 2018.</p>

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							Please reference: “Plan Sheets” are available on the Caltrans’ website using Contract No. 12-0F96E4, Invitation for Bids dated August 19, 2013. “ FC104 Master Schedule Complete ,” Project Controls Schedule dated September 17, 2018.
54.03	Major improvements at local interchanges as determined in Project D?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Not yet required	Rose Casey	Avenida Pico, Avery Parkway and La Paz Road are incorporated into project C. (See notes Item 54.00 for main item status which includes these interchanges and notes from 56.00 for remaining interchanges.)
55.00	Have the Project C improvements as built increased capacity and reduced congestion?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes Item 54.00. The I-5 HOV Improvement projects (between San Juan Creek Road and Avenida Pico) increased capacity and reduced congestion as identified during the environmental phase. The additional general purpose lane to be added in each direction from SR-73 to El Toro Road will also relieve congestion once constructed.
56.00	Project D						
57.00	Have key I-5 interchanges such as Avenida Pico, Ortega Highway, Avery Parkway, La Paz Road, El Toro Road, and others been updated and improved to relieve street congestion around older interchanges and on ramps?	Att. A, p. 8, Project D	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See item 54.00 for status of Avenida Pico, Avery Parkway and La Paz Road interchanges. Construction of the I-5/Ortega Highway Interchange project was completed in December 2015. The interchange was opened for public use in fall 2015. Please reference: “FD101 I-5 Ortega, SR-74 Ortega Highway Plans Sheets” can be found on Caltrans’ website using Contract No. 12-0E3104, Invitation for Bids dated June 4, 2012. “ FD101 Master Schedule Complete ,” Project Controls Schedule dated February 19, 2016. The I-5/El Toro Road Interchange environmental phase began in April 2017. As of December 2019, the completion of the environmental phase had been stalled due to lack of consensus on an alternative with the stakeholder cities. OCTA, in conjunction with Caltrans and the cities, are currently working on an Alternatives Assessment to determine if there are other potential alternatives that can be agreed to by Caltrans and all cities. The draft final assessment study was completed on May 27, 2021. An update of the status of the project was presented to the Board on November 8, 2021. The results of the Alternative Assessment are

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							anticipated in March 2022. Without consensus, OCTA will not move forward. Please reference: "Update on Interstate 5/El Toro Road Interchange Project," dated November 8, 2021.
58.00	Project E						
59.00	Have interchange improvements on the Garden Grove Freeway (SR-22) been constructed at the following interchanges:	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes. This project was completed in 2007. Improvements were made to the three interchanges listed below to reduce freeway and street congestion in the area. The project was completed early as a "bonus project" provided by the original Measure M. Please reference: "F7100 EA 0J9601 SR-22 As Built Plans Approved"
59.01	Euclid Street?	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes. See notes in Item 59.00.
59.02	Brookhurst Street?	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes. See notes in Item 59.00.
59.03	Harbor Boulevard?	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes. See notes in Item 59.00.
60.00	Project F						
61.00	Have new lanes, including merging lanes to smooth traffic, been added to the Costa Mesa Freeway (SR-55) between SR-22 and I-405 generally constructed within existing ROW?	Att. A, p. 9, Project F	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The SR-55 project between I-405 and I-5 was advertised for construction on December 6, 2021. Construction is anticipated to start in June 2022 and completed in mid-2026. The project will generally be constructed within the existing ROW however ROW is required at 33 properties. The environmental phase for the SR-55 project between I-5 and SR-91 began in January 2017 and completed in March 2020. Final design is anticipated to begin in spring 2022.
62.00	Have operational improvements been made to the SR-55 between SR-91 and SR-22?	Att. A, p. 9, Project F	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes Item 61.00. Operations will improve upon construction completion as identified during the environmental phase.

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63.00	Have these improvements increased freeway capacity and reduced congestion?	Att. A, p. 9, Project F	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes Item 61.00. Capacity will increase and congestion will reduce upon construction completion as identified during the environmental phase.
64.00	Project G						
65.00	Have the following improvements been made to the Orange Freeway (SR-57):	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>There are a total of five project segments for Project G: Orangewood Avenue to Katella Avenue, Katella Avenue to Lincoln Avenue, Orangethorpe Avenue to Yorba Linda Boulevard, Yorba Linda Boulevard to Lambert Road, and Lambert Road to the Los Angeles County line. Construction of three of the five segments were completed in the 2014 to 2015 timeframe. See below for the remaining two segments:</p> <p>The environmental phase for the project between Orangewood Avenue to Katella Avenue was completed in March 2019. The RFP for final design was released in March 2021. Final Design is anticipated to begin in early 2022.</p> <p>The environmental phase for Lambert Road to Los Angeles County line is anticipated to begin in 2025.</p>
65.01	A new northbound lane between Orangewood Avenue and Lambert Road?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>See notes Item 65.00. Construction of northbound SR-57 from Katella Avenue to Lincoln Avenue project was completed in April 2015, and the northbound SR-57 from Orangethorpe Avenue to Lambert Road segments were completed in May 2014 and November 2014. Please reference:</p> <p>“FG101 Plans Sheets,” which can also be found on Caltrans’ website using Contract No. 12-0F0404, Invitation for Bids dated July 18, 2011.</p> <p>“FG101 Project Master Schedule Complete,” Katella Avenue to Lincoln Avenue Project Controls Schedule dated May 18, 2015.</p> <p>“FG102 Plans Sheets” can be found on Caltrans’ website using Contract No. 12-0F0314, Invitation for Bids dated May 10, 2010.</p> <p>“FG102 Project Master Schedule Complete,” Orangethorpe Avenue to Yorba Linda Boulevard Project Controls Schedule dated December 15, 2014.</p>

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							<p>"FG103 Plans Sheets" can be found on Caltrans' website using Contract No. 12-0F0324, Invitation for Bids dated May 24, 2010.</p> <p>"FG103 Project Master Schedule Complete," Yorba Linda Boulevard to Lambert Road Project Controls Schedule dated June 17, 2014.</p> <p>The environmental phase for the project between Orangewood Avenue and Katella Avenue was completed in March 2019. The RFP for final design was released in March 2021. Final Design is anticipated to begin in early 2022.</p>
65.02	Improvements to the Lambert Interchange?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes Item 65.00. The lead agency for the Lambert Road interchange project is the City of Brea. The project is currently in construction and anticipated to be complete in spring 2022.
65.03	Addition of a northbound truck climbing lane between Lambert Road and Tonner Canyon?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes Item 65.00. The fifth project on SR-57 includes improvements to the Lambert Road interchange (see above – 65.02) and a northbound truck climbing lane between Lambert Road and Tonner Canyon. The Environmental phase for this project is anticipated to begin in the near future and once completed, the design and construction schedules will be determined.
66.00	Have these improvements increased freeway capacity and reduced congestion?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The three completed segments of northbound lanes on SR-57 from Katella to Lincoln and Orangethorpe to Lambert have increased capacity with the addition of a general-purpose lane and reduced congestion as identified during the environmental phase. See notes Item 65.00.
67.00	Project H						
68.00	On the Riverside Freeway (SR-91) from the I-5 to the SR-57:	Att. A, p. 11, Project H	Capital Programs - Highways	30-year	Done to Date	Rose Casey	<p>Implementation of this project provides an additional general-purpose lane in the westbound direction by connecting existing auxiliary lanes through the interchanges within the project limits to create a 4th continuous westbound general-purpose lane. Westbound auxiliary lanes will be placed or added and exit ramps will be modified to 2-lane exit ramps. Construction began on the new westbound lane in February 2013, and construction was completed in June 2016.</p> <p>Please reference: "Plan Sheets" on the Caltrans' website using Contract No. 12-0C5704, Invitation for Bids dated October 1, 2012. "FH101 Special Provisions," Invitation for Bids dated October 1, 2012.</p>

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							"FH101 Project Master Schedule Complete," Project Controls Schedule dated July 19, 2016.
68.01	Has capacity been added in the westbound direction?	Att. A, p. 11, Project H	Capital Programs - Highways	30-year	Done to Date	Rose Casey	Yes. Capacity was provided in the westbound direction as identified during the environmental phase. See notes in Item 68.00.
68.02	Have operational improvements been provided at on and off ramps?	Att. A, p. 11, Project H	Capital Programs - Highways	30-year	Done to Date	Rose Casey	Yes. Operational improvements were provided at on- and off-ramps with the addition of auxiliary lanes. See notes in Item 68.00.
69.00	Project I						
70.00	On the Riverside Freeway (SR-91) from the SR-57 to the SR-55, has the interchange complex been improved, including nearby local interchanges such as Tustin Avenue and Lakeview?	Att. A, p. 11, Project I	Capital Programs - Highways	30-year	Not yet required	Rose Casey	There are a total of two projects for Project I: the portion between SR-55 and Tustin Avenue, which was completed in July 2016, and the portion from west of State College Boulevard to east of Lakeview Avenue, which provides SR-91 freeway mainline widening in the eastbound direction, and modifications to various interchanges, connectors, ramps, and intersections. This project began the environmental phase in January 2015, with an expected phase completion in June 2020.
71.00	On the SR-91, has capacity been added between the SR-55 and the SR-57?	Att. A, p. 11, Project I	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes Item 70.00. The portion of Project I between SR-55 and Tustin Avenue added a westbound auxiliary lane from the westbound SR-55/ westbound SR-91 connector to Tustin Avenue off-ramp and an exit bypass lane on westbound SR-91 to Tustin Avenue off-ramp. This portion of Project I began construction in November 2013 and completed in July 2016. Please reference: "Plan Sheets" on the Caltrans' website using Contract No. 12-OC5604, Invitation for Bids dated June 17, 2013. "FI102 Project Master Schedule Complete," Project Controls Schedule dated August 16, 2016. The portion of the Project I from west of State College Boulevard to east of Lakeview Avenue provides the SR-91 freeway mainline widening in the eastbound direction, and modifications to various interchanges (including major modifications for the westbound SR-91 at both SR-57 and from Lakeview Avenue to SR-55), connectors, ramps, and

