



Measure M2 Taxpayer Oversight Committee Teleconference Notice

Committee Members:

Frank Davies: Orange County Auditor-Controller
Douglas P. Gillen
Pauline E. Merry
Larry Tekler
Mark Kizzar
Ronald T. Randolph
Tuan Nguyen
Larry A. Lang
Michael Pascual
Jeffrey Kaplan
Douglas Anderson

Teleconference Sites:

Orange County Transportation Authority - Headquarters
550 S. Main Street
Conference Room 07
Orange, CA

Guidance for Public Access to this Taxpayer Oversight Committee (TOC) Meeting:

Governor Gavin Newsom enacted Executive Orders N-25-20 and N-29-20 authorizing a local legislative body to hold public meetings via teleconferencing and make public meetings accessible telephonically or electronically to all members of the public to promote social distancing due to the state and local State of Emergency resulting from the threat of Novel Coronavirus (COVID-19).

In accordance with Executive Order N-29-20, and in order to ensure the safety of the Orange County Transportation Authority (OCTA) TOC Members and staff and for the purposes of limiting the risk of COVID-19, in-person public participation at public meetings of the OCTA will not be allowed during the time period covered by the above-referenced Executive Orders.

Instead, members of the public can listen to AUDIO live streaming of the May 12, 2020 5 p.m. Special Taxpayer Oversight Committee meeting by clicking the below link: <http://www.octa.net/About-OCTA/Who-We-Are/Board-of-Directors/Live-and-Archived-Audio/>

Public comments may be submitted for the upcoming May 12, 2020 Special Taxpayer Oversight Committee meeting by emailing them to publiccomments@octa.net. **If you wish to comment on a specific agenda item, please identify the committee name and item number in your email.** All public comments that are timely received will be part of the public record and distributed to the TOC. Public comments will be made available to the public upon request. In order to ensure that staff has the ability to provide comments to the TOC Members in a timely manner, please submit your public comments 30 minutes prior to the start time of the Committee meeting date.

Agenda Descriptions/Public Comments on Agenda Items

The Agenda descriptions are intended to give notice to members of the public of a general summary of items of business to be transacted or discussed. Members from the public wishing to address the Committee will be recognized by the Chairman at the time the Agenda item is to be considered. A speaker's comments shall be limited to three (3) minutes.

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA at (714) 560-5611, no less than two (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

SPECIAL MEETING AGENDA

- 1. Welcome**
- 2. Pledge of Allegiance**
- 3. Approval of Minutes/Attendance Report for February 11, 2020**
- 4. Action Items**
 - A. Measure M2 Annual Eligibility Review Subcommittee Recommendations for Fiscal Year 2019-20 Expenditure Reports
Dr. Pauline Merry, Annual Eligibility Review Subcommittee
 - B. M2 Quarterly Revenue & Expenditure Report (March 2020)
Receive and File - Sean Murdock, Director, Finance and Administration
- 5. Presentation Items**
 - A. OCLTA / Measure M2 Finance Update
Sean Murdock, Finance and Administration Director
 - B. Proposed Amendment to OCLTA Ordinance #3
Kia Mortazavi, Executive Director, Planning
 - C. Capital Projects Update
Jim Beil, Executive Director, Capital Programs
- 6. OCTA Staff Updates**
 - A. Ordinance Compliance Matrix
Tamara Warren, Program Manager, M2 Program Office
 - B. South County Traffic Relief Effort Update
Kia Mortazavi, Executive Director, Planning
 - C. Measure M2 Community-Based Transit Circulators Program Project V
Joseph Alcock, Section Manager, M2 Local Programs
 - D. Upcoming Annual Hearing
Alice Rogan, Director, Marketing and Public Outreach
 - E. Staff Liaison
Alice Rogan, Director, Marketing and Public Outreach
- 7. Annual Eligibility Review Subcommittee Report**
- 8. Audit Subcommittee Report**
- 9. Environmental Oversight Committee Report**
- 10. Committee Member Reports**
- 11. Adjournment**

The next meeting will be held via teleconference on June 9th, 2020 at 6pm

INFORMATION ITEMS

Staff Report Title	Board Meeting Date
1. Regional Traffic Signal Synchronization Program Update	February 10, 2020
2. Second Quarter Fiscal Year 2019-20 Capital Action Plan and Performance Metrics Report	February 10, 2020
3. Measure M2 Quarterly Progress Report for the Period of October 2019 Through December 2019	March 9, 2020
4. Environmental Mitigation Program Endowment Fund Investment Report for December 31, 2019	March 9, 2020
5. OC Streetcar Project Quarterly Update	March 23, 2020
6. Measure M2 Maintenance of Effort, Agreed-Upon Procedures Report, City of Stanton, Year Ended June 30, 2019	March 23, 2020
7. Measure M2 Maintenance of Effort, Agreed-Upon Procedures Report, City of Santa Ana, Year Ended June 30, 2019	March 23, 2020
8. Fiscal Year 2020-21 Updates to the Measure M2 Eligibility, Local Signal Synchronization Plan, and Pavement Management Plan Guidelines	April 13, 2020
9. Measure M2 Eligibility for the City of Stanton	April 13, 2020
10. Measure M2 Eligibility for the City of Santa Ana	April 13, 2020
11. Measure M2 Agreed-Upon Procedures Reports, Year Ended June 30, 2019	April 27, 2020

Measure M Taxpayer Oversight Committee
Orange County Transportation Authority
550 S. Main Street, Orange CA, Room 07
February 11, 2020 @ 5:00 p.m.

MEETING MINUTES

Committee Members Present:

Frank Davies, Orange County Auditor-Controller, Chair
Douglas P. Gillen, First District Representative
Dr. Pauline Merry, First District Representative
Mark Kizzar, Second District Representative
Larry Tekler, Second District Representative, Co-Chairman
Tuan Nguyen, Third District Representative
Ronald Randolph, Third District Representative
Michael Pascual, Fourth District Representative
Douglas Anderson, Fifth District Representative
Jeffery Kaplan, Fifth District Representative

Committee Member(s) Absent:

Larry Lang, Fourth District Representative

Orange County Transportation Authority Staff Present:

Joseph Alcock, M2 Local Programs Section Manager
Chris Boucly, Public Outreach Section Manager
Christina Byrne, Public Outreach Department Manager
Francesca Ching, Measure M2 Program Analyst
Jared Hill, Community Relations Specialist
Jeff Mills, Capital Programs Senior Program Manager
Kia Mortazavi, Executive Director of Planning
Sean Murdock, Finance and Administration Director
Andrew Oftelie, Chief Financial Officer
Alice Rogan, Director, Marketing & Public Outreach
Tamara Warren, Measure M Program Manager

1. Welcome

Chair Frank Davies welcomed everyone to the Orange County Transportation Authority (OCTA) Taxpayer Oversight Committee (TOC) meeting at 5:02p. He asked everyone to introduce themselves.

2. Pledge of Allegiance

Chair Frank Davies led the Pledge of Allegiance to the Flag.

3. Approval of Minutes/Attendance Report for October 8, 2019

Chair Frank Davies asked if there are any corrections to the Minutes/Attendance Report for October 8, 2019. A motion was made by Jeffery Kaplan,

seconded by Douglas P. Gillen and carried unanimously to approve the October 8, 2019 TOC Minutes and the Attendance Report.

4. Action Items

- A. Measure M2 Quarterly Revenue and Expenditure Report (June 19)
- B. Measure M2 Quarterly Revenue and Expenditure Report (September 19)

- C. Measure M2 Quarterly Revenue and Expenditure Report (December 19)
Sean Murdock gave an overview of the December 2019 Measure M2 Quarterly Revenue and Expenditure Report, but first explained why the June report is just now going to the TOC. He said June is OCTA's year-end and OCTA was waiting on the comprehensive annual financial report (CAFR) to be complete before finalizing the report.

For December 19, there are two important numbers to look at – how much OCTA has collected to date and the forecasted sales numbers over the life of the program. He said the California Department of Tax and Fee Administration (CDTFA) has continued to be delayed on distribution of sales tax allocations, so in the report it looks like sales tax revenue is flat. OCTA believes it will continue to grow at least two percent. OCTA's sales tax forecaster believes it will grow even more to 2.5 percent and by the end of the year OCTA should meet its budget and then some. On the report it shows the forecasted amount over the life of the program. Last year, revenue was up \$300 million over what was forecasted. OCTA will update the forecast in the October/November 2020 timeframe. Sean went through the expenditures and explained the majority went to the I-405 Project, Local Fair Share Programs and the OC Streetcar Project. He also pointed out where OCTA borrowed money and how administrative costs were incurred. The committee asked about the implications of the Dakota vs Wayfair decision. Sean Murdock said California is now enforcing the collection of online sales tax for out of state transactions. He said Muni Services was therefore more optimistic on M2's revenue collection. Muni Services actually predicted a 4-5 percent growth in sales-tax collection due to this decision, but OCTA had budgeted 2.5 percent. They feel optimistic about a greater collection. Sean said OCTA is not seeing the growth yet due to the late distribution of funds.

The committee asked if there is an opportunity to retrieve interest on the late payments for sale-tax revenue. Sean Murdock said OCTA has not pursued that as of yet.

A motion was made by Dr. Ronald Randolph, seconded by Michael Pascual and carried unanimously to approve the Measure M2 Quarterly Revenue and Expenditure Reports for June, September and December 2019.

5. Presentation Items

A. Measure M2 2019 Update: Next 10 Delivery Plan

Tamara Warren introduced Francesca Ching who presented the Update on the Measure M2 2019: Next 10 Delivery Plan. Francesca provided some background on Measure M2. She said OCTA developed delivery plans to accelerate programs as much as possible including: the Early Action Plan, M2 2020 Plan and the Next 10 Delivery Plan. Annually, staff reviews the Next 10 Plan to ensure it remains deliverable. The 2019 review incorporated the higher M2 sales tax revenue forecast of \$13.4 billion from the \$13.1 billion forecasted in the 2018 Next 10 Plan and confirmed that original project delivery commitments remain unchanged. A deliverable in the Next 10 Plan commits \$715 million to advance freeway projects through construction, but did not specify which projects. The 2019 update identified five projects that are ready to be advanced: Interstate 605 at the Katella Avenue Interchange; State Route 57 northbound between Orangewood Avenue to Katella Avenue; Interstate 5 (I-5) between Interstate 405 and Yale Avenue; I-5 between Yale Avenue and State Route 55 (SR-55); and SR-55 between I-5 and State Route 91. Francesca said that OCTA will continue to work with transportation partners on delivery of the Next 10 Plan, monitor the risk of the changing environment and return with updates to the TOC.

B. Interstate 405 Improvement Project Update

Jeff Mills provided an I-405 Improvement Project update. He said property acquisitions are on schedule and expected to be complete in the summer of 2020 which will retire a budgetary risk. Construction is about 25 percent complete. The design/builder has approximately 700 workers on the project. More than 40 walls are under construction or complete. Jeff said next steps will include bridge, wall and pavement construction. He said by the end of 2020/early 2021 OCTA anticipates having four, one-stage, bridges fully opened and the first half of four other bridges complete. Jeff talked about some of the challenges. He said OCTA is working closely with the contractor and Caltrans to try to mitigate delays.

Chris Boucly spoke about the ongoing public outreach efforts on the I-405 Improvement Project. Chris said OCTA hosts meetings every time there is a traffic shift or bridge demolition to keep the community informed and understand the impacts. He said several bridges are under construction or starting construction this year. Chris showed a table listing community outreach by the numbers. He talked about next steps including bridge and sound wall related communications, city council meetings, community events and tours.

The committee asked about the express lanes being funded by the TIFIA Loan and the payback period. Andrew Oftelie said the payback of the TIFIA Loan includes a 10 year grace period. OCTA has until 2058 to pay back the loan, but OCTA anticipates that it will be paid back 15 years earlier. He said all net excess revenue must be re-invested back into the corridor.

The committee asked about the seven remaining easements. Jeff Mills said the remaining parcels are owned by public entities and OCTA does not anticipate any issues.

C. Measure M2 Community-Based Transit Circulators Program Project V

Joseph Alcock provided an overview and update on the Project V Community-Based Transit Circulators. He said recently two items went to the OCTA Board of Directors. In October, staff went to the OCTA Board seeking authorization to initiate a fourth Project V Call for Projects. In doing a fourth call, funding guidelines were revised including: focusing on certain types of service (i.e. extensions of existing successful services, new special event services, expanding options for shared-ride hailing, and allowing for planning allocations). He also noted, that OCTA would no longer be a service provider during this call cycle, and also clarified Project V reimbursement processes. He also noted that as part of the call, OCTA had received 13 applications with a total funding request for \$18 million for two fixed route services, three for seasonal fixed route/special event services, one for special event only services, three for demand responsive services, and four for planning studies, and also stated that OCTA anticipated making a final decision on programming recommendation in April 2020.

Mr. Alcock also mentioned that another Project v related item went to the Board in January. He stated that that report focused upon Project V ridership reporting and he noted that 19 Project V service active—including 14 services which were meeting performance expectations, three services that were in their initial start-up periods, and two services that were not meeting expectations.

The committee asked Mr. Alcock if the circulators were exclusively funded by Measure M2 and how the routes are planned. Mr. Alcock responded that there is a minimum 10 percent match component, which local agencies must contribute to the cost of operating the service. Mr. Alcock stated that in terms of the service planning, OCTA provides input, but the projects are essentially designed by the local agencies to meet their own unique local needs.

The committee asked why OCTA had backed away from operating Project V services. Mr. Alcock stated that OCTA was facing several issues. One was a driver shortage and the cities were looking for more frequent changes than OCTA is able to accommodate within its current system. Mr. Alcock also said only about five agencies used OCTA to operate services and it would be down to three agencies by the end of the year.

The committee asked what percentage of the fixed route bus system is contracted out. Alice Rogan said about 40% is contracted out.

The committee asked about the current Project V funded ride-hailing service in San Clemente. Mr. Alcock responded that this service is currently a partnership with Lyft. The committee also asked why more cities are not taking advantage of this type service. Mr. Alcock stated that OCTA was seeing more and more of these types of service requests.

6. OCTA Staff Updates

- A. Measure M2 Performance Assessment – Francesca Ching said the fourth triennial assessment was performed covering July 1, 2015 through June 30, 2018. Overall the report commended OCTA’s management of the Measure M2 program with no major recommendations. An update was provided on the eight recommendations for enhancements, which have all been implemented as appropriate. Highlights include: cyber security enhancements, enhancing the way progress is being captured and reported, memorializing the link between capital projects selection and implementation, and enhancing transparency and awareness of media campaigns including highlighting the experience of the TOC Members.
- B. Staff Liaison Update – Alice Rogan yielded to Jared Hill who spoke about the upcoming recruitment for members in districts 2 and 3. Applications went live on the OCTA website on February 10 and will continue through May 1. The Grand Jurors Association of Orange County (GJAOC) will receive the applications, conduct interviews and select five candidates for the lottery in June.

7. Annual Eligibility Review (AER) Subcommittee Report

There was no AER subcommittee since the last meeting.

8. Annual Audit Subcommittee Report

There was no meeting to report on.

9. Environmental Oversight Committee (EOC) Report

Dr. Pauline Merry said the last EOC meeting was in December and the committee heard a presentation on Preserve Management. Eventually OCTA will not be involved in the management of the preserves. OCTA will be looking to the EOC to look at who logically could be the land managers. Concurrently an endowment has been established for the management of these preserves. The EOC will attend a tour this month of an adjacent property owned by the TCA who is considering opening land up to the general public. OCTA is sponsoring a hike on February 15 at Wren’s View Preserve in Trabuco Canyon.

10. Committee Member Reports

There were no committee member comments.

11. Public Comments

There were no public comments.

12. Adjournment

Next meeting scheduled for April 14, 2020

Taxpayer Oversight Committee

Fiscal Year 2019-2020

Attendance Record

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

Meeting Date	July	13-Aug.	Sept.	8-Oct.	Nov.	10-Dec.	Jan.	11-Feb.	March	14-Apr.	May	9-Jun.
Douglas P. Gillen		X		X		M		X		M		
						E				E		
Pauline Merry		X		X		E		X		E		
						T				T		
Larry Tekler		X		X		I		X		I		
						N				N		
Mark Kizzar		X		X		G		X		G		
Ronald T. Randolph		X		E		C		X		C		
						A				A		
Tuan Nguyen		X		X		N		X		N		
						C				C		
Larry A. Lang		X		X		E		*		E		
						L				L		
Michael Pascual		X		X		L		X		L		
						E				E		
Jeffrey Kaplan		X		X		D		X		D		
Douglas Anderson		X		E				X				
Frank Davies								X				

Absences Pending Approval

<u>Meeting Date</u>	<u>Name</u>	<u>Reason</u>
February 11, 2020	Larry A. Lang	Sick

*Action
Items*



May 12, 2020

To: Taxpayer Oversight Committee

From: Orange County Transportation Authority Staff

Subject: Measure M2 Annual Eligibility Review Subcommittee
Recommendations for Fiscal Year 2018-19 Expenditure Reports

Overview

The Measure M2 Ordinance requires that all local agencies annually satisfy eligibility requirements in order to receive Measure M2 net revenues. The Annual Eligibility Review Subcommittee has completed its review process for fiscal year 2018-19 Expenditure Reports and its findings are presented for Taxpayer Oversight Committee receipt and review.

Recommendations

Affirm that the Taxpayer Oversight Committee has received and reviewed fiscal year 2018-19 Expenditure Reports from all 35 Orange County local agencies.

Background

According to the Measure M2 (M2) Ordinance, the Taxpayer Oversight Committee (TOC) is responsible for receiving and reviewing several components of each local agencies' M2 Eligibility Submittals. These include the Congestion Management Program, Mitigation Fee Programs, Expenditure Reports, Local Signal Synchronization Plans, and Pavement Management Plans. The eligibility component that is currently due are fiscal year (FY) 2018-19 Expenditure Reports.

Consistent with M2 Eligibility Guidelines, local agencies are required to submit M2 annual Expenditure Reports within six months of the close of the FY. Local jurisdictions are required to report on the usage of M2 funds, developer/traffic impact fees, and funds expended to satisfy M2 Maintenance of Effort (MOE) requirements. The TOC relies on the Annual Eligibility Review (AER) Subcommittee to review Expenditure Reports (in addition to other eligibility components). The AER Subcommittee has completed its review for this FY and key findings are discussed below.

Discussion

In compliance with Gov. Gavin Newsom's executive order to stay at home, OCTA cancelled the April 7, 2020 AER Subcommittee meeting. However, in order to keep the Eligibility Review process moving, AER Subcommittee members were sent all regularly scheduled meeting materials to review independently. These materials included FY 2018-19 Expenditure Reports and AER Review Checklists for AER Subcommittee members to complete, sign, and return to OCTA.

Throughout mid-April, AER Subcommittee members reviewed all materials provided and were given the opportunity to submit questions to OCTA via email. A summary of questions received and OCTA's responses is provided in Attachment A. As of April 25, 2020, all AER Subcommittee members completed their respective reviews of the materials provided and also confirmed that all 35 Orange County local agencies had submitted appropriate documentation in order satisfy M2 Eligibility Expenditure Report requirements for FY 2019-20, and a summary of these reviews and conclusions is provided in Attachment B. As Attachment B indicates, all 35 Orange County local agencies were found by the AER Subcommittee to have submitted all required Expenditure Report information.

Every year, the AER subcommittee may recommend local agencies for audit based on information provided in the expenditure reports. This year the AER Subcommittee is recommending to the TOC and the Audit Subcommittee that the City of Lake Forest's Maintenance of Effort expenditures be audited during the next audit review cycle.

Next Steps

Given the AER Subcommittee's findings identified in this report, TOC affirmation of its receipt and review of these materials is now requested. If the TOC approves these recommendations, OCTA staff will then present the TOC's eligibility findings to the OCTA Regional Planning and Highways Committee and OCTA Board of Directors in June for a final finding of eligibility for all 35 Orange County local agencies for FY 2019-20.

Summary

The AER Subcommittee has completed its receipt and review of FY 2018-19 M2 Expenditure Reports and its findings are presented for TOC review, consideration, and affirmation.

Attachment

- A. Summary of AER Subcommittee Member Questions Submitted to OCTA Staff During the AER Subcommittee Review Process
- B. FY 2019-20 Measure M2 Eligibility Review of FY 2018-19 Expenditure Reports Summary

Summary of Annual Eligibility Review (AER) Subcommittee Member Questions Submitted to OCTA Staff During the AER Subcommittee Review Process

Question 1: It was noted that the Maintenance of Effort (MOE) benchmark is required to be readjusted every three years. If the current MOE benchmark is 2014, that would indicate that an adjustment was made in 2017 and another should be pending this year. Is this correct?

Answer 1: Yes, this is correct. The MOE benchmark was updated this year and approved by the OCTA Board on Monday, April 13, 2020. It will go into effect starting July 1, 2020 for FY 2020-21 Measure M (M2) Eligibility Cycle.

Question 2: How is it that the County of Orange (County), while not a city, does not show any expenditures or benchmarks on their first page?

Answer 2: The original MOE benchmark was established in 1991 with the first Measure M (M1) Program using a five-year average of the level of funding local jurisdictions spent on streets and roads between 1985 and 1990. However, Orange County Public Works and their predecessor agencies received (and continue to receive) sufficient gasoline tax subventions and other transportation specific funding from State, Federal and local sources which must be used for transportation. Therefore, they did not (and do not) use discretionary funds for transportation purposes. The County uses a number of fund sources for transportation including gasoline tax subventions or Highway User Tax Account (HUTA) funds, federal grants, assessment districts, developer impact fees, and other transportation specific fund sources. This is why the MOE requirement does not apply to the County and why their paperwork does not show any MOE expenditures.

Question 3: A review of the submittal from the City of Tustin (City) indicates that there are some issues. Are these to be resolved before the AER Subcommittee can move their submittal forward to the entire Taxpayer Oversight Committee?

Answer 3: After submitting their Expenditure Report in December 2019, Tustin realized they had underreported Senior Mobility Program (SMP) expenditures by about \$19,000. Since it was an accidental underreporting of expenditures, this was corrected via an administrative amendment. The Expenditure Report that is in the AER packet is the City's amended report, which was reviewed and re-signed by the City's Finance Director on January 28, 2020. As such, the issue has been resolved.

Question 4: It was stated at a previous AER Subcommittee meeting that there were pending issues with the last submittals from Santa Ana and Stanton. Have these been resolved, and is there any way to indicate that they are now in compliance?

Answer 4: These issues have been resolved and on Monday, April 13, 2020, the OCTA Board approved Santa Ana and Stanton to return to an M2 eligible status.

Question 5: On Schedule #4, some cities did not list any projects.

ATTACHMENT A

Answer 5: The Cities of Laguna Niguel and Villa Park had no Local Fair Share (LFS) expenditures for the fiscal year and therefore did not list any LFS projects on Schedule #4. This is allowable because local agencies have up to three years from the date of receipt of LFS funds to use them. In addition, local agencies can request an extension from OCTA to allow for up to five years to expend the funds, if needed.

Question 6: On some of Schedule #4, some cities listed admin costs. Are these allowable? It was my understanding that these funds were to be spent was on Projects A through X exclusively.

Answer 6: Administrative (Indirect or overhead costs) expenses are allowable as it relates to LFS projects. Local agencies need to have a methodology for the allocation of administration costs to these projects and ensuring that local agencies have cost allocation methodologies in place, is an included part of annual local agency audits.

Question 7: For Lake Forest, Schedule 3, the first column "MOE" has a total amount, but no entries in the line items above it describing the type of expenditure. That will also make the last column "Total" incorrect.

Answer 7: OCTA contacted the City of Lake Forest and requested an amended Expenditure Report via an administrative amendment. The amended report the City provided listed all MOE expenditures in the "Other" category. OCTA asked the City to clarify the nature of these "Other" MOE expenditures. The City indicated that these include street sweeping and maintenance of medians including landscaping and irrigation related costs. While these categories may be allowable MOE expenditures, there is not sufficient information to confirm. As such, the AER Subcommittee is encouraged to consider recommending this City for audit of MOE expenditures.

**FY 2019-20 Measure M2 Eligibility Review
of FY 2018-19 Expenditure Reports Summary**

Local Jurisdiction	Expenditure Report Received by Deadline	Resolution Received by Deadline	MOE Benchmark Met	Received and Reviewed
Aliso Viejo	Yes	Yes	Yes	Yes
Anaheim	Yes	Yes	Yes	Yes
Brea	Yes	Yes	Yes	Yes
Buena Park	Yes	Yes	Yes	Yes
Costa Mesa	Yes	Yes	Yes	Yes
County of Orange ¹	Yes	Yes	N/A	Yes
Cypress	Yes	Yes	Yes	Yes
Dana Point	Yes	Yes	Yes	Yes
Fountain Valley	Yes	Yes	Yes	Yes
Fullerton	Yes	Yes	Yes	Yes
Garden Grove	Yes	Yes	Yes	Yes
Huntington Beach	Yes	Yes	Yes	Yes
Irvine	Yes	Yes	Yes	Yes
La Habra	Yes	Yes	Yes	Yes
La Palma	Yes	Yes	Yes	Yes
Laguna Beach	Yes	Yes	Yes	Yes
Laguna Hills	Yes	Yes	Yes	Yes
Laguna Niguel	Yes	Yes	Yes	Yes
Laguna Woods	Yes	Yes	Yes	Yes
Lake Forest	Yes	Yes	Yes	Yes
Los Alamitos	Yes	Yes	Yes	Yes
Mission Viejo	Yes	Yes	Yes	Yes
Newport Beach	Yes	Yes	Yes	Yes
Orange	Yes	Yes	Yes	Yes
Placentia	Yes	Yes	Yes	Yes
Rancho Santa Margarita	Yes	Yes	Yes	Yes
San Clemente	Yes	Yes	Yes	Yes
San Juan Capistrano	Yes	Yes	Yes	Yes
Santa Ana	Yes	Yes	Yes	Yes
Seal Beach	Yes	Yes	Yes	Yes
Stanton	Yes	Yes	Yes	Yes
Tustin	Yes	Yes	Yes	Yes
Villa Park	Yes	Yes	Yes	Yes
Westminster	Yes	Yes	Yes	Yes
Yorba Linda	Yes	Yes	Yes	Yes

FY - Fiscal Year

MOE - Maintenance of Effort

N/A - Not Applicable

¹ The original MOE was established in 1991 with the first Measure M (M1) Program using a five-year average of the level of funding local jurisdictions spent on streets and roads between 1985 and 1990. However, Orange County Public Works and their predecessor agencies received sufficient gas tax subventions and other transportation specific funding from State, Federal and other local sources which were required to be used for transportation, they did not and do not use discretionary funds for transportation purposes. The County uses a number of fund sources for transportation including gas tax subvention or Highway User Tax Account (HUTA), federal grants, assessment districts, developer impact fees, and other transportation specific fund sources.

Measure M2
Schedule of Revenues, Expenditures and Changes in Fund Balance
as of March 31, 2020
(Unaudited)

<i>(\$ in thousands)</i>	Quarter Ended Mar 31, 2020	Year to Date Mar 31, 2020 (A)	Period from Inception to Mar 31, 2020 (B)
Revenues:			
Sales taxes	\$ 90,232	\$ 254,570	\$ 2,668,299
Other agencies' share of Measure M2 costs:			
Project related	11,642	63,889	731,674
Non-project related	-	-	454
Interest:			
Operating:			
Project related	(363)	(65)	1,163
Non-project related	6,612	16,280	68,636
Bond proceeds	5,009	10,161	71,648
Debt service	76	241	1,054
Commercial paper	-	-	393
Right-of-way leases	135	204	1,145
Proceeds on sale of assets held for resale	-	-	12,201
Donated assets held for resale			
Project related	-	-	2,071
Miscellaneous:			
Project related	24	41	311
Non-project related	-	-	100
Total revenues	<u>113,367</u>	<u>345,321</u>	<u>3,559,149</u>
Expenditures:			
Supplies and services:			
Sales tax administration fees	956	2,913	29,205
Professional services:			
Project related	8,129	17,984	399,786
Non-project related	959	2,457	29,242
Administration costs:			
Project related	2,519	7,563	80,832
Non-project related:			
Salaries and Benefits	743	2,029	27,136
Other	1,326	3,979	45,994
Other:			
Project related	29	111	5,138
Non-project related	7	244	5,159
Payments to local agencies:			
Project related	27,228	60,564	1,006,421
Capital outlay:			
Project related	64,026	148,176	1,174,159
Non-project related	-	-	31
Debt service:			
Principal payments on long-term debt	8,530	8,530	59,030
Interest on long-term debt and commercial paper	18,085	35,609	214,223
Total expenditures	<u>132,537</u>	<u>290,159</u>	<u>3,076,356</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,170)</u>	<u>55,162</u>	<u>482,793</u>
Other financing sources (uses):			
Transfers out:			
Project related	(7,600)	(29,782)	(234,461)
Transfers in:			
Project related	121	14,581	173,051
Bond proceeds	-	-	804,625
Payment to refunded bond escrow agent	-	-	(45,062)
Total other financing sources (uses)	<u>(7,479)</u>	<u>(15,201)</u>	<u>698,153</u>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	<u>\$ (26,649)</u>	<u>\$ 39,961</u>	<u>\$ 1,180,946</u>

Measure M2
Schedule of Calculations of Net Revenues and Net Bond Revenues (Debt Service)
as of March 31, 2020
(Unaudited)

<i>(\$ in thousands)</i>	Quarter Ended Mar 31, 2020 (actual)	Year to Date Mar 31, 2020 (actual)	Period from Inception through Mar 31, 2020 (actual)	Period from April 1, 2020 through March 31, 2041 (forecast)	Total
	(C.1)	(D.1)	(E.1)	(F.1)	
Revenues:					
Sales taxes	\$ 90,232	\$ 254,570	\$ 2,668,299	\$ 8,238,232	\$ 10,906,531
Operating interest	6,612	16,280	68,636	123,573	192,209
Subtotal	<u>96,844</u>	<u>270,850</u>	<u>2,736,935</u>	<u>8,361,805</u>	<u>11,098,740</u>
Other agencies share of M2 costs	-	-	454	-	454
Miscellaneous	-	-	100	-	100
Total revenues	<u>96,844</u>	<u>270,850</u>	<u>2,737,489</u>	<u>8,361,805</u>	<u>11,099,294</u>
Administrative expenditures:					
Sales tax administration fees	956	2,913	29,205	91,116	120,321
Professional services	959	2,457	25,467	78,093	103,560
Administration costs:					
Salaries and Benefits	743	2,029	27,136	85,128	112,264
Other	1,326	3,979	45,994	143,286	189,280
Other	7	225	2,139	6,430	8,569
Capital outlay	-	-	31	-	31
Environmental cleanup	751	1,774	43,639	164,738	208,377
Total expenditures	<u>4,742</u>	<u>13,377</u>	<u>173,611</u>	<u>568,791</u>	<u>742,402</u>
Net revenues	<u>\$ 92,102</u>	<u>\$ 257,473</u>	<u>\$ 2,563,878</u>	<u>\$ 7,793,014</u>	<u>\$ 10,356,892</u>
Bond revenues:					
Proceeds from issuance of bonds	\$ -	\$ -	\$ 804,625	\$ 597,900	\$ 1,402,525
Interest revenue from bond proceeds	5,009	10,161	71,648	82,242	153,890
Interest revenue from debt service funds	76	241	1,054	4,633	5,687
Interest revenue from commercial paper	-	-	393	-	393
Total bond revenues	<u>5,085</u>	<u>10,402</u>	<u>877,720</u>	<u>684,775</u>	<u>1,562,495</u>
Financing expenditures and uses:					
Professional services	-	-	3,775	2,093	5,868
Payment to refunded bond escrow	-	-	45,062	-	45,062
Bond debt principal	8,530	8,530	59,030	1,228,823	1,287,853
Bond debt and other interest expense	18,085	35,609	214,223	699,918	914,141
Other	-	19	3,020	-	3,020
Total financing expenditures and uses	<u>26,615</u>	<u>44,158</u>	<u>325,110</u>	<u>1,930,834</u>	<u>2,255,944</u>
Net bond revenues (debt service)	<u>\$ (21,530)</u>	<u>\$ (33,756)</u>	<u>\$ 552,610</u>	<u>\$ (1,246,059)</u>	<u>\$ (693,449)</u>

Measure M2
Schedule of Revenues and Expenditures Summary
as of March 31, 2020
(Unaudited)

Project	Description	Net Revenues through Mar 31, 2020	Total Net Revenues	Expenditures through Mar 31, 2020	Reimbursements through Mar 31, 2020	Net M2 Cost
(G)	(H)	(I)	(J)	(K)	(L)	
<i>(\$ in thousands)</i>						
Freeways (43% of Net Revenues)						
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 101,056	\$ 408,218	\$ 9,042	\$ 7,105	\$ 1,937
B	I-5 Santa Ana/SR-55 to El Toro	64,547	260,738	10,389	7,952	2,437
C	I-5 San Diego/South of El Toro	134,812	544,580	177,758	47,760	129,998
D	I-5 Santa Ana/San Diego Interchange Upgrades	55,474	224,086	2,304	527	1,777
E	SR-22 Garden Grove Freeway Access Improvements	25,801	104,226	5	-	5
F	SR-55 Costa Mesa Freeway Improvements	78,694	317,889	33,354	19,684	13,670
G	SR-57 Orange Freeway Improvements	55,624	224,694	51,352	12,306	39,046
H	SR-91 Improvements from I-5 to SR-57	30,102	121,597	34,880	824	34,056
I	SR-91 Improvements from SR-57 to SR-55	89,552	361,752	23,502	22,202	1,300
J	SR-91 Improvements from SR-55 to County Line	75,727	305,903	6,936	5,527	1,409
K	I-405 Improvements between I-605 to SR-55	230,665	931,780	606,452	114,281	492,171
L	I-405 Improvements between SR-55 to I-5	68,739	277,675	9,207	6,954	2,253
M	I-605 Freeway Access Improvements	4,300	17,371	2,133	16	2,117
N	All Freeway Service Patrol	32,252	130,282	5,917	-	5,917
	Freeway Mitigation	55,123	222,673	54,565	2,870	51,695
	Subtotal Projects	1,102,468	4,453,464	1,027,796	248,008	779,788
	Net (Bond Revenue)/Debt Service	-	-	54,147	-	54,147
	Total Freeways	\$ 1,102,468	\$ 4,453,464	\$ 1,081,943	\$ 248,008	\$ 833,935
	%					40.0%
Street and Roads Projects (32% of Net Revenues)						
O	Regional Capacity Program	\$ 256,391	\$ 1,035,702	\$ 757,049	\$ 505,252	\$ 251,797
P	Regional Traffic Signal Synchronization Program	102,552	414,262	66,020	5,054	60,966
Q	Local Fair Share Program	461,498	1,864,241	444,513	77	444,436
	Subtotal Projects	820,441	3,314,205	1,267,582	510,383	757,199
	Net (Bond Revenue)/Debt Service	-	-	60,141	-	60,141
	Total Street and Roads Projects	\$ 820,441	\$ 3,314,205	\$ 1,327,723	\$ 510,383	\$ 817,340
	%					39.2%

Measure M2
Schedule of Revenues and Expenditures Summary
as of March 31, 2020
(Unaudited)

Project	Description	Net Revenues through Mar 31, 2020	Total Net Revenues	Expenditures through Mar 31, 2020	Reimbursements through Mar 31, 2020	Net M2 Cost
(G)	(H)	(I)	(J)	(K)	(L)	
<i>(\$ in thousands)</i>						
Transit Projects (25% of Net Revenues)						
R	High Frequency Metrolink Service	\$ 243,120	\$ 1,032,946	\$ 290,898	\$ 98,743	\$ 192,155
S	Transit Extensions to Metrolink	226,331	914,274	80,740	2,133	78,607
T	Metrolink Gateways	31,460	52,936	98,220	60,956	37,264
U	Expand Mobility Choices for Seniors and Persons with Disabilities	83,136	359,127	79,863	88	79,775
V	Community Based Transit/Circulators	51,264	207,083	10,930	987	9,943
W	Safe Transit Stops	5,658	22,857	1,129	26	1,103
Subtotal Projects		640,969	2,589,223	561,780	162,933	398,847
Net (Bond Revenue)/Debt Service		-	-	33,635	-	33,635
Total Transit Projects		\$ 640,969	\$ 2,589,223	\$ 595,415	\$ 162,933	\$ 432,482
						20.8%
Measure M2 Program		\$ 2,563,878	\$ 10,356,892	\$ 3,005,081	\$ 921,324	\$ 2,083,757

Project	Description	Revenues through Mar 31, 2020	Total Revenues	Expenditures through Mar 31, 2020	Reimbursements through Mar 31, 2020	Net M2 Cost
(G)	(H.1)	(I.1)	(J)	(K)	(L)	
<i>(\$ in thousands)</i>						
Environmental Cleanup (2% of Revenues)						
X	Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 54,739	\$ 221,975	\$ 43,639	\$ 292	\$ 43,347
Net (Bond Revenue)/Debt Service		-	-	-	-	-
Total Environmental Cleanup		\$ 54,739	\$ 221,975	\$ 43,639	\$ 292	\$ 43,347
						1.6%

Taxpayer Safeguards and Audits						
Collect Sales Taxes (1.5% of Sales Taxes)		\$ 40,024	\$ 163,598	\$ 29,205	\$ -	\$ 29,205
						1.1%
Oversight and Annual Audits (1% of Revenues)		\$ 27,369	\$ 110,987	\$ 27,136	\$ -	\$ 27,369
						1.0%

***Presentation
Items***



May 4, 2020

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer 

Subject: Proposed Amendment to the Orange County Local Transportation Authority Measure M2 Ordinance No. 3

Overview

The voter-approved Measure M2 Ordinance No. 3 requires that local jurisdictions meet a maintenance of effort requirement to remain eligible to receive Measure M2 funding. Local jurisdictions are experiencing a significant decline in general fund revenues because of the novel coronavirus pandemic, which is expected to impact their ability to meet this maintenance of effort requirement. An amendment to the ordinance is recommended to assist the local jurisdictions through this unprecedented period of economic uncertainty. The proposed amendment is presented for Board of Directors' consideration, and approval is requested to set a public hearing date initiating the amendment process.