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							<p>intersections. The environmental phase of this project began in January 2015 and completed in June 2020. The project was segmented into three segments for the design and construction phases. With the environmental phase completed, the design phase for all three segments have been initiated and began in 2020. The next phases will be funded using net excess 91 Express Lanes revenue as directed by the Board on November 14, 2016. The 91 Express Lanes revenue accelerates project completion, reducing risk and escalation cost.</p> <p>Please reference: "Measure M2 Delivery Plan – Next 10," dated November 14, 2016. "Measure M2 Updated Next 10 Delivery Plan," dated November 13, 2017.</p>
72.00	Project J						
73.00	Have up to four new lanes on SR-91 between SR-241 and the Riverside County Line been added?	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>There are a total of three project segments for Project J. The first project segment between State Route 241 and SR-71 added one eastbound lane and is complete. The second project segment between SR-55 and SR-241 added two lanes - one in each direction - and is also complete.</p> <p>Please reference: "FJ100 Plans Sheets" can be found on Caltrans' website using Contract No. 12-OG0404, Invitation for Bids dated June 8, 2009. "FJ100 Project Master Schedule Complete," Project Controls Schedule dated February 24, 2011.</p> <p>"FJ101 Plans Sheets" can be found on Caltrans' website using Contract No. 12-OG3304, Invitation for Bids dated February 22, 2011. "FJ101 Project Master Schedule Complete," Project Controls Schedule dated April 15, 2013.</p> <p>The remaining project segment will add a sixth lane between SR-241 and the Riverside County line to match up with an additional lane to be added by RCTC from the County line to SR-71. OCTA and RCTC are working together ensuring synchronization between the two counties. See item 75.00 for a link to the latest SR-91 Implementation Plan. Construction is underway for the sixth lane in the westbound direction as part of the SR-91 Corridor Operations Project (COP) between Green</p>

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							River Road and SR-241 and is anticipated to be completed in January 2022. An alternatives analysis study of the eastbound direction began in April 2020 to better understand possible improvements given the difficult topography and other constraints. The study was completed in December 2021.
74.00	Was the following taken into consideration: Making best use of available freeway property, adding reversible lanes, building elevated sections, and improving connections to SR-241?	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Not yet required	Rose Casey	When a project goes through the environmental phase, all viable alternatives are considered, and the best alternative is determined at that time. This is true for this project. OCTA is also working with the TCA, who is the named lead on the design and construction of the SR-91/SR-241 Direct Connector Project. Please reference: "Framework for Implementation of the State Route 241/91 Express Lanes Connector," dated October 28, 2019.
75.00	Were the projects constructed with similar coordinated improvements in Riverside County extending to I-15 with the funding for those in Riverside County paid for from other sources?	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The SR-91 Implementation Plan, required by the state legislature to be updated annually, requires coordination between the two counties. Orange County and Riverside County are working cooperatively on all SR-91 projects. Project improvements within Riverside County limits are not paid for by Measure M. Please reference: "Draft 2021 State Route 91 Implementation Plan," dated June 14, 2021.
76.00	Also, was one new lane added in each direction on SR-91 between SR-241 and SR-55 and were the interchanges improved?	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Done to Date	Rose Casey	Yes. This project was completed in March 2013. Improvements to Lakeview Interchange, Imperial Highway and Weir Canyon were included in this project. See Item 73.00 notes.
77.00	Project K						
78.00	Have new lanes been added to the San Diego Freeway (I-405) between the I-605 and the SR-55?	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The environmental phase was completed in May 2015. OCTA is implementing the preferred alternative from the EIR/EIS using the design-build delivery method and will acquire all necessary ROW. The addition of one general-purpose lane in each direction is M2 Project K. The addition of a second lane in the median, which when combined with the existing HOV lane, becomes the two-lane express facility in each direction, will be funded with non-M2 funding sources. The Board awarded the design-build construction contract in November 2016. Construction began in January 2017. Substantial completion and opening of the 405 Express Lanes are anticipated in late 2023. .

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79.00	Has the project made best use of available freeway property, updated interchanges and widened all local overcrossings according to city and regional master plans?	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Not yet required	Rose Casey	Yes. The majority of the ROW needed are temporary construction easements and some partial fee acquisitions. Local interchanges and overcrossings will be improved and widened according to city and regional master plans. Design of the local facilities has been closely coordinated with each corridor city.
80.00	Have the improvements been coordinated with other planned I-405 improvements in the I-405/SR-22/I-605 interchange area to the north and I-405/SR-73 improvements to the south?	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Not yet required	Rose Casey	Yes. The I-405 improvements have been coordinated with the West County Connector improvements at the I-405/SR-22/I-605 interchange that have been completed. There will be a direct connector linking the I-405 Express Lanes with SR-73 to the south.
81.00	Have the improvements adhered to recommendations of the Interstate 405 Major Investment Study adopted by the Board of Directors on October 14, 2005?	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Not yet required	Rose Casey	Yes. The improvements will add one general-purpose lane in each direction as recommended in the I-405 Major Investment Study.
82.00	Project L						
83.00	Have new lanes been added to the San Diego Freeway (I-405) between the SR-55 and the I-5?	Att. A, p. 14, Project L	Capital Programs - Highways	30-year	Not yet required	Rose Casey	A project study report was completed in 2013. The environmental phase began in December 2014 and was completed in August 2018. The project is ready to move into design and construction but per Board direction to avoid planned construction of the parallel project (Project B/I-5) to prevent unnecessary burden on the travelling public. Please reference: "Measure M2 Delivery Plan – Next 10," dated November 14, 2016. "Measure M2 Updated Next 10 Delivery Plan," dated November 13, 2017. "Measure M2 2018 Update: Next 10 Delivery Plan," dated September 10, 2018. "Measure M2 2019 Update: Next 10 Delivery Plan," dated November 11, 2019. "Measure M2 2020 Update: Next 10 Delivery Plan," dated April 12, 2021. "Measure M2 2021 Update: Next 10 Delivery Plan," dated December 13, 2021.
84.00	Have chokepoints at interchanges been improved and merging lanes added near on/off ramps such as Lake Forest Drive, Irvine Center Drive and SR-133 to improve the overall freeway operations in the I405/I-5 El Toro "Y" area?	Att. A, p. 14, Project L	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The project includes on- and off-ramp realignment at various locations, as well as auxiliary lanes between on- and off-ramps where required. See notes in Item 83.00.

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85.00	Project M						
86.00	Have freeway access and arterial connections to I-605 serving the communities of Los Alamitos and Cypress been improved?	Att. A, p. 15, Project M	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The project study report was approved in May 2015. The environmental phase began in August 2016 and was completed in October 2018. Final design began in December 2020 with construction anticipated to begin in mid-2023.
87.00	Has the project been coordinated with other planned improvements to the SR-22 and I-405?	Att. A, p. 15, Project M	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The project takes into consideration the I-405 Design-Build construction project and other projects as identified during the environmental phase.
88.00	Project N						
89.00	Are basic freeway service patrols available Monday through Friday during peak commute hours?	Att. A, p. 15, Project N	Executive Office	30-year	Done to date	Patrick Sampson	<p>Yes. Freeway Service Patrol (FSP) operates service on all Orange County Freeways during peak commute hours. Midday and weekend service was added in June 2012, and construction service to support the widening of the I-405 was added in July 2018.</p> <p>A statewide benefit/cost analysis is performed annually and is incorporated into future service planning. Recent modifications include reallocating service hours from peak-hour to midday service to address changes in commute traffic patterns. Four contracted tow companies provide FSP service through agreements that were competitively procured. Current FSP agreements provide FSP services through December 1, 2023, and October 2, 2027.</p> <p>Measure M2 funds supplement Caltrans State Highway Account (SHA), Caltrans Road Repair and Recovery Act of 2017 (SB1), and Orange County Service Authority for Freeway Emergencies (SAFE) funds as the last dollars in, to ensure that appropriate service levels are maintained.</p>
90.00	Requirements for Eligible Jurisdictions						
91.00	In order to be eligible to receive Net Revenues, has each jurisdiction satisfied the following requirements?	Att. B, Sec. III.A	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	See below for more on each eligibility items conclusions, listed under Item 91.

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91.01	Complied with the conditions and requirements of the Orange County Congestion Management Program (CMP)?	Att. B, Sec. III.A.1	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. Required in odd years only. This requirement was submitted to OCTA and was presented to the Board on December 13, 2021, as part of the Annual Eligibility Review. The next CMP submittal is due in 2023. Please reference: "Measure M2 Annual Eligibility Review," dated December 13, 2021.
91.02	Assessed traffic impacts of new development and required new development to pay a fair share of improvements attributable to it?	Att. B, pp B-7 to 10, Sec. III.A.2	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. This is required biennially except when there is an updated mitigation fee program. This requirement was submitted to OCTA and was presented to the Board on December 13, 2021, as part of the Annual Eligibility Review. The next submittal is due in 2023 unless there is an updated mitigation fee program. Please reference: "Measure M2 Annual Eligibility Review," dated December 13, 2021.
91.03	Adopted and maintained a Circulation Element of its General Plan consistent with the MPAH?	Att. B, Sec. III.A.3	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. This is required biennially. This requirement was submitted to OCTA and was presented to the Board on December 13, 2021, as part of the Annual Eligibility Review. The next submittal is due in 2023. Please reference: "Measure M2 Annual Eligibility Review," dated December 13, 2021.
91.04	Adopted and updated biennially a Capital Improvement Program that includes all capital transportation projects?	Att. B, Sec. III.A.4	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. OCTA is requiring an annual 7-year CIP. This requirement was submitted to OCTA and was presented to the Board on December 13, 2021, as part of the Annual Eligibility Review. Please reference: "Measure M2 Annual Eligibility Review," dated December 13, 2021.
91.05	Participated in Traffic Forums as described in Attachment B?	Att. B, Sec. III.A.5	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. This is an annual requirement. Local jurisdictions must attend at least one traffic forum on an annual basis to remain eligible for M2 net revenues. This requirement was presented to the Board on December 13, 2021, as part of the Annual Eligibility Review. Please reference: "Measure M2 Annual Eligibility Review," dated December 13, 2021.
91.06	Adopted and maintained a Local Traffic Signal Synchronization Plan that identifies signalization street routes and signals; a three-year plan showing costs, available funding and phasing of capital, operations and maintenance of the street routes and traffic signals; and included information on how the street routes and signals may be synchronized with signals and routes	Att. B, Sec. III.A.6	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. This is required every three years. This requirement was adopted by local jurisdictions' governing bodies and was presented to the Board on December 14, 2020, as part of the Annual Eligibility Review. The next submittal is due in 2023. Please reference: "Measure M2 Annual Eligibility Review," dated December 14, 2020.

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	in adjoining jurisdictions; and is consistent with the Traffic Signal Synchronization Master Plan?						
91.07	Adopted and updated biennially a Pavement Management Plan (PMP) and issued, using a common format approved by the Authority, a report every two years regarding the status of road pavement conditions and implementation of the Pavement Management Plan?	Att. B, Sec. III.A.7	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. 14 jurisdictions update PMPs on odd-year cycle, while 21 jurisdictions update on an even-year cycle as part of the Measure M2 Annual Eligibility Review. Even-year cycle reports were presented to the Board on December 14, 2020, as part of the Measure M2 Annual Eligibility Review. Odd-year cycle reports were presented to the Board on December 13, 2021. All prior reports to date have been submitted and approved per the requirements and noted in the previous year's tracking matrix. Please reference: "Measure M2 Annual Eligibility Review," dated December 14, 2020 (for even-year agencies). "Measure M2 Annual Eligibility Review," dated December 13, 2021. (for odd-year agencies).
91.08	Included in its PMP: -Current status of pavement on roads -Six-year plan for road maintenance and rehabilitation, including projects and funding -Projected road conditions resulting from the maintenance and rehabilitation plan -Alternative strategies and costs necessary to improve road pavement conditions	Att. B, Sec. III.A.7.b-c	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. All local jurisdictions have adopted PMPs fully compliant with Att. B, Sec. III. A. 7. a. b. c., inclusive. All prior reports to date have been submitted and approved per the requirements and noted in previous year tracking matrix. Please reference: "Measure M2 Annual Eligibility Review," dated December 14, 2020 (for even-year agencies). "Measure M2 Annual Eligibility Review," dated December 13, 2021. (for odd-year agencies).
91.09	Adopted an annual Expenditure Report to account for Net Revenues, developer/traffic impact fees, and funds expended by the Eligible Jurisdiction which satisfy the MOE requirements?	Att. B, Sec. III.A.8	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. The Board was presented with the Annual Expenditure Reports for FY 2019-20 on June 14, 2021, for all local jurisdictions. Please reference: "Measure M2 Eligibility Review Recommendations for Fiscal Year 2019-20 Expenditure Reports," dated June 14, 2021.
91.10	Submitted the Expenditure Report by the end of six months following the end of the jurisdiction's FY and included all Net Revenue fund balances and interest earned, and expenditures identified by type and program and project?	Att. B, Sec. III.A.8	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. All local agencies have submitted the expenditure reports by the end of six months following the end of the jurisdiction's FY. Please reference: "Measure M2 Eligibility Review Recommendations for Fiscal Year 2019-20 Expenditure Reports," dated June 14, 2021.

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							Expenditure Reports for FY 2020-21 are due to OCTA by December 31, 2021, and will be presented to the AER Subcommittee and TOC in March/April of 2022 and are anticipated to be approved by the Board in June of 2022.
91.11	Provided the Authority with a Project Final Report within six months following completion of a project funded with Net Revenues?	Att. B, Sec. III.A.9	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. An ongoing monitoring report is tracked frequently and uploaded to M2 Document Center. Please reference: "2021 M2 Eligibility Compliance - 180 Day Tracking Report."
91.12	Agreed that Net Revenues for Regional Capacity Program projects and Traffic Signal Synchronization Program projects shall be expended or encumbered no later than the end of the FY for which the Net Revenues are programmed, subject to extensions?	Att. B, Sec. III.A.10.a	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. Net revenues are being expended and encumbered as required. They are monitored through the M2 Master Tracker Database and the Semi-Annual Review Process.
91.13	Any requests for extensions of the encumbrance deadline for no more than 24 months were submitted to the Authority no less than 90 days prior to the deadline?	Att. B, Sec. III.A.10.a	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. These requests are monitored through the M2 Master Tracker Database and the Semi-Annual Review Process.
91.14	Agreed that Net Revenues for any program or project other than Regional Capacity Program projects or Traffic Signal Synchronization Program projects shall be expended or encumbered within three years of receipt, subject to extension?	Att. B, Sec. III.A.10.b	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. Net revenues are being expended and encumbered consistent with these requirements. They are monitored through the M2 Master Tracker Database and the Semi-Annual Review Process.
91.15	Agreed that if the above time limits were not satisfied, to return to the Authority any retained Net Revenues and interest earned on them to be available for allocation to any project within the same source?	Att. B, Sec. III.A.10.c	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. Local agencies that did not meet the three-year expenditure deadline were not paid for expenditures incurred beyond the expenditure deadline. This is continuously monitored via Local Program's payment processes and also documented in the M2 Master Tracker Database.

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91.16	Annually certified MOE requirements of Ordinance No. 3, Sec. 6?	Att. B, Sec. III.A.11	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. The Board approved the annual expenditure reports for 35 local agencies on June 14, 2021. Please reference: “Measure M2 Eligibility Review Recommendations for Fiscal Year 2019-20 Expenditure Reports,” dated June 14, 2021.</p> <p>On May 13, 2019, for the first time during the life of Measure M or M2, the Board found two cities ineligible to receive M2 revenues. Both the City of Stanton and the City of Santa Ana failed to satisfy the eligibility requirement of meeting the minimum MOE, a level of local streets and roads discretionary expenditures. As a result, net M2 payments for the two cities were suspended until the cities re-established eligibility by demonstrating compliance through an audit of M2-related expenditures for FY 2018-19. As part of the compliance requirement, the FY 2018-19 MOE requirements were increased by the amount that the Cities fell short in meeting the 2017-18 audit. Please reference: “Measure M2 Eligibility for the City of Stanton,” and “Measure M2 Eligibility for the City of Santa Ana,” dated May 13, 2019.</p> <p>A second audit was completed in early 2020 by the OCTA Internal Auditor and determined that both cities met their FY 2018-19 MOE requirement which includes additional MOE expenditures to make up for the shortfall identified in OCTA’s original FY 2-17-18 audit. On April 13, 2020, the Board reinstated the cities of Stanton and Santa Ana’s eligibility to receive net M2 funds. Please reference: “Measure M2 Eligibility for the City of Stanton,” and “Measure M2 Eligibility for the City of Santa Ana,” dated April 13, 2020.</p>
91.17	Agreed that Net Revenues were not used to supplant developer funding which has or will be committed for any transportation project?	Att. B, Sec. III.A.12	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. This is required annually. This was last presented to the Board for approval on December 13, 2021, as part of the Annual Eligibility Review. Please reference: “Measure M2 Annual Eligibility Review,” dated December 13, 2021.</p>

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91.18	Considered as part of its General Plan, land use planning strategies that accommodate transit and non-motorized transportation?	Att. B, Sec. III.A.13	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. This is required annually. This was last presented to the Board for approval on December 13, 2021, as part of the Annual Eligibility Review. Please reference: "Measure M2 Annual Eligibility Review," dated December 13, 2021.
92.00	Has the Authority, in consultation with the Eligible Jurisdictions, defined a countywide management method to inventory, analyze and evaluate road pavement conditions and a common method to measure improvement of road pavement conditions?	Att. B, Sec. III.A.7.a	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. The Countywide Pavement Management Program Guidelines which implement Att. B, Sec. III. A.7.a. b. and c. were developed by OCTA staff in consultation with the Technical Advisory Committee and approved by the Board of Directors on May 24, 2010. The PMP guidelines were last revised and approved by the Board on April 13, 2020. Please reference: "Fiscal Year 2020-21 Updates to the Measure M2 Eligibility, Local Signal Synchronization Plan, and Pavement Management Plan Guidelines," dated April 13, 2020.
93.00	Requirements Related to Specific Streets and Roads Projects						
94.00	Project O - Regional Capacity Program						
95.00	Prior to the allocation of Net Revenues for any Street and Road Project, has the Authority, in cooperation with affected agencies, determined the entity(ies) to be responsible for the maintenance and operation thereof, utilizing maintenance and operating agreements with each agency receiving streets and roads funding?	Att. B, Sec. II.C	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. OCTA relies on California Streets and Highways Code Sections 900-909 and 1800-1813 for Counties and Cities, respectively, which establishes the authority and obligations of local agencies to construct, maintain, and operate local streets and roads. For road projects implemented by OCTA on behalf of local agencies (e.g., select grade separations), OCTA enters cooperative agreements for construction and maintenance prior to implementation.
96.00	Has each eligible jurisdiction contributed local matching funds equal to 50 percent of Project O project or program costs?	Att. A, p. 18, Project O and Att. B, p. B-12, Sec. V.A.1	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. Except when a match reduction has been approved. Funding recommendations for 2021 Call for Projects were approved by the Board on May 10, 2021. Additional information on each fund source and percentage is available online on OC Fund Tracker. Please reference: "Comprehensive Transportation Funding Programs - 2021 Call for Projects Programming Recommendations," dated May 10, 2021.

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97.00	Alternatively, jurisdictions qualified for a ten- and/or five-percent reductions as provided in Attachment B have met those reduced match levels?	Att. A, p. 18, Project O and Att. B, Sec. V.A.1.a-c	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. Funding recommendations for 2021 Call for Projects were approved by the Board on May 10, 2021. Additional information on each fund source and percentage is available online on OC Fund Tracker. Please reference: "Comprehensive Transportation Funding Programs - 2021 Call for Projects Programming Recommendations," dated May 10, 2021.
98.00	Has a countywide competitive procedure for Project O been adopted by the Authority?	Att. B, Sec. V.A.2	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. The Board approved the revised Comprehensive Transportation Funding Program (CTFP) Guidelines and issued the 2022 CTFP Annual Calls for Projects on August 9, 2021. Please reference: "Measure M2 Comprehensive Transportation Funding Programs - 2022 Annual Call for Projects," dated August 9, 2021.
99.00	Have eligible Jurisdictions been consulted by the Authority in establishing criteria for determining priority for Project O allocations?	Att. B, Sec. V.A.2	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. The Technical Advisory Committee (TAC) recommended approval of modifications to the 2022 CTFP Guidelines on June 23, 2021, prior to the Board's action in August. Please reference: "TAC Agenda Packet," dated October 27, 2021, for the June 23, 2021, meeting minutes.
100.00	Has funding under Project O been provided for construction of railroad over or underpass grade separations where high volume streets are impacted by freight trains along the Burlington Northern Santa Fe Railroad in northern Orange County?	Att. A, p. 18, Project O	Capital Programs, Planning	30-year	Done	Rose Casey & Adriann Cardoso	Yes. The Board authorized use of \$152.6 million in M2 funds as match for TCIF funding for seven grade separation projects. Please reference: "Capital Programming Update," dated September 13, 2021. All seven grade separations have been completed and are open to traffic. Please reference: "OC Bridges Railroad Grade Separation Completion," staff presentation dated December 11, 2017.
101.00	Project P - Regional Traffic Signal Synchronization Program						
102.00	Have the Cities, the County of Orange and Caltrans, as required, worked together to prepare a common Traffic Signal Synchronization Master Plan and the necessary governance and legal arrangements before receiving funds, and has the	Att. A, p. 19, Project P and Att. B, Sec. V.B.1	Planning	One-time, start-up	Done	Anup Kulkarni	Yes. Please reference: "Revisions to the Measure M2 Eligibility Guidelines," dated April 12, 2021.