Recommendations

- A. Direct staff to initiate the process to amend the Orange County Local Transportation Authority Measure M2 Ordinance No. 3 to address the anticipated near-term negative growth in general fund revenues as it relates to the maintenance of effort requirement.
- B. Direct staff to set a date of June 22, 2020, for a public hearing and Board of Directors action to consider adoption of the amendment to the Orange County Local Transportation Authority Measure M2 Ordinance No. 3 as it relates to the maintenance of effort requirement.
- C. Approve updates to the Fiscal Year 2020-21 Measure M2 Eligibility Guidelines, including revised maintenance of effort forms addressing the changes needed to implement the proposed amendment.

Background

In November 2006, Orange County voters approved the Renewed Measure M2 Ordinance No. 3, also called Measure M2 (M2). The Orange County Transportation Authority (OCTA) is committed to fulfilling the promises made in M2. This means delivering all projects and programs included in the M2 Expenditure Plan and complying with the specific requirements identified in the M2 Ordinance No. 3 (M2 Ordinance). Also included in the M2 Ordinance is an amendment process to address unforeseen circumstances.

Over the next few months, OCTA and local jurisdictions will have a clearer picture of the implications of the novel coronavirus (COVID-19) pandemic and its impact to sales tax revenues, fuel sales, and local agency general fund revenues (GFR). However, action is currently needed to ensure that OCTA can continue providing funds to eligible local jurisdictions.

Local jurisdictions are required to meet specific requirements in order to receive M2 revenues, one of which is related to maintenance of effort (MOE) spending levels. MOE is the amount the local jurisdiction's spend in discretionary non-transportation funds, or GFR, for streets and roads purposes. The intent is to ensure that M2 revenues do not supplant funding for streets and roads that a local jurisdiction was previously spending.

The original MOE level was established in 1991 with the first Measure M (M1) program using a five-year average of the funding amount local jurisdictions spent on streets and roads maintenance and construction between 1985 and 1990. The MOE amount remained unchanged during the 20-year life of M1; therefore, it did not keep pace with annual inflation. Recognizing the need for an adjustment, a process was included in the M2 Ordinance to update the MOE amount every three years. The adjustment is determined by looking back at the California Department of Transportation construction cost index growth during a three-year period and applying that growth rate to the MOE, with the exception that the increase cannot be greater than the jurisdiction's increase in GFR for the same period. The most recent adjustment approved by the Board of Directors (Board) on April 13, 2020, is only the third adjustment to the original MOE as established under M1.

Discussion

Because of the potential economic impacts related to the COVID-19 pandemic, a limited amendment to the MOE requirements is proposed to ensure local jurisdictions can continue receiving M2 revenues. The M2 Ordinance requires jurisdictions to annually submit two items to OCTA related to MOE:

- 1) MOE certification – before the start of the annual fiscal year budget, local jurisdictions must certify that sufficient expenditures have been budgeted to meet the MOE benchmark.
- 2) Expenditure report – annually, local jurisdictions must submit a detailed financial report. This report is used to validate eligible uses of M2 funds and to report actual MOE expenditures to meet the MOE benchmark requirement.

These requirements – outlined in Section 6 of the M2 Ordinance, and in Section III of Attachment B to the M2 Ordinance – must be met in order for local jurisdictions to continue to receive M2 revenues. Attachment A provides the existing MOE language as included in the M2 Ordinance.

The M2 Ordinance allows for amendments for unforeseen circumstances, which is noted and further discussed in Section 12 of the M2 Ordinance. A specific process for amendments was established by the OCTA Board during M1 and has continued in M2. Amendments to the M2 Ordinance, which do not affect the Transportation Investment Plan, require a two-thirds vote from the OCTA Board, as well as a public hearing and notification process.

As the state-designated Local Transportation Sales Tax Authority responsible for administering M2, OCTA is committed to upholding the intent of the M2 Ordinance. As such, amendments should only be proposed when absolutely necessary to keep the M2 promises to voters. Amendments to M2 are not a normal occurrence. Over the last 29 years, between both M1 and M2, there have only been four ordinance amendments. During this same period, there have been ten plan amendments. Ordinance amendments are corrective changes in nature versus plan amendments, which address funding needs and cost savings through reallocation of funds between projects and programs within the same mode. The change required for MOE will require an ordinance amendment. Attachment B provides information on the amendment process, the language on amendments from the M2 Ordinance, and a history of the prior amendments.

Given the financial impacts anticipated to occur as a result of COVID-19, it will be challenging for all local jurisdictions to satisfy MOE expenditure report requirements for fiscal year (FY) 2019-20 and MOE certification and expenditure report requirements for FY 2020-21. For reference, OCTA sales tax collections in FY 2018-2019 were \$331 million. Due to COVID-19, OCTA is anticipating a 33 percent decline in sales tax in the fourth quarter of FY 2019-20. As a result, OCTA anticipates finishing FY 2019-20 with \$303 million in sales tax receipts, which represents a \$28 million (8.5 percent) decrease in sales tax when compared to FY 2018-19. In addition, an early forecast by Muni Services, the firm that prepares OCTA's short-term forecasted growth rate, is anticipating an additional 4.5 percent reduction in sales tax for FY 2020-21 to \$290 million.

In total, OCTA anticipates collecting \$41 million (12.4 percent) less sales tax in FY 2020-21 than in FY 2018-19 due to COVID-19.

The economic impacts of COVID-19 may not permit local jurisdictions to meet the MOE benchmark requirement for the FY 2019-20 and FY 2020-21. Initial estimates, based upon an informal OCTA poll, indicate local jurisdictions expect, on average, an approximate seven percent reduction in FY 2019-20 revenues (with some estimates as high as 14 percent), and an approximate seven percent reduction in FY 2020-21 revenues (with some estimates as high as 15 percent). City of Costa Mesa Mayor Katrina Foley sent a letter to OCTA Chief Executive Officer Darrell E. Johnson on April 16, 2020 (Attachment C), expressing concern related to lost revenues and requesting a suspension of the MOE requirement for three years, the reduction of the MOE benchmark requirement, and potentially allowing agencies up to seven years to repay the required MOE if they are not able to meet the requirement after the proposed suspension period.

Staff reviewed and considered several options ranging from no changes to the MOE requirement, to suspending the MOE requirement – the latter of which is inconsistent with the legislative intent of the M2 Ordinance because M2 revenues would supplant and not supplement local revenues.

In consultation with OCTA legal counsel, staff has developed a solution intended to be fair and reasonable for all jurisdictions with the goal of balancing local funding issues with the intent of M2 Ordinance. If approved, this will provide local jurisdictions with a path forward before the approaching FY 2020-21 MOE certification requirement deadline of June 30, 2020. Therefore, staff is recommending an amendment to the Orange County Local Transportation Authority M2 Ordinance No. 3, Section 6, MOE Section to:

- Require submittal of the FY 2019-20 expenditure report and accept the actual expenditures reported as meeting the MOE requirement, even if the total expenditure amount is below the MOE benchmark requirement for FY 2019-20.
- Modify the MOE budget certification requirement for FY 2020-21 to require that local jurisdictions certify a budget that commits to continuing the same proportional share of streets and roads expenditures to GFR, based upon the proportion of the current MOE benchmark to GFR that were reported in their respective Comprehensive Annual Financial Report for FY 2018-19, at a minimum. This approach allows the MOE amount to float with fluctuations in local agency GFR levels in FY 2020-21 while upholding the intent of the M2 Ordinance to use M2 revenues as supplemental funding. Attachment D provides the revised temporary MOE benchmark for FY 2020-21, and Attachment E provides the revised MOE certification form.

- Require local jurisdictions to submit the FY 2020-21 expenditure reports to confirm that they have met the proportional share of total GFR or MOE dollar amount as defined in Attachment D.

The proposed amendment language is provided in Attachment F. The process and timing for amending the M2 Ordinance and MOE submittals is shown below:

Actions	Date
Governor declared a state of emergency related to COVID-19	March 4, 2020
Governor enacted the stay-at-home order	March 19, 2020
M2 Eligibility Guidelines, FY 2020-21 approved	April 13, 2020
OCTA Executive Committee considers M2 amendment	May 4, 2020
OCTA Board considers M2 amendment and sets a public hearing date for June 22, 2020	May 11, 2020
Proposed amendment sent to local jurisdictions for public review prior to public hearing (Attachment F)	May 12, 2020
Taxpayers Oversight Committee provided an update on ordinance amendment	May 12, 2020
Issue public hearing notice (at least 30 days prior to public hearing)	May 21, 2020
Public hearing on amendment and roll call vote by Board (requires two-thirds vote)	June 22, 2020
Adopted amendment transmitted to local jurisdiction	June 23, 2020
Local jurisdictions required to submit the MOE certification for FY 2020-21 (Attachment E)	June 30, 2020
Local Fair Share disbursement for fourth quarter, FY 2019-20 (estimated date)	July 15, 2020
Amendment effective 45 days following adoption	August 6, 2020
Local Fair Share disbursement (estimated date)	September 16, 2020

Summary

An amendment to the M2 Ordinance to assist local agencies in managing the economic impacts of the COVID-19 pandemic is proposed. The amendment modifies the MOE requirements for FY 2019-20 and FY 2020-21 while upholding the legislative intent of the M2 Ordinance. Staff also requests the Board set a public hearing date for June 22, 2020, and approval of an updated MOE Certification Form is proposed.

Attachments

- A. Orange County Local Transportation Authority Ordinance No. 3, Maintenance of Effort Requirements Excerpt, Section 6, Page 3
- B. Procedures to Amend the Renewed Measure M Transportation Investment Plan and Ordinance No. 3, Language Excerpt and Amendment History
- C. Letter from Mayor Katrina Foley, City of Costa Mesa, to Darrell Johnson, Chief Executive Officer, Orange County Transportation Authority, dated April 16, 2020
- D. FY 2020-21 MOE Benchmark as a Percentage of FY 2018-19 GFR
- E. Appendix I, Maintenance of Effort (MOE) Certification Form
- F. Draft Ordinance Amendment Language, Section 6, Page 3

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**Orange County Local Transportation Authority Ordinance No. 3
Maintenance of Effort Requirements Excerpt**

Section 6, Page 3

SECTION 6. MAINTENANCE OF EFFORT REQUIREMENTS

It is the intent of the Legislature and the Authority that the Net Revenues allocated to a jurisdiction pursuant to the Ordinance for street and road projects shall be used to supplement existing local discretionary funds being used for transportation improvements. Each jurisdiction is hereby required to annually maintain as a minimum no less than the maintenance of effort amount of local discretionary funds required to be expended by the jurisdiction for local street and road purposes pursuant to the current Ordinance No. 2 for Fiscal Year 2010-2011. The maintenance of effort level for each jurisdiction as determined through this process shall be adjusted effective July 1, 2014 and every three fiscal years thereafter in an amount equal to the percentage change for the Construction Cost Index compiled by Caltrans for the immediately preceding three calendar years, providing that any percentage increase in the maintenance of effort level based on this adjustment shall not exceed the percentage increase in the growth rate in the jurisdiction's general fund revenues over the same time period. The Authority shall not allocate any Net Revenues to any jurisdiction for any fiscal year until that jurisdiction has certified to the Authority that it has included in its budget for that fiscal year an amount of local discretionary funds for streets and roads purposes at least equal to the level of its maintenance of effort requirement. An annual independent audit may be conducted by the Authority to verify that the maintenance of effort requirements are being met by the jurisdiction. Any Net Revenues not allocated pursuant to the maintenance of effort requirement shall be allocated to the remaining eligible jurisdictions according to the formula described in the Ordinance.

Attachment B, Section III – Requirements for Eligible Jurisdictions

Page B7-B10

III. REQUIREMENTS FOR ELIGIBLE JURISDICTIONS.

A. In order to be eligible to receive Net Revenues, a jurisdiction shall satisfy and continue to satisfy the following requirements.

1. Congestion Management Program. Comply with the conditions and requirements of the Orange County Congestion Management Program (CMP) pursuant to the provisions of Government Code Section 65089.

2. Mitigation Fee Program. Assess traffic impacts of new development and require new development to pay a fair share of necessary transportation improvements attributable to the new development.

3. Circulation Element. Adopt and maintain a Circulation Element of the jurisdiction's General Plan consistent with the MPAH.

4. Capital Improvement Program. Adopt and update biennially a six-year Capital Improvement Program (CIP). The CIP shall include all capital transportation projects, including projects funded by Net Revenues, and shall include transportation projects required to demonstrate compliance with signal synchronization and pavement management requirements.

5. Traffic Forums.

Participate in Traffic Forums to facilitate the planning of traffic signal synchronization programs and projects. Eligible Jurisdictions and Caltrans, in participation with the County of Orange and the Orange County Division of League of Cities, will establish the boundaries for Traffic Forums. The following will be considered when establishing boundaries:

- a. Regional traffic routes and traffic patterns;
- b. Inter-jurisdictional coordination efforts; and
- c. Total number of Traffic Forums.

6. Local Traffic Signal Synchronization Plan. Adopt and maintain a Local Traffic Signal Synchronization Plan which shall identify traffic signal synchronization street routes and traffic signals; include a three-year plan showing costs, available funding and phasing of capital, operations and maintenance of the street routes and traffic signals; and include information on how the street routes and traffic signals may be synchronized with traffic signals on the street routes in adjoining jurisdictions. The Local Traffic Signal Synchronization Plan shall be consistent with the Traffic Signal Synchronization Master Plan.

7. Pavement Management Plan. Adopt and update biennially a Pavement Management Plan, and issue, 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.

a. Authority, in consultation with the Eligible Jurisdictions, shall define a countywide management method to inventory, analyze and evaluate road pavement conditions, and a common method to measure improvement of road pavement conditions.

b. The Pavement Management Plan shall be based on: either the Authority's countywide pavement management method or a comparable management

method approved by the Authority, and the Authority's method to measure improvement of road pavement conditions.

c. The Pavement Management Plan shall include:

(i) Current status of pavement on roads;

(ii) A six-year plan for road maintenance and rehabilitation, including projects and funding;

(iii) The projected road pavement conditions resulting from the maintenance and rehabilitation plan; and

(iv) Alternative strategies and costs necessary to improve road pavement conditions.

8. Expenditure Report. Adopt an annual Expenditure Report to account for Net Revenues, developer/traffic impact fees, and funds expended by the Eligible Jurisdiction which satisfy the Maintenance of Effort requirements. The Expenditure Report shall be submitted by the end of six (6) months following the end of the jurisdiction's fiscal year and include the following:

a. All Net Revenue fund balances and interest earned.

b. Expenditures identified by type (i.e., capital, operations, administration, etc.), and program or project.

9. Project Final Report. Provide Authority with a Project Final Report within six months following completion of a project funded with Net Revenues.

10. Time Limits for Use of Net Revenues.

a. Agree that Net Revenues for Regional Capacity Program projects and Regional Traffic Signal Synchronization Program projects shall be expended or encumbered no later than the end of the fiscal year for which the Net Revenues are programmed. A request for extension of the encumbrance deadline for no more than twenty-four months may be submitted to the Authority no less than ninety days prior to the deadline. The Authority may approve one or more requests for extension of the encumbrance deadline.

b. Agree that Net Revenues allocated for any program or project, other than a Regional Capacity Program project or a Regional Traffic Signal Synchronization Program project, shall be expended or encumbered within three years of receipt. The Authority may grant an extension to the three-year limit, but extensions shall not be granted beyond a total of five years from the date of the initial funding allocation.

c. In the event the time limits for use of Net Revenues are not satisfied then any retained Net Revenues that were allocated to an Eligible Jurisdiction and interest earned thereon shall be returned to the Authority and these Net Revenues and

interest earned thereon shall be available for allocation to any project within the same source program.

11. Maintenance of Effort. Annual certification that the Maintenance of Effort requirements of Section 6 of the Ordinance have been satisfied.

12. No Supplanting of Funds. Agree that Net Revenues shall not be used to supplant developer funding which has been or will be committed for any transportation project.

13. Consider, as part of the Eligible Jurisdiction's General Plan, land use planning strategies that accommodate transit and non-motorized transportation.

**PROCEDURES TO AMEND THE
RENEWED MEASURE M TRANSPORTATION INVESTMENT PLAN
AND ORDINANCE NO. 3., LANGUAGE EXCERPT AND AMENDMENT HISTORY**

PROCEDURES

The Orange County Local Transportation Authority (OCLTA) Ordinance No. 3 approved by Orange County voters on includes a provision The following procedures are applicable to amend the Renewed Measure M Transportation Investment Plan (Plan) and the Orange County Local Transportation Authority (OCLTA) Ordinance No. 3, by the OCTLA Board of Directors (Board):

A proposed amendment which eliminates a program or project specified on page 31 of the Plan shall not be adopted unless the Board adopts a finding that the transportation purpose of the program or project to be eliminated will be satisfied by a different program or project.

A proposed amendment which changes funding categories, programs, or projects identified within the expenditure plan, page 31 of the Plan, shall be first approved by a two-thirds vote of the Taxpayers Oversight Committee.

Proposed amendments to the Plan and Ordinance No. 3 shall be presented to the Board. The Board shall set a date no sooner than 30 days thereafter for a public hearing to consider the proposed amendment(s), and the proposed amendment(s) shall be transmitted to the Board of Supervisors and the City Council of each Orange County city not less than 30 days prior to the public hearing.

Local agencies may offer comment in writing or in person at the public hearing and such comments shall be incorporated into the public record of the hearing.

The Board shall hold a public hearing prior to adoption of the amendment.

The amendment shall be passed by a roll call vote (at least a two-thirds majority) of Board members.

OCTA shall give written notice of the amendment to the County Board of Supervisors and all City Councils.

Amendment(s) to the Plan or Ordinance No. 3 shall become effective 45 days after adoption.

In addition, a proposed amendment which changes funding allocations among the four major categories of: freeway projects, streets and roads projects, transit projects, and environmental cleanup projects, as identified on page 31 of the Plan; or which changes funding allocations for Local Fair Share Program net revenues (Section IV, C, 3 of Attachment B) shall also be approved by a simple majority vote of the electors before going into effect.

SECTION 12. AMENDMENTS

The Authority may amend the Ordinance, including the Plan, to provide for the use of additional federal, state and local funds, to account for unexpected revenues, or to take into consideration unforeseen circumstances. The Authority shall notify the board of supervisors and the city council of each city in the county and provide them with a copy of the proposed amendments, and shall hold a public hearing on proposed amendments prior to adoption, which shall require approval by a vote of not less than two thirds of the Authority Board of Directors. Amendments shall become effective forty-five days after adoption. No amendment to the Plan which eliminates a program or project specified on Page 31 of the Plan shall be adopted unless the Authority Board of Directors adopts a finding that the transportation purpose of the program or project to be eliminated will be satisfied by a different program or project. No amendment to the Plan which changes the funding categories, programs or projects identified on page 31 of the Plan shall be adopted unless the amendment to the Plan is first approved by a vote of not less than two thirds of the Committee. In addition, any proposed change in allocations among the four major funding categories of freeway projects, street and road projects, transit projects and Environmental Cleanup projects identified on page 31 of the Plan, or any proposed change of the Net Revenues allocated pursuant to Section IV C 3 of Attachment B for the Local Fair Share Program portion of the Streets and Roads Projects funding category, shall be approved by a simple majority vote of the electors before going into effect.

Amendment History

Measure M Amendments

Ordinance Amendment

1. September 23, 1991: Procedures and Recommendation for Amendments to the Measure M Ordinance
2. September 26, 2011: Agencies which qualify as an “Eligible Jurisdiction” under Ordinance No. 3 (Measure M2) to also be an “Eligible Jurisdiction” under Ordinance No. 2. (Policy Resolution No. 3, Section II C1, subsection b)

Expenditure Plan Amendments

1. November 25, 1991: Reallocation of Funds Within Freeway Program
2. May 23, 1994: Reallocation of Freeway Program Funding Between I-5 and SR-91/SR-55
3. May 13, 1996: Cost Savings Transferred to CURE Accounts
4. June 9, 1997: Amendments to Local Streets and Road Component
5. December 10, 2001: Amend Freeway Program to Add SR-22 at \$203 Million
6. September 13, 2004: Amend Freeway Program to Advance SR-22 and Additional \$123.7 Million
7. September 24, 2007: Modify SR-57 Description Consistent with Project G in Measure M2 and Increase Funding by \$22 Million and Expand Limits of SR-22 to Include the West County Connection Improvements and Increase Funding by \$10 Million
8. March 8, 2010: Decrease SR-57 Funding by \$22 Million

Measure M2 Amendments

Ordinance Amendment

1. November 25, 2013: Strengthens the eligibility and selection process for TOC members to prevent any person with a financial conflict of interest from serving as a member. Also requires currently elected or appointed officers who are applying to serve on the TOC to complete an "Intent to Resign" form.
2. December 14, 2015 (corrected March 14, 2016): Accounts for additional funding from Project T allocated to the Fare Stabilization Program by changing Attachment B language to reflect a 1.47% delegation (rather than 1%) of Project U funding towards Fare Stabilization. Corrected amendment language was presented to the Board on March 14, 2016.

Transportation Investment Plan Amendments

1. November 9, 2012: Reallocation of Funds within Freeway Program Between SR-91 and I-405
2. December 14, 2015 (corrected March 14, 2016): Closeout of Project T and Reallocation of Remaining Funds within Transit Program between Metrolink Service Expansion (Project R) and Fare Stabilization Program (Project U). Corrected amendment language was presented to the Board on March 14, 2016.



CITY OF COSTA MESA

77 Fair Drive | P.O. Box 1200, Costa Mesa | California 92628-1200
Phone 714.754.5285 | Fax 714.754.5330 | www.costamesaca.gov | Katrina.Foley@costamesaca.gov

From the Office of the Mayor Katrina Foley

April 16, 2020

Darrell Johnson
Chief Executive Officer
Orange County Transportation Authority
550 S. Main St.
Orange, CA 92868

Dear Mr. Johnson:

Thank you for your continued work to serve Orange County cities and residents during the COVID-19 pandemic. The statewide shelter in place order, health care concerns, and financial strains are forcing local governments to respond to our communities' needs in unprecedented ways – I appreciate your partnership in this effort.

In the spirit of continued cooperation and in light of the current COVID-19 health and economic crisis, I, Katrina Foley, Mayor of the City of Costa Mesa, am writing to respectfully request that Orange County Transportation Authority (OCTA) relax the existing Measure M maintenance of effort (MOE) requirements. The relaxation of these requirements will greatly aid all Orange County cities as we continue to meet the immediate needs of our residents with limited financial resources due to the COVID-19 outbreak.

As you know, cities throughout Orange County are projecting significant deficits for the current fiscal year (FY 2019-20) ending on June 30, 2020 while projecting multi-million dollar revenue losses in the upcoming fiscal year. The COVID-19 crisis has also created challenges for cities to complete capital improvement projects due to the statewide social distancing requirements. The current mandates, as well as decreased revenue and across-the-board budget shortfalls, have significantly impacted cities' ability to meet OCTA's MOE requirements.



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From the Office of the Mayor Katrina Foley

Under ordinary circumstances, cities are required to provide financial documentation to OCTA in order to receive its fair share of Measure M funds and participate in competitive block grants. The required documentation assures OCTA that cities are maintaining a minimum level of city general funds for street and road expenditures from funding sources other than Measure M. These funding levels required by OCTA gradually increases each fiscal year. Failure to meet these requirements jeopardizes cities' Measure M annual funding and triggers an audit intended to bring cities back into compliance of the MOE.

Cities across the State rely on two primary sources of revenue streams to conduct business: property taxes and sales taxes. Due to the necessary closure of non-essential businesses to slow the spread of the virus, sales taxes throughout the County and State have hit record lows, resulting in massive and unforeseen reduced revenue to cities. Moreover, this reduced revenue comes at a time when cities are the first line of defense and response to its residents' public safety needs. To that end, we respectfully request that OCTA take the following actions to provide much needed relief for cities:

- Relax the MOE requirements for the current fiscal year and the next two fiscal years.
- Postpone increasing the MOE requirements. Increased MOE amounts should be reinstated when sales tax revenues reach the 2018-19 fiscal year levels.
- Any cities that do not meet the MOE requirements should be tracked and be allowed 7 years to make up the balance. This will ensure that the MOE commitments are still honored while providing cities with financial flexibility during the current crisis.

MAYOR Katrina Foley <i>At Large</i>	MAYOR PRO TEM John B. Stephens <i>At Large</i>	COUNCIL MEMBER Andrea Marr <i>District 3</i>	COUNCIL MEMBER Manuel Chavez <i>District 4</i>	COUNCIL MEMBER Arlis Reynolds <i>District 5</i>	COUNCIL MEMBER Sandra L. Genis <i>At Large</i>	COUNCIL MEMBER Allan R. Mansoor <i>At Large</i>
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CITY OF COSTA MESA

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From the Office of the Mayor Katrina Foley

Several cities have raised these issues during recent meetings with OCTA. We thank OCTA for agreeing to discuss a potential process for revising the MOE requirements moving forward. We ask that you take our requests into consideration as you determine a path forward and work with cities to find a solution that accommodates both OCTA and cities. We look forward to our continued partnership and collaborative efforts to continue serving the residents of Orange County.

Sincerely,

Katrina Foley
Mayor, City of Costa Mesa

cc: OCTA Board of Directors

**FY 2020-21 MOE Benchmark as a
Percentage of FY 2018-19 GFR**

Local Agency	(A) FY 2020-21 MOE Benchmark ¹	(B) FY 2018-19 GFR ²	(A/B) MOE Benchmark as a % of GFR
Aliso Viejo	538,604	20,264,249	2.66%
Anaheim	11,725,957	412,996,000	2.84%
Brea	838,243	65,445,918	1.28%
Buena Park	4,206,464	70,242,813	5.99%
Costa Mesa	8,607,340	143,753,298	5.99%
County of Orange	-	N/A	N/A
Cypress	3,607,878	36,691,594	9.83%
Dana Point	1,510,094	41,545,825	3.63%
Fountain Valley	1,564,638	61,380,673	2.55%
Fullerton	4,413,567	100,526,519	4.39%
Garden Grove	3,938,473	129,838,910	3.03%
Huntington Beach	5,921,206	236,631,000	2.50%
Irvine	8,001,915	221,961,000	3.61%
La Habra	1,737,300	48,583,838	3.58%
La Palma	201,688	12,057,831	1.67%
Laguna Beach	1,806,353	88,020,317	2.05%
Laguna Hills	331,579	22,047,533	1.50%
Laguna Niguel	908,566	43,809,474	2.07%
Laguna Woods	104,578	6,351,788	1.65%
Lake Forest	226,678	54,795,849	0.41%
Los Alamitos	182,250	14,165,860	1.29%
Mission Viejo	2,864,895	63,356,854	4.52%
Newport Beach	12,547,102	229,812,594	5.46%
Orange	3,392,885	124,241,260	2.73%
Placentia	770,006	35,796,833	2.15%
Rancho Santa Margarita	428,337	19,137,375	2.24%
San Clemente	1,316,842	65,789,926	2.00%
San Juan Capistrano	492,518	36,522,274	1.35%
Santa Ana	9,040,904	275,532,227	3.28%
Seal Beach	642,598	35,500,962	1.81%
Stanton	285,869	23,951,047	1.19%
Tustin	1,697,045	67,924,240	2.50%
Villa Park*	360,429	3,722,258	9.68%
Westminster	1,805,546	66,489,760	2.72%
Yorba Linda	2,608,191	38,335,027	6.80%
Totals	98,626,539	2,917,222,926	

*Final CAFR has not been published. Draft CAFR provided by City of Villa Park on April 21, 2020 has been used.

¹FY 2020-21 MOE Benchmarks were taken from the Board-approved staff report on April 13, 2020.

²GFRs are from FY 2018-19 CAFRs published online .

CAFR - Comprehensive Annual Financial Report

FY - Fiscal year

GFR - General fund revenue

MOE - Maintenance of effort

N/A - Not Applicable



APPENDIX I

Maintenance of Effort (MOE) Certification Form

Jurisdiction: _____

Type of GENERAL FUND Transportation Expenditures:

Please complete and attach supporting budget documentation for each line item listed below, if the MOE certification is based on the MOE benchmark by dollar value. For FY 2020-21 only, the table does not need to be completed if the Agency is certifying to meet the percentage of general fund revenues.

MAINTENANCE	Total Expenditure
Subtotal Maintenance	\$

CONSTRUCTION	Total Expenditure
Subtotal Construction	\$

INDIRECT /OTHER	Total Expenditure
Subtotal Indirect /Other	\$

Total General Fund Transportation Expenditures	\$
(Less Total MOE Exclusions ¹)	\$
MOE Expenditures	\$
MOE Benchmark Requirement²	\$
(Shortfall)/Surplus	\$

Certification:

I hereby certify that:

- The City/County of _____ is aware of the State Controller’s “Guidelines Relating to Gas Tax Expenditures for Cities and Counties”, which is a guide for determining MOE Expenditures for Measure M2 Eligibility purposes and;
- The City/County of _____’s MOE Reporting Form is in compliance with direction provided in the State Controller’s “Guidelines Relating to Gas Tax Expenditures for Cities and Counties” and;

Choose one of the following:

- The City/County of _____ certifies that the budgeted MOE expenditures meet the fiscal year (FY) FY 20-21 MOE benchmark requirement based on dollar value.

or

- The City/County of _____ certifies that it will meet the MOE % of general fund revenues and has included in its budget for FY 2020-21 the use of local discretionary funds for streets and roads purposes that is equal to _____% (Use percentage in MOE Benchmark by Local Agency Table) of the City’s budgeted general fund revenues.

Finance Director Signature

Finance Director (Print Name)

Date

¹Funding sources include Measure M, federal, state, redevelopment, and bond financing.

²MOE benchmark requirement was modified in light of the coronavirus pandemic. To calculate the City’s FY 2020-21 MOE benchmark requirement, please refer to the updated MOE benchmark table that was approved by the Board of Directors on May 11, 2020.

DRAFT ORDINANCE AMENDMENT LANGUAGE
Section 6, Page 3

“In order to address the impacts of the novel coronavirus pandemic (commonly referred to as COVID-19), for fiscal year (FY) 2019-20, jurisdictions shall comply with all submittal requirements under the ordinance, including, but not limited to, those requirements under Attachment B (III) - Requirements for Eligible Jurisdictions, but will not be required to meet the required maintenance of effort (MOE) amount for that particular jurisdiction for the FY 2019-20. For FY 2020-21, jurisdictions shall be required to comply with all submittal requirements under the ordinance, including, but not limited to, those requirements under Attachment B (III) - Requirements for Eligible Jurisdictions, but shall only be required to meet the MOE amount for that particular jurisdiction for the FY at the same proportional share of streets and roads expenditures to general fund revenues based upon the proportion of the FY 2020-21 MOE benchmark to general fund revenues that were reported in their respective Comprehensive Annual Financial Report for FY 2018-19. Jurisdictions are encouraged to use their best efforts during FY 2019-20 and FY 2020-21 to meet original MOE levels.”