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	Authority adopted and maintained the Master Plan which was a part of the MPAH?						
103.00	Does the Master Plan include synchronization of street routes and traffic signals within and across jurisdictional boundaries and the means of implementing, operating and maintaining the programs and projects including necessary governance and legal arrangements?	Att. A, p. 19, Project P and Att. B,V.B.1	Planning	One-time, start-up	Done	Anup Kulkarni	Yes. Please reference: "Revisions to the Measure M2 Eligibility Guidelines," dated April 12, 2021.
104.00	Has a countywide, competitive procedure been adopted by the Authority in consultation with eligible jurisdictions in establishing criteria for determining priority for allocations?	Att. B, Sec. V.B.2.a	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Procedures are developed by staff in consultant with the local jurisdictions and then approved by the Board for each Call for Projects with the priority for allocation updated as well. Please reference: "Measure M2 Comprehensive Transportation Funding Programs - 2022 Annual Call for Projects," dated August 9, 2021, see "Comprehensive Transportation Funding Program Guidelines," chapter 8 in Attachment B.
105.00	Has the Authority given priority to programs and projects which include two or more jurisdictions?	Att. B, Sec. V.B.2.b	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Please reference: "Measure M2 Comprehensive Transportation Funding Programs - 2022 Annual Call for Projects," dated August 9, 2021, see "Comprehensive Transportation Funding Program Guidelines – 2022 Call for Projects," chapter 8, page 8-15 in Attachment B.
106.00	Has the Authority encouraged the State to participate in the Regional Traffic Signal Synchronization Program and given priority to use of transportation funds as match for the State's discretionary funds used for implementing Project P?	Att. B, Sec. V.B.2.c	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Project P allows state participation and allows for match to be fulfilled with both in-kind and cash. Match beyond 20 percent (including State discretionary funds) is provided additional priority in the evaluation. Please reference: "Measure M2 Comprehensive Transportation Funding Programs - 2022 Annual Call for Projects," dated August 9, 2021, see "Comprehensive Transportation Funding Program Guidelines – 2022 Call for Projects," chapter 8, page 8-5, 8-15, and 8-17 in Attachment B.
107.00	Has each local jurisdiction contributed matching local funds equal to 20 percent of the program or project cost? (May be satisfied all or in part with in-kind services provided by the Eligible Jurisdiction including salaries and benefits)	Att. A, p. 19, Project P and Att. B,V.B.3	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Project P requires a minimum 20 percent match. Please reference: "Measure M2 Comprehensive Transportation Funding Programs - 2022 Annual Call for Projects," dated August 9, 2021, see "Comprehensive

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							Transportation Funding Program Guidelines – 2022 Call for Projects,” chapter 8, page 8-17 in Attachment B.
108.00	Has the project provided funding for ongoing maintenance and operation of the synchronization plan?	Att. A, p. 19, Project P	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Project P requires ongoing maintenance and monitoring of the synchronization and provides funding for this task. Please reference: “ Measure M2 Comprehensive Transportation Funding Programs - 2022 Annual Call for Projects ,” dated August 9, 2021, see “Comprehensive Transportation Funding Program Guidelines – 2022 Call for Projects,” chapter 8, page 8-2 in Attachment B.
109.00	Have local jurisdictions publicly reported on the status and performance of their signal synchronization efforts at least every three years?	Att. A, p. 19, Project P and Att. B, Sec. V.B.4	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Status and performance of their signal synchronization efforts were reported in the Local Signal Synchronization Plan Updates that were completed June 30, 2020. The next submittal is due June 2023. Please reference: “ Measure M2 Annual Eligibility Review ,” dated December 14, 2020.
110.00	Has signal equipment to give emergency vehicles priority at intersections been an eligible expense for projects implemented as part of this program?	Att. A, p. 19, Project P	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Project P includes signal equipment to give emergency vehicles priority at intersections as an eligible expense. Please reference: “ Measure M2 Comprehensive Transportation Funding Programs - 2022 Annual Call for Projects ,” dated August 9, 2021, see “Comprehensive Transportation Funding Program Guidelines – 2022 Call for Projects,” chapter 8, page 8-13 in Attachment B.
111.00	Have eligible jurisdictions and Caltrans, with the County of Orange and the Orange County Division of League of Cities, established boundaries for Traffic Forums?	Att. B, Sec. III.A.5	Planning	Recurring	Done to date	Anup Kulkarni	Yes. See the guidelines for the preparation of the original Local Signal Synchronization Plans that went to the Board on July 26, 2010, and also see the latest annual eligibility guidelines from April 12, 2021. Please reference: “ Guidelines for the Preparation of the Local Signal Synchronization Plans ,” dated July 26, 2010. “ Revisions to the Measure M2 Eligibility Guidelines ,” dated April 12, 2021.
112.00	Project Q - Local Fair Share Program						
113.00	Are Local Fair Share funds distributed by a formula that accounts for the following factors and weightings: - Population - 50%? - Street mileage - 25%?	Att. A, p. 20, Project Q Att.	Planning, F&A	Recurring	Done to date	Sean Murdock	Yes. See General Accounting payments for Local Fair Share funds for FY 2020-21. Also see the Agreed-Upon Procedures to the Measure M2 Status Report for FY 2020-21 related to Local Fair Share disbursements. Please reference:

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	- Amount of sales tax collection in each jurisdiction - 25%?	B, Sec. 5.C.1-3					"Fiscal Year 2020-21 Single Audit and Agreed-Upon Procedures Reports," Attachment D, dated January 24, 2022. M2 Revenue and Expense Report through 6-30-2020 M2 Revenue and Expense Report through 6-30-2021 FY 2020-21 Project Q Local Fair Share Payments
114.00	General Requirements Related to Transit Projects						
115.00	Have Metrolink extensions been evaluated against well-defined and well-known criteria detailed in the Renewed Measure M Transportation Investment Plan?	Att. A, p.23, Project S	Operations (for Project S)	Recurring	Done to date	Johnny Dunning, Jim Beil & Adriann Cardoso/ Charvalen Alacar	Yes. The Board approved Project S funding guidelines for fixed guideway projects on September 13, 2010. Project S guidelines for Bus and Station Van Extension projects were approved by the Board on December 12, 2011. Please reference: "Measure M2 Project S Funding Guidelines for Preliminary Engineering (Guideways Only)," dated September 13, 2010. "Project S 2012 Guidelines for Bus and Station Van Extension Projects," dated December 12, 2011.
116.00	Has the Authority made every effort to maximize state and federal transit dollars?	Att. B, Sec. II.B.1	Planning	Recurring	Done to date	Adriann Cardoso	Yes. Consistent with Board of Directors approved programming policies, OCTA has maximized state and federal transit dollars for rail capital projects, as well as rail rehab projects. To date, OCTA has programmed \$342 million in state, \$731 million in federal and \$89 million in other local funds which will be used for rail capital projects in place of M2 funds. A regular review of project funding and status occurs monthly, and all programming actions are made in accordance with the Board policies to maximize state and federal funding. Please reference: "Capital Programming Policies Update," dated December 13, 2021.
117.00	Prior to the allocation of Net Revenues for a Transit Project, has the Authority obtained a written agreement from the appropriate jurisdiction that the project will be constructed, operated and maintained to minimum standards acceptable to the Authority?	Att. B, Sec. II.B.2	Operations & Capital Programs (for Project V)	Recurring	Done to date	Johnny Dunning & Adriann Cardoso/ Charvalen Alacar	Yes. As transit projects are approved for development and/or funding by the Board to be implemented or in any way augmented by OCTA or Board-approved funding, necessary agreements are entered into with each jurisdiction to define roles and responsibilities during project phases as well as post-completion. At any given time, there are multiple agreements in place for projects. To date, there are active agreements in place for all funded capital projects. See example such as the Orange

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							Transportation Center Parking Structure contract C-3-2065 . Agreements for all transit projects can be found in the M2 Document Center.
118.00	Requirements Related to Specific Transit Projects						
119.00	Has a series of new, well-coordinated, flexible transportation systems, each one customized to the unique transportation vision the station serves, been developed?	Att. A, p. 21 - General Transit, Att. A, p. 23, Project S	Capital Programs & Operations (for Project S)	30-year	Not yet required	Jim Beil & Adriann Cardoso/Charvalen Alacar	Yes. The Board approved the Project S funding guidelines on September 13, 2010, and December 12, 2011 (See Item 115 notes). On November 22, 2010, the Board evaluated and awarded Project S funds to the City of Anaheim and the City of Santa Ana for preliminary engineering of fixed-guideway projects. However, on June 27, 2016, the Board approved an amendment to Agreement (C-1-3115) with City of Anaheim to conclude all planning efforts on their fixed-guideway project. The Santa Ana-Garden Grove OC Streetcar project has an executed Full Funding Grant Agreement with FTA and is in the construction phase. On July 23, 2012, four rubber-tire projects were approved for the first call for projects. Three projects were cancelled and one (City of Anaheim) was implemented and completed (as of June 30, 2020). The City of Anaheim project has continued (as of July 1, 2020) under a Project V grant. No other rubber-tire project calls are anticipated at this time. Please reference: "Measure M2 Project S Programming Recommendations," dated November 22, 2010. "Project S Bus and Station Van Extension – 2012 Call for Projects Programming Recommendations," dated July 23, 2012. "Comprehensive Transportation Funding Programs Semi-Annual Review – September 2015," dated December 14, 2015. "Anaheim Rapid Connection and Future Transit Connectivity to OC Streetcar," dated June 27, 2016.
120.00	Project R - High Frequency Metrolink Service						
121.00	Has Project R increased rail services within the county and provided frequent Metrolink service north of Fullerton to Los Angeles?	Att. A, p. 23, Project R	Operations	30-year	Done to date	Johnny Dunning	Yes. Through the completion of the Metrolink Service Expansion Program (MSEP) capital activities, additional service has been added, providing more intra-county trains. MSEP improvements have added infrastructure to support as many as 76 trains a day, but the Comprehensive Business Plan currently shows that only 59 are sustainable based on projected revenues and operating funds, and that

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							<p>number has been added over the past several years. Ten intra-county trains and two Inland Empire-OC trains have been added since July 2011.</p> <p>Effective October 14, 2019, two of the existing MSEP trains serving Laguna Niguel to Fullerton were extended to serve Los Angeles. A new round trip on the 91 Line was also implemented, providing additional service between Los Angeles and Riverside via Fullerton.</p> <p>In March 2020, all Metrolink services were impacted by the statewide enforcement of stay-at-home orders that resulted from the COVID-19 pandemic. Metrolink implemented temporary service reductions in March and November 2020 due to the decline in ridership. As of December 31, 2021, the three lines serving Orange County (Orange County, Inland Empire-Orange County, and the 91/Perris Valley lines) are operating 41 trains, a 24 percent reduction from the 54 daily trains being run prior to the pandemic. Once ridership recovers following the pandemic, Metrolink and OCTA will reassess the service needs in Orange County and reinstate various trains.</p> <p>Please reference: “Metrolink Service Expansion Program Update,” dated November 26, 2012. “Proposed Fiscal Year 2019-20 (FY20) Southern California Regional Rail Authority Budget,” dated May 13, 2019. “Metrolink Update – Performance Overview, COVID-19 Response, Budget Development,” dated May 11, 2020. “Metrolink Fiscal Year 2020-21 Performance Report,” dated September 13, 2021.</p>
122.00	Has Project R provided for track improvements, more trains, and other related needs to accommodate the expanded service?	Att. A, p. 23, Project R	Capital Programs - Rail	30-year	Done to date	Jim Beil	<p>Yes. Project R has made numerous improvements to passenger rail infrastructure, with more on the way. This is an ongoing program of improvements as needed, based on available Project R and state and federal funding. Current projects include track, signal, and rail crossing improvements to enhance rail operations and safety. Construction of the Laguna Niguel to San Juan Capistrano passing siding was completed in November 2020, environmental clearance work for the Orange County Metrolink Maintenance Facility Station is underway, design for</p>

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							<p>replacement of the San Juan Creek railroad bridge is underway, various safety and security improvements, and work to finalize a south County rail corridor climate change assessment was completed in January 2021. Project development began on numerous Metrolink Southern California Optimized Rail Service (SCORE) project in Orange County which include numerous track and signal improvements to increase rail operations capacity.</p> <p>For 2021 status of Project R improvements, please reference: "Capital Programs Division - Second Quarter Fiscal Year 2021-22 Capital Action Plan Performance Metrics Report," dated February 14, 2022.</p>
123.00	<p>Has the service included upgraded stations and added parking capacity; safety improvements and quiet zones along the tracks; and frequent shuttle service and other means to move arriving passengers to nearby destinations?</p>	Att. A, p. 23, Project R	Capital Programs - Rail	30-year	Done to date	Jim Beil/Dinah Minter	<p>Yes. Construction has been completed on the Orange Metrolink Station parking structure (February 2019), pedestrian access improvements to the undercrossing at Laguna Niguel/Mission Viejo (LN/MV) Station (September 2017), a new second elevator at the Fullerton Station (May 2019) and lighting enhancements at San Clemente Pier (March 2017) new and rehabilitated detectable tiles were installed on train platforms at all stations (June 2021). Project development is underway on a new Metrolink station in the City of Placentia, construction is underway on additional passenger platforms and station track at Anaheim Canyon Station, and environmental clearance work began on the Irvine Station reconfiguration (which is part of the Metrolink SCORE program).</p>
124.00	<p>Has Project R included funding for improving grade crossings and constructing over or underpasses at high volume streets that cross Metrolink tracks?</p>	Att. A, p. 23, Project R	Capital Programs - Rail	30-year	Awaiting Funding Availability	Jason Lee/Jim Beil	<p>Yes. Grade separation environmental documents are completed for the 17th Street grade separation project in Santa Ana, and State College Boulevard project in Anaheim. There are five other grade separations with PSR or PSR equivalents completed and awaiting funding to proceed further.</p>
125.00	Project S - Transit Extensions to Metrolink						
126.00	<p>Has a competitive program been established for local jurisdictions to broaden the reach of the rail system to other activity centers and communities?</p>	Att. A, p. 23, Project S	Planning	30-year	Done to date	Adriann Cardoso/Charvalen Alacar	<p>Yes. Project S Guidelines were developed for both fixed guideway and rubber tire projects and are included in OCTA's Comprehensive Funding Program (CTFP) Guidelines which specifies the criteria for projects to be evaluated when competing for funding. The CTFP Guidelines are updated annually, with the latest revision to the Project S guidelines in August 2017.</p>

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							Please reference: “Measure M2 Comprehensive Transportation Funding Programs – 2018 Annual Call for Projects,” dated August 14, 2017.
127.00	<p>Have proposals for extensions been developed and supported by local jurisdictions and evaluated against well-defined and well-known criteria as follows:</p> <ul style="list-style-type: none"> -Traffic congestion relief? -Project readiness with priority to projects that can be implemented within the first five years of the Plan? -Local funding commitments and the availability of right of way? -Proven ability to attract other financial partners, both public and private? -Cost-effectiveness? -Proximity to jobs and population centers? -Regional as well as local benefits? -Ease and simplicity of connections? -Compatible, approved land uses? -Safe and modern technology? -A sound, long-term operating plan? 	Att. A, p. 23, Project S	Planning	30-year	Done to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. Following the criteria identified in the Ordinance as well as the guidelines specified for Project S in the CTFP Guidelines adopted by the Board, the first round of applications for fixed guideway funding were evaluated on November 22, 2010. The same process was followed for the Rubber Tire call for projects under Project S. The Board approved the Project S Guidelines for the Bus and Station Extension Projects Linking to the Metrolink Corridor on December 12, 2011. All projects recommended to move forward and those not recommended to move forward are presented to the Board as part of Call for Project Programming Recommendations Staff Reports. On June 27, 2016, the Board approved an amendment to Agreement C-1-3115 with City of Anaheim to conclude all planning efforts on their fixed-guideway project.</p> <p>Please reference:</p> <ul style="list-style-type: none"> “Measure M2 Project S Funding Guidelines for Preliminary Engineering (Guideways Only),” dated September 13, 2010. “Project S 2012 Guidelines for Bus and Station Van Extension Projects,” dated December 12, 2011. “Project S Bus and Station Van Extension - 2012 Call for Projects Programming Recommendations,” dated July 23, 2012. “Fixed-Guideway Policy Decisions Overview,” dated May 12, 2014. “Santa Ana/Garden Grove Fixed-Guideway Proposed Financial and Implementation Plans,” dated August 11, 2014. “Memorandum of Understanding with the City of Santa Ana for the Santa Ana/Garden Grove Streetcar Project,” dated July 13, 2015. “Anaheim Rapid Connection and Future Transit Connectivity to OC Streetcar,” dated June 27, 2016.

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
127.01	Has Project S, as required, not been used to fund transit routes that are not directly connected to or that would be redundant to the core rail service on the Metrolink corridor?	Att. A, p. 23, Project S	Planning	30-year	Done to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. Any Project S funds that have been approved by the Board have been consistent with the program guidelines and as such have only been made available for guideway projects and rubber tire projects that directly connect to an existing Metrolink station. On August 11, 2014, the Board approved the use of Project S funds for operations of fixed-guideway projects. The OC Streetcar Project funding plan (revised) was approved by the Board on July 9, 2018.</p> <p>Please reference the following for documentation of compliance: "Measure M2 Project S Programming Recommendations," dated November 22, 2010. "Measure M2 Project S Cooperative Agreements with Cities of Anaheim and Santa Ana for Funding the Preliminary Engineering Phase of Proposed Fixed-Guideway Systems," dated March 14, 2011. "Project S Bus and Station Van Extension - 2012 Call for Projects Programming Recommendations," dated July 23, 2012. "Santa Ana/Garden Grove Fixed-Guideway Proposed Financial and Implementation Plans," dated August 11, 2014. "OC Streetcar Project Revised Funding Plan," dated July 9, 2018. "OC Streetcar Cost and Schedule Update," dated December 13, 2021.</p>
127.02	Has the emphasis been on expanding access to the core rail system and on establishing connections to communities and major activity centers that are not immediately adjacent to the Metrolink corridor?	Att. A, p. 23, Project S	Planning	30-year	Done to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. Planning activities completed to date have been done with an emphasis on expanding access to the core rail system and establishing connections to communities and major activity centers. The OC Streetcar alignment fits this criterion. A key aspect of that evaluation includes detailed study on passengers making connections at the existing stations.</p>
127.03	Have multiple transit projects been funded with no single project being awarded all the funding under this project?	Att. A, p. 23, Project S	Planning	30-year	Done to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. There have been two fixed-guideway projects and four rubber tire projects awarded funding by the Board. Currently one fixed guideway project concept is advancing through the program (OC Streetcar). The rubber tire services have either been completed, cancelled, or extended through Project V.</p> <p>Please reference the following for documentation of compliance: "Measure M2 Project S Programming Recommendations," dated November 22, 2010.</p>

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							<p>"Project S Bus and Station Van Extension - 2012 Call for Projects Programming Recommendations," dated July 23, 2012.</p>
128.00	<p>Have Eligible Jurisdictions, in order to be eligible to receive Net Revenues for Transit Extensions, executed written agreements between the Authority and eligible jurisdictions regarding the respective roles and responsibilities pertaining to construction, ownership, operation and maintenance of the Transit Extensions to Metrolink?</p>	Att. B, Sec. VI.A.2	Planning & Capital Programs - Rail	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. Upon each award of funding from the Board, a cooperative agreement has been executed with each agency to define roles, responsibilities, and terms of funding.</p> <p>On March 14, 2011, and May 20, 2011, respectively, agreements were executed with the cities of Anaheim (C-1-2448) and Santa Ana (C-1-2447) to define roles and responsibilities related to funding the preliminary engineering phase of their respective proposed fixed-guideway projects (Anaheim Rapid Connection [ARC] and OC Streetcar).</p> <p>On August 11, 2014, the Board authorized the CEO to negotiate and execute a cooperative agreement with the Cities of Santa Ana and Garden Grove to define roles and responsibilities for project development through construction of the OC Streetcar (Santa Ana/Garden Grove Fixed-Guideway Project). On August 1, 2015 and May 9, 2016, respectively, agreements were executed with the cities of Santa Ana (C-5-3583) and Garden Grove (C-5-3807) to define roles for the design phase of the OC Streetcar project. On March 17, 2017, an agreement was executed with the City of Santa Ana (C-6-1433) for use of public ROW for the construction, operations and maintenance of the OC Streetcar Project. On April 18, 2017 and May 8, 2017, respectively, agreements were executed with the cities of Santa Ana (C-6-1516) and Garden Grove (C-7-1556) to define roles for the construction phase of the OC Streetcar Project. On June 1, 2017, an amended and restated agreement was executed with the City of Santa Ana (C-94-859) for the Santa Ana Regional Transportation Center and the OC Streetcar.</p>