May 4, 2020

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Third Quarter Fiscal Year 2019-20 Capital Action Plan and Performance Metrics Report

Overview

Staff has prepared a quarterly progress report on capital project delivery for the period of January 2020 through March 2020, for the Orange County Transportation Authority Board of Directors. This report highlights the Capital Action Plan for project delivery which is used as a performance metric to assess delivery progress on highway, transit, and rail projects.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA) delivers highway, transit, rail, and facility projects from the beginning of the environmental approval phase through construction completion. Project delivery milestones are planned carefully with consideration of project scope, costs, schedule, and assessment of risks. The milestones reflected in the Capital Action Plan (CAP) are OCTA's planned and budgeted major project delivery commitments.

This report is a quarterly progress report on the CAP performance metrics, which are a snapshot of the planned CAP project delivery milestones in the budgeted fiscal year (FY).

Discussion

OCTA's objective is to deliver projects on schedule and within the approved project budget. Key project cost and schedule commitments are captured in the CAP, which is regularly updated with project status and any new projects (Attachment A). The CAP is categorized into four key project groupings;

freeway projects, railroad grade separation projects, and rail and station projects. Schedule milestones are used as performance indicators of progress in project delivery. The CAP performance metrics report provides a FY snapshot of the milestones targeted for delivery in the budgeted FY and provide transparency and performance measurement of capital project delivery.

The CAP project costs represent the total cost across all phases of project delivery, including support costs, and right-of-way (ROW) and construction capital costs. Baseline costs, if established, are shown in comparison to either the actual or forecast cost. Baseline costs may be shown as to-be-determined (TBD) if project scoping studies and estimates have not been developed or approved and may be updated as delivery progresses, and milestones are achieved. Projects identified in the Orange County local transportation sales tax Measure M2 (M2) are identified with the corresponding M2 project letter. The CAP status update is also included in the M2 Quarterly Report.

The CAP summarizes the very complex capital project critical path delivery schedules into eight key milestones.

Begin Environmental	The date work on the environmental clearance, project report, or preliminary engineering phase begins.
Complete Environmental	The date environmental clearance and project approval is achieved.
Begin Design	The date final design work begins, or the date when a design-build contract begins.
Complete Design	The date final design work is 100 percent complete and approved.
Construction Ready	The date contract bid documents are ready for advertisement, including certification of ROW, all agreements executed, and contract constraints cleared.
Advertise for Construction	The date a construction contract is advertised for bids.
Award Contract	The date the construction contract is awarded.
Construction Complete	The date all construction work is completed, and the project is open to public use.

These delivery milestones reflect progression across the project delivery phases shown below.



Project schedules reflect planned baseline milestone dates in comparison to forecast or actual milestone dates. Milestone dates may be shown as TBD if project scoping or approval documents have not been finalized and approved, or if the delivery schedule has not been negotiated with a partnering agency or consultant implementing the specific phase of a project. Planned milestone dates can be revised to reflect new dates from approved baseline schedule changes. Project schedules are reviewed monthly, and milestone achievements and updated forecast dates are included to reflect project delivery status.

Status on the Interstate 405 (I-405) Improvement Project and the OC Streetcar Project are provided to the OCTA Board of Directors (Board) separately on a quarterly basis.

CAP milestones achieved in the third quarter of FY 2019-20 include:

Freeway Projects

- The complete environmental milestone was achieved for the Interstate 5 (I-5) widening between I-405 and State Route 55 (SR-55).
- The complete environmental milestone was achieved for the SR-55 widening between I-5 and State Route 91 (SR-91).
- The begin design milestone was achieved for the SR-91 widening between SR-55 to Lakeview Avenue. This is the first of three segments of the SR-91 widening from SR-55 to State Route 57, and includes replacement of the Lakeview Avenue overcrossing and reconfiguration of the Lakeview Avenue westbound SR-91 on-ramp.

The following CAP milestone missed the planned delivery through the third quarter of FY 2019-20:

The begin environmental milestone for the Orange County Metrolink Maintenance Facility (OCMF) was not achieved. Negotiations with OCTA's consultant on the level of effort, cost, and schedule required to environmentally clear this complex project took longer than anticipated. However, the consultant

contract was executed in April 2020, and the environmental clearance work can now proceed.

The complete environmental milestone for the I-5 El Toro interchange project is delayed beyond the current FY. OCTA staff is working with the cities of Laguna Hills, Laguna Woods, and Lake Forest, as well as the California Department of Transportation (Caltrans) to procure a consultant to facilitate a review of scoping of the project alternatives with all stakeholders. A revised environmental completion schedule has not yet been established.

The complete design, construction ready, and advertise construction milestones for the Anaheim Canyon Metrolink Station expansion project have not been achieved. Planned construction access conditions have changed because adjacent private property on the east side of the station is under construction with high density housing. Alternative construction access options are being pursued and discussions with adjacent private property owners to obtain access continues. The complete design milestone should be met in the fourth quarter of FY 2019-20, and pending resolution of the ROW construction access issue, the construction ready and advertise construction milestones will move into the first quarter of FY 2020-21.

The construction ready milestone for the I-5 widening from Alicia Parkway to El Toro Road was not achieved in the third quarter. However, the milestone was achieved on April 2, 2020. The advertise construction milestone is planned in the fourth quarter of FY 2019-20, and the award contract milestone will move into the first quarter of FY 2020-21.

CAP Updates and Recap of FY 2019-20 Performance Metrics

The performance metrics snapshot provided at the beginning of FY 2019-20 reflects 19 planned major project delivery milestones to be accomplished, 13 of which were scheduled through the third quarter. The CAP and performance metrics have been updated to reflect both milestones achieved and missed through the third quarter of the FY (Attachment B).

Five of 13 (38.5 percent) planned milestones through the third quarter of the FY were achieved for the reporting period.

FY 2019-20 Performance Metrics Look Ahead Risks

Schedule-critical ROW acquisition is underway for the SR-55 widening from I-405 to I-5. A clear path to gaining possession of all needed ROW is required to move the project into the construction phase. COVID-19 has raised several ROW process risks, including court closures, legal filing and service delays, potential temporary construction easement timeline expirations, other litigation

challenges, relocation issues, land and business valuation challenges, and appraisal and site inspection issues. These risks may impact the ROW acquisition process and impact the planned construction schedule.

The Placentia Metrolink Station construction ready, advertise construction, and award contract milestones planned this FY are delayed. Final BNSF Railway (BNSF) approvals and authorizations to construct the station are dependent on the successful negotiation and approval of a new shared-use agreement (SUA) between Metrolink and BNSF. Progress on the SUA has been slow; however, a non-binding memorandum of understanding (MOU) between Metrolink and BNSF was executed in November 2019, defining general terms to advance the SUA. The MOU enables OCTA and BNSF to complete all tasks necessary to finalize the project for construction while the final SUA is prepared. Per the MOU, construction cannot begin until the SUA is executed by all Metrolink member agencies. Construction cost changes, along with any required programming or funding changes, will be brought to the OCTA Board when BNSF construction costs are finalized, and the SUA approval schedule becomes apparent.

To date, no substantial COVID-19 risks impacts in construction material supply chain and subcontractor labor availability have surfaced. However, some material and product suppliers and subcontractors have submitted advance notice of “potential” material and supply delays.

Summary

Capital project delivery is progressing and reflected in the CAP. The planned FY 2019-20 performance metrics created from forecast project schedules will be used as a general project delivery performance indicator throughout the FY. Staff will continue to manage project costs and schedules across all project phases to meet project delivery commitments and report quarterly.

Attachments

- A. Capital Action Plan, Status Through March 2020
- B. Capital Programs Division, Fiscal Year 2019-20 Performance Metrics Through March 2020

Prepared by:

A handwritten signature in blue ink, appearing to read "James G. Beil".

James G. Beil, P.E.
Executive Director, Capital Programs
(714) 560-5646

Capital Action Plan

Status Through March 2020

Updated: April 21, 2020

Capital Projects	Cost	Schedule							
	Baseline/Forecast	Plan/Forecast							
	(millions)	Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
Freeway Projects:									
I-5, Pico to San Diego County	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
	TBD	Mar-21	Dec-23	TBD	TBD	TBD	TBD	TBD	TBD
 I-5, Pico to Vista Hermosa	\$113.0	Jun-09	Dec-11	Jun-11	Oct-13	Feb-14	Oct-14	Dec-14	Aug-18
Project C	\$83.5	Jun-09	Oct-11	Jun-11	Oct-13	May-14	Sep-14	Dec-14	Aug-18
 I-5, Vista Hermosa to Pacific Coast Highway	\$75.6	Jun-09	Dec-11	Jun-11	Feb-13	Jun-13	Oct-13	Dec-13	Mar-17
Project C	\$75.3	Jun-09	Oct-11	Jun-11	May-13	Aug-13	Feb-14	Jun-14	Jul-17
 I-5, Pacific Coast Highway to San Juan Creek Road	\$70.7	Jun-09	Dec-11	Jun-11	Jan-13	May-13	Aug-13	Oct-13	Sep-16
Project C	\$74.3	Jun-09	Oct-11	Jun-11	Jan-13	Apr-13	Aug-13	Dec-13	Jul-18
 I-5, I-5/Ortega Interchange	\$90.9	Sep-05	Jun-09	Jan-09	Nov-11	Mar-12	Jun-12	Aug-12	Sep-15
Project D	\$79.8	Sep-05	Jun-09	Jan-09	Dec-11	Apr-12	Jun-12	Aug-12	Jan-16
 I-5, I-5/Ortega Interchange (Landscape)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	Jan-14	Oct-14	Feb-15	Aug-15	Sep-15	Sep-16
 I-5, SR-73 to Oso Parkway	\$151.9	Sep-11	Jun-14	Mar-15	Jan-18	May-18	Aug-18	Dec-18	Apr-25
Project C & D	\$196.1	Oct-11	May-14	Mar-15	Aug-18	May-19	Aug-19	Dec-19	Apr-25
 I-5, Oso Parkway to Alicia Parkway	\$196.2	Sep-11	Jun-14	Nov-14	Jun-17	Dec-17	Feb-18	Jun-18	Nov-23
Project C & D	\$203.1	Oct-11	May-14	Nov-14	Dec-17	Jun-18	Nov-18	Mar-19	Nov-23
 I-5, Alicia Parkway to El Toro Road	\$133.6	Sep-11	Jun-14	Mar-15	Jun-18	Dec-18	Jan-19	May-19	Jun-23
Project C	\$184.1	Oct-11	May-14	Mar-15	May-19	Apr-20	May-20	Aug-20	Sep-24
 I-5, SR-73 to El Toro Road (Landscape)	TBD	N/A	N/A	TBD	TBD	TBD	TBD	TBD	TBD
Project C	\$12.4	N/A	N/A	Jul-22	Mar-24	Jul-24	Sep-24	Nov-24	Jun-26
 I-5, I-5/El Toro Road Interchange	TBD	Apr-17	Nov-19	TBD	TBD	TBD	TBD	TBD	TBD
Project D Cost/Schedule Risk	TBD	Apr-17	Oct-21	TBD	TBD	TBD	TBD	TBD	TBD
 I-5, I-405 to Yale Avenue	\$230.5	May-14	Aug-18	TBD	TBD	TBD	TBD	TBD	TBD
Project B	\$230.5	May-14	Jan-20	Sep-21	Jun-24	Dec-24	Apr-25	Jul-25	Jan-29
 I-5, Yale Avenue to SR-55	\$200.4	May-14	Aug-18	TBD	TBD	TBD	TBD	TBD	TBD
Project B	\$200.4	May-14	Jan-20	Mar-21	Dec-23	Jun-24	Oct-24	Jan-25	Aug-28
 I-5, SR-55 to SR-57	\$38.1	Jul-11	Jun-13	Jun-15	Mar-17	Jul-17	Sep-17	Dec-17	Apr-21
Project A	\$41.5	Jun-11	Apr-15	Jun-15	Jun-17	Dec-17	Mar-18	Nov-18	Apr-21
 SR-55, I-405 to I-5	\$410.9	Feb-11	Nov-13	Sep-17	Apr-20	Dec-20	Apr-21	Jul-21	Aug-25
Project F Cost/Schedule Risk	\$410.9	May-11	Aug-17	Sep-17	Apr-20	Dec-20	Apr-21	Jul-21	Aug-25

Capital Action Plan

Status Through March 2020

Updated: April 21, 2020

Capital Projects	Cost Baseline/Forecast	Schedule Plan/Forecast							
		Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
	(millions)								
 SR-55, I-5 to SR-91 Project F	TBD TBD	Dec-16 Dec-16	Jan-20 Mar-20	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD
 SR-57 Northbound (NB), Orangewood Avenue to Katella Avenue Project G	TBD TBD	Apr-16 Apr-16	Dec-18 Mar-19	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD
 SR-57 (NB), Katella Avenue to Lincoln Avenue Project G	\$78.7 \$38.0	Apr-08 Apr-08	Jul-09 Nov-09	Jul-08 Aug-08	Nov-10 Dec-10	Mar-11 Apr-11	May-11 Jul-11	Aug-11 Oct-11	Sep-14 Apr-15
 SR-57 (NB), Katella Avenue to Lincoln Avenue (Landscape) Project G	N/A N/A	N/A N/A	N/A N/A	N/A May-09	N/A Jul-10	N/A Jun-17	N/A Jul-17	N/A Sep-17	N/A Jun-18
 SR-57 (NB), Orangethorpe Avenue to Yorba Linda Boulevard Project G	\$80.2 \$52.3	Aug-05 Aug-05	Dec-07 Dec-07	Feb-08 Feb-08	Dec-09 Jul-09	Apr-10 Dec-09	Jun-10 May-10	Oct-10 Oct-10	May-14 Nov-14
 SR-57 (NB), Yorba Linda Boulevard to Lambert Road Project G	\$79.3 \$54.1	Aug-05 Aug-05	Dec-07 Dec-07	Feb-08 Feb-08	Dec-09 Jul-09	Apr-10 Mar-10	Jun-10 May-10	Oct-10 Oct-10	Sep-14 May-14
 SR-57 (NB), Orangethorpe Avenue to Lambert Road (Landscape) Project G	N/A N/A	N/A N/A	N/A N/A	N/A Oct-14	N/A Aug-17	N/A Dec-17	N/A Jan-18	N/A Feb-18	N/A Apr-19
 SR-57 (NB), Lambert Road to Tonner Canyon Project G	TBD TBD	TBD Jul-23	TBD Mar-26	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD
 SR-91 Westbound (WB), I-5 to SR-57 Project H	\$78.1 \$59.2	Jul-07 Jul-07	Apr-10 Jun-10	Oct-09 Mar-10	Feb-12 Apr-12	Jul-12 Aug-12	Aug-12 Oct-12	Nov-12 Jan-13	Apr-16 Jun-16
 SR-91 Westbound (WB), I-5 to SR-57 (Landscape) Project H	N/A N/A	N/A N/A	N/A N/A	N/A Nov-14	N/A Aug-16	N/A Dec-16	N/A Feb-17	N/A Mar-17	N/A Nov-17
 SR-91, SR-55 to Lakeview Avenue (Segment 1) Project I	TBD \$102.5	Jan-15 Jan-15	Oct-18 Jun-20	Mar-20 Mar-20	TBD Jan-23	TBD Aug-23	TBD Oct-23	TBD Feb-24	TBD Sep-27
 SR-91, La Palma Avenue to SR-55 (Segment 2) Project I	TBD \$223.1	Jan-15 Jan-15	Oct-18 Jun-20	TBD Jul-20	TBD Apr-23	TBD Nov-23	TBD Dec-23	TBD Apr-24	TBD Dec-27
 SR-91, Acacia Street to La Palma Ave (Segment 3) Project I	TBD \$109.7	Jan-15 Jan-15	Oct-18 Jun-20	TBD Nov-20	TBD Sep-23	TBD Apr-24	TBD Jun-24	TBD Sep-24	TBD May-28
 SR-91 (WB), Tustin Interchange to SR-55 Project I	\$49.9 \$42.5	Jul-08 Jul-08	Jul-11 May-11	Jul-11 Jun-11	Mar-13 Feb-13	Jul-13 Apr-13	Aug-13 Jun-13	Oct-13 Oct-13	Jul-16 Jul-16
 SR-91, SR-55 to SR-241 Project J	\$128.4 \$79.7	Jul-07 Jul-07	Jul-09 Apr-09	Jun-09 Apr-09	Jan-11 Aug-10	Apr-11 Dec-10	Jun-11 Feb-11	Sep-11 May-11	Dec-12 Mar-13

Capital Action Plan

Status Through March 2020

Updated: April 21, 2020

Capital Projects	Cost		Schedule						
	Baseline/Forecast	Plan/Forecast							
	(millions)	Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
 SR-91, SR-55 to SR-241 (Landscape) Project J	N/A N/A	N/A N/A	N/A N/A	N/A May-12	N/A Feb-13	N/A Apr-13	N/A Jul-13	N/A Oct-13	N/A Feb-15
 SR-91 Eastbound, SR-241 to SR-71 Project J	\$104.5 \$57.8	Mar-05 Mar-05	Dec-07 Dec-07	Jul-07 Jul-07	Dec-08 Dec-08	Mar-09 May-09	May-09 Jun-09	Jul-09 Aug-09	Nov-10 Jan-11
91 Express Lanes to SR-241 Toll Connector	TBD TBD	N/A Nov-13	N/A Jan-20	N/A Dec-16	N/A TBD	N/A TBD	N/A TBD	N/A TBD	N/A TBD
 I-405, I-5 to SR-55 Project L	TBD TBD	Dec-14 Dec-14	Jul-18 Aug-18	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD
 I-405, SR-55 to I-605 (Design-Build) Project K	\$1,900.0 \$1,900.0	Mar-09 Mar-09	Mar-13 May-15	Mar-14 Mar-14	Nov-15 Nov-15	Feb-16 Feb-16	Mar-16 Mar-16	Nov-16 Nov-16	May-23 May-23
I-405/SR-22 HOV Connector	\$195.9 \$120.8	N/A N/A	N/A N/A	Sep-07 Sep-07	Sep-09 Jun-09	Mar-10 Sep-09	May-10 Feb-10	Aug-10 Jun-10	Aug-14 Mar-15
I-405/I-605 HOV Connector	\$260.4 \$172.6	N/A N/A	N/A N/A	Sep-07 Sep-07	Sep-09 Sep-09	Mar-10 Feb-10	May-10 May-10	Oct-10 Oct-10	Jan-15 Mar-15
I-405/SR-22/I-605 HOV Connector (Landscape)	N/A N/A	N/A N/A	N/A N/A	N/A Jun-08	N/A May-09	N/A Feb-16	N/A May-16	N/A Jul-16	N/A Feb-18
 I-605, I-605/Katella Interchange Project M	\$29.0 \$29.0	Aug-16 Aug-16	Nov-18 Oct-18	TBD Nov-20	TBD Sep-22	TBD Jan-23	TBD Mar-23	TBD May-23	TBD Feb-25
Railroad Grade Separation Projects:									
 Sand Canyon Avenue Railroad Grade Separation Project R	\$55.6 \$61.9	N/A N/A	Sep-03 Sep-03	Jan-04 Jan-04	Jul-10 Jul-10	Jul-10 Jul-10	Oct-10 Oct-10	Feb-11 Feb-11	May-14 Jan-16
 Raymond Avenue Railroad Grade Separation Project O	\$77.2 \$125.6	Feb-09 Feb-09	Nov-09 Nov-09	Mar-10 Mar-10	Aug-12 Dec-12	Nov-12 Jul-13	Feb-13 Oct-13	May-13 Feb-14	Aug-18 May-18
 State College Boulevard Railroad Grade Separation (Fullerton) Project O	\$73.6 \$100.3	Dec-08 Dec-08	Jan-11 Apr-11	Jul-06 Jul-06	Aug-12 Feb-13	Nov-12 May-13	Feb-13 Sep-13	May-13 Feb-14	May-18 Mar-18
 Placentia Avenue Railroad Grade Separation Project O	\$78.2 \$64.5	Jan-01 Jan-01	May-01 May-01	Jan-09 Jan-09	Mar-10 Jun-10	May-10 Jan-11	Mar-11 Mar-11	Jun-11 Jul-11	Nov-14 Dec-14
 Kraemer Boulevard Railroad Grade Separation Project O	\$70.4 \$63.8	Jan-01 Jan-01	Sep-09 Sep-09	Jan-09 Feb-09	Jul-10 Jul-10	Jul-10 Jan-11	Apr-11 Jun-11	Aug-11 Sep-11	Oct-14 Dec-14
 Orangethorpe Avenue Railroad Grade Separation Project O	\$117.4 \$105.9	Jan-01 Jan-01	Sep-09 Sep-09	Feb-09 Feb-09	Dec-11 Oct-11	Dec-11 Apr-12	Feb-12 Sep-12	May-12 Jan-13	Sep-16 Oct-16

Capital Action Plan

Status Through March 2020

Updated: April 21, 2020

Capital Projects	Cost	Schedule							
	Baseline/Forecast	Plan/Forecast							
	(millions)	Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
 Tustin Avenue/Rose Drive Railroad Grade Separation Project O	\$103.0 \$96.6	Jan-01 Jan-01	Sep-09 Sep-09	Feb-09 Feb-09	Dec-11 Jul-11	Mar-12 Jun-12	May-12 Oct-12	Aug-12 Feb-13	May-16 Oct-16
 Lakeview Avenue Railroad Grade Separation Project O	\$70.2 \$110.7	Jan-01 Jan-01	Sep-09 Sep-09	Feb-09 Feb-09	Oct-11 Jan-13	Oct-12 Apr-13	Feb-13 Sep-13	May-13 Nov-13	Mar-17 Jun-17
 17th Street Railroad Grade Separation Project R	TBD TBD	Oct-14 Oct-14	Jun-16 Nov-17	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD
Rail and Station Projects:									
 Rail-Highway Grade Crossing Safety Enhancement Project R	\$94.4 \$90.4	Jan-08 Jan-08	Oct-08 Oct-08	Jan-08 Jan-08	Sep-08 Sep-08	Sep-08 Sep-08	Sep-08 Sep-08	Aug-09 Aug-09	Dec-11 Dec-11
 San Clemente Beach Trail Safety Enhancements Project R	\$6.0 \$5.0	Sep-10 Sep-10	Jul-11 Jul-11	Feb-12 Feb-12	Apr-12 Jun-12	Apr-12 Jun-12	Jul-12 Oct-12	Oct-12 May-13	Jan-14 Mar-14
San Juan Capistrano Passing Siding	\$25.3 \$36.4	Aug-11 Aug-11	Jan-13 Mar-14	Mar-15 Mar-15	May-16 Aug-18	May-16 Aug-18	Aug-16 Aug-18	Dec-16 Mar-19	Feb-21 Feb-21
 OC Streetcar Project S	\$424.4 \$424.4	Aug-09 Aug-09	Mar-12 Mar-15	Feb-16 Feb-16	Sep-17 Nov-17	Oct-17 Dec-17	Dec-17 Dec-17	Aug-18 Sep-18	Dec-21 Apr-22
 Placentia Metrolink Station and Parking Structure Project R	\$34.8 \$40.1	Jan-03 Jan-03	May-07 May-07	Oct-08 Oct-08	Jan-11 Feb-11	TBD Oct-20	TBD Oct-20	TBD Feb-21	TBD Sep-22
 Orange County Maintenance Facility Project R	TBD TBD	TBD Apr-20	TBD Jun-22	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD
Anaheim Canyon Metrolink Station	\$27.9 \$29.9	Jan-16 Jan-16	Dec-16 Jun-17	Mar-19 Mar-18	May-19 Apr-20	May-19 Aug-20	Jul-19 Aug-20	Nov-19 Nov-20	Mar-21 Mar-22
Orange Metrolink Station Parking Expansion	\$33.2 \$30.9	Dec-09 Dec-09	Dec-12 May-16	Nov-10 Nov-10	Apr-13 Apr-16	Jul-16 Jul-16	Jul-16 Jul-16	Nov-16 Jun-17	Feb-19 Feb-19
Fullerton Transportation Center - Elevator Upgrades	\$3.5 \$4.2	N/A N/A	N/A N/A	Jan-12 Jan-12	Dec-13 Dec-13	Dec-13 Dec-13	Jun-14 Aug-14	Sep-14 Apr-15	Mar-17 May-19
Laguna Niguel/Mission Viejo Station ADA Ramps	\$3.5 \$5.0	Jul-13 Jul-13	Jan-14 Feb-14	Jul-13 Jul-13	Aug-14 Jul-15	Aug-14 Jul-15	Sep-14 Jul-15	Jan-15 Oct-15	Apr-17 Sep-17
 Anaheim Regional Transportation Intermodal Center Project R & T	\$227.4 \$232.2	Apr-09 Apr-09	Feb-11 Feb-12	Jun-09 Jun-09	Feb-12 May-12	Feb-12 May-12	May-12 May-12	Jul-12 Sep-12	Nov-14 Dec-14

Capital Action Plan

Status Through March 2020

Updated: April 21, 2020

Capital Projects	Cost		Schedule						
	Baseline/Forecast		Plan/Forecast						
	(millions)		Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract

Note: Costs associated with landscape projects are included in respective freeway projects.

Grey = Milestone achieved

Green = Forecast milestone meets or exceeds plan

Yellow = Forecast milestone is one to three months later than plan

Red = Forecast milestone is over three months later than plan

Begin Environmental: The date work on the environmental clearance, project report, or preliminary engineering phase begins.

Complete Environmental: The date environmental clearance and project approval is achieved.

Begin Design: The date final design work begins, or the date when a design-build contract begins.

Complete Design: The date final design work is 100 percent complete and approved.

Construction Ready: The date contract bid documents are ready for advertisement, including certification of right-of-way, all agreements executed, contract constraints are cleared.

Advertise for Construction: The date a construction contract is both funded and advertised for bids.

Award Contract: The date the construction contract is awarded.

Construction Complete: The date all construction work is completed and the project is open to public use.

Acronyms

I-5 - Santa Ana Freeway (Interstate 5)

SR-73 - San Joaquin Freeway (State Route 73)

SR-55 - Costa Mesa Freeway (State Route 55)

SR-57 - Orange Freeway (State Route 57)

SR-91 - Riverside Freeway (State Route 91)

SR-71 - Corona Expressway (State Route 71)

SR-22 - Garden Grove Freeway (State Route 22)

I-405 - San Diego Freeway (Interstate 405)

SR-241 - Foothill/Eastern Transportation Corridor (State Route 241)

I-605 - San Gabriel River Freeway (Interstate 605)

ADA - Americans with Disabilities Act

Capital Programs Division
Fiscal Year 2019-20 Performance Metrics Through March 2020

Begin Environmental

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
Orange County Maintenance Facility			X						
Total Forecast/Actual	0	0	1	0	0	0	0	0	1

Complete Environmental

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
I-5/El Toro Road Interchange			X						
I-5, I-405 to SR-55					X	✓			
SR-55, I-5 to SR-91						✓	X		
SR-91, SR-57 to SR-55							X		
Total Forecast/Actual	0	0	1	0	1	2	2	0	4

Begin Design

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
SR-91, SR-55 to Lakeview Avenue					X	✓			
Total Forecast/Actual	0	0	0	0	1	1	0	0	1

Complete Design

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
Anaheim Canyon Metrolink Station	X								
SR-55, I-405 to I-5							X		
Total Forecast/Actual	1	0	0	0	0	0	1	0	2

Construction Ready

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
Anaheim Canyon Metrolink Station			X						
I-5, Alicia Parkway to El Toro Road			X						
Placentia Metrolink Station and Parking Structure					X				
Total Forecast/Actual	0	0	2	0	1	0	0	0	3

Advertise Construction

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
I-5, SR-73 to Oso Parkway	X	✓							
Anaheim Canyon Metrolink Station			X						
I-5, Alicia Parkway to El Toro Road					X				
Placentia Metrolink Station and Parking Structure					X				
Total Forecast/Actual	1	1	1	0	2	0	0	0	4

Capital Programs Division Fiscal Year 2019-20 Performance Metrics Through March 2020

Award Contract

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
I-5, SR-73 to Oso Parkway			X	✔					
Anaheim Canyon Metrolink Station							X		
I-5, Alicia Parkway to El Toro Road							X		
Placentia Metrolink Station and Parking Structure							X		
Total Forecast/Actual	0	0	1	1	0	0	3	0	4

Complete Construction

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
No "Complete Construction" milestones scheduled for FY 2019-20									
Total Forecast/Actual	0	0	0	0	0	0	0	0	0

Totals	2	1	6	1	5	3	6	0	19
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SR-57 - Orange Freeway (State Route 57)

SR-91 - Riverside Freeway (State Route 91)

I-605 - San Gabriel River Freeway (Interstate 605)

I-405 - San Diego Freeway (Interstate 405)

X = milestone forecast in quarter

✔ = milestone accomplished in quarter

Staff Update
Items

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Ordinance Tracking Matrix - Ordinance No. 3
For Period Ending December 31, 2019

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2019 Response
1.00	Administrative and General Requirements						
2.00	Has a transportation special revenue fund ("Local Transportation Authority 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: " OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report ," for year ending June 30, 2019 - Attachment F. Staff Report dated January 27, 2020.
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: " OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report ," for year ending June 30, 2019 - Attachment F. Staff Report dated January 27, 2020.
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: " OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report ," for year ending June 30, 2019 - Attachment F. Staff Report dated January 27, 2020.
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 ," Staff Report dated November 9, 2007 -Attachment D. " Renewed Measure M Early Action Plan Review ," Staff Report 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 2010-2011 pursuant to Ordinance 2?	Sec. 6	Planning	One-time, start-up	Done	Joe Alcock/ Adriann Cardoso	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 as part of the M2 Eligibility Guidelines. Please reference: " Measure M2 Local Agency Eligibility Guidelines and Requirements ," Staff Report dated January 25, 2010.
7.00	Have city MOE levels been adjusted by July 1, 2014 and every three years thereafter using the Caltrans Construction Cost Index?	Sec. 6	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. The second MOE adjustment was presented to the Board on April 10, 2017. MOE correction for City of San Juan Capistrano was presented to the Board on May 8, 2017. Placentia MOE Benchmark adjustment was

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Ordinance Tracking Matrix - Ordinance No. 3
For Period Ending December 31, 2019

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2019 Response
							<p>presented to the Board with the FY 18-19 M2 Eligibility Guidelines on April 9, 2018 due to a delay in adopting a final CAFR.</p> <p>The next MOE benchmark adjustment will become effective July 1, 2020 and is anticipated to go to the Board for approval on April 13, 2020.</p> <p>Please reference the following Staff Reports: “Fiscal Year 2014-15 Measure M2 Maintenance of Effort Adjustment and Updates to Eligibility and Local Signal Synchronization Plan Guidelines,” dated April 14, 2014.</p> <p>“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.</p> <p>“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.</p> <p>“Measure M2 Eligibility Review Recommendations for Fiscal Year 2015-16 Expenditure Reports and City of San Juan Capistrano’s Maintenance of Effort Benchmark,” dated May 8, 2017.</p> <p>“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	Joe Alcock/ Adriann Cardoso	<p>No. Due to 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 fiscal year 2017-2018.</p> <p>Please reference “Measure M2 Eligibility for the City of Santa Ana” and “Measure M2 Eligibility for the City of Stanton.” Staff Reports Dated May 13, 2019.</p>

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Ordinance Tracking Matrix - Ordinance No. 3
For Period Ending December 31, 2019

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2019 Response
							<p>The Board suspended all disbursements of M2 funding and required the cities sign separate settlement agreements that identified steps to regain compliance. A specific date was not established for the Board to reconsider the two cities' M2 Eligibility status but a meeting is required to occur prior to May 2020.</p> <p>For the remaining 33 entities, MOE requirements have been met annually.</p> <p>Please reference: "Measure M2 Eligibility Review Recommendations for Fiscal Year 2017-18 Expenditure Reports," Staff Report dated July 8, 2019. "Fiscal Year 2019-20 Measure M2 Annual Eligibility Review," Staff Report dated December 9, 2019.</p>
9.00	Have Revenues expended for salaries and benefits of Authority administrative staff remained within the one-percent per year limit?	Sec 7	F & A	Recurring	Action plan in place	Sean Murdock & Changsu Lee	<p>Yes. These are tracked on a fiscal year basis. Expenditures were 0.74% for the fiscal year period between July 1, 2018 and June 30, 2019, which was less than the 1% of net revenue requirement. The amount under 1% for the fiscal year was \$907,282. However, program-to-date expenditures are over the 1% limit by \$596,194. This amount has been borrowed from the Orange County Unified Transportation Trust and is being paid back when administrative expenditures underrun revenue in any given year of the program.</p> <p>Please reference "OCTA Summary of Measure M2 Administrative Costs From Inception through June 30, 2019."</p>
10.00	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?	Sec. 7	Planning	Recurring	Done to date	Tamara Warren	<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 Tracking Matrix - Ordinance No. 3
For Period Ending December 31, 2019

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2019 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 & Marissa Espino	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. As a one-time courtesy, hyperlinks for all M2 annual reports up to 2015 were provided in the 2015 matrix. For the 2018 M2 report, please reference: " Measure M Annual Report Infographic – 2018 " published in spring 2019.
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	Yes. Please reference " Board Resolution 2006-32 Establishing LTA Appropriations Limit FY 2006-07 ," dated June 12, 2006.
13.00	Has the Authority's appropriations limit been adjusted annually?	Sec. 8	F & A	Recurring	Done to date	Sean Murdock	Yes. All Board Resolutions establishing LTA appropriations are saved in the M2 Document Center. As a one-time courtesy, hyperlinks for all resolutions were provided in the 2015 matrix. For the approved 2018 resolution, please reference page 187: " Board Resolution 2019-027 Establishing LTA Appropriations Limit FY 2019-20 ," dated June 10, 2019.
14.00	Has the County of Orange Auditor-Controller, in the capacity as Chair of the Taxpayer Oversight Committee, annually certified that the Revenues were spent in compliance with the Ordinance?	Sec. 10.2	External Affairs	Recurring	Done to Date	Alice Rogan	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 11, 2019, County Auditor-Controller Eric Woolery, certified that OCTA has spent revenues in compliance with the Ordinance as noted in the minutes of the TOC meeting. All Annual Hearing Compliance Memos are saved in the M2 Document Center. For the most recent confirmation of compliance please reference the " Taxpayer Oversight Committee Measure M2 Annual Public Hearing Results and Compliance Finding ", dated June 11, 2019.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Ordinance Tracking Matrix - Ordinance No. 3
For Period Ending December 31, 2019

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2019 Response
15.00	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?	Sec. 10.3	F&A, Internal Audit	Recurring	Action plan in place	Sean Murdock	<p>Yes, local agencies 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 8-10 jurisdictions per year covering this matter. Expenditure Reports for each city are reviewed by staff and the TOC. The agencies to be audited are selected by the TOC Audit Subcommittee. The TOC approved FY 2017-18 Expenditure Reports on June 11, 2019. Two city's expenditure reports were not approved due to insufficient MOE expenditures. The cities were Stanton and Santa Ana. Audited agency findings are included in the Agreed-Upon Procedures M2 Reports.</p> <p>Please reference:</p> <ol style="list-style-type: none"> 1. "June 11, 2019 - Meeting Minutes," dated August 13, 2019. 2. "Measure M2 Annual Eligibility Review Subcommittee Recommendations for Fiscal Year 2017-18 Expenditure Reports," dated July 8, 2019. 3. "OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report," for year ending June 30, 2019 – Attachment F. Report dated January 27, 2020.
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	<p>Yes. See independent auditor's findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report.</p> <p>Please reference: "OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report," for year ending June 30, 2019 – Attachment F. Report dated January 27, 2020.</p>
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.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Ordinance Tracking Matrix - Ordinance No. 3
For Period Ending December 31, 2019

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2019 Response
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 because there have been no such occurrences to date. Compliance is subject to audits by Internal Audit.
19.00	Has a Taxpayer Oversight Committee 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 established under M1 was transitioned into the Taxpayer Oversight Committee (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.
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	Tamara Warren	Yes, to date, four Triennial M2 Performance Assessments have been conducted. The most recent performance assessment covering 2015 – 2018 can be found: " Triennial M2 Performance Assessment 2015-2018 ," dated March 11, 2019. Please reference the 2016 M2 Ordinance Tracking Matrix or the M2 Document Center for prior M2 Performance Assessments.
21.00	Have the performance assessments been provided to the Taxpayers Oversight Committee?	Sec. 10.6	PMO, External Affairs	Recurring	Done to Date	Tamara Warren & Alice Rogan	Yes, to date, four performance assessments have been provided to the TOC. Please reference the following agenda packets: " 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.
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	Tamara Warren	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 9, 2020. Please reference: " M2 Quarterly Report Q2 October to December 2019 ," Staff report dated March 9, 2020.

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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 FYs 2010-11. The FY 2017-18 report was presented to the Board March 2019. See Item 11 for links to public reports.
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	Tamara Warren	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 ."
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 Taxpayer Oversight Committee?	Sec. 12	PMO, External Affairs	Recurring	Done to Date	Tamara Warren & Alice Rogan	Yes. For Amendment #1 (Nov. 9, 2012) to the Plan (Freeway Category), OCTA followed the Plan amendment process and notification requirements (including TOC approval on Oct. 9, 2012). For Amendment #2 (Nov. 25, 2013) to the Ordinance (Attachment C), OCTA followed the Ordinance amendment process and notification requirements (didn't require TOC approval). For Amendment #3 (Dec. 14, 2015, corrected on Mar. 14, 2016) to the Plan (Transit Category) and Ordinance (Attachment B), OCTA followed the Plan amendment process and notification requirements (including TOC approval on Nov. 10, 2015). Please reference: " TOC M2 Amendment No. 1 Approval Memo ," dated October 9, 2012. " TOC M2 Amendment No. 2 Public Hearing ," Staff Report dated November 25, 2013. " TOC M2 Amendment No. 3 Approval Memo ," dated November 10, 2015.
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	Yes. See independent auditor's findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report. Please reference: " OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report " for year ending June 30, 2019 – Attachment F. Report dated January 27, 2020.

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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.</p> <p>Please reference: "OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report" for year ending June 30, 2019 – Attachment F. Report dated January 27, 2020.</p>
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.</p> <p>Please reference: "OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report" for year ending June 30, 2019 – Attachment F. Report dated January 27, 2020.</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.</p> <p>Please reference: "OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report" for year ending June 30, 2019 – Attachment F. Report dated January 27, 2020.</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 2017-18. Also note that Agreed-Upon Procedures to the Measure M2 Status Report.</p> <p>1. 2019 Project Q Local Fair Share Payments.</p>

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							2. "OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report" for year ending June 30, 2019 – Attachment F. Report dated January 27, 2020.
33.00	If the Authority exchanged Net Revenues from a Plan funding category for federal, state or other local funds, has the Authority and the exchanging public agency used the exchanged funds for the same program or project authorized for the use of the funds prior to the exchange, have such federal, state or local funds received by the Authority been allocated to the same Plan funding category that was the source of the exchanged Net Revenues?	Att. B, Sec. IV.F	Planning, F & A	Recurring	Not yet required	Sean Murdock	Not applicable to date because there have been no exchanges.
34.00	Has the Authority followed the requirement that in no event shall an exchange of funds reduce the Net Revenues allocated for Programmatic Mitigation of Freeway Projects?	Att. B, Sec. IV.F	Planning, F & A	Recurring	Not yet required	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	Joe Alcock/ Adriann Cardoso	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 Environmental Documents for each project. For an example, please reference the " Historic Resources Compliance Report HRCR " portion of the Project H Environmental Document, dated December 1, 2008.

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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 NCCP/HCP and EIR/EIS. 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 the following amounts, for freeway projects included in the M2 Plan: federal - \$568 million, state - \$948 million, other local - \$10 million. OCTA was also successful in receiving a TIFIA loan for \$629 million (of which ~\$154 million will benefit M2) against future toll revenues for the I-405 from SR-73 to I-605 project. Please reference Attachment B of " Amendment to Cooperative Agreement with the California Department of Transportation for the Interstate 5 High-Occupancy Vehicle Improvement Project Between Pacific Coast Highway and San Juan Creek Road ." Staff Report, dated December 9, 2019.
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 a 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 (FED). The FED 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.

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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," Staff Report, dated December 9, 2013. This agreement (C-3-2080) was executed on May 1, 2014.
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 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 4 lanes to the 405 is a major accomplishment for a \$1.9 billion project, the largest project in the M2 freeway program, highlighting the importance placed on working within ROW constraints. For an example, please reference "I-405 Supplemental Draft Environmental Impact Report/EIS," dated May 2012.
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.

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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: " 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	Att. B, Sec. II.A.5.a.(iii)	Planning	One-time, start-up	Done	Dan Phu	Yes. Development of the Natural Community Conservation Plan/Habitat Conservation Plan (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. The corresponding state and federal wildlife agency permits were

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	improvements through streamlined and timely approvals and permitting?						<p>received in June 2017. 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.</p> <p>Please reference: "Final Natural Community Conservation Plan/Habitat Conservation Plan and Associated EIR/EIS," Staff Report dated November 28, 2016.</p> <p>"OCTA M2 NCCP-HCP Implementing Agreement with Fed and State Fish-Wildlife and Caltrans, 6-19-2017."</p>
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	<p>Yes, the Memorandum of Agreement and Planning Agreement, executed in January 2010, included this provision.</p> <p>Please reference: "C-9-0278 Agreement, Environmental Mitigation Program MOA."</p>
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	<p>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.</p> <p>Please reference: "C-9-0278 Agreement, Environmental Mitigation Program MOA."</p>
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	Att. B, Sec. II.A.5.a.(v)	Planning, External Affairs	One-time, start-up	Done	Dan Phu & Marissa Espino	<p>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.</p>

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	organizations, the public and the Taxpayer Oversight Committee?						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 2019"
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.
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	Not yet required	Rose Casey	The design phase of this project was completed in June 2017 and construction began on December 2018. The project's forecasted construction completion date is April 2021.

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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	Not yet required	Rose Casey	Not yet, see notes Item 48.00.
48.02	On SR-55 between Fourth Street and Edinger Avenue?	Att. A, p. 7	Capital Programs - Highways	30-year	Not yet required	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	Not yet required	Rose Casey	Not yet, see notes Item 48.00.
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	Not yet required	Rose Casey	The forecasted construction completion date is April 2021. The project will add capacity with a second carpool lane and relieve 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 is underway. As of December 2019, it is anticipated to be complete by February 2020. Final design and construction will be segmented into two segments and will directly follow with an anticipated project completion 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 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 improvement 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, reconstruct 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 and La Paz) completed the environmental phase in May 2014. The project was divided into three segments for design and construction. Design on the last segment was completed in May 2019 and construction was initiated on the first segment in April 2019. This</p>

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							project adds a general-purpose lane in each direction, extends the second HOV lane in both directions from El Toro Rd to Alicia Pkwy, reconstruct the La Paz Road and Avery Pkwy interchanges, and add auxiliary lanes where needed. The forecasted construction completion date of the last segment is January 2025.
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 Pkwy (including improvements to Avery Pkwy Interchange), the construction contract was awarded in December 2019 and construction is planned to begin January 2020.</p> <p>Segment 2, I-5 between Oso Pkwy and Alicia Pkwy (including improvements to La Paz Interchange) the construction contract was awarded in March 2019 and construction began in April 2019.</p> <p>Segment 3, I-5 between Alicia Pkwy and El Toro Rd, completed design in May 2019 and is scheduled for construction advertisement in June 2020.</p>
54.02	New lanes between Pacific Coast Highway and Avenida Pico?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Done to date	Rose Casey	<p>Yes, new HOV lanes have been added between PCH and Avenida Pico and were broken into three segments. See notes Item 54.00.</p> <p>The I-5, Avenida Pico to Vista Hermosa project (including interchange improvements at Pico) began construction in December 2014 and was completed in August 2018. Please reference: "FC101 Master Schedule Complete," Project Controls Schedule dated October 16, 2018. "Plan Sheets" on the Caltrans' website using Contract No. 12-0F96A4, Invitation for Bids dated September 2, 2014.</p> <p>The I-5, Vista Hermosa to PCH project began construction in July 2014 and was completed in July 2017. Please reference: "FC103 Master Schedule Complete," Project Controls Schedule dated August 17, 2017. "Plan Sheets" on the Caltrans' website using Contract No. 12-0F96C4, Invitation for Bids dated February 3, 2014.</p> <p>The I-5, PCH to San Juan Creek Road project started construction in December 2013 and was completed in July 2018. Please reference:</p>

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							"FC104 Master Schedule Complete," Project Controls Schedule dated September 17, 2018. "Plan Sheets" on the Caltrans' website using Contract No. 12-0F96E4, Invitation for Bids dated August 19, 2013.
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 Parkway 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 Master Schedule Complete" , Project Controls Schedule dated February 19, 2016. "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. The I-5/El Toro Road Interchange environmental phase began in April 2017. As of December 2019, the completion of the environmental phase has been stalled due to lack of consensus on an alternative with the stakeholder cities. OCTA, Caltrans and the cities are working together to seek consensus. Without consensus, OCTA will not move forward.
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	Done to Date	Rose Casey	Yes, 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" , dated November 30, 2006.

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59.01	Euclid Street?	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Done to Date	Rose Casey	Yes, see notes Item 59.00.
59.02	Brookhurst Street?	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Done to Date	Rose Casey	Yes, see notes Item 59.00.
59.03	Harbor Boulevard?	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Done to Date	Rose Casey	Yes, see notes 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 is currently in the design phase with an expected phase completion by April 2020. As of December 2019, the construction is forecasted to be complete in August 2025. The project will generally be constructed within the existing ROW. The environmental phase for the SR-55 project between I-5 and SR-91 began in January 2017 and as of December 2019 is forecasted to be completed by April 2020. Final design and construction will directly follow with an anticipated project completion by 2026.
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.
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	There is a total of five project segments for Project G. Orangewood to Katella, Katella to Lincoln, Orangethorpe to Yorba Linda, Yorba Linda to Lambert and Lambert to the LA County line. Construction of three of the five segments were completed in the 2014 to 2015 timeframe. See below for segment completion date info. The two remaining segments Orangewood to Katella is reading for design and Lambert to LA County line will begin the environmental phase in the near future.

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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 the SR-57 (NB) Katella to Lincoln project was completed in April 2015, and the SR-57 (NB) Orangethorpe to Lambert segments were completed in May 2014 and November 2014. Please reference:</p> <p>"FG101 Master Schedule Complete," Katella to Lincoln Project Controls Schedule dated May 18, 2015. "FG101 Plans Sheets" which can also be found on Caltrans' website using Contract No. 12-OF0404, Invitation for Bids dated July 18, 2011.</p> <p>"FG102 Master Schedule Complete," Orangethorpe to Yorba Linda Project Controls Schedule dated December 15, 2014. "FG102 SR-57 NB Orangethorpe to Yorba Linda Plans Sheets" can be found on Caltrans' website using Contract No. 12-OF0314, Invitation for Bids dated May 10, 2010.</p> <p>"FG103 Master Schedule Complete," Yorba Linda to Lambert Project Controls Schedule dated June 17, 2014. "FG103 Plans Sheets" can be found on Caltrans' website using Contract No. 12-OF0324, Invitation for Bids dated May 24, 2010.</p> <p>The environmental phase for the project between Orangewood Avenue and Katella Avenue was completed in March 2019. This project is reading for design.</p>
65.02	Improvements to the Lambert Interchange?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>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 late 2021.</p>
65.03	Addition of a northbound truck climbing lane between Lambert Road and Tonner Canyon?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>See notes Item 65.00. The fifth project on SR-57 include 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.</p>

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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 3 completed segments of NB 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	Implementation of this project provides an additional general purpose lane in the westbound (WB) direction by connecting existing auxiliary lanes through the interchanges within the project limits to create a 4 th continuous westbound general purpose lane. WB 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. Please reference: " FH101 Project Master Schedule Complete ," Project Controls Schedule dated July 19, 2016. "Plan Sheets" on the Caltrans' website using Contract No. 12-0C5704, Invitation for Bids dated October 1, 2012. " FH101 Special Provisions "
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 WB direction as identified during the environmental phase. See notes 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 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 of the Project I between SR-55 and Tustin Avenue which is complete and the portion from west of State College Blvd to east of Lakeview Avenue which provides SR-91 freeway mainline widening in the EB 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.

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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	<p>See notes Item 70.00. The portion of Project I between SR-55 and Tustin Avenue added a westbound auxiliary lane from the WB SR-55/ WB SR-91 connector to Tustin Avenue off-ramp and an exit by-pass lane on WB SR-91 to Tustin Avenue off-ramp. This portion of Project I began construction in November 2013 and completed in July 2016. Please reference: "FI102 Project Master Schedule Complete," Project Controls Schedule dated August 16, 2016. "Plan Sheets" on the Caltrans' website using Contract No. 12-OC5604, Invitation for Bids dated June 17, 2013.</p> <p>The portion of the Project I from west of State College Blvd to east of Lakeview Avenue provides the SR-91 freeway mainline widening in the EB direction, and modifications to various interchanges (including major modifications for the WB SR-91 at both SR-57 and from Lakeview Ave to SR-55), connectors, ramps, and intersections. This project began the environmental phase in January 2015 and is expected to be complete in June 2020. The project has been broken down into three segments for the design and construction phases. With the environmental phase concluding soon, the design phase has been initiated and is anticipated to start in 2020. These 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>For reference: "Measure M2 Delivery Plan – Next 10" Staff Report dated November 14, 2016. "Measure M2 Updated Next 10 Delivery Plan" Staff Report 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 is 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 Project Master Schedule Complete", Project Controls Schedule dated February 24, 2011.</p>

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							<p>"FJ100 SR-91, SR-241 to SR-71 Complete Plans Sheets" can be found on Caltrans' website using Contract No. 12-OG0404, Invitation for Bids dated June 28, 2009.</p> <p>"FJ101 SR-91, SR-55 to SR-241 Weir Canyon Plans Sheets" which can also be found on Caltrans' website using Contract No. 12-OG3304, Invitation for Bids dated February 22, 2011.</p> <p>"FJ101 Project Master Schedule Complete", Project Controls Schedule dated April 15, 2013.</p> <p>The remaining project segment will add a 6th lane between SR-241 and the County line to match up with an additional lane to be added by the 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 91 Implementation Plan. Plans are underway for the advancement of the 6th lane in the WB direction between Green River and SR-241 anticipated to be complete in 2021. A study of the eastbound direction is also planned in early 2020 to better understand improvements possible given the difficult topography.</p>
74.00	Was the following taken into consideration: Making best use of available freeway property, adding reversible lanes, building elevated sections, and improving connections to SR-241?	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	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 . Report 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	<p>The 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.</p> <p>Please reference: "2019 SR-91 Implementation Plan" dated July 8, 2019.</p>
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 is complete. Improvements to Lakeview Interchange, Imperial Highway and Weir Canyon were included in this project. See Item 73.00 notes.
77.00	Project K						

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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 DB construction contract in November 2016. Construction began in January 2017 and as of December 2019, construction completion is forecasted for May 2023.
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 405 improvements have been coordinated with the West County Connector improvements at the 405/22/605 interchange that have been completed. There will be a direct connector linking the 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 OCTA 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 405 MIS.
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 OCTA 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.

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							"Measure M2 2018 Update: Next 10 Delivery Plan" dated September 10, 2018. "Measure M2 2019 Update: Next 10 Delivery Plan" dated November 11, 2019.
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 ramps realignment at various locations, as well as auxiliary lanes between on and off ramps where required. See notes Item 83.00.
85.00	Project M						
86.00	Have freeway access and arterial connections to I-605 serving the communities of Los Alamitos and Cypress been improved?	Att. A, p. 15, Project M	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The project study report was approved. The environmental phase began in August 2016 and was completed in October 2018. Design is planned to begin in 2020 and construction will follow.
87.00	Has the project been coordinated with other planned improvements to the SR-22 and SR-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 DB 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	Transit	30-year	Done to date	Patrick Sampson	Yes, FSP service, divided into 10 service areas, is available during peak commute hours on all freeways. Two service areas are under contract through December 3, 2021. Four services areas are under contract through December 1, 2023. Four services areas are under contract through December 1, 2023. M2-funded construction FSP service for the widening of I-405 started in July 2018. Midday and weekend service funded by M2 was approved by the Board on May 14, 2012 and began service on June 2, 2012. An M2 funded CHP dispatch position was filled in May 2013. Benefit/cost analysis of fiscal year 2017-18 service was completed in May 2019 and the results of the study will be incorporated into future service planning. A staff report was provided to the Board on February 11, 2019, Service Authority for Freeway Emergencies Annual Report for Fiscal Year 2017-18 .
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	Joe Alcock/ Adriann Cardoso	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	Joe Alcock/ Adriann Cardoso	Yes. Required odd years only. This requirement was submitted to OCTA and will be presented to the Board on December 9, 2019 as part of the Annual Eligibility Review. The next submittal is due in 2021. Please reference " Fiscal Year 2019-20 Eligibility Review ," Staff Report Dated December 9, 2019.
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	Joe Alcock/ Adriann Cardoso	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 9, 2019 as part of the Annual Eligibility Review. The next submittal is due in 2021 unless there is an updated mitigation fee program. Please reference " Fiscal Year 2019-20 Eligibility Review ," dated December 9, 2019.
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	Joe Alcock/ Adriann Cardoso	Yes. This is required biennially. This requirement was submitted to OCTA and was presented to the Board on December 9, 2019 as part of the Annual Eligibility Review. The next submittal is due in 2021. Please reference " Fiscal Year 2019-20 Eligibility Review ," dated December 9, 2019.
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	Joe Alcock/ Adriann Cardoso	Yes. OCTA is requiring an annual 7-year CIP. This requirement was submitted to OCTA and was presented to the Board on December 9, 2019 as part of the Annual Eligibility Review. Please reference " Fiscal Year 2019-20 Eligibility Review ," dated December 9, 2019.
91.05	Participated in Traffic Forums as described in Attachment B?	Att. B, Sec. III.A.5	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. This is an annual requirement. Local agencies have to 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 9, 2019 as part of the Annual Eligibility Review. Please reference " Fiscal Year 2019-20 Eligibility Review ," dated December 9, 2019.

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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 in adjoining jurisdictions; and is consistent with the Traffic Signal Synchronization Master Plan?	Att. B, Sec. III.A.6	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. This is required every three years. This requirement was adopted by local agency governing bodies and was presented to the Board on December 11, 2017 as part of the Annual Eligibility Review. The next submittal is due in 2020. Please reference: " Fiscal Year 2017-18 Measure M2 Annual Eligibility Review " Staff Report Dated December 11, 2017.
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	Joe Alcock/ Adriann Cardoso	Yes. 14 agencies update PMPs on odd-year cycle, while 21 agencies update on an even-year cycle as part of the Measure M2 Annual Eligibility Review. Odd-year cycle reports were presented to the Board on December 9, 2019. Even-year cycle reports were presented to the Board on December 10, 2018 as part of the Fiscal Year 2018-19 Measure M2 Annual Eligibility Review. All prior reports to date have been submitted and approved per the requirements and noted in the previous year's tracking matrix. Please reference: " Fiscal Year 2018-19 Measure M2 Annual Eligibility Review " Staff Report Dated December 10, 2018 (for even year agencies) and Please reference " Fiscal Year 2019-20 Eligibility Review ," Staff Report Dated December 9, 2019 (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	Joe Alcock/ Adriann Cardoso	Yes, all local agencies 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: " Fiscal Year 2018-19 Measure M2 Annual Eligibility Review " Staff Report Dated December 10, 2018 (for even year agencies) and

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							Please reference " Fiscal Year 2019-20 Annual Eligibility Review ," Staff Report Dated December 9, 2019 (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 Maintenance of Effort requirements?	Att. B, Sec. III.A.8	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes, the Board was presented with the Annual Expenditure Reports for FY 2017-2018 on July 08, 2019 for all local agencies excluding the cities of Santa Ana and Stanton. Please reference: " Measure M2 Eligibility Review Recommendations for Fiscal Year 2017-2018 Expenditure Reports ," Dated July 8, 2019.
91.10	Submitted the Expenditure Report by the end of six months following the end of the jurisdiction's fiscal year 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	Joe Alcock/ Adriann Cardoso	Yes, all local agencies have submitted the expenditure reports by the end of six months following the end of the jurisdiction's fiscal year. The Board was presented with the Annual Expenditure Reports for FY 2017-2018 on July 1, 2019. Also, Expenditure Reports for Fiscal Year 2018-19 appear to be on track for submittal to OCTA by Dec 31, 2019.
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	Joe Alcock/ Adriann Cardoso	Yes, an ongoing monitoring report is tracked frequently and uploaded to M2 Document Center. Please reference: " 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 fiscal year for which the Net Revenues are programmed, subject to extensions?	Att. B, Sec. III.A.10.a	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	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. Note: No encumbrance delays were requested during the September 2019 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	Joe Alcock/ Adriann Cardoso	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. Note: No encumbrance delays were requested during the September 2019 Semi-Annual Review process.

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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	Joe Alcock/ Adriann Cardoso	Yes, net revenues are being encumbered and expended consistent with these requirements. They are monitored through the M2 Master Tracker Database and the Semi-Annual Review Process. Note: No encumbrance delays were requested during the September 2019 Semi-Annual Review. However, two CTFP and nine LFS project expenditure delay (i.e. timely use of funds extension requests) were approved by the Board on December 9, 2019. Please reference: Comprehensive Transportation Funding Programs Semi-Annual Review - September 2019 dated December 9, 2019.
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	Joe Alcock/ Adriann Cardoso	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.
91.16	Annually certified Maintenance of Effort requirements of Ordinance No. 3, Sec. 6?	Att. B, Sec. III.A.11	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes for 33 of the 35 Agencies. The Board approved the annual expenditure reports for 33 agencies on July 8, 2019 in the item titled: Measure M2 Eligibility Review Recommendations for Fiscal Year 2017-18 Expenditure Reports . However, due to audit findings, the cities of Stanton and Santa Ana were found ineligible to receive net M2 Revenues based upon failing to meet and/or substantiate MOE requirements for fiscal year 2017-2018. Please reference: " Measure M2 Eligibility for the City of Santa Ana " and " Measure M2 Eligibility for the City of Stanton ," dated May 13, 2019. Consistent with Board action in these staff reports, these cities need to execute items identified in settlement agreements with OCTA. Once these actions have occurred, the Board will re-evaluate Stanton and Santa Ana's eligibility to receive to Net M2 Revenues. A date has not yet been established for the Board to reconsider these cities' M2 Eligibility status. The Expenditure reports for all local agencies for FY 2018-19 which includes a report for actual MOE expenditures are expected to be approved in June, 2020.

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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	Joe Alcock/ Adriann Cardoso	Yes. This is required annually. This was presented to the Board for approval on December 9, 2019 as part of the Annual Eligibility Review. Please reference: " Fiscal Year 2019-20 Annual Eligibility Review ," dated December 9, 2019.
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	Joe Alcock/ Adriann Cardoso	Yes. This is required annually. This was presented to the Board for approval on December 9, 2019 as part of the Annual Eligibility Review. Please reference: " Fiscal Year 2019-20 Annual Eligibility Review ," dated December 9, 2019.
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	Joe Alcock/ Adriann Cardoso	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 May 24, 2010. The PMP guidelines were last revised and approved by the Board on April 9, 2018. Please reference: " 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. These Guidelines are anticipated to be updated again in Spring, 2020 as part of general updates to the M2 Eligibility Guidelines. This item is currently scheduled for the April 13, 2020 Board meeting.
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	Joe Alcock/ Adriann Cardoso	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.

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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	Joe Alcock/ Adriann Cardoso	Yes, except when a match reduction has been approved for Project O funding recommendations for 2019 Call for Projects were approved by the Board on June 10, 2019. Additional information on each fund source and percentage is available online on OCFUNDTRACKER. Please reference: "Comprehensive Transportation Funding Programs – 2019 – Call for Projects Programming Recommendations," dated June 10, 2019.
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	Joe Alcock/ Adriann Cardoso	Yes. Funding Recommendations for 2019 Call for Projects was approved by the Board on June 10, 2019. Additional information on each fund source and percentage is available online on OCFUNDTRACKER. Please reference: "Comprehensive Transportation Funding Programs – 2019 – Call for Projects Programming Recommendations," dated June 10, 2019.
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	Joe Alcock/ Adriann Cardoso	Yes. The OCTA Board approved the revised CTFP Guidelines and issued the 2020 CTFP Annual Calls for Projects on August 12, 2019. Please reference: "Measure M2 Comprehensive Transportation Funding Programs - 2020 Annual Calls for Projects" dated August 12, 2019.
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	Joe Alcock/ Adriann Cardoso	The Technical Advisory Committee (TAC) recommended approval of modifications to the 2020 CTFP Guidelines on March 21, 2019, prior to the Board's action. TAC Meeting Minutes were approved at the following meeting on May 22, 2019: "TAC Meeting Minutes – March 27, 2019"
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 \$144.5 million in M2 funds as match for TCIF funding for seven Grade Separation projects. Please reference: "OC Bridges Railroad Grade Separation Program Cost to Complete Update" dated August 8, 2016. "OC Bridges Railroad Grade Separation Program Funding Plan Update" dated November 14, 2016. All seven grade separations have been opened to traffic and completed. Please reference:

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							<p>"OC Bridges Railroad Grade Separation Completion", Staff presentation dated December 11, 2017.</p> <p>And the "Capital Programming Update" dated November 26, 2018. As part of the "Capital Programming Update," Staff report dated June 10, 2019, the Board authorized replacing \$3.1 million in M2 funds with State funds. However, as the projects are closed out in 2020 the original \$144.5 million in committed M2 would likely be needed for the projects. Additional funds over this initial programming amount would return to the Board for confirmation/approval in 2020.</p>
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 Authority adopted and maintained the Master Plan which was a part of the MPAH?	Att. A, p. 19, Project P and Att. B, Sec. V.B.1	Planning	One-time, start-up	Done	Anup Kulkarni	Yes. Please reference: "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.
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: "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.
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 –2020 Annual Call for Projects," dated August 12, 2019, see "Comprehensive Transportation Funding Program Guidelines," chapter 8.
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 –2020 Annual Call for Projects," dated August 12, 2019, see "Comprehensive Transportation Funding Program Guidelines – 2020 Call for Projects," chapter 8, page 8-15.
106.00	Has the Authority encouraged the State to participate in the Regional Traffic Signal Synchronization Program and given	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% (including State discretionary funds) is provided additional priority in the evaluation.

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	priority to use of transportation funds as match for the State's discretionary funds used for implementing Project P?						Please reference: " Measure M2 Comprehensive Transportation Funding Programs –2020 Annual Call for Projects ," dated August 12, 2019, see "Comprehensive Transportation Funding Program Guidelines – 2020 Call for Projects," chapter 8, page 8-17.
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% match. Please reference: " Measure M2 Comprehensive Transportation Funding Programs –2020 Annual Call for Projects ," dated August 12, 2019, see "Comprehensive Transportation Funding Program Guidelines – 2020 Call for Projects," chapter 8, page 8-16.
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 –2020 Annual Call for Projects ," dated August 12, 2019, see "Comprehensive Transportation Funding Program Guidelines – 2020 Call for Projects", chapter 8, page 8-2.
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, 2017. The next submittal is due June 2020. Please reference: " Fiscal Year 2017-18 Measure M2 Annual Eligibility Review ," dated December 11, 2017.
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 –2020 Annual Call for Projects ," dated August 12, 2019, see "Comprehensive Transportation Funding Program Guidelines – 2020 Call for Projects," chapter 8, page 8-11.
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 10, 2017. Please reference: " Guidelines for the Preparation of the Local Signal

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							Synchronization Plans ," Staff Report dated July 26, 2010, and " Fiscal Year 2017-18 Measure M2 Maintenance of Effort Adjustment and Updates to the Eligibility and Local Signal Synchronization Plan Guidelines ," Staff Report dated April 10, 2017.
112.00	Project Q - Local Fair Share Program						
113.00	<p>Are Local Fair Share funds distributed by a formula that accounts for the following factors and weightings:</p> <ul style="list-style-type: none"> - Population - 50%? - Street mileage - 25%? - Amount of sales tax collection in each jurisdiction - 25%? 	Att. A, p. 20, Project Q Att. B, Sec. 5.C.1-3	Planning, F&A	Recurring	Done to date	Sean Murdock	Yes. See General Accounting payments for Local Fair Share funds for FY 2019. Also see the Agreed-Upon Procedures to the Measure M2 Status Report for FY 2019 related to Local Fair Share disbursements. Note that May and July payments for the cities of Santa Ana and Stanton were withheld due to the cities being deemed ineligible for M2 funds. Please reference: 1. 2019 Project Q Local Fair Share Payments 2. " OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report " for FY 2019 – Attachment F. Staff report dated January 27, 2020.
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	Jennifer Bergener, Jim Beil & Joe Alcock/ Adriann Cardoso	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) ," Staff Report dated September 13, 2010. " Project S 2012 Guidelines for Bus and Station Van Extension Projects ," Staff Report 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 \$341 million in state, \$740 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

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							all programming actions are made in accordance with the Board policies to maximize state and federal funding. Please reference the " Federal Transit Administration Sections 5307, 5310, 5337, and 5339 Program of Projects for Federal Fiscal Year 2019-20 ," dated October 10, 2019.
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	Jennifer Bergener & Joe Alcock/ Adriann Cardoso	Yes. As transit projects are approved for development and/or funding by the OCTA Board to be implemented or in any way augmented by OCTA or OCTA Board-approved funding, or in any way augmented by OCTA or OCTA 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. At the present time, there are active agreements in place for all funded capital projects. See example such as the Orange 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 & Joe Alcock/ Adriann Cardoso	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. Two of the projects have implemented service but as of now only one (in the City of Anaheim) remains in operation. Please reference: " Measure M2 Project S Programming Recommendations ", Staff Report dated November 22, 2010.

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							"Anaheim Rapid Connection and Future Transit Connectivity to OC Streetcar," Staff Report dated June 27, 2016. "Project S Bus and Station Van Extension – 2012 Call for Projects Programming Recommendations," Staff Report dated July 23, 2012. "Comprehensive Transportation Funding Programs Semi-Annual Review – September 2015," Staff Report dated December 14, 2015.
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	Jennifer Bergener	<p>Yes, through the completion of the MSEP capital activities, additional service has been added, providing more intra-county trains. MSEP improvements have added infrastructure to support as many as 76 trains a day, but the Comprehensive Business Plan currently shows that only 59 are sustainable based on projected revenues and operating funds, and that number has been added over the past several years. Ten intra-county trains and two Inland Empire-OC trains have been added since July 2011.</p> <p>OCTA continues to work with partners at Metrolink, Metro, RCTC, BNSF to advance the discussion of additional train service between Orange County and Los Angeles. Effective October 14, 2019, two of the existing MSEP trains currently serving Laguna Niguel to Fullerton will be extended to serve Los Angeles.</p> <p>Please reference: "Metrolink Service Expansion Program Update", Staff Report dated November 26, 2012.</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	2019	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. Projects include construction of the Laguna Niguel to San Juan Capistrano passing siding, and environmental clearance work for the Orange County Metrolink Maintenance Facility Station, design for replacement of the San Juan Creek railroad bridge, various safety and security improvements, and beginning a south County rail corridor climate change assessment.</p>

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							Project development has also 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. For 2019 status of Project R improvements, please reference: "Capital Programs Division – First Quarter Fiscal Year 2019-20 Capital Action Plan Performance Metrics," dated November 11, 2019.
123.00	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?	Att. A, p. 23, Project R	Capital Programs - Rail	30-year	Done to date	Jim Beil/Dinah Minter	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). Project development is underway on a new Metrolink station in the City of Placentia, additional passenger platforms and station track at Anaheim Canyon Station, and scoping of the Irvine Station reconfiguration as part of the Metrolink SCORE program.
124.00	Has Project R included funding for improving grade crossings and constructing over or underpasses at high volume streets that cross Metrolink tracks?	Att. A, p. 23, Project R	Capital Programs - Rail	30-year	2019	Jason Lee/Jim Beil	Grade separation environmental documents are completed for the 17th Street grade separation project in Santa Ana, and State College in Anaheim. There are 5 other grade separations with PSR or PSR equivalents completed and awaiting funding to proceed further.
125.00	Project S - Transit Extensions to Metrolink						
126.00	Has a competitive program been established for local jurisdictions to broaden the reach of the rail system to other activity centers and communities?	Att. A, p. 23, Project S	Planning	30-year	Done to date	Joe Alcock/Adriann Cardoso	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 last update in August 2019. Please reference: "Measure M2 Comprehensive Transportation Funding Programs – 2020 Annual Call for Projects," Staff Report dated August 12, 2019.