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							<p>On December 14, 2016, an amendment was executed with the City of Anaheim (C-1-3115) to conclude all planning efforts on the ARC fixed-guideway project, and to determine OCTA would serve as the lead agency for any future phases of the project.</p> <p>For the Rubber Tire Program, Cooperative Agreements were established in 2012 with City of Anaheim (C-2-1668) and City of Lake Forest (C-2-1667). As of 2020, all agreements have either been cancelled or completed.</p> <p>Note: The Anaheim project was extended under the Project V program.</p>
129.00	<p>Has a countywide competitive procedure for Project S been prepared in consultation with eligible jurisdictions and adopted by the Authority which included an evaluation process and methodology applied equally to all candidate projects?</p>	Att. B, Sec. VI.B.3	Planning	One-time	Done to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. Project S Guidelines were developed for both fixed guideway and rubber tire projects in consultation with local jurisdictions.</p> <p>On September 13, 2010, the Board approved Project S funding guidelines for fixed-guideway projects, and on November 22, 2010, the Board evaluated and awarded funds to Anaheim and Santa Ana for preliminary engineering of fixed-guideway projects.</p> <p>The same process was followed for the rubber tire projects under Project S. On December 12, 2011, the Board approved the Project S Guidelines for the Bus and Station Extension Projects Linking to the Metrolink Corridor, and on July 23, 2012, funds were awarded to Anaheim and Lake Forest based on Board-approved criteria.</p> <p>Please reference: "Measure M2 Project S Funding Guidelines for Preliminary Engineering (Guideways Only)," dated September 13, 2010. "Measure M2 Project S Programming Recommendations," dated November 22, 2010. "Project S 2012 Guidelines for Bus and Station Van Extension Projects," dated December 12, 2011. "Project S Bus and Station Van Extension - 2012 Call for Projects Programming Recommendations," dated July 23, 2012.</p>

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130.00	Project T - Convert Metrolink Stations to Regional Gateways						
131.00	Has the program provided local improvements necessary to connect planned future high speed rail systems to stations on the Orange County Metrolink route?	Att. A, p. 24, Project T	Planning & Capital Programs - Rail	30-year	Done to date	Jim Beil & Adriann Cardoso/Charvalen Alacar	Yes. ARTIC, designed to accommodate future High-Speed rail service and will serve as the southern terminus for the California High Speed Rail in Orange County, opened in December 2014. Upon completion, the Board moved the remainder of Project T funding to Project R and Project U. Please reference: "Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan Amendment Update," dated March 14, 2016.
132.00	Have eligible Jurisdictions, in order to be eligible to receive Net Revenues, executed written agreements with the Authority regarding the respective roles and responsibilities pertaining to construction, ownership, operation and maintenance of the facilities?	Att. B, Sec. VI.B.2	Capital Programs - Rail	Recurring	Done to date	Jim Beil/Dinah Minter	Yes. As part of each project's development process, OCTA enters into cooperative agreements with host cities. These agreements define roles and responsibilities for the representative phase as well as ongoing maintenance of improvements. All train stations have an operations agreement with the respective cities.
133.00	Has a countywide competitive procedure for Project T been prepared in consultation with eligible jurisdictions and adopted by the Authority which included an evaluation process and methodology applied equally to all candidate projects?	Att. B, Sec. VI.B.3	Planning	One-time	Done	Adriann Cardoso/Charvalen Alacar	Yes. A Call for Projects was issued in consultation with local jurisdictions and funds were awarded based on Board-approved criteria on January 26, 2009. Please reference: "Renewed Measure M Project T Funding Guidelines." These guidelines were modified on February 14, 2011. Please reference: "Measure M2 Project T Program Guideline Modifications." On December 14, 2015, an Ordinance Amendment was approved by the Board to closeout Project T. Please reference:

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							"Public Hearing to Amend the Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan for the Transit Program."
134.00	Project U - Expand Mobility Choices for Seniors and Persons with Disabilities	Att. B, Sec. VI.C.3.b	F&A, Transit	Recurring	Done to date	Sean Murdock & Joanne Jacobsen	Yes. See General Accounting payments for SMP funds for FY 2020-21. Also see the Agreed-Upon Procedures applied to the FY 2021 Measure M2 Status Report. Please reference: "Fiscal Year 2020-21 Single Audit and Agreed-Upon Procedures Reports," Attachment D, dated January 24, 2022. M2 Revenue and Expense Report through 6-30-2020 M2 Revenue and Expense Report through 6-30-2021 FY 2020-21 Project U SMP Payments
135.00	Has one percent of Net Revenues been allocated to the County to augment existing senior non-emergency medical transportation services funded with Tobacco Settlement funds?	Att. B, Sec. VI.C.3.a	F&A	Recurring	Done to date	Sean Murdock & Joanne Jacobsen	Yes. See General Accounting payments for SNEMT funds for FY 2020-21. Also see the Agreed-Upon Procedures to the Measure M2 Status Report for FY 2021 related to Senior Non-Emergency Medical Transportation. Please reference: "Fiscal Year 2020-21 Single Audit and Agreed-Upon Procedures Reports," Attachment D, dated January 24, 2022. M2 Revenue and Expense Report through 6-30-2020 M2 Revenue and Expense Report through 6-30-2021 FY 2020-21 M2 Project U SNEMT Payments
136.00	Has the County continued to fund these services in an amount equal to the same percentage of the total annual Tobacco Settlement funds received by the County?	Att. B, Sec. VI.C.3.a	F&A	Recurring	Done to Date	Sean Murdock & Joanne Jacobsen	Yes. The County is required to allocate at least 5.27% of Tobacco Settlement Revenue (TSR) funds to meet their MOE obligation under M2. The County allocation for FY 2020-21 was 5.27%. See supporting documentation from the County showing Measure H Tobacco Settlement Revenues allocated to SNEMT. Please reference: "FY 2020-21 SNEMT MOE Verification," correspondence dated January 10, 2022.

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137.00	Have Net Revenues been annually allocated to the County in an amount no less than the Tobacco Settlement funds annually expended by the County for these services and no greater than one percent of Net Revenues plus any accrued interest?	Att. B, Sec. VI.C.3a	F&A	Recurring	Done to date	Sean Murdock & Joanne Jacobsen	Yes. The M2 SNEMT funding allocation to the County for FY 2020-21 of \$3,210,860.47 exceeded TSR funding of \$1,761,202. Therefore, the M2 funding is no less than the TSR funding, and no more than 1% of net revenue as required under the Ordinance. Please reference: "FY 2020-21 SNEMT MOE Verification," correspondence dated January 10, 2022. FY 2020-21 M2 Project U SNEMT Payments
138.00	Has one percent of Net Revenues been allocated to continue and expand the Senior Mobility Program provided by the Authority in 2006 with allocations determined pursuant to criteria and requirements as adopted by the Authority?	Att. B, Sec. VI.C.3.b	F&A, Transit	Recurring	Done to date	Sean Murdock & Joanne Jacobsen	Yes. See General Accounting payments for SMP funds for FY 2020-21. Also see the Agreed-Upon Procedures applied to the FY 2021 Measure M2 Status Report. Please reference: "Fiscal Year 2020-21 Single Audit and Agreed-Upon Procedures Reports," Attachment D, dated January 24, 2022. M2 Revenue and Expense Report through 6-30-2020 M2 Revenue and Expense Report through 6-30-2021 FY 2020-21 Project U SMP Payments
139.00	Has one and forty-seven hundreds percent (Ordinance amendment on 12/14/15 to increase allocation from 1% to 1.47%) of Net Revenues been allocated to partially fund bus and ACCESS fares for seniors and persons with disabilities in an amount equal to the percentage of funding as of the effective date of the Ordinance and to partially fund train and other transit fares for seniors and persons with disabilities as determined by the Authority?	Att. B, Sec. VI.C.3.c	F&A, Transit	Recurring	Done to date	Sean Murdock & Joanne Jacobsen	Yes. See General Accounting Fare Stabilization Revenue Allocation chart. In addition to the 1%, the Board approved an amendment to the M2 Ordinance No. 3 on December 14, 2015 (updated on March 14, 2016), which increased the Fare Stabilization allocation from 1% to 1.47% of Net Revenues. Please reference: "Measure M2 Fare Stabilization Update," dated June 23, 2014. "Measure M2 Fare Stabilization Update," dated September 28, 2015. "Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan Amendment Update," dated March 14, 2016. FY 2020-21 M2 Fare Stabilization Payments
140.00	Project V - Community Based Transit/Circulators						

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141.00	Have all such projects [within Project V], in order to be considered for funding, met performance criteria for ridership, connection to bus and rail services, and financial viability?	Att. A, p. 25, Project V	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. Per the Project V Guidelines adopted by the Board on October 14, 2019, performance criteria for ridership, connections to bus and rail services and financial viability were specifically required to be defined as part of the application process prior to competing and receiving funding.</p> <p>Due to the impacts of the COVID-19 pandemic and the need to re-focus the program on a cost per boarding metric, minimum performance criteria were revised by the Board on January 13, 2021.</p> <p>Please reference: "2020 Project V Community-Based Transit Circulators Program Guidelines and Call for Projects," dated October 14, 2019. "Measure M2 Community-Based Transit Circulators Program Project V Ridership Report and Proposed Program Revisions," dated January 25, 2021.</p>
142.00	Have all such projects been competitively bid?	Att. A, p. 25, Project V	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. Per the 2013, 2015, 2018, and 2020 Project V Guidelines adopted by the Board on November 26, 2012, November 23, 2015, February 12, 2018, and October 14, 2019, projects are required to follow competitive procedures including procurement. Local Agencies followed the procedures where applicable to the nature of their projects and procurement policies.</p> <p>Please reference: "2020 Project V Community-Based Transit Circulators Program Guidelines and Call for Projects," dated October 14, 2019.</p>
143.00	As a condition of being funded, have such projects been determined not to duplicate or compete with existing transit services?	Att. A, p. 25, Project V	Planning, Transit	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. OCTA staff evaluated all project applications before preparing final recommendations for the Board to ensure that proposed services would continue funding existing successful services, new special event services, expand new share-ride hailing options, and allow for future planning. Board approved project allocations on April 13, 2020. OCTA staff will continue to monitor the projects to ensure that services funded with Project V do not duplicate existing transit services.</p> <p>Please reference: "2020 Measure M2 Community-Based Transit Circulators (Project V) Call for Projects Programming Recommendations," dated April 13, 2020.</p>