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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	Joe Alcock/ Adriann Cardoso	<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 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 the following Staff Reports: "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. "Santa Ana/Garden Grove Fixed-Guideway Proposed Financial and Implementation Plans," dated August 11, 2014. "Fixed-Guideway Policy Decisions Overview," dated May 12, 2014. "Santa Ana/Garden Grove Fixed-Guideway Project Approval and Memorandum of Understanding," dated July 9, 2015. "Anaheim Rapid Connection and Future Transit Connectivity to OC Streetcar," dated June 27, 2016.</p>
127.01	<p>Has Project S, as required, not been used to fund transit routes that are not directly connected to or that would be redundant to the core rail service on the Metrolink corridor?</p>	Att. A, p. 23, Project S	Planning	30-year	Done to date	Joe Alcock/ Adriann Cardoso	<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-</p>

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							<p>guideway projects. The OC Streetcar Project funding plan (revised) was approved by the OCTA Board on July 9, 2018.</p> <p>Please reference the following staff reports for documentation of compliance: "Measure M2 Project S Programming Recommendations", dated November 22, 2010. "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", Staff Report dated July 9, 2018.</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	Joe Alcock/ Adriann Cardoso	<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	Joe Alcock/ Adriann Cardoso	<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), and one rubber tire project (Anaheim Canyon Metrolink Station Bus Connection) is in operation.</p> <p>Please reference the following staff reports for documentation of compliance: "Measure M2 Project S Programming Recommendations," dated November 22, 2010.</p>

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							"Project S Bus and Station Van Extension - 2012 Call for Projects Programming Recommendations," dated July 23, 2012.
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	Joe Alcock/Adriann Cardoso	<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). Effective August 1, 2015 and May 9, 2016, OCTA entered into agreements 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 January 23, 2017 the OCTA Board approved an agreement with the City of Santa Ana (C-6-1433) for use of public right-of-way for the construction, operations and maintenance of the OC Streetcar Project. On March 27, 2017 the OCTA Board approved agreements 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 April 24, 2017, the OCTA Board amended and restated an agreement with the City of Santa Ana (C-94-859) for the Santa Ana Regional Transportation Center and the OC Streetcar.</p> <p>On June 27, 2016, the Board approved an amendment to Anaheim's contract, concluding all planning efforts on the ARC fixed-guideway</p>

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							<p>project, and to determine OCTA would serve as the lead agency for any future phases of the project (C-1-3115).</p> <p>For the Rubber Tire Program, Cooperative Agreements have been established in 2012 with City of Anaheim (C-2-1668) and City of Lake Forest (C-2-1667). As of 2018, only one project in Anaheim is in operation.</p>
129.00	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?	Att. B, Sec. VI.B.3	Planning	One-time	Done to date	Joe Alcock/Adriann Cardoso	<p>On September 13, 2010, the Board approved Project S funding guidelines which were developed by staff in consultation with local jurisdictions, and on November 22, 2010, the Board evaluated and awarded Project S funds to Anaheim and Santa Ana for preliminary engineering of fixed-guideway projects.</p> <p>Please reference: "Measure M2 Project S Funding Guidelines for Preliminary Engineering (Guideways Only)," Staff Report dated September 13, 2010. "Measure M2 Project S Programming Recommendations," Staff Report dated November 22, 2010.</p>
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 & Joe Alcock/Adriann Cardoso	<p>ARTIC, designed to accommodate future High-Speed rail service and will serve as the southern terminus for the California High Speed Rail in Orange County, opened in December 2014.</p> <p>Upon completion, the OCTA Board moved the remainder of Project T funding to Project U.</p> <p>Please Reference: "Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan Amendment Update," dated March 14, 2016.</p>
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	Att. B, Sec. VI.B.2	Capital Programs - Rail	Recurring	Done to date	Jim Beil/Dinah Minter	<p>Yes, as part of each project's development process, OCTA enters into cooperative agreements with host cities. These agreements define roles</p>

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	construction, ownership, operation and maintenance of the facilities?						and responsibilities for the representative phase as well as ongoing maintenance of improvements.
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	Joe Alcock/Adriann Cardoso	<p>Yes, a Call for Projects was issued in consultation with local jurisdictions and funds were awarded based on OCTA Board-approved criteria on January 26, 2009. Please reference: "Renewed Measure M Project T Funding Guidelines and Attachments,"</p> <p>Staff Report dated January 26, 2009. These guidelines were modified on February 14, 2011. Please reference: "Measure M2 Project T Program Guideline Modifications."</p> <p>On December 14, 2015, an Ordinance Amendment was approved by the Board to closeout Project T. Please reference: "Public Hearing to Amend the Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan for the Transit Program," dated December 14, 2015.</p>
134.00	Project U - Expand Mobility Choices for Seniors and Persons with Disabilities						
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	<p>Yes. See General Accounting payments for SNEMT funds for FY 2019. Also see the Agreed-Upon Procedures to the Measure M2 Status Report for FY 2019 related to Senior Non-Emergency Medical Transportation.</p> <p>Please reference:</p> <ol style="list-style-type: none"> 2019 Project U SNEMT Payments "OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report" for FY 2019 – Attachment F. Report dated January 27, 2020.

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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 2019 was 5.27%. See supporting documentation from the County showing Measure H Tobacco Settlement Revenues allocated to SNEMT. Please reference: " FY19 SNEMT MOE Verification ," correspondence dated January 10, 2019.
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 2019 of \$3,192,611.02 exceeded TSR funding of \$1,628,433. 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: " FY19 SNEMT MOE Verification ," correspondence dated January 10, 2019. " 2019 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 2018. Also see the Agreed-Upon Procedures applied to the FY 2018 Measure M2 Status Report. Note that May and July payments for the cities of Santa Ana and Stanton were withheld due to the cities being deemed ineligible for M2 funds. Please reference: 1. 2019 Project U SMP Payments 2. " OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report " for FY 2019 – Attachment F. Staff Report dated January 27, 2020.
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	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. Note that May and July payments for the cities of Santa

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	date of the Ordinance and to partially fund train and other transit fares for seniors and persons with disabilities as determined by the Authority?						Ana and Stanton were withheld due to the cities being deemed ineligible for M2 funds. Please reference: 1. "M2 Fare Stabilization Cash Flow", Attachment A of " Measure M2 Fare Stabilization Update ", Staff Report dated June 23, 2014. 2. " Measure M2 Fare Stabilization Update ", Staff Report dated September 28, 2015. " Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan Amendment Update ", Staff Report dated March 14, 2016. 3. 2019 M2 Fare Stabilization Payments
140.00	Project V - Community Based Transit/Circulators						
141.00	Have all such projects [within Project V], in order to be considered for funding, met performance criteria for ridership, connection to bus and rail services, and financial viability?	Att. A, p. 25, Project V	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. Per the Project V Guidelines, with the most recent guidelines adopted by the OCTA Board on October 14, 2019, performance criteria for ridership, connections to bus and rail services and financial viability are specifically required to be defined as part of the application process prior to competing and receiving funding. Please reference: " 2020 Project V Community-Based Transit Circulators Program Guidelines and Call for Projects ," Transit Committee staff report dated October 10, 2019.
142.00	Have all such projects been competitively bid?	Att. A, p. 25, Project V	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. Per the 2013, 2015, 2018 and 2020 Project V Guidelines adopted by the OCTA 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 their projects and nature of procurement. Please reference: " 2020 Project V Community-Based Transit Circulators Program Guidelines and Call for Projects " Transit Committee staff report dated October 14, 2019.

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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	Joe Alcock/ Adriann Cardoso	Yes, OCTA staff evaluated all project applications before preparing final recommendations for the Board to ensure that proposed services will either expand or provide new services and not supplant the existing transit services. OCTA Board approved project allocations on June 25, 2018. OCTA staff will continue to monitor the projects to ensure that services funded with Project V do not duplicate existing transit services. Please reference: "2018 Measure M2 Community-Based Transit Circulators (Project V) Call for Projects Programming Recommendations," Transit Committee staff report dated June 14, 2018. A call is currently underway with programming recommendations anticipated in Spring of 2020.
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	Joe Alcock/ Adriann Cardoso	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 with Anaheim, Costa Mesa, County of Orange, Dana Point, Huntington Beach, Irvine, La Habra, Lake Forest, Laguna Beach, Mission Viejo, Newport Beach, San Clemente, San Juan Capistrano, and Westminster can be found here in the Document Center. Please reference: "Project V List of Contract Numbers" , dated March 21, 2019.
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	Joe Alcock/ Adriann Cardoso	Yes, OCTA 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" Transit Committee staff report dated October 10, 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	Joe Alcock/ Adriann Cardoso	Yes. See 2020 Project V Guidelines adopted by the OCTA Board on October 14, 2019. Please reference: "2020 Project V Community-Based Transit/Circulators Program Guidelines and Call for Projects" Transit Committee staff report dated October 10, 2019.

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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	Joe Alcock/ Adriann Cardoso	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 (9/16/2019 and 11/5/2019). 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 upon 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						
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	Joe Alcock/ Adriann Cardoso	<p>The OCTA 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. On June 24, 2019, OCTA Board approved Project W funds for 36 stops. 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 City of Santa Ana was not awarded funds for 36 of its stops, due to its ineligibility to receive new M2 revenues. However, the Board has directed staff to issue an expedited call in the future 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.</p> <p>Please 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. "2019 Project W Safe Stops Call for Projects," dated October 22, 2018.</p>

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							"Measure M2 Project W Safe Transit Stops – 2019 Programming Recommendations," dated June 24, 2019.
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	<p>Yes, the OCTA 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, nine rounds of funding under the Tier 1 grants program have been awarded by the Board. A total of 177 projects in the amount of just over \$24 million have been awarded since 2011. There have been two rounds of funding under the Tier 2 grants program. A total of 22 projects in the amount of \$27.89 million have been awarded by the OCTA 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 2020. 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 (potentially 2021 and 2025). Staff anticipates the next Tier 2 call in 2021, 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 March 11, 2019. "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.</p> <p>Please reference: "2019 Measure M2 Environmental Cleanup Program Call for Projects," dated March 11, 2019, see attached Guidelines Chapter 11.</p>

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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	Yes, the OCTA 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 nine 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 for Tier 1 and Tier 2 Guideline Revisions and Call for Projects Staff Reports. Measure M2 Environmental Cleanup Program – A Two-Tier Grant Funding Approach ,” dated May 24, 2010. “2019 Measure M2 Environmental Cleanup Program Call for Projects,” dated March 11, 2019, see attached Guidelines chapter 11.
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 OCTA Board and integrated as Chapter 11 of the Comprehensive Transportation Funding Guidelines. Project X Tier 1 and Tier 2 Guidelines were moved to Chapter 11 in 2018. As a note, Chapter 11 of the CTFP guidelines gets periodic updates to improve on the process. Please reference: “2019 Measure M2 Environmental Cleanup Program Call for Projects,” Staff Report dated March 11, 2019, 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 OCTA Board and integrated as Chapter 11 of the Comprehensive Transportation Funding Guidelines. Project X Tier1 and Tier 2 Guidelines were moved to Chapter 11 in 2018. As a note, Chapter 11 of the CTFP guidelines gets periodic updates to improve on the process. Please reference: “Measure M2 Comprehensive Transportation Funding Programs – 2020 Annual Call for Projects,” Staff Report dated August 12, 2019, see attached Guidelines chapter 11.
156.00	Has a maintenance of effort 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.

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							Please reference: " 2019 Measure M2 Environmental Cleanup Program Call for Projects ," Staff Report dated March 11, 2019, 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 have occurred through the Semi-Annual Review Process, which ended in September 2016. Please reference: " Comprehensive Transportation Funding Programs Semi-Annual Review - September 2019 ", Staff Report dated December 9, 2019.
158.00	If there has been any misuse of these funds, have penalties been imposed?	Att. A, p. 27, Project X	Planning	Recurring	Done to date	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? - Two representatives of water or wastewater public entities? - One representative of the development industry? - One representative of private or non-profit organizations involved in water quality protection/enforcement matters? 	Att. B, Sec. VII.B.1.i-vii	Planning, External Affairs	Recurring	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: " Status Report on Renewed Measure M Environmental Programs ," Staff Report dated August 25, 2008. " ECAC Roster 2019 " dated December 31, 2019.
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 2019 " dated December 31, 2019.

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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" , Staff Report dated February 14, 2011. "2019 Measure M2 Environmental Cleanup Program Call for Projects" dated March 11, 2019, 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: "2019 Measure M2 Environmental Cleanup Program Call for Projects" dated March 11, 2019, 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: "2019 Project X - Tier 1 Call for Projects Programming Recommendations" dated September 9, 2019.

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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 Citizens Oversight Committee 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 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. Please reference: "TOC Member Terms Roster History (1997-2019)," dated September 25, 2019.

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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 Citizens Oversight Committee 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 Meeting Minutes in " TOC Agenda Packet ," dated August 9, 2016.
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. The second amendment did not require TOC approval. Please reference: " TOC M2 Amendment No. 1 Approval Memo ," dated October 9, 2012. " TOC M2 Amendment No. 2 Public Hearing ," Staff Report dated November 25, 2013. " TOC M2 Amendment No. 3 Approval Memo ," dated November 10, 2015.
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 & Joe Alcock	The Annual Eligibility Review Subcommittee reviewed applicable eligibility requirements on September 26, 2019, and the full TOC approved them on October 8, 2019. Also see Items 167.04-167.08 below. Please reference: " TOC Agenda Packet ," dated October 8, 2019.
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 & Joe Alcock	This is required on odd numbered years. The TOC reviewed the Congestion Management Program on October 8, 2019. Eligibility determination was presented to the Board on December 9, 2019 as part of the Fiscal Year 2019-20 Measure M2 Annual Eligibility Review. The next submittal is due in 2021.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Ordinance Tracking Matrix - Ordinance No. 3
For Period Ending December 31, 2019

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2019 Response
							Please reference: "Fiscal Year 2019-20 Measure M2 Annual Eligibility Review," Staff Report dated December 9, 2019. "TOC Agenda Packet," dated October 8, 2019.
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 & Joe Alcock	This is required on a biennial basis. The TOC reviewed the Mitigation Fee Program on October 8, 2019. Eligibility determination was presented to the Board on December 9, 2019 as part of the Fiscal Year 2019-20 Measure M2 Annual Eligibility Review. The next submittal is due in 2021. Please reference: "Fiscal Year 2019-20 Measure M2 Annual Eligibility Review," dated December 9, 2019. "TOC Agenda Packet," dated October 8, 2019.
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 2017-18 Expenditure Reports on August 13, 2019 for all 35 local agencies. Eligibility determination was presented to the Board of Directors upon final submittal of expenditure reports by local jurisdictions. All local agencies (excluding the cities of Santa Ana and Stanton) were found conditionally eligible to receive net Measure M2 revenues for fiscal year 2018-19. Please reference: June 11, 2019 Meeting Minutes portion of "TOC Agenda Packet," dated August 13, 2019. "Measure M2 Eligibility Review Recommendations for Fiscal Year 2017-18 Expenditure Reports," dated July 8, 2019.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Ordinance Tracking Matrix - Ordinance No. 3
For Period Ending December 31, 2019

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2019 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 & Joe Alcock/ Adriann Cardoso	<p>This is required every three years. The last Local Signal Synchronization Plan review was received and reviewed by the TOC on October 10, 2017, and presented to the Board on December 11, 2017, as part of the Fiscal Year 2017-18 Measure M2 Annual Eligibility Review. The next submittal is due in 2020.</p> <p>Please reference: "Fiscal Year 2017-18 Measure M2 Annual Eligibility Review," Staff Report dated December 11, 2017. "TOC Agenda Packet", dated October 10, 2017.</p>
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 & Joe Alcock/ Adriann Cardoso	<p>Yes. 14 agencies update PMPs on odd-year cycle, while 21 agencies update on even-year cycle as part of the Annual Eligibility Review. The TOC reviewed the Pavement Management Plans for even-year agencies on October 9, 2018. Even-year cycle reports were presented to the Board on December 10, 2018 as part of the Fiscal Year 2018-19 Measure M2 Annual Eligibility Review. The TOC reviewed the Pavement Management Plans for odd-year agencies on October 8, 2019. Eligibility determination was presented to the Board on December 9, 2019 as part of the Fiscal Year 2019-20 Measure M2 Annual Eligibility Review.</p> <p>Next approval for agencies on the even-year cycle will be considered for TOC review in October 2020 and Board approval by December 2020.</p> <p>Please reference: "Fiscal Year 2018-19 Measure M2 Annual Eligibility Review" Staff Report Dated December 10, 2018. "Fiscal Year 2019-20 Measure M2 Annual Eligibility Review" Staff Report Dated December 9, 2019. "TOC Agenda Packet," dated October 9, 2018. "TOC Agenda Packet," dated October 8, 2019.</p>

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Ordinance Tracking Matrix - Ordinance No. 3
For Period Ending December 31, 2019

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2019 Response
167.09	Has the Committee reviewed yearly audits and held an annual hearing to determine whether the Authority is proceeding in accordance with the Plan?	Att. C, Sec. IV.D	External Affairs	Recurring	Done to date	Alice Rogan	Yes. The last Annual Hearing and Compliance Review was completed on June 11, 2019. Please reference: "TOC Agenda Packet," dated June 11, 2019.
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 11, 2019. A memo from the TOC Chairman was presented to the Board on June 24, 2019. Please reference page 251 of the Board of Directors Agenda Packet titled: "Taxpayer Oversight Committee Measure M Annual Public Hearing Results and Compliance Findings," Staff Report dated June 24, 2019.
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. 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.



COMMITTEE TRANSMITTAL

April 13, 2020

To: Members of the Board of Directors
From: *Lu*
Laurena Weinert, Clerk of the Board
Subject: 2020 Measure M2 Community-Based Transit Circulators
(Project V) Call for Projects Programming Recommendations

Transit Committee Meeting of April 9, 2020

Present: Directors Davies, Do, Jones, Pulido, Shaw, Sidhu, and Winterbottom
Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Director Pulido was not present to vote on this item.

Committee Recommendations

- A. Approve programming recommendations for Project V funding, in an amount not to exceed \$9,043,613, plus inflationary adjustments, for six local agency projects submitted under the capital and operating reserve categories.
- B. Approve the programming recommendations for Project V funding, in an amount not to exceed \$177,900, for three local agency projects submitted under the planning category.
- C. Authorize staff to execute cooperative funding agreements with local agencies.
- D. Authorize staff to negotiate and execute lease agreements with interested local agencies, for the use of existing Project V-funded (and Orange County Transportation Authority-owned) vehicles.



April 9, 2020

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is written over the "From:" line of the header.

Subject: 2020 Measure M2 Community-Based Transit Circulators (Project V)
Call for Projects Programming Recommendations

Overview

The Orange County Transportation Authority issued the 2020 Measure M2 Project V call for projects for community-based transit circulators on October 14, 2020. Applications have been received and scored consistent with the Board of Directors' approved Comprehensive Transportation Fund Programs Project V Guidelines. Projects recommended for funding are presented for review and approval.

Recommendations

- A. Approve programming recommendations for Project V funding, in an amount not to exceed \$9,043,613, plus inflationary adjustments, for six local agency projects submitted under the capital and operating reserve categories.
- B. Approve the programming recommendations for Project V funding, in an amount not to exceed \$177,900, for three local agency projects submitted under the planning category.
- C. Authorize staff to execute cooperative funding agreements with local agencies.
- D. Authorize staff to negotiate and execute lease agreements with interested local agencies, for the use of existing Project V-funded (and Orange County Transportation Authority-owned) vehicles.

Background

The Community-Based Transit Circulator Program (Project V) under Measure M (M2) provides funding to jurisdictions seeking to implement local

transit services that complement regional bus and rail services while also meeting local needs in areas not adequately served by regional transit.

In 2019, at the direction of the Board of Directors (Board), staff polled local agencies to determine if there was sufficient interest to support a 2020 Project V call for projects (call). Based upon these efforts, it was determined that there was strong support for a 2020 call. On October 14, 2019, the Board approved revised Comprehensive Transportation Funding Programs Project V Guidelines (Guidelines), and directed staff to issue a call making \$9 million available to fund projects that met Board-specified 2020 call objectives.

These objectives include:

- Continuing to fund previously awarded successful projects that were expiring,
- Encouraging and supporting new special event or seasonal shuttle services,
- Encouraging shared-ride service options through promoting shared-ride hailing services, and
- Encouraging new and innovative services that would meet Project V's goals and performance standards by providing funding for transit planning studies.

Discussion

The 2020 Project V call opened on October 14, 2019, and applications were due on December 12, 2019. Thirteen Project V applications were submitted by 12 local agencies, requesting approximately \$17.5 million in funding. Applications consisted of funding requests for planning studies, capital, initial marketing, and operations funding to support various service concepts, including extensions of existing fixed-route services, shared-ride hailing and commuter services, special event, weekend, seasonal, and microtransit services.

A total of eight local agencies submitted nine applications, requesting approximately \$17.2 million in Project V funds to either implement new or extend existing Project V-funded services. There were four additional applications for planning projects, which requested the remaining funding and are discussed below.

The nine service-related applications were reviewed for eligibility, adherence to Guidelines requirements, and consistency with 2020 call objectives. Six of the

nine applications were deemed to be consistent with these criteria and recommended for funding (Attachment A). In total, \$9,043,613 plus inflationary adjustments, is requested to be made available to support the programming recommendations identified in Attachment A.

It should be noted that of the applications recommended for funding, three included capital requests for vehicles. The Orange County Transportation Authority (OCTA) reached out to each of these local agencies to inquire if they were interested in leasing existing Project V-funded (and OCTA-owned) vehicles, as a cost-effective alternative to new capital vehicle purchase/lease requests.

- The City of La Habra expressed interest in leasing two vehicles for its various special events which occur on weekends in April, October, and December.
- The City of Dana Point (Dana Point) also indicated that it was potentially interested in an OCTA vehicle but expressed concern with respect to potential capacity constraints due to the size of the OCTA vehicle. As a result of the impacts on staff resources related to the Corona Virus (COVID-19), this question was not resolved at the time of the publishing of this staff report. As such, the programming recommendation for Dana Point includes funding for a replacement trolley, which could be granted with OCTA Board approval, contingent upon the emergence of capacity constraints and the results of a cost-benefit analysis.
- The City of San Juan Capistrano (San Juan Capistrano), which requested funding for a spare or back-up vehicle, did not express interest in using an OCTA vehicle. As such, San Juan Capistrano's request was not advanced in the programming recommendations identified in Attachment A.

Staff is requesting Board authority to negotiate and execute leases for the existing OCTA-owned Project V vehicles and, if appropriate, provide funding to Dana Point for a replacement vehicle.

With respect to transit planning grant applications, OCTA received four applications through which the cities of Anaheim, Newport Beach, Orange, and the County of Orange requesting approximately \$237,900 for transit planning activities. These applications were also reviewed for eligibility, adherence to Guidelines requirements, and consistency with 2020 call objectives, and in total, staff is recommending that \$177,900 be awarded to support three applications, which are identified in Attachment B. More specific details on all of the projects being recommended for funding are provided in attachments C and D.

It should also be noted that funds awarded to support operations and maintenance of Project V services are subject to minimum performance requirements, which are identified in the Guidelines. Awarded local agencies are also required to report to OCTA quarterly on ridership productivity.

Next Steps

If the programming recommendations identified in Attachments A and Attachment B are approved by the Board, staff will develop cooperative agreements with local agencies, which will allow OCTA to reimburse awarded local agencies for program costs consistent with Board policy. Staff will also develop lease agreements, as appropriate, with the cities of La Habra, and Dana Point, for the use of existing Project V-funded (and OCTA-owned) vehicles.

Project implementation and delivery will be monitored through the M2 semi-annual review process and quarterly ridership updates to the Board, with the next Project V ridership productivity report scheduled to occur this summer.

Summary

Proposed programming recommendations for the 2020 Project V call for projects have been developed by staff. Funding for nine projects, at up to \$9,221,513 in Measure M Project V funds, is being recommended for Board of Directors' approval, which will result in the initiation of and/or extension of six services and the completion of three new transit planning studies. Authorization is also requested to execute cooperative agreements and lease agreements, as appropriate, with local agencies to support implementation of the recommended proposed projects.

Attachments

- A. 2020 Measure M2 Community-Based Transit Circulators (Project V) Call for Projects, Programming Recommendations for Capital and O&M Applications
- B. 2020 Measure M2 Community-Based Transit Circulators (Project V) Call for Projects, Programming Recommendations for Planning Applications
- C. 2020 Measure M2 Community-Based Transit Circulators (Project V) Call for Projects, Proposed Service Descriptions for Recommended Applications
- D. 2020 Measure M2 Community-Based Transit Circulators (Project V) Call for Projects, Service Maps

Prepared by:



Alfonso Hernandez
Transportation Funding Analyst, Senior
(714) 560-5363

Approved By:



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

**2020 Measure M2 Community-Based Transit Circulators (Project V) Call for Projects
Programming Recommendations for Capital and O&M Applications**

Agency	Project	Initial Marketing	Capital	Operating Reserve	Total M2 Allocation	Total Local Contribution	Local Match Rate	Total Project Cost
Anaheim	Anaheim Canyon Circulator	\$ -	\$ 9,000	\$ 1,132,864	\$ 1,141,864	\$ 126,874	10%	\$ 1,268,738
Dana Point	Dana Point Trolley Continuity Program	\$ 45,000	\$ 171,810 ¹	\$ 1,992,929	\$ 2,209,739	\$ 1,196,799	35%	\$ 3,406,538
Huntington Beach (HB)	HB Southeast Rideshare Pilot Program	\$ 12,000	-	\$ 794,240	\$ 806,240	\$ 201,560	20%	\$ 1,007,800
La Habra	La Habra Community Special Event Shuttle	\$ 12,510	- ²	\$ 53,724	\$ 66,234	\$ 7,360	10%	\$ 73,594
Laguna Beach	Off-Season Weekend Trolley Service	\$ -	-	\$ 3,850,000	\$ 3,850,000	\$ 625,556	14%	\$ 4,475,556
San Clemente	San Clemente Downtown Route Continuation	\$ -	-	\$ 969,536	\$ 969,536	\$ 107,726	10%	\$ 1,077,262
Total Allocation					\$ 9,043,613	\$ 2,265,875		\$ 11,309,488

Agency	Project	Initial Marketing	Capital	Operating Reserve	Total M2 Allocation	Total Local Contribution	Local Match Rate	Total Project Cost
UNFUNDED (Not Eligible)³								
Anaheim	Friends Around the Neighborhood Expansion	\$ 50,000	\$ 168,000	\$ 3,632,000	\$ 3,850,000	\$ 714,543	16%	\$ 4,564,543
Buena Park	Buena Park Microtransit	\$ 18,000	\$ 126,000	\$ 3,247,882	\$ 3,391,882	\$ 404,876	11%	\$ 3,796,758
San Juan Capistrano	New Trolley Purchase	\$ -	\$ 186,300	\$ 18,000	\$ 204,300	\$ 22,700	10%	\$ 227,000
Total Allocation					\$ 7,446,182	\$ 1,142,119		\$ 8,588,301

Acronyms:

O&M - Operations and maintenance

OCTA - Orange County Transportation Authority

1. Capital funding request maintained in programming recommendation to support a potential future vehicle replacement purchase, should the usage of OCTA provided vehicles result in boarding/productivity challenges. However, authorization to purchase a vehicle consistent with the intent of the Comprehensive Transportation Funding Programs Guidelines for Project V would be subject to OCTA approval.
2. Capital funding request removed due to City of La Habra's acceptance of usage of OCTA owned-vehicle in-lieu of vehicle purchase.
3. Did not meet 2020 Project V call for projects objectives

**2020 Measure M2 Community-Based Transit Circulators (Project V) Call for Projects
Programming Recommendations for Planning Applications**

Agency	Project	Planning	Total M2 Allocation	Total Local Contribution	Local Match Rate	Total Project Cost
Irvine	2020 Transit Vision Plan	\$ 60,000	\$ 60,000	\$ 166,100	73%	\$ 226,100
Newport Beach	Balboa Island/Corona del Mar Microtransit Feasibility Study	\$ 58,500	\$ 58,500	\$ 6,500	10%	\$ 65,000
City of Orange	Orange Community Circulator Feasibility Study	\$ 59,400	\$ 59,400	\$ 6,600	10%	\$ 66,000
			\$ 177,900	\$ 179,200		\$ 357,100
UNFUNDED (Not Eligible)¹						
County of Orange	Ranch Ride Capital Operations Planning Study	\$ 60,000	\$ 60,000	\$ 6,667	10%	\$ 66,667
			\$ 60,000	\$ 6,667		\$ 66,667

Acronyms:

M2 - Measure M2

1. Did not meet Project V 2020 call objectives

2020 Measure M2 Community-Based Transit Circulators (Project V) Call for Projects
Proposed Service Descriptions for Recommended Applications

Project Name	Service Description	Service Type	Service Details
Anaheim Anaheim Canyon Circulator	The City of Anaheim is proposing to extend its existing Project S rail feeder service (provided by Anaheim Transportation Network (ATN)) from the Anaheim Canyon Metrolink Station to the Kaiser Medical Center, CtrCity (downtown Anaheim and City Hall), and the Anaheim Resort. Project S funds for the service will expire on June 30, 2020. This proposal is to extend the existing service (through Project V) for an additional seven years through June 30, 2027. No capital funds are requested. Vehicles are to be provided by ATN.	Commuter/Fixed Route	<ul style="list-style-type: none"> • Start Date: October, 2020 • Service Period: All Year • Service Frequency: Commuter Hours (designed to meet 4 morning Metrolink trains and 3 evening Metrolink trains) • Service Days: Monday through Friday
Dana Point Trolley Continuity Program	The City of Dana Point is proposing to secure a sixth vehicle in summer 2021 to replace an existing older trolley. It is also proposing funds to support future trolley engine maintenance and rehab needs, amenity improvements (i.e. WiFi capabilities and backup cameras), additional outreach/marketing, and extension of its trolley service through June 30, 2027.	Seasonal/ Fixed-Route and Special Event	<ul style="list-style-type: none"> • Start Date: July, 2021 • Service Period: Memorial Day- Labor Day • Service Frequency: 15 minutes • Service Days: All week (Memorial Day-Labor Day)
Huntington Beach (HB) HB Southeast Rideshare Pilot Program	The City of Huntington Beach is proposing a two year pilot-program to provide a demand responsive shared-ride hailing service in southeast Huntington Beach.	Shared-Ride Hailing	<ul style="list-style-type: none"> • Start Date: July, 2020 • Service Period: All Year • Service Frequency: 8am-8pm • Service Days: All week
Irvine Transit Vision Study	The City of Irvine is proposing to complete a 2020 Transit Vision Planning Study focused upon identifying feasibility, potential routes, ranking, and implementation strategies for a potential future local circulator.	Planning Study	<ul style="list-style-type: none"> • Start Date: September, 2020
La Habra La Habra Community Special Event Shuttle	The City of La Habra is proposing to provide city-led shuttle services (with an existing OCTA-funded Project V vehicle) from satellite parking lots at up to four annual high-volume special events - including La Fiesta, The La Habra Tamale Festival, Eggstravaganza Festival, and the La Habra Centennial.	Special Event	<ul style="list-style-type: none"> • Start Date: April, 2021 • Service Period: Various special event dates in April, October, and December • Service Frequency: Every 20 minutes • Service Days: Various weekend days at special events in April, October, and December
Laguna Beach Off-Season Weekend Trolley Service	The City of Laguna Beach is proposing to extend its existing off-season weekend trolley service, beyond its current June 30, 2020 expiration date through June 30, 2027. Routes would include the existing "long" and "short" Pacific Coast Highways routes and "ACT V" shuttle route. A limited number of special events within the service period would also be provided, including Saturday Farmers' Markets, the Sawdust Festival Winter Fantasy, Hospitality Night, Patriot's Day, and select federal holidays.	Fixed Route	<ul style="list-style-type: none"> • Start Date: July, 2020 • Service Period: 40 weekends a year • Service Frequency: 20-45 minutes (depending upon traffic) • Service Days: Weekends
Newport Beach Balboa Island/Corona del Mar Microtransit Feasibility Study	The City of Newport Beach is proposing to complete a planning study to determine if microtransit service concepts (including shared-ride hailing) services types are potentially feasible on Balboa Island, Corona del Mar, and potentially in the Newport Center and Irvine Terrace areas.	Planning Study	<ul style="list-style-type: none"> • Start Date: To Be Determined (TBD) depending upon procurement (likely fall 2020)
Orange Community Circulator Feasibility Study	The City of Orange is proposing to conduct a planning/feasibility study to explore and potentially develop a community circulator concept, which would service key destinations within the city, including the Outlets, University of California, Irvine and other Medical Centers, Old Towne Orange, Chapman University, and the Orange Transit Center.	Planning Study	<ul style="list-style-type: none"> • Start Date: TBD depending upon procurement (likely fall 2020)
San Clemente Downtown Route Continuation	The City of San Clemente is proposing to extend Project V funding for the downtown trolley from its current end date of June 30, 2023 through June 30, 2027. The service would also provide for a limited number of special event services, including the San Clemente Classic Car Show, 4th of July festivities, the San Clemente Ocean Feast, and San Clemente Fiesta.	Seasonal/ Fixed-Route and Special Event	<ul style="list-style-type: none"> • Start Date: May, 2021 • Service Period: May-September • Service Frequency: 15 minutes • Service Days: All week (Summer)

* OCTA funding eligibility starts July 1, 2020

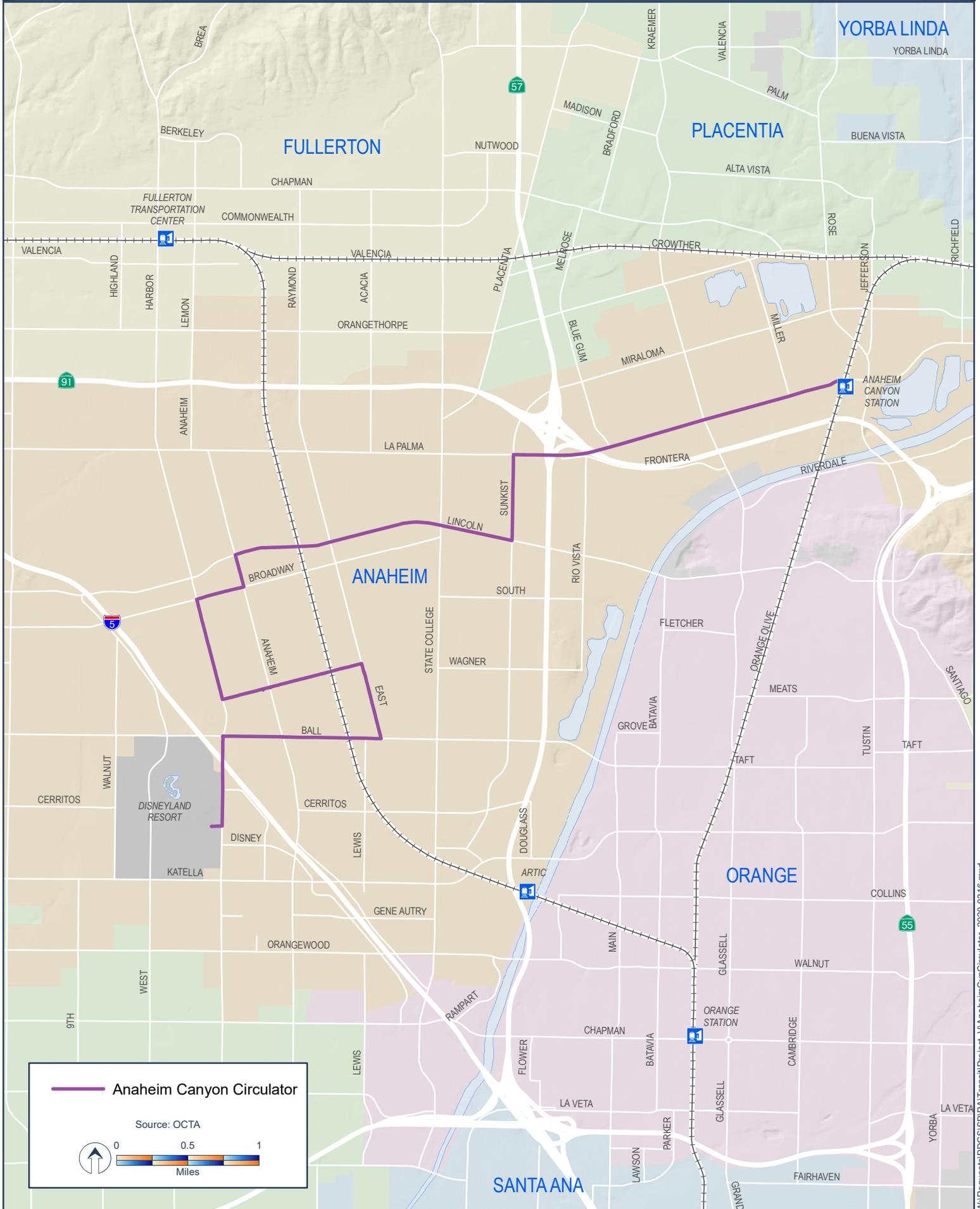
ACRONYMS:

- ATN - Anaheim Transportation Network
- HB - Huntington Beach
- PCH - Pacific Coast Highway
- TBD - To Be Determined
- UCI - University of California, Irvine
- O&M - Operations and Maintenance

2020 Measure M2 Community-Based Transit
Circulators (Project V) Call for Projects

Service Maps

Anaheim Canyon Circulator



Dana Point Trolley Continuity Program



**Dana Point Trolley
North and South Routes**

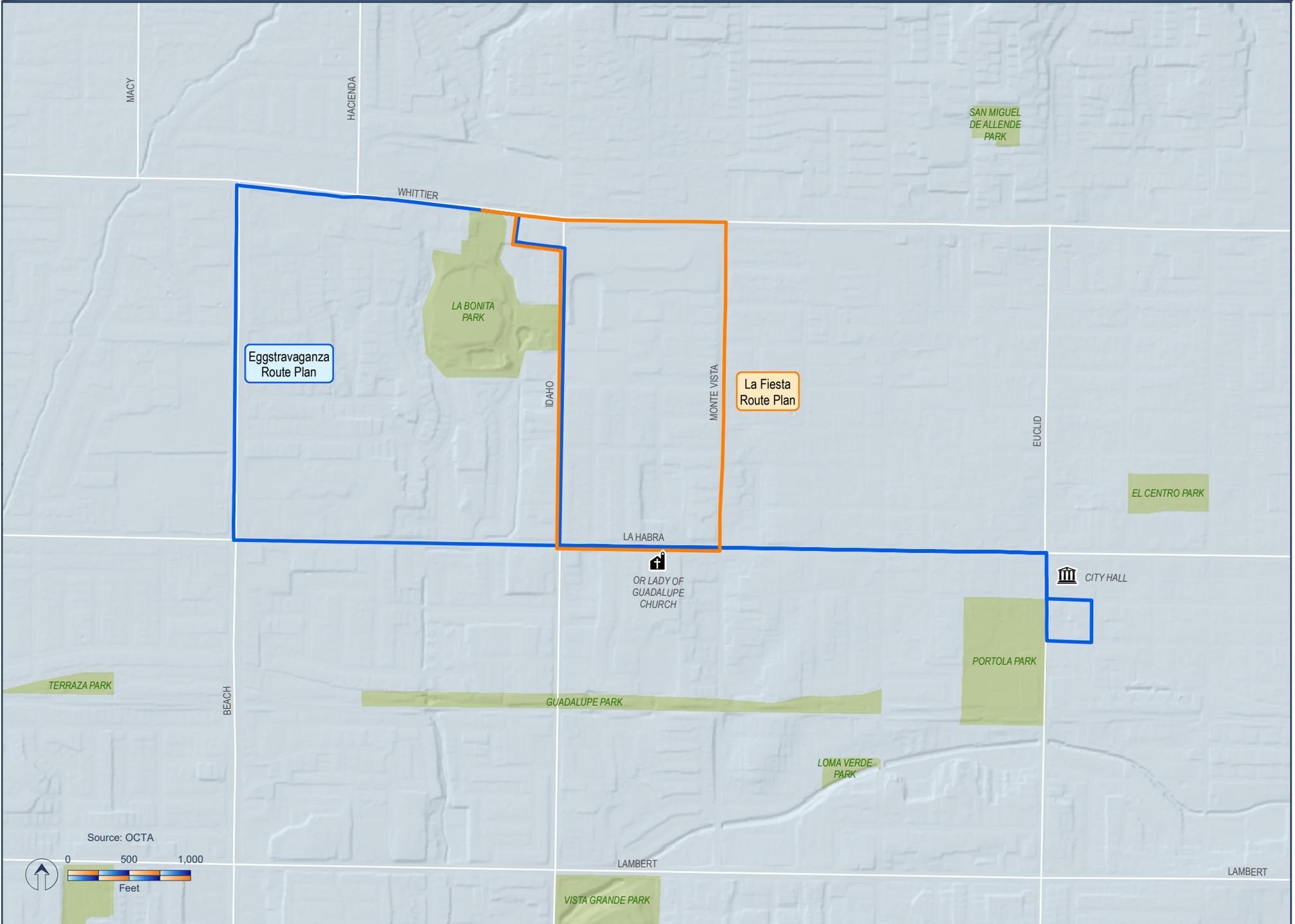
Source: OCTA

Miles

Huntington Beach Southeast Rideshare Pilot Program



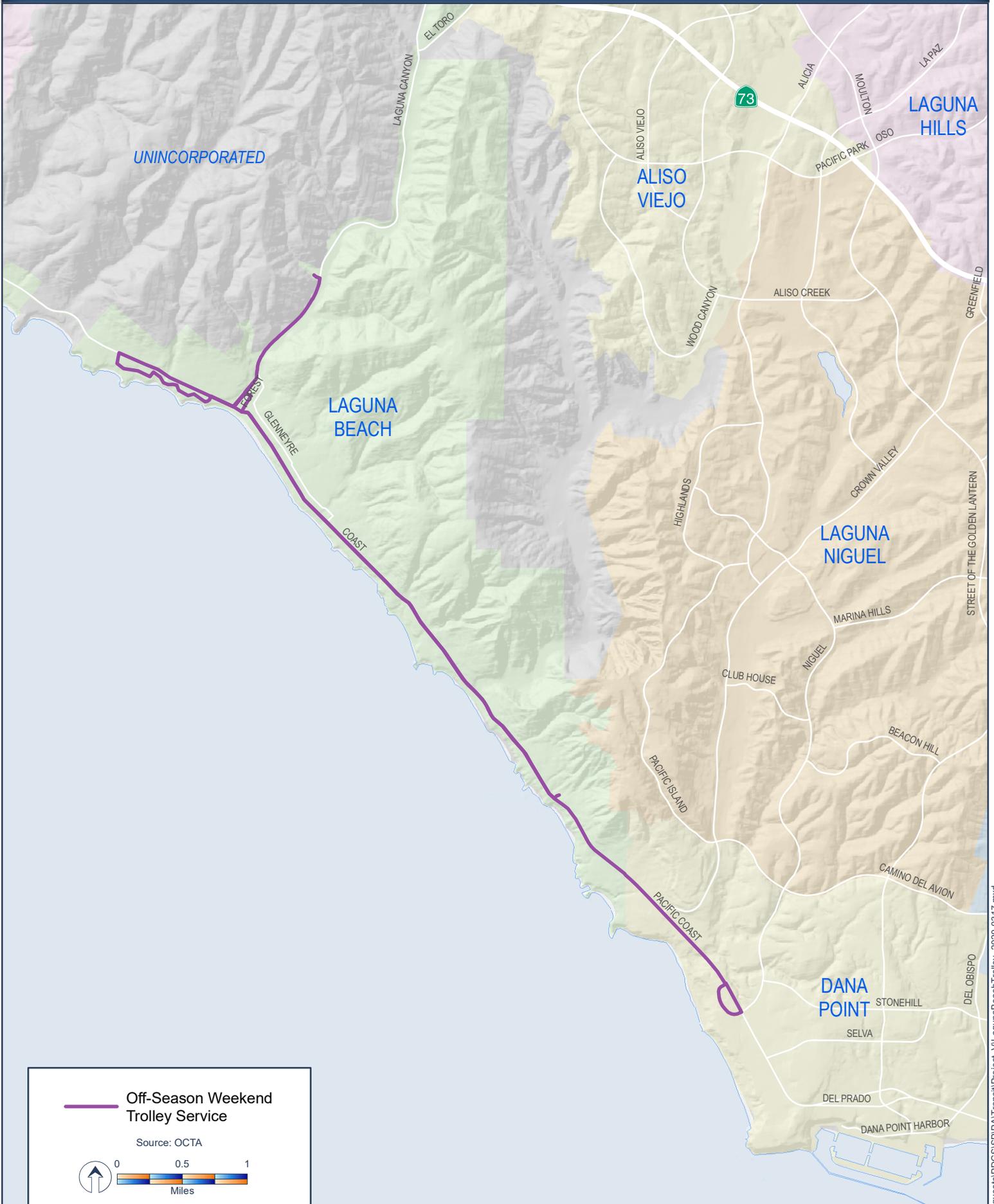
La Habra Community Special Event Shuttles



Source: OCTA



Laguna Beach Off-Season Weekend Trolley Service



Off-Season Weekend Trolley Service

Source: OCTA

Miles

San Clemente Downtown Route Continuation



*Information
Items*



COMMITTEE TRANSMITTAL

February 10, 2020

To: Members of the Board of Directors

From: Laurena Weinert,  Clerk of the Board

Subject: Regional Traffic Signal Synchronization Program Update

Regional Planning and Highways Committee Meeting of February 3, 2020

Present: Directors Bartlett, Chaffee, Delgleize, Muller, M. Murphy, and Pulido

Absent: Director R. Murphy

Committee Vote

This item was passed by the Members present.

Director Pulido was not present to vote on this item.

Committee Recommendation

Receive and file as an information item.



February 3, 2020

To: Regional Planning and Highways Committee
From: Darrell E. Johnson, Chief Executive Officer 
Subject: Regional Traffic Signal Synchronization Program Update

Overview

The Orange County Transportation Authority has been working with local cities, the County of Orange, and the California Department of Transportation in funding and implementing key regional traffic signal synchronization projects. This report provides an update on the Measure M2 Regional Traffic Signal Synchronization Program, including results from recently completed projects.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA) provides funding and assistance to implement multi-agency signal synchronization as part of the Measure M2 (M2) Regional Traffic Signal Synchronization Program (Project P). Annually, OCTA provides competitive capital grants specifically dedicated to the coordination of traffic signals across jurisdictional boundaries. The goal of Project P is to improve the flow of traffic by developing and implementing regional signal coordination that crosses local agencies' boundaries and maintains coordination through freeway interchanges, where possible.

OCTA and local agencies have implemented signal synchronization for 79 projects that included 2,757 signalized intersections and 705 centerline miles of streets (Attachment A). The projects have improved travel times, reduced delays and congestion, and increased the number of successive green lights drivers see in daily commutes. The results of the program translate into direct cost savings for the motorist, with less fuel consumption, and a reduction of greenhouse gas (GHG) emissions.

Discussion

Signal synchronization is a cost-effective way to increase roadway throughput without major new construction. Projects are corridor-based, and new optimized signal timings are developed based on traffic conditions and current travel patterns. These projects optimize traffic signal timings to reduce travel times, stops, delays, and ultimately give users a better driving experience. Key to these efforts is regular dialogue between partner agencies and the California Department of Transportation, resulting in agencies working together towards the multi-jurisdictional goal of the program.

Funding is provided through annual calls for projects (call), with 80 percent of funding from M2 (Project P) and 20 percent from local agencies' matching funds. Supplemental funding is used whenever available, including SB 1 (Chapter 5, Statutes of 2017) Local Partnership Program funds and Congested Corridor grants. A variety of sources have been used in the past to fund signal synchronization projects, including Measure M1, Proposition 1B Traffic Light Signal Synchronization Program, and air quality funds.

Signal projects implement a coordination strategy involving time-based synchronization of the respective agencies' systems, including the necessary upgrades to the traffic signal infrastructure. This includes modifications to prepare for future connected and autonomous vehicle technologies and applications. Existing synchronization on crossing arterials is incorporated when and where applicable. Optimized timings are developed and implemented for identified peak periods, which are typically weekday mornings, midday, and evenings. For weekend operations, the peak is typically mid-morning through early evening. To quantify signal synchronization benefits, "before and after" travel time studies are conducted to evaluate the improvements from these new optimized timing plans.

These studies are conducted during peak traffic periods with specially equipped vehicles that have computer-linked global positioning system devices to collect traffic data. Several runs are made in each direction with the car "floating" in the middle of the traffic platoon of vehicles for each run. These studies showed improvements across all performance measures, including travel time, number of stops, and average safe speed. Additionally, fuel consumption, GHG, and other vehicle emission data is reported (Attachment B). Historically, signal timing efforts nationwide have resulted in travel time and speed improvements, as well as a reduction in stops in the range between five and 15 percent. Comparisons of the corridors' before and after studies indicate results in the high end of this range due to the combination of the optimized traffic signal timing plans, cooperation between all participating agencies, and minor signal upgrades to maximize traffic flow.

Signal Synchronization Projects

OCTA and local agencies have completed 79 signal synchronization projects since 2008. The signal program target of regularly synchronizing 2,000 signalized intersections, as expressed in the M2 voter guide, was met before December 2016. A total of 2,757 signalized intersections and 705 centerline miles of streets have been implemented. The total M2 grant allocation of the completed projects was approximately \$54.1 million. The completed projects are identified on the map in Attachment A. A summary of the results for the 79 completed signal synchronization projects is identified in the table in Attachment B. The early acceleration of Project P allowed the benefits of signal synchronization to be experienced by travelers much earlier than originally promised.

The completed projects have reduced average travel time by 13 percent and the average number of stops by 29 percent. Average speed improved by 14 percent. Consumers will save approximately \$160.7 million (at \$3.90 per gallon in today’s dollars) on fuel costs and reduce GHG emissions by approximately 826.2 million pounds over the three-year project cycle. The reduction of GHG emissions is made possible by reducing the number of stops, smoothing the flow of traffic, and reducing the amount of acceleration and deceleration of vehicles. These results are comparable to signal timing efforts nationwide.

The following four corridors out of 12 that were implemented in the past three years experienced the most improvements:

Corridor	Limits	Travel Time Improvements	Average Speed Improvements
Birch Street/Rose Drive	Brea Boulevard to Vesuvius Street	23%	30%
El Toro Road	Bells Vireo Lane to Bridger Road/Interstate 5 Northbound	17%	20%
Orangewood Avenue	Harbor Boulevard to Batavia Street	17%	22%
Irvine Boulevard	Jamboree Road to Bake Parkway	17%	21%

Currently, OCTA is funding an additional 29 signal synchronization projects that are in various stages of implementation. The committed funding from OCTA is primarily from the competitive signal program, and the grant allocation of these projects is approximately \$50.3 million. Once completed, these funded projects will synchronize an additional 986 signals and 258 miles of roadway.

It is good practice to periodically resynchronize traffic signals to make sure they consider changes in traffic. The signal program allows for streets and highways from completed projects to compete again for funding during the annual call process. Previous investments made as part of earlier projects are incorporated into the revisited projects. An example of this would be the Pacific Park Drive/Oso Parkway corridor. The signals along this corridor were synchronized in 2009 and updated in 2014. The result is a program that can regularly coordinate intersections as the basis for synchronized operation across Orange County.

Next Steps

OCTA continues to work with local agencies through various venues, including the Technical Steering Committee, Technical Advisory Committee, and the traffic forum to identify corridors that are eligible for funding and would benefit from signal program funding as part of the annual call.

Summary

OCTA and local agencies have successfully implemented new cooperative traffic signal synchronization timing on 79 corridors. Another 29 projects are planned or underway. The synchronization of traffic signals along these regional corridors continually results in significant improvements to traffic flow by reducing total travel times, stops per mile, and improving average speeds while decreasing fuel costs, GHG, and overall vehicle emissions.

Attachments

- A. OCTA-Funded Signal Synchronization Projects, (2008 – Present)
- B. Summary of Results for Completed Regional Traffic Signal Synchronization Projects

Prepared by:



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(714) 560-5362

Approved by:



Kia Mortazavi
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Summary of Results for Completed Regional Traffic Signal Synchronization Projects

	Corridor Name	Timing Completed	Lead Agency	Length (Miles)	Signals	M1 / M2 Grant Board Allocation	Estimated Project Life Gas Savings (Dollars)^	Estimated Project Life Greenhouse Gas Savings (lbs.)	Travel Time Improvement	Average Speed Improvement	Stops Improvement
1	Eucild Street*	2008	OCTA	15	62	\$ 450,000	\$ 3,091,631	16,188,276	20%	24%	43%
2	Pacific Park/Oso Parkway*	2009	OCTA	9	34	\$ 250,000	\$ 3,647,370	19,098,249	22%	29%	50%
3	Alicia Parkway	2010	OCTA	11	41	\$ 945,000	\$ 806,001	4,220,358	13%	12%	40%
4	Beach Boulevard	2010	OCTA	21	70	\$ 1,300,000	\$ 10,469,722	54,821,202	14%	21%	28%
5	Chapman Avenue (South)*	2010	OCTA	14	52	\$ 800,000	\$ 3,244,679	16,989,696	16%	18%	46%
6	Edinger Ave/Irvine Center Dr/Moulton Pkwy*	2011	OCTA	22	109	\$ 846,000	\$ 4,609,706	24,137,220	11%	14%	34%
7	Harbor Boulevard*	2011	OCTA	16	107	\$ 520,000	\$ 3,226,111	16,892,430	11%	12%	23%
8	Orangethorpe Avenue	2011	OCTA	17	47	\$ 698,000	\$ 2,659,036	13,923,183	17%	20%	42%
9	State College/Bristol Street*	2011	OCTA	17	97	\$ 760,000	\$ 4,089,735	21,414,531	15%	18%	28%
10	Westminster Avenue	2011	OCTA	13	48	\$ 620,000	\$ 4,233,390	22,166,736	14%	17%	35%
11	Brookhurst Street	2012	OCTA	16	56	\$ 631,764	\$ 7,850,213	41,105,031	19%	18%	31%
12	El Toro Road*	2012	OCTA	11	40	\$ 478,916	\$ 3,302,828	17,294,160	19%	24%	32%
13	Katella Avenue	2012	OCTA	17	69	\$ 673,845	\$ 4,435,716	23,226,165	14%	14%	36%
14	La Palma Avenue	2012	OCTA	18	61	\$ 803,999	\$ 6,281,546	32,391,229	18%	22%	27%
15	Bastanchury Road	2013	Fullerton	8	27	\$ 539,936	\$ 1,053,007	5,513,723	13%	15%	49%
16	Eucild Street*	2013	Fullerton	17	66	\$ 1,000,000	\$ 4,316,031	22,599,458	15%	17%	39%
17	Lambert Avenue	2013	La Habra	10	26	\$ 520,000	\$ 4,578,312	23,972,807	14%	16%	41%
18	Tustin/Rose Drive	2013	OCTA	10	43	\$ 683,200	\$ 2,309,842	12,094,717	15%	17%	37%
19	Yorba Linda Boulevard	2013	OCTA	12	46	\$ 521,837	\$ 1,813,693	9,496,799	12%	10%	21%
20	Lincoln Avenue	2014	Anaheim	13	53	\$ 777,910	\$ 1,564,300	8,190,935	9%	15%	25%
21	Valley View Street	2014	Buena Park	3	20	\$ 280,000	\$ 3,056,089	16,002,194	28%	24%	37%
22	Fairview Road/Street	2014	Costa Mesa	8	31	\$ 620,001	\$ 1,735,472	9,087,220	11%	12%	24%
23	17th Street	2014	Costa Mesa	3	9	\$ 220,000	\$ 123,098	644,563	7%	3%	0%
24	Baker/Placentia	2014	Costa Mesa	8	27	\$ 519,960	\$ 540,228	2,828,724	14%	16%	34%
25	Victoria Street	2014	Costa Mesa	3	11	\$ 200,000	\$ 124,820	653,581	22%	15%	25%
26	Brea Boulevard	2014	Fullerton	4	16	\$ 320,000	\$ 813,531	4,259,783	12%	13%	43%
27	Commonwealth Avenue	2014	Fullerton	8	30	\$ 600,000	\$ 803,023	4,204,761	11%	12%	36%
28	Lemon Street / Anaheim Boulevard	2014	Fullerton	2	13	\$ 280,000	\$ 531,872	2,784,969	16%	21%	40%
29	Placentia Avenue	2014	Fullerton	4	15	\$ 380,000	\$ 570,921	2,989,436	18%	22%	48%
30	Culver Drive	2014	Irvine	11	39	\$ 779,856	\$ 3,625,648	18,984,498	12%	12%	19%
31	Jamboree Road	2014	Irvine	9	27	\$ 230,608	\$ 3,173,217	16,615,495	9%	9%	19%
32	Jeffrey Road	2014	Irvine	9	40	\$ 410,032	\$ 1,910,910	10,005,845	9%	10%	26%
33	La Habra Boulevard	2014	La Habra	6	23	\$ 460,000	\$ 1,550,184	8,117,025	10%	11%	27%
34	Paseo de Valencia	2014	Laguna Hills	3	12	\$ 190,742	\$ 169,859	889,411	8%	5%	34%
35	MacArthur Boulevard/Talbert Avenue	2014	OCTA	7	24	\$ 392,256	\$ 524,129	2,744,427	7%	8%	13%
36	Magnolia Street	2014	OCTA	16	54	\$ 400,000	\$ 2,208,937	11,566,362	10%	12%	26%
37	Pacific Park/Oso Parkway*	2014	OCTA	8	32	\$ 490,222	\$ 1,912,481	10,014,071	16%	19%	29%
38	Warner Avenue	2014	OCTA	13	43	\$ 621,848	\$ 1,797,186	9,410,366	8%	6%	15%
39	Crown Valley Parkway	2014	OCTA	9	30	\$ 367,200	\$ 556,861	2,915,820	4%	3%	20%
40	Edinger Avenue*	2014	OCTA	12	38	\$ 753,800	\$ 1,264,832	6,622,870	2%	5%	25%
41	First Street/Bolsa Avenue	2014	OCTA	12	49	\$ 980,000	\$ 3,506,276	18,359,448	11%	12%	26%
42	Lake Forest Drive	2014	OCTA	2	10	\$ 119,679	\$ 685,904	3,591,510	19%	23%	33%
43	Marquerte Parkway	2014	OCTA	9	31	\$ 323,056	\$ 609,084	3,189,264	11%	12%	21%
44	Los Alisos Boulevard	2014	OCTA	7	21	\$ 332,617	\$ 27,876	145,962	5%	3%	16%
45	Ball Road	2014	OCTA	11	38	\$ 733,416	\$ 1,532,115	8,022,411	5%	7%	13%
46	Avenida Pico	2014	San Clemente	4	21	\$ 416,453	\$ 705,991	3,696,687	9%	10%	21%
47	El Camino Real	2014	San Clemente	4	19	\$ 359,998	\$ 1,482,733	7,763,838	9%	10%	25%
48	Del Obispo Street	2014	San Juan Capistrano	4	16	\$ 138,800	\$ 992,762	5,198,269	13%	10%	11%
49	Knott Avenue	2015	Buena Park	7	28	\$ 448,000	\$ 1,918,098	10,043,483	23%	26%	37%

Summary of Results for Completed Regional Traffic Signal Synchronization Projects

Corridor Name	Timing Completed	Lead Agency	Length (Miles)	Signals	M1 / M2 Grant Board Allocation	Estimated Project Life Gas Savings (Dollars) [^]	Estimated Project Life Greenhouse Gas Savings (lbs.)	Travel Time Improvement	Average Speed Improvement	Stops Improvement
Newport Coast Drive	2015	Newport Beach	5	15	\$ 260,000	\$ 651,984	3,413,896	10%	0%	6%
San Joaquin Hills Road	2015	Newport Beach	4	11	\$ 220,000	\$ 584,913	3,062,701	11%	12%	32%
Jerônimo Road	2015	OCTA	6	16	\$ 267,360	\$ 1,508,063	7,896,471	12%	3%	35%
Santa Margarita Parkway	2015	OCTA	5	20	\$ 311,912	\$ 1,705,334	8,929,416	15%	18%	41%
Trabuco Road	2015	OCTA	5	16	\$ 266,971	\$ 1,294,844	6,780,018	15%	18%	32%
Avenida Vista Hermosa	2015	San Clemente	3	17	\$ 305,856	\$ 252,899	1,324,219	17%	19%	54%
Carmino De Los Mares	2015	San Clemente	2	13	\$ 248,208	\$ 1,806,683	3,153,365	27%	37%	57%
Artesia Boulevard	2016	Buena Park	2	11	\$ 422,142	\$ 795,156	4,163,572	20%	16%	38%
Alton Parkway	2016	Invine	14	48	\$ 1,209,397	\$ 3,082,089	16,138,332	12%	14%	39%
Barranca Parkway	2016	Invine	13	44	\$ 2,106,434	\$ 2,734,900	14,320,395	10%	11%	26%
Antonio Parkway	2016	OCTA	10	27	\$ 1,156,920	\$ 2,274,125	11,907,699	16%	19%	23%
Adams Avenue	2016	OCTA	5	17	\$ 1,042,374	\$ 2,065,973	10,817,781	7%	14%	27%
State College Boulevard*	2016	OCTA	5	35	\$ 1,041,579	\$ 1,484,920	7,775,289	10%	11%	16%
Newport Avenue/Boulevard (North)	2016	OCTA	7	24	\$ 946,045	\$ 581,731	3,046,041	12%	15%	36%
Bake Parkway	2016	OCTA	6	19	\$ 532,603	\$ 1,434,344	7,510,464	12%	12%	28%
La Paz Road	2016	OCTA	8	23	\$ 328,192	\$ 1,951,861	10,220,270	14%	16%	21%
Newport Boulevard (South)	2016	OCTA	7	33	\$ 1,304,596	\$ 944,446	4,945,276	5%	7%	17%
Seal Beach/Los Alamitos Boulevard	2016	Seal Beach	3	13	\$ 586,720	\$ 1,016,379	5,321,931	10%	11%	31%
Harbor Boulevard*	2017	Anaheim	4	22	\$ 731,867	\$ 1,414,593	7,407,047	8%	9%	15%
Birch Street/Rose Drive	2017	Brea	4	14	\$ 664,230	\$ 629,603	3,296,709	23%	30%	37%
Bristol Street*	2017	OCTA	8	45	\$ 1,884,620	\$ 1,649,926	8,639,290	7%	8%	13%
Goldenwest Street	2017	OCTA	8	32	\$ 380,800	\$ 374,406	1,960,454	11%	7%	23%
Harbor Boulevard*	2017	Santa Ana	10	46	\$ 1,852,080	\$ 4,320,825	22,624,563	10%	10%	15%
El Toro Road*	2018	Laguna Woods	3	15	\$ 514,000	\$ 1,116,724	5,847,356	17%	20%	33%
Moulton Parkway*	2018	Laguna Woods	11	37	\$ 645,440	\$ 939,620	4,920,008	12%	2%	41%
Kraemer Blvd/Glassell St/Grand Ave	2018	OCTA	15	61	\$ 2,433,520	\$ 1,722,240	441,600	12%	7%	8%
Chapman Avenue*	2018	OCTA	14	55	\$ 2,344,044	\$ 2,322,428	12,160,622	8%	9%	0%
Orangewood Avenue	2019	Anaheim	3	15	\$ 683,328	\$ 1,140,726	5,973,032	17%	22%	46%
Invine Boulevard	2019	Invine	7	29	\$ 378,166	\$ 2,757,359	14,437,996	17%	21%	37%
Westminster Avenue/17th Street*	2019	OCTA	16	63	\$ 2,820,102	\$ 141,754	742,246	5%	5%	16%
Summary of All Projects			705	2757	\$ 54,078,458	\$ 160,737,854	826,267,257	13%	14%	29%

* Euclid Street, Pacific Park Drive/Oso Parkway, Harbor Boulevard, State College Boulevard, Bristol Street, Moulton Parkway, Chapman Avenue, Westminster Avenue, and El Toro Road are included multiple times because these corridors have been revisited

[^] \$3.90 per gallon gasoline price used to estimate savings

Note: Improvements are averaged across both directions over the full corridor

gal - gallons

lbs - pounds

OCTA - Orange County Transportation Authority



COMMITTEE TRANSMITTAL

February 10, 2020

To: Members of the Board of Directors
From: *Lu*
Laurena Weinert, Clerk of the Board
Subject: Second Quarter Fiscal Year 2019-20 Capital Action Plan
Performance Metrics Report

Executive Committee Meeting of February 3, 2020

Present: Chairman Jones, Vice Chairman Do, and Directors Hennessey,
M. Murphy, and Shaw
Absent: Director Davies

Committee Vote

Following the discussion, no action was taken on this receive and file information item.

Staff Recommendation

Receive and file as an informational item.



February 3, 2020

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Second Quarter Fiscal Year 2019-20 Capital Action Plan and Performance Metrics Report

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is positioned to the right of the "From:" field.

Overview

Staff has prepared a quarterly progress report on capital project delivery for the period of October 2019 through December 2019, for review by the Orange County Transportation Authority Board of Directors. This report highlights the Capital Action Plan for project delivery which is used as a performance metric to assess delivery progress on highway, transit, and rail projects.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA) delivers highway, transit, rail, and facility projects from the beginning of the environmental approval phase through construction completion. Project delivery milestones are planned carefully with consideration of project scope, costs, schedule, and assessment of risks. The milestones reflected in the Capital Action Plan (CAP) are OCTA's planned and budgeted major project delivery commitments.

This report is a quarterly progress report on the CAP performance metrics, which are a snapshot of the planned CAP project delivery milestones in the budgeted fiscal year (FY).

Discussion

OCTA's objective is to deliver projects on schedule and within the approved project budget. Key project cost and schedule commitments are captured in the CAP, which is regularly updated with project status and any new

projects (Attachment A). The CAP is categorized into four key project groupings; freeway projects, railroad grade separation projects, and rail and station projects. Schedule milestones are used as performance indicators of progress in project delivery. The CAP performance metrics provides a FY snapshot of the milestones targeted for delivery in the budgeted FY, and provides transparency and performance measurement of capital project delivery.

The CAP project costs represent the total cost across all phases of project delivery, including support costs, and right-of-way (ROW) and construction capital costs. Baseline costs, if established, are shown in comparison to either the actual or forecast cost. Baseline costs may be shown as to-be-determined (TBD) if project scoping studies and estimates have not been developed or approved, and may be updated as delivery progresses and milestones are achieved. Projects identified in the Orange County local transportation sales tax Measure M2 (M2) are identified with the corresponding M2 project letter. The CAP status update is also included in the M2 Quarterly Report.

The CAP summarizes the very complex capital project critical path delivery schedules into eight key milestones.

Begin Environmental	The date work on the environmental clearance, project report, or preliminary engineering phase begins.
Complete Environmental	The date environmental clearance and project approval is achieved.
Begin Design	The date final design work begins, or the date when a design-build contract begins.
Complete Design	The date final design work is 100 percent complete and approved.
Construction Ready	The date contract bid documents are ready for advertisement, including certification of ROW, all agreements executed, and contract constraints cleared.
Advertise for Construction	The date a construction contract is advertised for bids.
Award Contract	The date the construction contract is awarded.

Construction Complete The date all construction work is completed, and the project is open to public use.

These delivery milestones reflect progression across the project delivery phases shown below.