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144.00	For any of its projects to be eligible for funding, has the Eligible Jurisdiction executed a written agreement with the Authority regarding the respective roles and responsibilities pertaining to construction, ownership, operation and maintenance of the project?	Att. B, Sec. VI.D.2	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. OCTA executed Cooperative Funding Agreements with each local agency and identified roles and responsibilities pertaining to operation, construction, maintenance, and uses of the facilities and vehicles. All M2 funding agreements and Letter agreements are available in the M2 Document Center. A list of the corresponding contract numbers can be found here in the Document Center. Please reference: "Project V Cooperative Agreements," dated December 6, 2021.
145.00	Have any allocations of Net Revenues to such projects been determined pursuant to a countywide competitive procedure adopted by the Authority?	Att. B, Sec. VI.D.3	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. The Board approved updated Project V Guidelines on October 14, 2019, and also issued a call for projects on that date. Please reference: "2020 Project V Community-Based Transit/Circulators Program Guidelines and Call for Projects," dated October 14, 2019.
146.00	Does the competitive procedure include an evaluation process and methodology applied equally to all candidate Community Based Transit/Circulator projects?	Att. B, Sec. VI.D.3	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. See 2020 Project V Guidelines adopted by the Board on October 14, 2019. Please reference: "2020 Project V Community-Based Transit/Circulators Program Guidelines and Call for Projects," dated October 14, 2019.
147.00	Have Eligible Jurisdictions been consulted by the Authority in the development of the evaluation process and methodology?	Att. B, Sec. VI.D.3	Planning	One-time	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. Typically, OCTA has requested letters of interest prior to Project V calls for projects and holds workshops with interested parties to discuss potential changes to the guidelines prior to taking those guidelines to the Board. In the most recent cycle, two workshops were conducted in the Fall of 2019 (September 16, 2019, and November 5, 2019). The first workshop was to further gauge county-wide level of interest in applying for a 2020 call, in addition to letters of interest received, and to gather feedback on potential CTFP Guidelines revisions. The second workshop was focused on providing guidance to local agencies to help them understand CTFP Guidelines revisions and provide feedback regarding application development, evaluation process and methodology.
148.00	Project W - Safe Transit Stops						

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149.00	Have amenities been provided at the 100 busiest transit stops across the County? Were they designed to ease transfer between bus lines and provide amenities such as improved shelters, lighting, current information on bus and train timetables and arrival times, and transit ticket vending machines?	Att. A, p. 25, Project W	Planning	30-year	Done to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. The Board approved Project W CTFP Guidelines revisions and also approved the issuance of 2019 Project W call for projects, in order to allocate funds for the Top 100 Busiest Stops in Orange County. Please reference: "2019 Project W Safe Stops Call for Projects," dated October 22, 2018.</p> <p>On June 24, 2019, Board approved Project W funds for 36 stops. Please reference: "Measure M2 Project W Safe Transit Stops – 2019 Programming Recommendations," dated June 24, 2019.</p> <p>Project W funding is eligible for projects that install new transit shelters at locations where there are no shelters at present, and replace aging shelters, shade, and amenities that have become run down over time. The Board directed staff to issue another Project W call in 2020 to again consider the needs at the 100 busiest bus stops in order to ensure that all eligible entities have another opportunity to apply for funding and improve bus stops. On September 10, 2020, the Board approved a third allocation of Project W funds. Please reference: "Measure M2 Project W Safe Transit Stops – 2020 Programming Recommendations," dated September 14, 2020.</p> <p>Please also reference: "Measure M2 Project W Safe Transit Stops," dated March 10, 2014. "Measure M2 Project W Safe Transit Stops – 2014 Programming Recommendations," dated July 14, 2014. "Comprehensive Transportation Funding Programs Semi-Annual Review – March 2016," dated June 13, 2016.</p>
150.00	Requirements Related to Project X						
151.00	Have Environmental Cleanup funds been used on a countywide, competitive basis to meet federal Clean Water Act standards for controlling transportation-generated pollution as called for in Attachment A?	Att. A, p. 27, Project X	Planning	30-year	Done to date	Dan Phu	Yes. The Board has authorized several countywide competitive calls for projects for both a Tier 1 and Tier 2 environmental cleanup program providing funding to improve water quality. To date, 11 rounds of funding under the Tier 1 grants program have been awarded by the Board. A total of 199 projects in the amount of just over \$30 million have

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							<p>been awarded since 2011. There have been two rounds of funding under the Tier 2 grants program. A total of 22 projects in the amount of \$27.89 million have been awarded by the Board since 2013. To date, all Orange County cities plus the County of Orange have received funding under this program. The next Tier 1 Call for Projects is anticipated in spring 2022. As OCTA continues coordination efforts with the County to assist local jurisdictions in further developing Tier 2-type projects, it is anticipated that there may be sufficient funds to issues two calls during the next decade. Staff anticipates the next Tier 2 call in FY 2022-23, dependent on projected cash flow and local jurisdictions' interest in potential viable Tier 2 projects.</p> <p>For the most recent Tier 1 and Tier 2 guidelines, please reference: "Measure M2 Environmental Cleanup Allocation Program - Tier 1 Grant Program Call for Projects," dated February 8, 2021. "Measure M2 Environmental Cleanup Allocation Program – Funding Program Guidelines Revisions and Tier 2 Grant Program Call for Projects," dated June 10, 2013.</p>
152.00	Does the program augment, not replace existing transportation related water quality expenditures and emphasize high impact capital improvements over local operations and maintenance costs?	Att. A, p. 27, Project X	Planning	30-year	Done to date	Dan Phu	<p>Yes. Requirement is specified in Chapter 11 of the Comprehensive Transportation Funding Guidelines. As a note, Chapter 11 of the CTFP guidelines gets periodic updates to improve on the process. Please reference: "2021 Measure M2 Environmental Cleanup Program Call for Projects," dated February 8 2021, see attached Guidelines Chapter 11.</p>
153.00	Has a comprehensive countywide capital improvement program for transportation related water quality improvements been developed?	Att. A, p. 27, Project X	Planning	One-time, start-up	Done	Dan Phu	<p>Yes. The Board approved a two-tiered funding program for water quality improvement projects. These guidelines are incorporated into Chapter 11 of the Comprehensive Transportation Funding Programs guidelines. To date, 11 rounds of funding under the Tier 1 program and two rounds under the Tier 2 have been allocated for these purposes. Please reference: See Item 151.00 for Tier 1 and Tier 2 Guideline Revisions and Call for Projects. Measure M2 Environmental Cleanup Program – A Two-Tier Grant Funding Approach," dated May 24, 2010. "2021 Measure M2 Environmental Cleanup Program Call for Projects," dated February 8, 2021, see attached Guidelines chapter 11.</p>

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154.00	Has a competitive grant process to award funds to the highest priority, most cost-effective projects been developed?	Att. A, p. 27, Project X	Planning	One-time, start-up	Done	Dan Phu	Yes. The Tier 1 and Tier 2 project evaluation criteria were adopted by the Board and integrated as Chapter 11 of the Comprehensive Transportation Funding Guidelines. As a note, Chapter 11 of the CTFP guidelines gets periodic updates to improve on the process. Please reference: "2021 Measure M2 Environmental Cleanup Program Call for Projects," dated February 8, 2021, see attached Guidelines chapter 11.
155.00	Has a matching requirement to leverage federal, state and local funds for water quality improvement been established?	Att. A, p. 27, Project X	Planning	One-time, start-up	Done	Dan Phu	Yes. The Tier 1 and Tier 2 project evaluation criteria were adopted by the Board and integrated as Chapter 11 of the Comprehensive Transportation Funding Guidelines. As a note, Chapter 11 of the CTFP guidelines gets periodic updates to improve on the process. Please reference: "2021 Measure M2 Environmental Cleanup Program Call for Projects," dated February 8, 2021, see attached Guidelines chapter 11.
156.00	Has an MOE requirement been established to ensure that funds augment, not replace existing water quality programs?	Att. A, p. 27, Project X	Planning	One-time, start-up	Done	Dan Phu	Yes. These are specified in Chapter 11 of the Comprehensive Transportation Funding Guidelines. Also, this becomes part of the evaluation process for candidate projects. Please reference: "2021 Measure M2 Environmental Cleanup Program Call for Projects," dated February 8, 2021, see attached Guidelines chapter 11.
157.00	Has there been annual reporting on actual expenditures and assessment of water quality benefits provided?	Att. A, p. 27, Project X	Planning, External Affairs	Recurring	Done to date	Dan Phu & Marissa Espino	Yes. Reports occur through the Semi-Annual Review Process. Please reference: "Comprehensive Transportation Funding Programs Semi-Annual Review - September 2021," dated December 13, 2021.
158.00	If there has been any misuse of these funds, have penalties been imposed?	Att. A, p. 27, Project X	Planning	Recurring	N/A	Dan Phu	Not applicable because there has been no finding of misuse of funds to-date. Assessment of appropriate use occurs through the initial and final payment processes and Semi-Annual Review process.
159.00	Has an Environmental Cleanup Allocation Committee (ECAC), including the following 12 voting members, but not including any elected public officer, been established: <ul style="list-style-type: none"> - One representative of the County of Orange? - Five representatives of cities (one per supervisorial district)? - One representative of the Caltrans? 	Att. B, Sec. VII.B.1.i-vii	Planning, External Affairs	Recurring	Done to date	Dan Phu & Marissa Espino	Yes. Creation of ECAC occurred in 2008. The initial roster was presented to the Board on August 25, 2008, as Attachment B to the Staff Report. ECAC members are recruited following the requirements upon any vacancies. Member rosters for each year are saved in the M2 Document Center. Please reference:

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	<ul style="list-style-type: none"> - Two representatives of water or wastewater public entities? - One representative of the development industry? - One representative of private or non-profit organizations involved in water quality protection/enforcement matters? 						"Status Report on Renewed Measure M Environmental Programs," dated August 25, 2008. "ECAC Roster 2021"
160.00	Does the ECAC also include one representative of the Santa Ana Regional Water Quality Control Board and one representative of the San Diego Regional Water Quality Control Board as non-voting members?	Att. B, Sec. VII.B.1.i-vii	Planning, External Affairs	Recurring	Done	Dan Phu	Yes. Creation of ECAC occurred in 2008. The initial roster was presented to the Board on August 25, 2008, as Attachment B to the Staff Report. Member rosters for each year are saved in the M2 Document Center. Please reference: "Measure M2 Environmental Cleanup Program Updates and Next Steps," dated December 11, 2017. "ECAC Roster 2021"
161.00	Has the Environmental Cleanup Allocation Committee recommended to the Authority for the Authority's adoption the following:	Att. B, Sec. VII.B.2.	Planning	One-time, start-up	Done	Dan Phu	See items 161.01 - 161.04
161.01	A competitive grant process for the allocation of Environmental Cleanup Revenues as set forth in Attachment B.	Att. B, Sec. VII.B.2.a	Planning	One-time, start-up	Done	Dan Phu	Yes. The Environmental Cleanup Allocation Committee (ECAC) created guidelines that were approved by the Board on February 14, 2011. This is also included in Chapter 11 of the CTFP. Please reference: "Measure M2 Environmental Cleanup Allocation Program - Incorporation into the Comprehensive Transportation Funding Program and Tier 1 Grant Program 2011 Call for Projects," dated February 14, 2011. "2021 Measure M2 Environmental Cleanup Program Call for Projects," dated February 8, 2021, see attached Guidelines chapter 11.
161.02	A process requiring that allocated Environmental Cleanup Revenues supplement and not supplant other applicable funding sources.	Att. B, Sec. VII.B.2.b	Planning	One-time, start-up	Done	Dan Phu	Yes. The ECAC ensures that as part of the application process that projects meet the criteria specified in the Ordinance. This is part of the guidelines which are included in Chapter 11 of the CTFP. Please reference: "2021 Measure M2 Environmental Cleanup Program Call for Projects," dated February 8, 2021, see attached Guidelines chapter 11.
161.03	Allocation of Environmental Cleanup Revenues for proposed projects and programs.	Att. B, Sec. VII.B.2.c	Planning	Recurring	Done to date	Dan Phu	Yes. The ECAC reviews applications and makes recommendations on funding allocation, which is then approved by the Board. Please reference:

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							"Comprehensive Transportation Funding Programs - Project X, Tier 1 Fiscal Year 2021-22 Call for Projects Programming Recommendations," dated August 9, 2021.
161.04	An annual reporting procedure and method to assess water quality benefits provided by the projects and programs.	Att. B, Sec. VII.B.2.d	Planning, External Affairs	Recurring	Done to date	Dan Phu	Yes. The ECAC has developed a database to estimate the trash removed by the funded Tier 1 and Tier 2 projects to report on benefits of the program. This is an ongoing process. Updates have been provided to the ECAC and then to the Board on December 11, 2017. Please reference: "ECAC Agenda 12-11-2014" "OCTA Measure M2 Tier 1 and Tier 2 – Potential Water Resources Benefits of Funded Projects Memo from Geosyntec Consultants 4-22-2015" "Measure M2 Environmental Cleanup Program Updates and Next Steps," dated December 11, 2017.
162.00	Safeguards and Audits						
163.00	The requirements listed in Attachment A page 28-29 are covered in other areas of the matrix as they relate to quarterly and annual reporting.	Att. A, p.28-29					
164.00	Requirements Related to the Taxpayers Oversight Committee (TOC)						
165.00	Was a Taxpayers Oversight Committee established for the purpose of overseeing compliance with the Ordinance as specified in Attachment B, Section IV and organized and convened before any Revenues were collected or spent pursuant to the Ordinance?	Att. C, Sec. I	External Affairs	One-time, start-up	Done	Alice Rogan	Yes. The TOC updated the former procedures from the M1 COC to accommodate additional responsibilities under M2 in August 2007. Please reference: "TOC Agenda Packet," dated August 28, 2007.
166.00	Has the TOC been governed by its 11 members and the provisions relating to membership (including initial and ongoing appointment, geographic balance, terms, resignation, removal, reappointment, and vacancies) consistent with Attachment C of the Ordinance been followed?	Att. C, Secs. II, and III	External Affairs	Recurring	Done to date	Alice Rogan	Yes. The TOC is governed by 11 members and the provisions relating to membership (including initial and ongoing appointment, geographic balance, terms, resignation, removal, reappointment, and vacancies), are consistent with Attachment C of the Ordinance. Please reference:

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							"TOC Member Terms Roster History (1997-2021)," dated December 7, 2021.
167.00	Has the Committee carried out the following duties and responsibilities:	Att. C, Sec. IV	External Affairs	Recurring		Alice Rogan	See Items 167.01-167.11 below.
167.01	Did the initial Members of the TOC adopt procedural rules and regulations as are necessary to govern the conduct of Committee meetings as described in Attachment C?	Att. C, Sec. IV.A	External Affairs	One-time, start-up	Done	Alice Rogan	Yes. The TOC updated the former procedures from the M1 COC to accommodate additional responsibilities under M2 in August 2007. Please reference: "TOC Agenda Packet," dated August 28, 2007. On June 14, 2016, the TOC updated the committee's Mission Statement and Policies and Procedures to remove responsibilities due to the close-out of M1. Please reference: "TOC Agenda Packet," dated August 9, 2016, for the June 14, 2016, meeting minutes.
167.02	Did the Committee approve by a vote of not less than 2/3 of all Committee members, any amendments to the Plan which changed the funding category, programs or projects identified on page 31 of the Plan?	Att. C, Sec. IV.B	External Affairs	Recurring	Done to date	Alice Rogan	Yes. The TOC approved the first amendment to the M2 Transportation Investment Plan on October 9, 2012, and the third amendment on November 10, 2015 (Ordinance amendments do not require TOC approval). Please reference: "Public Hearing to Amend the Measure M2 Transportation Investment Plan for the Freeway Program," dated November 9, 2012 for Amendment #1. "Public Hearing to Amend the Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan for the Transit Program," dated December 14, 2015 for Amendment #3.
167.03	Did the TOC receive and review, as a condition of eligibility for M2 funds, from each jurisdiction the following documents as defined in Att. B, Sec. I?	Att. C, Sec. IV.C and	Planning, External Affairs	Recurring	Done to date	Alice Rogan & Adriann Cardoso/	The Annual Eligibility Review Subcommittee reviewed applicable eligibility requirements on September 28, 2021, and the full TOC approved them on October 12, 2021. Also see Items 167.04-167.08 below. Please reference:

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
						Charvalen Alacar	"TOC Agenda Packet," dated October 12, 2021.
167.04	Congestion Management Program?	Att. C, Sec. IV.C.1 and Att. B, Sec. III.A.1	Planning, External Affairs	Recurring	Done to date	Alice Rogan & Adriann Cardoso/ Charvalen Alacar	This is required on odd numbered years. The TOC reviewed the Congestion Management Program on October 12, 2021. Eligibility determination was presented to the Board on December 13, 2021, as part of the Measure M2 Annual Eligibility Review. The next submittal is due in 2023. Please reference: "TOC Agenda Packet," dated October 12, 2021. "Measure M2 Annual Eligibility Review," dated December 13, 2021.
167.05	Mitigation Fee Program?	Att. C, Sec. IV.C.2 and Att. B, Sec. III.A.2	Planning, External Affairs	Recurring	Done to date	Alice Rogan & Adriann Cardoso/ Charvalen Alacar	This is required on a biennial basis. The TOC reviewed the Mitigation Fee Program on October 12, 2021. Eligibility determination was presented to the Board on December 13, 2021, as part of the Measure M2 Annual Eligibility Review. The next submittal is due in 2023. Please reference: "TOC Agenda Packet," dated October 12, 2021. "Measure M2 Annual Eligibility Review," dated December 13, 2021.
167.06	Expenditure Report?	Att. C, Sec. IV.C.3 and Att. B, Sec. III.8	Finance and Administration, External Affairs	Recurring	Done to date	Alice Rogan & Sean Murdock	Yes. The TOC reviewed the FY 2019-20 Expenditure Reports on April 13, 2021, for all 35 local agencies. Eligibility determination was presented to the Board on June 14, 2021. At the October 12, 2021, TOC meeting, all local agencies were found conditionally eligible to receive net Measure M2 revenues for FY 2021-22. Eligibility determination was presented to the Board on December 13, 2021. Please reference: "TOC Agenda Packet," dated April 13, 2021. "Measure M2 Eligibility Review Recommendations for Fiscal Year 2019-20 Expenditure Reports," dated June 14, 2021. "TOC Agenda Packet," dated October 12, 2021. "Measure M2 Annual Eligibility Review," dated December 13, 2021.

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
167.07	Local Traffic Synchronization Plan?	Att. C, Sec. IV.C.4 and Att. B, Sec. III.A.6	Planning, External Affairs	Recurring	Done to date	Alice Rogan & Adriann Cardoso/Charvalen Alacar	Yes. This is required every three years. The last Local Signal Synchronization Plan review was received and reviewed by the TOC on October 13, 2020, and was presented to the Board on December 14, 2020, as part of the Annual Measure M2 Eligibility Review. The next submittal is due in 2023. Please reference: "TOC Agenda Packet," dated October 13, 2020. "Measure M2 Annual Eligibility Review," dated December 14, 2020.
167.08	Pavement Management Plan?	Att. C, Sec. IV.C.5 and Att. B, Sec. III.7	Planning, External Affairs	Recurring	Done to date	Alice Rogan & Adriann Cardoso/Charvalen Alacar	Yes. 14 agencies update PMPs on odd-year cycle, while 21 agencies update on even-year cycle as part of the Annual Eligibility Review. The TOC reviewed the Pavement Management Plans for even-year agencies on October 13, 2020, and an Eligibility determination was presented to the Board on December 14, 2020, as part of the Measure M2 Annual Eligibility Review. The TOC reviewed the Pavement Management Plans for odd-year agencies on October 12, 2021, and an eligibility determination was presented to the Board on December 13, 2021, as part of the Measure M2 Annual Eligibility Review Please reference: "TOC Agenda Packet," dated October 13, 2020 (for even-year PMPs). "Measure M2 Annual Eligibility Review," dated December 14, 2020 (for even-year PMPs). "TOC Agenda Packet," dated October 12, 2021 (for odd-year PMPs). "Measure M2 Annual Eligibility Review," dated December 13, 2021 (for odd-year PMPs).
167.09	Has the Committee reviewed yearly audits and held an annual hearing to determine whether the Authority is proceeding in accordance with the Plan?	Att. C, Sec. IV.D	External Affairs	Recurring	Done to date	Alice Rogan	Yes. The last Annual Hearing and Compliance Review was completed on June 8, 2021. Please reference: "Taxpayer Oversight Committee Measure M2 Annual Public Hearing Results and Compliance Findings," dated June 28, 2021.

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
167.10	Has the Chair annually certified whether the Revenues have been spent in compliance with the Plan?	Att. C, Sec. IV.D	External Affairs	Recurring	Done to date	Alice Rogan	Yes. The last Annual Hearing and Compliance Review was completed on June 8, 2021. A memo from the TOC Chairman was presented to the Board on June 28, 2021. Please reference: "Taxpayer Oversight Committee Measure M Annual Public Hearing Results and Compliance Findings," dated June 28, 2021.
167.11	Has the Committee received and reviewed the performance assessment conducted by the Authority at least once every three years to review the performance of the Authority in carrying out the purposes of the Ordinance?	Att. C, Sec. IV.E	External Affairs	Recurring	Done to date	Alice Rogan	Yes. The TOC has received and reviewed the performance assessments conducted by the Authority at least once every three years to review the performance of the Authority in carrying out the purposes of the Ordinance. Assessments have been reviewed by the TOC on December 14, 2010, April 9, 2013, June 14, 2016, and April 9, 2019. The fifth assessment is currently underway and will be presented to the TOC in spring 2022. Please reference: "TOC Agenda Packet," dated December 14, 2010. "TOC Agenda Packet," dated April 9, 2013. "TOC Agenda Packet," dated June 14, 2016. "TOC Agenda Packet," dated April 9, 2019.