Project schedules reflect planned baseline milestone dates in comparison to forecast or actual milestone dates. Milestone dates may be shown as TBD if project scoping or approval documents have not been finalized and approved, or if the delivery schedule has not been negotiated with a partnering agency or consultant implementing the specific phase of a project. Planned milestone dates can be revised to reflect new dates from approved baseline schedule changes. Project schedules are reviewed monthly, and milestone achievements and updated forecast dates are included to reflect project delivery status.

Status on the Interstate 405 (I-405) Improvement Project and the OC Streetcar Project are provided to the OCTA Board of Directors (Board) separately on a quarterly basis.

CAP milestones achieved in the second quarter FY 2019-20 include:

Freeway Projects

- The Interstate 5 (I-5) widening between State Route 73 (SR-73) and Oso Parkway construction contract was awarded to Ortiz Enterprises, Inc., of Irvine, California. This is the southernmost of three segments of I-5 widening between SR-73 and El Toro Road, and the second to enter the construction phase. The construction contract was approved by the California Department of Transportation (Caltrans) on January 15, 2020, and construction on this southerly segment should begin in March 2020. The middle segment from Oso Parkway to Alicia Parkway is currently under construction. The third and final northerly segment from Alicia Parkway to El Toro Road is planned to be advertised for construction bids in June 2020.

The following CAP milestone missed the planned delivery through the second quarter of FY 2019-20:

The begin environmental milestone for the Orange County Metrolink Maintenance Facility (OCMF) was not achieved. Negotiations with OCTA's consultant on the level of effort, cost, and schedule required to environmentally

clear this complex project have taken longer than anticipated. However, on November 25, 2019, the OCTA Board approved a cooperative agreement with the Southern California Regional Rail Authority for its oversight efforts of the OCMF preliminary engineering and environmental documentation. Environmental clearance work will kick off in the third quarter of the current FY.

The complete environmental milestone for the I-5 El Toro interchange project is delayed. The key stakeholder cities of Laguna Hills, Laguna Woods, and Lake Forest do not concur with project alternatives that were released for public comment. Discussions on a path forward with the three cities are ongoing, and a new environmental completion schedule has not been established.

The complete design, construction ready, and advertise construction milestones for the Anaheim Canyon Metrolink Station expansion project were not achieved. OCTA's design consultant is late in addressing the final City of Anaheim plan check comments, and discussions with adjacent private property owners for construction vehicle access into the access-constrained railroad ROW continue. The complete design milestone will be met in the third quarter, and pending resolution of the ROW construction access issue, the construction ready and advertise construction milestones can be met in the third or fourth quarter of the current FY.

The construction ready milestone for the I-5 widening from Alicia Parkway to El Toro Road was not achieved due to delays securing ROW required for construction. The remaining eminent domain resolution of necessity finding will be scheduled for the March 2020 California Transportation Commission. Both the construction ready and advertise construction milestones are now planned in the fourth quarter this FY. The award contract milestone will move into the first quarter of FY 2020-21.

CAP Updates and Recap of FY 2019-20 Performance Metrics

The performance metrics snapshot provided at the beginning of FY 2019-20 reflects 19 planned major project delivery milestones to be accomplished, eight of which were scheduled through the second quarter. The CAP and performance metrics have been updated to reflect both milestones achieved and missed through the second quarter of the FY (Attachment B).

Two of eight (25 percent) of planned milestones through the second quarter of the FY were achieved. Five of the six missed milestones to date are still planned to be achieved in the current FY.

FY 2019-20 Performance Metrics Look Ahead Risks

The complete environmental milestone for the I-5 widening from I-405 to State Route 55 (SR-55) planned in the third quarter may be slightly delayed because of late reviews and comments from Caltrans on the Design Standard Decision Document (DSDD), which documents and approves exceptions to mandatory and advisory design standards. Final resolution of comments and approval of the DSDD is required to complete the environmental milestone.

The complete environmental milestone for the SR-55 widening from I-5 to State Route 91 planned in the fourth quarter is likely to be delayed. The Federal Highway Administration has informed Caltrans it will no longer be signing project air quality conformity determinations or approve Regional Transportation Plan or Federal Transportation Improvement Program amendments. Therefore, Caltrans will not be able to approve the project's National Environmental Policy Act environmental clearance documents. This stems from the recent National Highway Traffic Safety Administration and the United States Environmental Protection Agency issuance of Part One of the Safer Affordable Fuel Efficient Vehicles Rule which revoked California's Clean Air Act pre-emption waiver, effective November 26, 2019.

Final design and ROW acquisition are underway for the SR-55 widening from I-405 to I-5. OCTA's design consultant recently took over Caltrans' obligation to prepare the DSDD, which includes fact sheets for exceptions to mandatory and advisory design standards for Caltrans approval. In addition, Caltrans completed a review of the draft final design and has submitted new comments which could possibly impact the final design. The comments are being assessed and responses prepared for Caltrans consideration. These issues carry risk in achieving completion of design in the fourth quarter of the current FY.

The Placentia Metrolink Station construction ready, advertise construction, and award contract milestones planned this FY are being delayed. Final BNSF Railway (BNSF) approvals and authorizations are dependent on the successful negotiation and approval of a new Shared Use Agreement (SUA) between Metrolink and BNSF. Progress on the SUA has been slow; however, a non-binding memorandum of understanding (MOU) between Metrolink and BNSF was executed in November 2019, defining general terms to advance the SUA. The MOU enables OCTA and BNSF to complete all tasks necessary to finalize the project for construction while the final SUA is prepared. Per the MOU, construction cannot begin until the SUA is executed by all Metrolink member agencies. Construction cost changes, along with any required programming or funding changes, will be brought to the OCTA Board when BNSF construction costs are finalized, and the SUA approval schedule becomes apparent.

Summary

Capital project delivery is progressing and reflected in the CAP. The planned FY 2019-20 performance metrics created from forecast project schedules will be used as a general project delivery performance indicator throughout the FY. Staff will continue to manage project costs and schedules across all project phases to meet project delivery commitments and report quarterly.

Attachments

- A. Capital Action Plan, Status Through December 2019
- B. Capital Programs Division, Fiscal Year 2019-20 Performance Metrics Through December 2019

Prepared by:



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Capital Action Plan

Status Through December 2019

Updated: January 20, 2020

Capital Projects	Cost	Schedule							
	Baseline/Forecast	Plan/Forecast							
	(millions)	Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
Freeway Projects:									
 I-5, Pico to Vista Hermosa	\$113.0	Jun-09	Dec-11	Jun-11	Oct-13	Feb-14	Oct-14	Dec-14	Aug-18
Project C	\$83.5	Jun-09	Oct-11	Jun-11	Oct-13	May-14	Sep-14	Dec-14	Aug-18
 I-5, Vista Hermosa to Pacific Coast Highway	\$75.6	Jun-09	Dec-11	Jun-11	Feb-13	Jun-13	Oct-13	Dec-13	Mar-17
Project C	\$75.6	Jun-09	Oct-11	Jun-11	May-13	Aug-13	Feb-14	Jun-14	Jul-17
 I-5, Pacific Coast Highway to San Juan Creek Road	\$70.7	Jun-09	Dec-11	Jun-11	Jan-13	May-13	Aug-13	Oct-13	Sep-16
Project C	\$75.5	Jun-09	Oct-11	Jun-11	Jan-13	Apr-13	Aug-13	Dec-13	Jul-18
 I-5, I-5/Ortega Interchange	\$90.9	Sep-05	Jun-09	Jan-09	Nov-11	Mar-12	Jun-12	Aug-12	Sep-15
Project D	\$79.8	Sep-05	Jun-09	Jan-09	Dec-11	Apr-12	Jun-12	Aug-12	Jan-16
 I-5, I-5/Ortega Interchange (Landscape)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	Jan-14	Oct-14	Feb-15	Aug-15	Sep-15	Sep-16
 I-5, SR-73 to Oso Parkway	\$151.9	Sep-11	Jun-14	Mar-15	Jan-18	May-18	Aug-18	Dec-18	Jan-24
Project C & D	\$196.1	Oct-11	May-14	Mar-15	Aug-18	May-19	Aug-19	Dec-19	Mar-25
 I-5, Oso Parkway to Alicia Parkway	\$196.2	Sep-11	Jun-14	Nov-14	Jun-17	Dec-17	Feb-18	Jun-18	Nov-23
Project C & D	\$203.1	Oct-11	May-14	Nov-14	Dec-17	Jun-18	Nov-18	Mar-19	Nov-23
 I-5, Alicia Parkway to El Toro Road	\$133.6	Sep-11	Jun-14	Mar-15	Jun-18	Dec-18	Jan-19	May-19	Jun-23
Project C	\$184.1	Oct-11	May-14	Mar-15	May-19	Apr-20	Jun-20	Oct-20	Oct-24
Cost/Schedule Risk									
 I-5, SR-73 to El Toro Road (Landscape)	TBD	N/A	N/A	TBD	TBD	TBD	TBD	TBD	TBD
Project C	\$12.4	N/A	N/A	Jul-22	Mar-24	Jul-24	Sep-24	Nov-24	Jun-26
 I-5, I-5/El Toro Road Interchange (on hold)	TBD	Apr-17	Nov-19	TBD	TBD	TBD	TBD	TBD	TBD
Project D	TBD	Apr-17	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Cost/Schedule Risk									
 I-5, I-405 to SR-55	TBD	May-14	Aug-18	TBD	TBD	TBD	TBD	TBD	TBD
Project B	TBD	May-14	Jan-20	TBD	TBD	TBD	TBD	TBD	TBD
 I-5, SR-55 to SR-57	\$38.1	Jul-11	Jun-13	Jun-15	Mar-17	Jul-17	Sep-17	Dec-17	Apr-21
Project A	\$41.5	Jun-11	Apr-15	Jun-15	Jun-17	Dec-17	Mar-18	Nov-18	Apr-21
 SR-55, I-405 to I-5	\$410.9	Feb-11	Nov-13	Sep-17	Apr-20	Dec-20	Apr-21	Jul-21	Aug-25
Project F	\$410.9	May-11	Aug-17	Sep-17	Apr-20	Dec-20	Apr-21	Jul-21	Aug-25
Cost/Schedule Risk									
 SR-55, I-5 to SR-91	TBD	Dec-16	Jan-20	TBD	TBD	TBD	TBD	TBD	TBD
Project F	TBD	Dec-16	Apr-20	TBD	TBD	TBD	TBD	TBD	TBD
 SR-57 Northbound (NB), Orangewood Avenue to Katella Avenue	TBD	Apr-16	Dec-18	TBD	TBD	TBD	TBD	TBD	TBD
Project G	TBD	Apr-16	Mar-19	TBD	TBD	TBD	TBD	TBD	TBD
 SR-57 (NB), Katella Avenue to Lincoln Avenue	\$78.7	Apr-08	Jul-09	Jul-08	Nov-10	Mar-11	May-11	Aug-11	Sep-14
Project G	\$38.0	Apr-08	Nov-09	Aug-08	Dec-10	Apr-11	Jul-11	Oct-11	Apr-15

Capital Action Plan

Status Through December 2019

Updated: January 20, 2020

Capital Projects	Cost		Schedule						
	Baseline/Forecast	Plan/Forecast							
	(millions)	Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
 SR-57 (NB), Katella Avenue to Lincoln Avenue (Landscape) Project G	N/A N/A	N/A N/A	N/A N/A	N/A May-09	N/A Jul-10	N/A Jun-17	N/A Jul-17	N/A Sep-17	N/A Jun-18
 SR-57 (NB), Orangethorpe Avenue to Yorba Linda Boulevard Project G	\$80.2 \$52.3	Aug-05 Aug-05	Dec-07 Dec-07	Feb-08 Feb-08	Dec-09 Jul-09	Apr-10 Dec-09	Jun-10 May-10	Oct-10 Oct-10	May-14 Nov-14
 SR-57 (NB), Yorba Linda Boulevard to Lambert Road Project G	\$79.3 \$54.1	Aug-05 Aug-05	Dec-07 Dec-07	Feb-08 Feb-08	Dec-09 Jul-09	Apr-10 Mar-10	Jun-10 May-10	Oct-10 Oct-10	Sep-14 May-14
 SR-57 (NB), Orangethorpe Avenue to Lambert Road (Landscape) Project G	N/A N/A	N/A N/A	N/A N/A	N/A Oct-14	N/A Aug-17	N/A Dec-17	N/A Jan-18	N/A Feb-18	N/A Apr-19
 SR-57 (NB), Lambert Road to Tonner Canyon Project G	TBD TBD	TBD Jul-23	TBD Mar-26	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD
 SR-91 Westbound (WB), I-5 to SR-57 Project H	\$78.1 \$59.2	Jul-07 Jul-07	Apr-10 Jun-10	Oct-09 Mar-10	Feb-12 Apr-12	Jul-12 Aug-12	Aug-12 Oct-12	Nov-12 Jan-13	Apr-16 Jun-16
 SR-91 Westbound (WB), I-5 to SR-57 (Landscape) Project H	N/A N/A	N/A N/A	N/A N/A	N/A Nov-14	N/A Aug-16	N/A Dec-16	N/A Feb-17	N/A Mar-17	N/A Nov-17
 SR-91, SR-55 to Lakeview Avenue (Segment 1) Project I	TBD \$102.5	Jan-15 Jan-15	Oct-18 Jun-20	TBD Mar-20	TBD Dec-22	TBD Aug-23	TBD Oct-23	TBD Jan-24	TBD Sep-27
 SR-91, La Palma Avenue to SR-55 (Segment 2) Project I	TBD \$223.1	Jan-15 Jan-15	Oct-18 Jun-20	TBD Jul-20	TBD Mar-23	TBD Oct-23	TBD Dec-23	TBD Apr-24	TBD Nov-27
 SR-91, Acacia Street to La Palma Ave (Segment 3) Project I	TBD \$109.7	Jan-15 Jan-15	Oct-18 Jun-20	TBD Nov-20	TBD Aug-23	TBD Apr-24	TBD Jun-24	TBD Sep-24	TBD May-28
 SR-91 (WB), Tustin Interchange to SR-55 Project I	\$49.9 \$42.5	Jul-08 Jul-08	Jul-11 May-11	Jul-11 Jun-11	Mar-13 Feb-13	Jul-13 Apr-13	Aug-13 Jun-13	Oct-13 Oct-13	Jul-16 Jul-16
 SR-91, SR-55 to SR-241 Project J	\$128.4 \$79.7	Jul-07 Jul-07	Jul-09 Apr-09	Jun-09 Apr-09	Jan-11 Aug-10	Apr-11 Dec-10	Jun-11 Feb-11	Sep-11 May-11	Dec-12 Mar-13
 SR-91, SR-55 to SR-241 (Landscape) Project J	N/A N/A	N/A N/A	N/A N/A	N/A May-12	N/A Feb-13	N/A Apr-13	N/A Jul-13	N/A Oct-13	N/A Feb-15
 SR-91 Eastbound, SR-241 to SR-71 Project J	\$104.5 \$57.8	Mar-05 Mar-05	Dec-07 Dec-07	Jul-07 Jul-07	Dec-08 Dec-08	Mar-09 May-09	May-09 Jun-09	Jul-09 Aug-09	Nov-10 Jan-11
 91 Express Lanes to SR-241 Toll Connector Project J	TBD TBD	N/A Nov-13	N/A Jan-20	N/A Dec-16	N/A TBD	N/A TBD	N/A TBD	N/A TBD	N/A TBD
 I-405, I-5 to SR-55 Project L	TBD TBD	Dec-14 Dec-14	Jul-18 Aug-18	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD
 I-405, SR-55 to I-605 (Design-Build) Project K	\$1,900.0 \$1,900.0	Mar-09 Mar-09	Mar-13 May-15	Mar-14 Mar-14	Nov-15 Nov-15	Feb-16 Feb-16	Mar-16 Mar-16	Nov-16 Nov-16	May-23 May-23

Capital Action Plan

Status Through December 2019

Updated: January 20, 2020

Capital Projects	Cost		Schedule						
	Baseline/Forecast	Plan/Forecast							
	(millions)	Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
I-405/SR-22 HOV Connector	\$195.9	N/A	N/A	Sep-07	Sep-09	Mar-10	May-10	Aug-10	Aug-14
	\$120.8	N/A	N/A	Sep-07	Jun-09	Sep-09	Feb-10	Jun-10	Mar-15
I-405/I-605 HOV Connector	\$260.4	N/A	N/A	Sep-07	Sep-09	Mar-10	May-10	Oct-10	Jan-15
	\$172.6	N/A	N/A	Sep-07	Sep-09	Feb-10	May-10	Oct-10	Mar-15
I-405/SR-22/I-605 HOV Connector (Landscape)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	Jun-08	May-09	Feb-16	May-16	Jul-16	Feb-18
I-605, I-605/Katella Interchange	TBD	Aug-16	Nov-18	TBD	TBD	TBD	TBD	TBD	TBD
Project M	TBD	Aug-16	Oct-18	TBD	TBD	TBD	TBD	TBD	TBD
Grade Separation Projects:									
Sand Canyon Avenue Railroad Grade Separation	\$55.6	N/A	Sep-03	Jan-04	Jul-10	Jul-10	Oct-10	Feb-11	May-14
	Project R	\$61.9	N/A	Sep-03	Jan-04	Jul-10	Jul-10	Oct-10	Feb-11
Raymond Avenue Railroad Grade Separation	\$77.2	Feb-09	Nov-09	Mar-10	Aug-12	Nov-12	Feb-13	May-13	Aug-18
	Project O	\$125.6	Feb-09	Nov-09	Mar-10	Dec-12	Jul-13	Oct-13	Feb-14
State College Boulevard Railroad Grade Separation (Fullerton)	\$73.6	Dec-08	Jan-11	Jul-06	Aug-12	Nov-12	Feb-13	May-13	May-18
	Project O	\$100.3	Dec-08	Apr-11	Jul-06	Feb-13	May-13	Sep-13	Feb-14
Placentia Avenue Railroad Grade Separation	\$78.2	Jan-01	May-01	Jan-09	Mar-10	May-10	Mar-11	Jun-11	Nov-14
	Project O	\$64.5	Jan-01	May-01	Jan-09	Jun-10	Jan-11	Mar-11	Jul-11
Kraemer Boulevard Railroad Grade Separation	\$70.4	Jan-01	Sep-09	Jan-09	Jul-10	Jul-10	Apr-11	Aug-11	Oct-14
	Project O	\$63.8	Jan-01	Sep-09	Feb-09	Jul-10	Jan-11	Jun-11	Sep-11
Orangethorpe Avenue Railroad Grade Separation	\$117.4	Jan-01	Sep-09	Feb-09	Dec-11	Dec-11	Feb-12	May-12	Sep-16
	Project O	\$105.9	Jan-01	Sep-09	Feb-09	Oct-11	Apr-12	Sep-12	Jan-13
Tustin Avenue/Rose Drive Railroad Grade Separation	\$103.0	Jan-01	Sep-09	Feb-09	Dec-11	Mar-12	May-12	Aug-12	May-16
	Project O	\$96.7	Jan-01	Sep-09	Feb-09	Jul-11	Jun-12	Oct-12	Feb-13
Lakeview Avenue Railroad Grade Separation	\$70.2	Jan-01	Sep-09	Feb-09	Oct-11	Oct-12	Feb-13	May-13	Mar-17
	Project O	\$110.5	Jan-01	Sep-09	Feb-09	Jan-13	Apr-13	Sep-13	Nov-13
17th Street Railroad Grade Separation	TBD	Oct-14	Jun-16	TBD	TBD	TBD	TBD	TBD	TBD
	Project R	TBD	Oct-14	Nov-17	TBD	TBD	TBD	TBD	TBD
Rail and Station Projects:									
Rail-Highway Grade Crossing Safety Enhancement	\$94.4	Jan-08	Oct-08	Jan-08	Sep-08	Sep-08	Sep-08	Aug-09	Dec-11
	Project R	\$90.4	Jan-08	Oct-08	Jan-08	Sep-08	Sep-08	Sep-08	Aug-09
San Clemente Beach Trail Safety Enhancements	\$6.0	Sep-10	Jul-11	Feb-12	Apr-12	Apr-12	Jul-12	Oct-12	Jan-14
	Project R	\$5.0	Sep-10	Jul-11	Feb-12	Jun-12	Jun-12	Oct-12	May-13
San Juan Capistrano Passing Siding	\$25.3	Aug-11	Jan-13	Mar-15	May-16	May-16	Aug-16	Dec-16	Feb-21
	\$36.4	Aug-11	Mar-14	Mar-15	Aug-18	Aug-18	Aug-18	Mar-19	Feb-21

Capital Action Plan

Status Through December 2019

Updated: January 20, 2020

Capital Projects	Cost	Schedule							
	Baseline/Forecast	Plan/Forecast							
	(millions)	Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
 OC Streetcar Project S Cost/Schedule Risk	\$424.4	Aug-09	Mar-12	Feb-16	Sep-17	Oct-17	Dec-17	Aug-18	Dec-21
	\$424.4	Aug-09	Mar-15	Feb-16	Nov-17	Dec-17	Dec-17	Sep-18	Apr-22
 Placentia Metrolink Station and Parking Structure Project R Cost/Schedule Risk	\$34.8	Jan-03	May-07	Oct-08	Jan-11	TBD	TBD	TBD	TBD
	\$40.1	Jan-03	May-07	Oct-08	Feb-11	Jun-20	Jun-20	Oct-20	May-22
 Orange County Maintenance Facility Project R	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
	TBD	Feb-20	Apr-22	TBD	TBD	TBD	TBD	TBD	TBD
Anaheim Canyon Station	\$27.9	Jan-16	Dec-16	Mar-19	May-19	May-19	Jul-19	Nov-19	Mar-21
	\$29.9	Jan-16	Jun-17	Mar-18	Jan-20	Apr-20	Mar-20	Jun-20	Oct-21
Orange Station Parking Expansion	\$33.2	Dec-09	Dec-12	Nov-10	Apr-13	Jul-16	Jul-16	Nov-16	Feb-19
	\$30.9	Dec-09	May-16	Nov-10	Apr-16	Jul-16	Jul-16	Jun-17	Feb-19
Fullerton Transportation Center - Elevator Upgrades	\$3.5	N/A	N/A	Jan-12	Dec-13	Dec-13	Jun-14	Sep-14	Mar-17
	\$4.2	N/A	N/A	Jan-12	Dec-13	Dec-13	Aug-14	Apr-15	May-19
Laguna Niguel/Mission Viejo Station ADA Ramps	\$3.5	Jul-13	Jan-14	Jul-13	Aug-14	Aug-14	Sep-14	Jan-15	Apr-17
	\$5.0	Jul-13	Feb-14	Jul-13	Jul-15	Jul-15	Jul-15	Oct-15	Sep-17
 Anaheim Regional Transportation Intermodal Center Project R & T	\$227.4	Apr-09	Feb-11	Jun-09	Feb-12	Feb-12	May-12	Jul-12	Nov-14
	\$232.2	Apr-09	Feb-12	Jun-09	May-12	May-12	May-12	Sep-12	Dec-14

Note: Costs associated with landscape projects are included in respective freeway projects.

- Grey = Milestone achieved
- Green = Forecast milestone meets or exceeds plan
- Yellow = Forecast milestone is one to three months later than plan
- Red = Forecast milestone is over three months later than plan

Begin Environmental: The date work on the environmental clearance, project report, or preliminary engineering phase begins.

Complete Environmental: The date environmental clearance and project approval is achieved.

Begin Design: The date final design work begins, or the date when a design-build contract begins.

Complete Design: The date final design work is 100 percent complete and approved.

Construction Ready: The date contract bid documents are ready for advertisement, including certification of right-of-way, all agreements executed, contract constraints are cleared.

Advertise for Construction: The date a construction contract is both funded and advertised for bids.

Award Contract: The date the construction contract is awarded.

Construction Complete: The date all construction work is completed and the project is open to public use.

Acronyms

- I-5 - Santa Ana Freeway (Interstate 5)
- SR-73 - San Joaquin Freeway (State Route 73)
- SR-55 - Costa Mesa Freeway (State Route 55)
- SR-57 - Orange Freeway (State Route 57)
- SR-91 - Riverside Freeway (State Route 91)
- SR-133 - Laguna Freeway (State Route 133)
- SR-22 - Garden Grove Freeway (State Route 22)
- I-405 - San Diego Freeway (Interstate 405)
- SR-241 - Foothill/Eastern Transportation Corridor (State Route 241)
- I-605 - San Gabriel River Freeway (Interstate 605)
- ADA - Americans with Disabilities Act

**Capital Programs Division
Fiscal Year 2019-20 Performance Metrics Through December 2019**

Begin Environmental

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
Orange County Maintenance Facility			X						
Total Forecast/Actual	0	0	1	0	0	0	0	0	1

Complete Environmental

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
I-5/EI Toro Road Interchange			X						
I-5, I-405 to SR-55					X				
SR-55, I-5 to SR-91							X		
SR-91, SR-57 to SR-55							X		
Total Forecast/Actual	0	0	1	0	1	0	2	0	4

Begin Design

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
SR-91, SR-55 to Lakeview Avenue					X				
Total Forecast/Actual	0	0	0	0	1	0	0	0	1

Complete Design

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
Anaheim Canyon Metrolink Station	X								
SR-55, I-405 to I-5							X		
Total Forecast/Actual	1	0	0	0	0	0	1	0	2

Construction Ready

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
Anaheim Canyon Metrolink Station			X						
I-5, Alicia Parkway to El Toro Road			X						
Placentia Metrolink Station and Parking Structure					X				
Total Forecast/Actual	0	0	2	0	1	0	0	0	3

Advertise Construction

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
I-5, SR-73 to Oso Parkway	X	✔							
Anaheim Canyon Metrolink Station			X						
I-5, Alicia Parkway to El Toro Road					X				
Placentia Metrolink Station and Parking Structure					X				
Total Forecast/Actual	1	1	1	0	2	0	0	0	4

Capital Programs Division

Fiscal Year 2019-20 Performance Metrics Through December 2019

Award Contract

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
I-5, SR-73 to Oso Parkway			X	✔					
Anaheim Canyon Metrolink Station							X		
I-5, Alicia Parkway to El Toro Road							X		
Placentia Metrolink Station and Parking Structure							X		
Total Forecast/Actual	0	0	1	1	0	0	3	0	4

Complete Construction

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
No "Complete Construction" milestones scheduled for FY 2019-20									
Total Forecast/Actual	0	0	0	0	0	0	0	0	0

Totals	2	1	6	1	5	0	6	0	19
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Begin Environmental: The date work on the environmental clearance, project report, or preliminary engineering phase begins.

Complete Environmental: The date environmental clearance and project approval is achieved.

Begin Design: The date final design work begins or the date when a design-build contract begins.

Complete Design: The date final design work is 100 percent complete and approved.

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 SR-57 - Orange Freeway (State Route 57)
 SR-91 - Riverside Freeway (State Route 91)
 SR-133 - Laguna Freeway (State Route 133)
 I-605 - San Gabriel River Freeway (Interstate 605)
 I-405 - San Diego Freeway (Interstate 405)
 SR-241 - Foothill/Eastern Transportation Corridor (State Route 241)
 ADA - Americans with Disability Act
 HOV - high-occupancy vehicle

X = milestone forecast in quarter
 ✔ = milestone accomplished in quarter



March 9, 2020

To: Members of the Board of Directors

From: Darrell E. Johnson, Chief Executive Officer

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is written over the "From:" line.

Subject: Measure M2 Quarterly Progress Report for the Period of October 2019 Through December 2019

Overview

Staff has prepared a Measure M2 quarterly progress report for the period of October 2019 through December 2019, for review by the Orange County Transportation Authority Board of Directors. This report highlights progress on Measure M2 projects and programs and will be available to the public via the Orange County Transportation Authority website.

Recommendation

Receive and file as an information item.

Background

On November 7, 2006, Orange County voters, by a margin of 69.7 percent, approved the Renewed Measure M Transportation Investment Plan (Plan) for the Measure M2 (M2) one half-cent sales tax for transportation improvements. The Plan provides a 30-year revenue stream for a broad range of transportation and environmental improvements, as well as a governing ordinance, which defines the requirements for implementing the Plan. Ordinance No. 3 designates the Orange County Transportation Authority (OCTA) as responsible for administering the Plan and ensuring that OCTA's contract with the voters is followed.

OCTA is committed to fulfilling the promises made in M2. This means not only completing the projects described in the Plan, but adhering to numerous specific requirements and high standards of quality called for in the measure, as identified in the ordinance. Ordinance No. 3 requires that quarterly status reports regarding the major projects detailed in the Plan be brought to the

OCTA Board of Directors (Board). The Board has also approved rebranding M2 externally to OC Go to promote OCTA's Measure M awareness and public perception, as well as to avoid confusion with similarly named Los Angeles County Metropolitan Transportation Authority's "Measure M." M2 progress is summarized in these quarterly progress reports, which are posted online for public review.

Discussion

This quarterly report reflects current activities and progress across all M2 programs for the period of October 1, 2019 through December 31, 2019 (Attachment A).

The quarterly report is designed to be easy to navigate and public friendly. The report includes budget and schedule information provided from the Capital Action Plan, and Local Fair Share and Senior Mobility Program payments made to cities during the quarter, as well as total distributions from M2 inception through December 2019.

Additionally, Attachment A includes a summary of the Program Management Office (PMO) activities that have taken place during the quarter. Two areas in particular are highlighted below.

Next 10 Delivery Plan

As part of the annual review of the Next 10 Delivery Plan (Next 10 Plan), staff reviewed the Board-adopted commitments and incorporated changes in revenues and project costs to ensure the plan remains deliverable. The 2019 Next 10 Plan review was completed and presented to the Board on November 11, 2019. The review incorporates the revised 2019 sales tax revenue forecast of \$13.4 billion (presented to the Board on October 28, 2019), updated project and program cash flows, and information provided through the updated construction cost pressure index (presented to the Board on October 28, 2019). The update also identified five projects to be advanced through construction during the Next 10 Plan timeframe through fiscal year (FY) 2026.

- Interstate 605/Katella Interchange (Project M),
- State Route 57 (SR-57) northbound from Orangewood Avenue to Katella Avenue (Project G),

- Interstate 5 (I-5) between Interstate 405 (I-405) and Yale Avenue (Project B),
- I-5 between Yale Avenue and State Route 55 (SR-55) (Project B), and
- SR-55 between I-5 and State Route 91 (SR-91) (Project F).

The remaining four projects require additional time prior to being advanced and are still planned to be cleared through environmental by 2026.

Ordinance Safeguards

The PMO annually reviews and updates the M2 Ordinance Compliance Matrix to ensure that OCTA tracks compliance with all requirements in Ordinance No. 3. During the quarter, the annual review for January 1, 2019 to December 31, 2019, was initiated by the PMO in coordination with the responsible OCTA point of contact. The matrix is being updated and is planned to be shared with the Taxpayers Oversight Committee (TOC) Audit Subcommittee at their next scheduled meeting, and with the full TOC on April 14, 2020.

Progress Update

The following provides an overview of M2 accomplishments to date by mode, as well as highlights of activities that occurred during the second quarter of FY 2020.

Freeway Program

The M2 Freeway Program consists of 30 project segments to be delivered by 2041. Currently, while in year nine of the 30-year program, 12 project segments are complete, three are in construction, and another three are readying for construction. The remaining 12 project segments are in various stages of project development, with eight (included in the 2019 updated Next 10 Delivery Plan) of those slated to go into construction and be complete or near complete by 2026.

Key freeway project activities taking place this quarter, along with updates are highlighted below.

- On November 11, 2019, a presentation was provided to the Board on the M2 I-5 corridor improvements, which highlighted an M2 investment of nearly \$1.5 billion in the I-5 corridor through 11 project segments. Projects' purpose, funding and schedule updates were also provided.

- The construction contract was awarded for the I-5 Project between State Route 73 (SR-73) and Oso Parkway, which includes the Avery Parkway interchange, to the lowest bidder on December 20, 2019. The awarded contract is 3.27 percent below the engineer's estimate, which may be an indicator that current estimates and costs are now more closely aligned with the construction market. This is the southernmost of three segments of the I-5 widening between SR-73 and El Toro Road and the second to enter the construction phase. (Project C and Project D)
- In November 2019, significant construction activities occurred as the La Paz bridge demolition was completed for the I-5 Project between Oso Parkway and Alicia Parkway, which includes the La Paz interchange. This is the middle of three segments of the I-5 widening between SR-73 and El Toro Road. (Project C and Project D)
- An update on the SR-55 between I-405 and I-5 Project was provided to the Regional Planning and Highways (RPH) Committee on December 2, 2019, and to the Board on December 9, 2019, sharing final design, right-of-way (ROW) acquisition, and utility relocation coordination progress. (Project F)

Streets and Roads

Since 2011, approximately \$796 million¹ has been allocated to local jurisdictions for transportation improvements through the streets and roads competitive and formula funding programs. Additionally, M2 provided a portion of the \$664 million to grade separate seven street and rail crossings, leveraging the majority of the funds (\$520 million) from local, state, and federal sources.

- On August 12, 2019, the Board approved the release of the 2020 call for projects (call). Funding applications were due on October 24, 2019, for the 2020 annual call for the Regional Capacity Program and the Regional Traffic Signal Synchronization Program. Staff is reviewing the applications received and will present final programming recommendations in mid-2020. (Project O and Project P)

¹ Excludes suspended funds. On May 13, 2019, the Board determined the City of Santa Ana and City of Stanton ineligible to receive all net M2 revenues.

- The September 2019 semi-annual review of the Comprehensive Transportation Funding Programs (CTFP) was presented to the RPH Committee on December 2, 2019, and to the Board on December 9, 2019. The review proposed adjustments to timely-use of funds extension, scope changes, and a project transfer. (Project O, Project P, Project Q, Project V, and Project X)

Transit

The M2 transit mode includes a number of programs designed to provide additional transportation options. M2 is the main funding source for Metrolink commuter rail service in Orange County and provides funding for rail station improvements and transit connections to extend the reach of the services.

Since 2011, M2 has provided competitive multi-year funding commitments for bus and station van extension services connecting to Metrolink (\$483,133 to date), local community-based transit circulators and planning studies (\$31 million to date), bus stop improvements (\$1.8 million to date), and funding to support specific programs to meet the needs of seniors and persons with disabilities (\$73.6 million² to date). Key transit project activities taking place this quarter are highlighted below.

- A Metrolink FY 2018-19 Performance Report was presented to the Transit Committee on October 10, 2019 and to the Board on October 14, 2019. The report reflected that ridership in Orange County is virtually unchanged at 5.1 million boardings, while weekend ridership has decreased by a slight 1.5 percent, compared to the previous year. (Project R)
- On October 14, 2019, OCTA, along with other Southern California Regional Rail Authority member agencies, implemented service improvements to provide new weekday service between Orange County and the City of Los Angeles (Los Angeles) on the Orange County (OC) and 91/Perris Valley lines.
 - Three midday intracounty roundtrips on the OC Line between the cities of Laguna Niguel/Mission Viejo and Fullerton were replaced with two midday round trips from the cities of Laguna Niguel/

² Excludes suspended funds. On May 13, 2019, the Board determined the City of Santa Ana and the City of Stanton ineligible to receive all net M2 revenues. Disbursement of M2 funds have been suspended until the cities achieve compliance and the Board reconsiders the matter by May 2020.

- Mission Viejo to Los Angeles. These extensions provide later morning trips to Los Angeles and later evening trips from Los Angeles on weekdays.
- Three intracounty trips on the 91/Perris Valley Line, from Perris-South to Riverside-Downtown, were replaced with one roundtrip from Perris-South to Los Angeles, with stops in the cities of Buena Park and Fullerton. This will give riders another option to get to Los Angeles on weekdays.
- The next phase of service improvements is planned to be implemented in April 2020. (Project R)
- A quarterly update was provided to the Transit Committee on November 14, 2019, and to the Board on November 25, 2019, for the OC Streetcar Project. The update included information on status of construction activities and vehicle delivery. (Project S)
- As a follow up to Board action on June 25, 2018, the City of Laguna Niguel's (City) application submitted as part of the community-based transit circulators third call to fund trolley service was refined and scored. On October 14, 2019, the Board approved funding, in the amount of \$886,082, to the City. The City is anticipated to start the service in May 2020. (Project V)
- On October 14, 2019, a fourth call for \$9 million was authorized by the Board to develop and implement community-based transit circulators. In addition, the Board approved revisions to the CTFP Guidelines for the program. A total of 18 applications was received by the December 12, 2019 deadline. Using the approved project selection criteria, projects will be prioritized for Board consideration in mid-2020. (Project V)

Environmental Programs

The M2 Program includes two innovative programs, the Environmental Cleanup Program (ECP) with specific activity, and the Environmental Mitigation Program (EMP) with funding from the Freeway Program. The ECP improves water quality by addressing transportation related pollutants, while the EMP offsets biological impacts of freeway projects.

Since 2011, the ECP has awarded \$48.1 million to local jurisdictions through a competitive process, which funded 170 projects for trash removal devices (Tier 1), and 20 projects for large scale water quality best management practices

projects (Tier 2). It is estimated that nearly eight million gallons of trash are captured annually, the equivalent of filling 50 Olympic size swimming pools since inception of the program.

Additionally, the Board has previously authorized \$55 million for the EMP to acquire conservation lands, fund habitat restoration projects, and to develop the Conservation Plan. OCTA has acquired more than 1,300 acres and funded 12 restoration projects across Orange County to fulfill the necessary freeway program mitigation needs. The wildlife and habitat on the acquired lands are protected in perpetuity, and long-term management of the properties will be funded by an established endowment. It is estimated that it will take 12 years to fully fund the endowment with annual deposits, or until the fund totals approximately \$46.2 million. As of September 30, 2019, the balance of the endowment was \$12,393,157, and on par with baseline assumptions with respect to interest earnings.

- An update for the M2 EMP was provided to the RPH Committee on December 2, 2019, and to the Board on December 9, 2019, which provided progress on the Conservation Plan, Preserve Management, Fire Management plans, Clean Water Act permits, and projects that were able to benefit from the EMP.

Challenges

As with all major programs, challenges arise and need to be monitored and addressed. A few key challenges are highlighted below.

The May 13, 2019, Board action finding the cities of Santa Ana and Stanton ineligible (first time in the history of Measure M1 and M2), suspended M2 funding allocations and disbursements until confirmation by audit of compliance and subsequent Board action. As of October 22, 2019, both the cities of Santa Ana and Stanton executed settlement agreements with OCTA to correct and remedy the FY 2017-18 audit issues. Upon notification in writing to OCTA of the cities' finalized Comprehensive Annual Financial Report, reflecting an unmodified opinion and receipt by OCTA of the FY 2018-19 Expenditure Report, OCTA staff expedited the required audit. The separate audits review each city's FY 2018-19 Expenditure Report and FY 2018-19 maintenance of effort, and completion of the audits is largely dependent on the thoroughness and validity of the submitted reports, as well as timeliness in resolving audit questions. The Board will revisit the status of compliance by May 2020 or sooner, as appropriate.

On all M2 projects, staff is committed to develop and implement the most cost-effective design that provides the highest congestion relief with the least impact to businesses and communities. Four projects facing challenges as they progress through environmental and design, are detailed below.

- The SR-91 between SR-57 and SR-55 is nearing completion of the environmental phase and facing some difficulties. The finalization of the document has been delayed due to a need for additional information regarding soils testing prior to approval of design exceptions. The design exceptions limit the project ROW needs at a recycling facility located adjacent to the project area.
- Efforts to reach consensus on a I-5/El Toro Road Interchange Project alternative continue. The cities of Laguna Hills, Laguna Woods, and Lake Forest met with the California Department of Transportation (Caltrans) and OCTA on October 2, 2019, October 17, 2019, November 26, 2019, and January 14, 2020. The stakeholder cities have been asked to work jointly with OCTA and Caltrans to determine a mutually acceptable and effective alternative. Built into M2 is a promise that projects would be delivered in cooperation with local jurisdictions. As such, OCTA is focused on a solution that has consensus of local agencies. The environmental phase was originally anticipated to be complete by the end of 2019. However, at this time the parties desire to explore alternative solution ideas. (Project D)
- On November 26, 2019, the National Highway Traffic Safety Administration and the United States Environmental Protection Agency issued Part One of the Safer Affordable Fuel-Efficient Vehicle Rule. This new rule will likely affect the three remaining M2 freeway projects³ that have not secured air quality conformity determinations as they proceed through the environmental clearance phase. This includes the northbound SR-57 Truck Climbing Lane Project, the El Toro Road Interchange Project (depending on whether a new alternative is selected), and the SR-91 Eastbound 6th Lane Project. OCTA will continue to monitor the implications of the new rules and report as new information becomes available. On a positive note, during the quarter OCTA was able to confirm air quality conformance for other M2 freeway projects currently in the final stages of environmental clearance.

³ One additional non-M2 freeway project affected is the I-5 Avenida Pico to the San Diego County line project.

- Another M2 freeway project facing challenges is the SR-55 between I-405 and I-5 Project (Project F), with final design and ROW acquisition underway. Caltrans informed OCTA that they will not prepare the required Design Standard Decision Document, as agreed to in the executed design phase cooperative agreement. This task was included as a Caltrans responsibility in the work sharing commitments in the cooperative agreement and was to be funded by Caltrans' State Highway Operation and Protection Program contribution. OCTA's design consultant has since taken over this effort. Caltrans approval is still required. In addition to risks with final design, ROW acquisition and utilities are on the critical path to keep the project on schedule.

Lastly, M2 projects in construction are also facing cost and schedule challenges related to a variety of reasons detailed below.

- The Placentia Metrolink Station and Parking Structure Project (Project R) design has been completed and is construction ready, but the project cannot be advertised until Metrolink and BNSF Railway successfully negotiate a memorandum of understanding (MOU) for the Shared Use Agreement terms and conditions. The Shared Use Agreement will provide the required BNSF Railway approvals for construction of the station. A non-binding MOU between Metrolink and BNSF Railway was executed in November 2019, defining general terms to advance the Shared Use Agreement. This external agency dependency is a challenge for forecasting project cost estimates, funding, and schedule.
- With the magnitude of scope of the I-405 between SR-73 and I-605 Project (Project K), challenges are to be expected. Navigating issues related to oversight and approvals from many different agencies and third parties; cost and availability of construction resources; dispute resolution and change management; minimizing disruptions to the public; has an impact on project schedule. Additionally, in September 2019, a discovery of archeological resources was made within the project limits. OCTA is working with the appropriate parties in a respectful manner following established state procedures. This discovery has impacted construction progress at a specific location. Mitigations have been implemented to increase the productivity of the contractor to minimize the effect on the original completion date while balancing impacts to traffic.
- New Metrolink safety requirements rolled out in early February 2020 call for additional paperwork to be filled out prior to commencing any activity in the Metrolink ROW. This added requirement has increased contractors'

levels of efforts, which will likely affect project cost. This directly affects the Laguna Niguel-San Juan Capistrano Passing Siding Project (Project R), which is currently under construction. All other pending projects within Metrolink ROW will need to take into account this new requirement.

- The OC Streetcar Project (Project S) has been facing challenges with subsurface conditions, such as contaminated materials found within the Orange County Transit District-Owned Pacific Electric ROW. A contract change order was necessary to segregate the contaminated soil and non-contaminated soil, prepare documentation for the contaminated soil and haul it to the nearest disposal facilities able to accept that particular hazardous waste. Additionally, challenges were faced when installing storm drains and sewers due to the discovery of utilities that were either not shown on any of the record drawing or shown at different locations or elevations than on the plans. The current construction schedule status indicates the revenue service date could extend to July 2022. The construction management team continues to track progress and manage risks to actively identify opportunities to reduce construction timeframes on future activities.

M2 project delivery is monitored closely, and progress, as well as challenges, are presented to the Board through these quarterly staff reports, individual project staff reports, as well as through the Capital Action Plan quarterly performance metrics reports from the Capital Programs Division.

Summary

As required by M2 Ordinance No. 3, a quarterly report covering activities from October 2019 through December 2019 is provided to update progress in implementing the Plan. The above information and the attached details indicate significant progress on the overall M2 Program despite facing challenges. To be cost-effective and to facilitate accessibility and transparency of information available to stakeholders and the public, the M2 Quarterly Progress Report is made available through the OCTA website. Hard copies are available by mail upon request.

Attachment

- A. Measure M2 Progress Report, Second Quarter Fiscal Year 2019-20,
October 1, 2019 through December 31, 2019

Prepared by:



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Approved by:



Kia Mortazavi
Executive Director, Planning
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OCGO

Local Tax Dollars at Work

MEASURE M2 PROGRESS REPORT

Second Quarter of Fiscal Year 2019 – 20
October 1, 2019 through December 31, 2019

Second Quarter Highlights:

- Freeway Projects
- Streets and Roads
- Environmental Cleanup & Water Quality
- Freeway Mitigation Program
- Finance Matters
- Program Management Office
- Summary





MEASURE M2 PROGRESS REPORT

SUMMARY

On November 7, 2006, Orange County voters, by a margin of 69.7 percent, approved the renewal of the Measure M one-half cent sales tax for transportation improvements. Voters originally endorsed Measure M in 1990 with a sunset in 2011. The renewal of Measure M continues the investment of local tax dollars in Orange County's transportation infrastructure for another 30 years to 2041.

As required by the Measure M2 (M2) Ordinance No. 3, a quarterly report covering activities from July 1, 2019, through September 30, 2019, is provided to update progress in implementing the Measure M2 Transportation Investment Plan. On September 25, 2017, the Board of Directors (Board) approved externally rebranding M2 to OC Go to promote OCTA's Measure M awareness and public perception and to avoid confusion with Measure M in Los Angeles County.

To be cost effective and to facilitate accessibility and transparency of information available to stakeholders and the public, Measure M2 progress reports are presented on the Orange County Transportation Authority (OCTA) website. Hard copies are mailed upon request.



The cover photo shows passengers boarding a Metrolink train at Buena Park Station. On October 14, 2019, three weekday intracounty round trips operating between Laguna Niguel/Mission Viejo and Fullerton were replaced with two weekday roundtrips from Laguna Niguel/Mission Viejo to Los Angeles. This service extension provides additional mobility choices for Orange County riders.



MEASURE M2 PROGRESS REPORT

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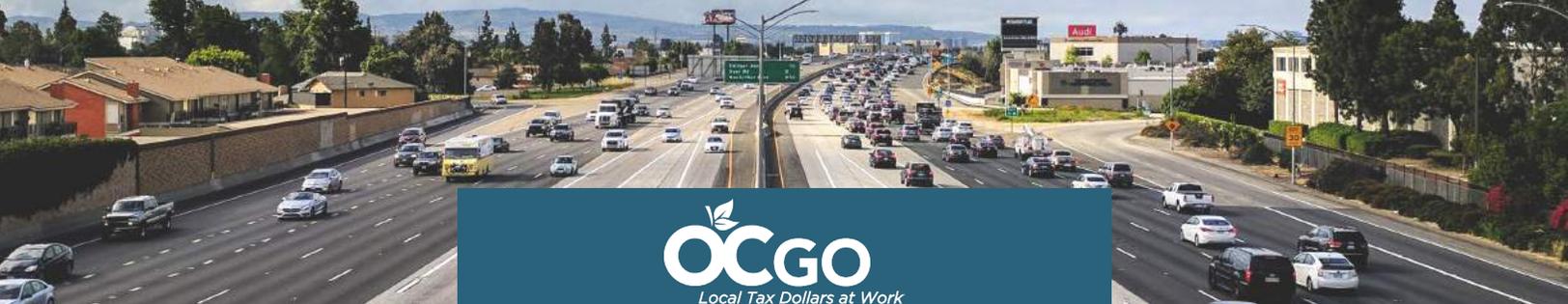
COMMON ABBREVIATIONS

Americans with Disabilities Act	ADA
Annual Eligibility Review	AER
Board of Directors	Board
Burlington Northern Santa Fe	BNSF
California Department of Fish and Wildlife	CDFW
California Department of Tax and Fee Administration	CDTFA
California Department of Transportation	Caltrans
California Transportation Commission	CTC
Capital Action Plan	CAP
Capital Investment Grant	CIG
Chief Executive Officer	CEO
Cost Estimate Review	CER
Congestion Mitigation and Air Quality	CMAQ
Draft Environmental Document	DED
Draft Project Report	DPR
Environmental Cleanup Allocation Committee	ECAC
Environmental Cleanup Program	ECP
Environmental Document	ED
Environmental Impact Report	EIR
Environmental Impact Statement	EIS
Environmental Mitigation Program	EMP
Environmental Oversight Committee	EOC
Federal Highway Administration	FHWA
Federal Transit Administration	FTA
Federal Transportation Improvement Program	FTIP
Freeway Service Patrol	FSP
Full Funding Grant Agreement	FFGA
High Occupancy Vehicle	HOV
Interstate 15	I-15
Interstate 405	I-405
Interstate 5	I-5
Interstate 605	I-605
Invitation for Bids	IFB
Local Faire Share Program	LFSP
Los Angeles – San Diego – San Luis Obispo	LOSSAN
Los Angeles County Metropolitan Transportation Authority	LA Metro
Measure M2 or Renewed Measure M	M2
Memorandum of Understanding	MOU
Metrolink Service Expansion Program	MSEP



COMMON ABBREVIATIONS

Next 10 Delivery Plan	Next 10
Natural Community Conservation Plan/Habitat Conservation Plan	Conservation Plan
Orange County Transportation Authority	OCTA
Orange County Unified Transportation Trust	OCUTT
Pacific Coast Highway	PCH
Plans, Specifications and Estimates	PS&E
Program Management Office	PMO
Project Development Team	PDT
Project Study Report	PSR
Ready to List	RTL
Request for Proposals	RFP
Resource Management Plan	RMP
Right-of-Way	ROW
Riverside County Transportation Commission	RCTC
Santa Ana Regional Transportation Center	SARTC
Senate Bill 1	SB 1
Senior Mobility Program	SMP
Senior Non-Emergency Medical Transportation	SNEMT
Southern California Association of Governments	SCAG
State Route 133	SR-133
State Route 22	SR-22
State Route 241	SR-241
State Route 55	SR-55
State Route 57	SR-57
State Route 71	SR-71
State Route 74	SR-74
State Route 91	SR-91
State Transportation Improvement Program	STIP
State Water Resources Control Board	SWRCB
Southern California Regional Rail Authority	SCRRA
Taxpayer Oversight Committee	TOC
To Be Determined	TBD
Trade Corridors Improvement Funds	TCIF
Transportation Infrastructure Finance and Innovation Act	TIFIA
United States Army Corps of Engineers	ACOE
United States Fish and Wildlife Service	USFWS
United States Department of Transportation	USDOT



MEASURE M2 PROJECT SCHEDULES



Conceptual



Environmental



Design, Advertise, & Award



Design-Build



Construction

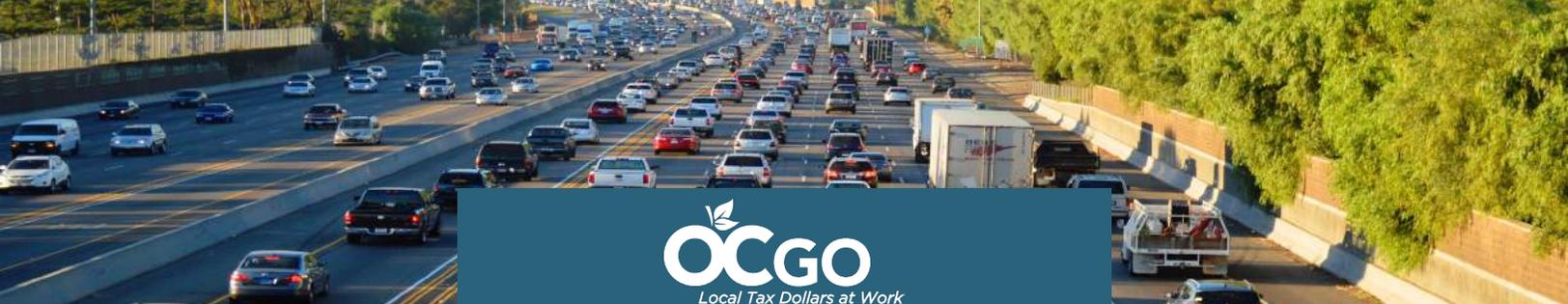


Complete

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
A	I-5, SR-55 to SR-57															
B	I-5, I-405 to Yale Avenue															
B	I-5, Yale Avenue to SR-55															
C,D	I-5, Avenida Pico to Avenida Vista Hermosa/Avenida Pico Interchange															
C	I-5, Avenida Vista Hermosa to Pacific Coast Highway															
C	I-5, Pacific Coast Highway to San Juan Creek Road															
C,D	I-5, SR-73 to Oso Parkway/Avery Parkway Interchange															
C,D	I-5, Oso Parkway to Alicia Parkway/La Paz Road Interchange															
C	I-5, Alicia Parkway to El Toro Road															
D	I-5, El Toro Interchange (Further Schedule TBD)															
D	I-5, Ortega Interchange															
E	SR-22, Access Improvements	<i>Completed in 2008</i>														
F	SR-55, I-405 to I-5															
F	SR-55, I-5 to SR-91 (Further Schedule TBD)															
G	SR-57 NB, Katella Avenue to Lincoln Avenue															
G	SR-57 NB, Orangethorpe Avenue to Yorba Linda Boulevard															
G	SR-57 NB, Yorba Linda Boulevard to Lambert Road															
G	SR-57 NB, Lambert Road to Tonner Canyon Road (TBD)															
G	SR-57, Oranewood Avenue to Katella Avenue (Further Schedule TBD)															
H	SR-91 WB, I-5 to SR-57															
I	SR-91 WB, SR-55 to Tustin Avenue Interchange															
I	SR-91, SR-55 to Lakeview Avenue															
I	SR-91, La Palma to SR-55															
I	SR-91, Acacia Street to La Palma															

Project schedules are based on phase start dates. Shown schedules are subject to change.

¹ Projects managed by local agencies



MEASURE M2 PROJECT SCHEDULES

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
J	SR-91, SR-55 to SR-241	■														
J	SR-91, SR-241 to SR-71	<i>Completed in 2011</i>														
J	SR-91, SR-241 to I-15 (TBD)															
K	I-405, SR-55 to I-605	■	■	■	■	■	■	■	■	■	■	■	■	■	■	
L	I-405, I-5 to SR-55 (Further Schedule TBD)			■	■	■	■	■								
M	I-605, Katella Avenue Interchange (Further Schedule TBD)					■	■	■								
O	Kraemer Boulevard Grade Separation (Placentia)	■	■													
O	Lakeview Avenue Grade Separation (Anaheim/Placentia)	■	■	■	■	■										
O	Orangethorpe Avenue Grade Separation (Anaheim/Placentia)	■	■	■	■	■										
O	Placentia Avenue Grade Separation (Placentia)	■	■													
O	Raymond Avenue Grade Separation (Fullerton) ¹	■	■	■	■	■	■	■								
O	State College Blvd Grade Separation (Fullerton) ¹	■	■	■	■	■	■	■								
O	Tustin Ave/Rose Drive Grade Separation (Anaheim/Placentia)	■	■	■	■	■										
R	Sand Canyon Grade Separation (Irvine)	■	■	■	■											
R	Rail-Highway Grade Crossing Safety Enhancement	<i>Completed in 2011</i>														
R	San Clemente Beach Trail Safety Enhancements	■	■													
R	Anaheim Canyon Metrolink Station Improvements				■	■	■	■	■	■	■					
R	Fullerton Transportation Center Improvements	■	■	■	■	■	■	■								
R	Laguna Niguel/Mission Viejo Metrolink Station Americans with Disabilities Act (ADA) Ramps	■	■	■	■	■	■									
R	Orange Transportation Center Metrolink Parking Structure	■	■	■	■	■	■	■								
R	Placentia Metrolink Station Improvements and Parking Structure	■	■	■	■	■	■			■	■	■				
R	San Clemente Pier Station Lighting				■	■	■									
R	Laguna Niguel to San Juan Capistrano Metrolink Station Passing Siding Project	■	■	■	■	■	■	■	■	■	■					
R	Tustin Metrolink Station Parking Structure	<i>Completed in 2011</i>														
R,T	Anaheim Regional Transportation Intermodal Center (ARTIC) ¹	■	■													
S	OC Streetcar	■	■	■	■	■	■	■	■	■	■	■	■	■	■	

Project schedules are based on phase start dates. Shown schedules are subject to change.

¹ Projects managed by local agencies



MEASURE M2 PROGRESS REPORT

M2 DELIVERY RISK UPDATE ▼

This section discusses the risks and challenges related to Measure M2 and the 2018 update of the Next 10 Delivery Plan (Next 10) that the Measure M2 Program Management Office (PMO) is monitoring – complete with associated explanations and proposed actions.

Delivery Risk	Explanation	Proposed Action
Financial		
1	The 2018 M2 revenue forecast estimate is \$13.1 billion, which represents a 46 percent decrease in forecasted revenue since M2 adoption.	Sales tax revenue has been impacted by the recession and changes in consumer spending habits.
		The 2019 forecast that is planned to go to the Board on October 28, 2019 will reflect an updated review forecast of \$13.4 billion. The 2019 higher forecast provides a positive change which gives relief to the reliance on external funding to deliver the Freeway Program. OCTA will continue to actively pursue available state and federal revenue, and work with Caltrans to identify cost effective freeway alternatives.
2	Inability to scale the Freeway Program to available revenue and still deliver the promise.	The M2 Freeway Program includes set project scopes leaving very little flexibility in what is delivered.
		OCTA will work closely with Caltrans to apply value engineering strategies on projects to manage costs.
3	Schedule and scope changes on critical capital projects impacting delivery and project costs.	Changes as a result of updated highway standards or issues identified in the field regularly impact scope and schedule and ultimately costs.
		Continue tight rein on project delivery. Work closely with Caltrans and project contractors to keep changes in scope and schedule to a minimum.
4	Sustain Metrolink train service as an attractive alternative to driving in Orange County with the limits of available revenue.	Operational cost of Metrolink service continues to grow as the system ages, track-sharing arrangements with BNSF are revised, and new air quality requirements are implemented.
		Staff will continue to work closely with Metrolink and our partners to ensure cost increases are minimized, while seeking external revenue.



MEASURE M2 PROGRESS REPORT

Delivery Risk	Explanation	Proposed Action
<p>5 The Next 10 Market Conditions Forecast and Risk Analysis identified strong potential for an increasing-cost environment during the Next 10 delivery years.</p>	<p>OCTA continues to monitor and track key early warning indicators. A construction cost pressure model was created providing insight on forecasting capital cost risks.</p>	<p>Continue with early delivery of projects providing opportunity for cost savings (reduces outyear escalation). The cash flow includes built in economic uncertainty funding and extremely conservative bonding assumptions which can be increased if needed. While bid items have increased, changes to overall project costs remain manageable.</p>
Resource		
<p>6 Extremely low unemployment and substantial work underway in the region, has resulted in significant demand for professional and skilled labor which can impact delivery given the scope of the M2 capital program.</p>	<p>External demand for key talent creates shortages which drive up project delivery costs. Timely capital project completion is key to reduce project delivery risk.</p>	<p>Expert and timely coordination between OCTA and Caltrans are imperative to manage this risk. Staff is currently working with Caltrans to ensure resource needs are met. Internally OCTA's Human Resources Division continues to implement programs to retain and attract talent.</p>
<p>7 New operational responsibilities with the OC Streetcar.</p>	<p>With the implementation of the OC Streetcar service, OCTA will be increasing its overall role in operations. OCTA holds a strong track record in operating various transportation systems including both a fixed and demand-based bus network.</p>	<p>To ensure success of the OC Streetcar, OCTA hired a streetcar operations manager with proven start-up experience to oversee startup and daily operations.</p>
Regulatory		
<p>8 New federal and statewide directives create additional limitations for use of transportation dollars which could affect freeway projects.</p>	<p>New directives with greenhouse gas reductions, managed lane corridors focus, as well as an emphasis on transit provides new hurdles that eliminate some sources of funding for OC Go freeway improvements.</p>	<p>OCTA will monitor new directives and work closely with our partners including Caltrans to ensure that M2 projects stay true to the voter commitment and compete for funding as appropriate.</p>



MEASURE M2 PROGRESS REPORT

Next 10 Delivery Plan ▼

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On November 14, 2016, the Board approved the Next 10 Delivery Plan (Next 10), providing guidance to staff on delivery of M2 projects and programs between 2017 and 2026. On November 11, 2019, the Next 10 was updated to incorporate the 2019 sales tax revenue forecast of \$13.4 billion. The 2019 updated Next 10 includes updated project costs and schedules, bonding assumptions, and adjustments ensuring continued delivery of the complete M2 Program by 2041 as promised.

Next 10 Plan Deliverables

The Next 10 Plan is based on ten deliverables intended to provide guidance on program and project delivery during the ten-year period. With three years of the ten-year plan complete, progress on the ten deliverables and accomplishments to date is provided. Significant progress has been made, with projects completing construction, projects in and advancing towards construction, as well as regular funding allocations to local jurisdictions through local programs.

1. Deliver \$3.5 billion of freeway improvements approved through construction (Projects A-M).

The M2 freeway program is currently made up of 30 projects or project segments (projects). While the total number of projects increased from 27 to 30, the project delivery commitment remains the same. At the point of Next 10 adoption, nine of the 30 total projects were completed for a total cost of \$463 million. Deliverable 1, includes 12 of the 30 projects to be delivered (or underway) within the Next 10 timeframe including SR-91 between SR-57 to SR-55 (Project I) funded with 91 Express Lanes excess revenue. Together, the projects designated for completion or near completion) by 2026 currently make up a \$3.1 billion delivery promise. The \$3.5 billion deliverable commitment includes prior completed projects. To date, three projects on Interstate 5 (I-5) between Avenida Pico and San Juan Creek Road, opened to traffic, adding six miles of carpool lanes. The remaining nine segments are in design or construction. For more details, see [pages iii-iv](#) (Project Schedules) and the project updates contained in the following pages.

2. Invest approximately \$715 million more in revenues, bringing the completed Freeway Program improvements to \$4.3 billion (Projects A-M).

The final nine remaining project segments (of the 30 total) are environmentally cleared or on track to be environmentally cleared by 2026, making them shelf-ready for further advancement. Using Board adopted guiding principles, the 2019 updated Next 10 identified five projects to be advanced through construction: I-605/ Katella Interchange (Project M), SR-57 Northbound from Orangewood Avenue to Katella Avenue (Project G), I-5 between I-405 and Yale Avenue (Project B), I-5 between Yale Avenue and SR-55 (Project B) and SR-55 between I-5 and SR-91 (Project F). The remaining four projects have specific reasons related to the application of the guiding principles that require additional time prior to being advanced. In all, during the Next 10 time-period, approximately \$4.3 billion in freeway improvements promised to the voters in M2 will be completed or underway by 2026. For more details, see [pages iii-iv](#) (Project Schedules) and the project updates contained in the following pages.



MEASURE M2 PROGRESS REPORT

3. Allocate \$1 billion, with \$400 million in competitive funding to local jurisdictions to expand roadway capacity and synchronize signals (Project O and P) and \$600 million in flexible funding to local jurisdictions to help maintain aging streets or for use on other transportation needs, as appropriate (Project Q).

Since the adoption of the Next 10 Plan in November 2016, OCTA has awarded approximately \$91 million in competitive funding through the Regional Capacity Program (Project O) and Regional Traffic Signal Synchronization Program (Project P). Additionally, \$180 million¹ in Local Fair Share (Project Q) funds have been distributed to local agencies. This brings the total allocation to date to \$271 million.

On August 12, 2019, the Board approved the release of the 2019 Call for Projects with a target of approximately \$32 million for Project O and \$8 million for Project P funding. Final programming recommendations will be presented to the Board by June 2020. Additionally, all seven bridges included in the OC Bridges program are complete. For more details, see the project updates on [page 18](#).

¹Only includes disbursed funds. On May 13, 2019, the Board determined that the City of Santa Ana and the City of Stanton ineligible to receive M2 revenues. Disbursement of M2 funds have been suspended until the cities achieve compliance and the Board reconsiders the matter by May 2020.

4. Extend Metrolink service from Orange County into Los Angeles County, contingent upon cooperation and funding participation from route partners; complete six rail station improvements (Project R).

In October 2019, three weekday intracounty round trips operating between Laguna Niguel/Mission Viejo and Fullerton were replaced with two roundtrips between Laguna Niguel/Mission Viejo (extended from Fullerton) into Los Angeles. Schedules for the extended service were developed consistent with existing schedules. Additional service changes are scheduled to be implemented in April 2020, providing one new evening round trip between Oceanside and Los Angeles and one weekday round trip between Los Angeles and Perris via Fullerton.

Within this program, funding is provided for rail corridor and station improvements to accommodate increased passenger train service - including station upgrades, parking expansions, and safety enhancements. The Next 10 Plan identifies six projects to be completed by 2026: 1) Laguna Niguel/Mission Viejo Metrolink Station ADA ramps (completed September 2017), 2) Orange Metrolink Station Parking Structure (completed February 2019), 3) Placentia Metrolink Station (is ready to begin construction, however, it is contingent on a BNSF Construction and Maintenance Agreement being in place), 4) Anaheim Canyon Metrolink Station Improvement Project (construction to begin summer 2020), 5) Fullerton Transportation Center elevators (completed May 2019), and 6) San Clemente Pier Metrolink/Amtrak Station Lighting Project (completed March 2017). For more details, see the project updates on [page 23](#).



MEASURE M2 PROGRESS REPORT

5. Complete design and construction, secure vehicles, and begin operating the OC Streetcar (Project S) and work with local agencies to consider recommendations from planning studies to guide development of future transit connections (Project S).

OC Streetcar

Activities continue to move forward, including coordination with third parties on utility relocation, finalizing the scope of services for the operations and maintenance request for proposals released on November 12, 2018, and continued coordination with the Federal Transit Administration (FTA). The streetcar vehicle manufacturing contract has been executed and the notice to proceed has been issued. The streetcar construction contract has been executed and Notice to Proceed was issued on March 4, 2019, and construction activities are underway. With strong FTA support for the project, a FFGA was executed in November 2018. Construction is anticipated to be complete in early 2022. See [page 27](#) for more information.

Bristol Street Transit Corridor Study

The study is focused on Bristol Street between West 17th Street and Sunflower Avenue (South Coast Metro); and will also evaluate connections to the John Wayne Airport and the Santa Ana Regional Transportation Center. The study will analyze and develop up to six conceptual transit alternatives for the Bristol Street Corridor. During the quarter, six draft conceptual alternatives were presented to the OCTA Transit Committee on October 10, 2019. After a long discussion the committee made a motion to move the study forward without the two streetcar alternatives. The presentation of the draft alternatives to the OCTA Board was subsequently delayed until the Board has an opportunity to discuss the action plans developed in the 2018 Transit Master Plan. A presentation on the Transit Master Plan is planned to go to the Board next quarter.

6. Provide up to \$115 million in funding to expand mobility choices for seniors and persons with disabilities (Project U).

Approximately \$35 million² has been provided for the Senior Mobility Program (SMP), the Senior Non-Emergency Medical Transportation Program (SNEMT), and the Fare Stabilization Program since the Next 10 Plan adoption. See [page 29](#) for more information.

²Only includes disbursed funds. On May 13, 2019, the Board determined that the City of Santa Ana and the City of Stanton ineligible to receive M2 revenues. Disbursement of M2 funds have been suspended until the cities achieve compliance and the Board reconsiders the matter by May 2020.

7. Work with local agencies to develop a plan for the next community circulator projects to provide grant opportunities for local agencies to implement effective local transit services (Project V).

Along with requests for letters of interest, the Board has authorized four calls for projects in total; with two occurring since the Next 10 Plan adoption. During the Next 10 period, the Board has awarded six projects for a total of \$6.04 million. The Board also authorized the fourth Project V 2020 call for projects for up to \$9.0 million. Programming recommendations for this call for projects are anticipated in Spring, 2020.

Staff continues to work with local jurisdictions through letters of interest requests, workshops, CTFP Guidelines revisions, and calls for projects, to fine tune this program and facilitate successful project implementation. For additional details and information on current project program performance and service see [page 30](#).



MEASURE M2 PROGRESS REPORT

8. Allocate up to \$7 million in funding to improve the top 100 busiest bus stops and support the modernization of the bus system to enhance the customer experience (Project W).

Through two calls for projects, the Board has approved Project W funds to support 79 city-initiated improvements to busy bus stops on the OCTA transit system. Since Next 10 Plan adoption, the Board has made \$3 million available of which \$872,300 was allocated to eligible local agencies. The program is designed to ease transfers between bus lines and provide passenger amenities such as installation of bus benches or seating, shelters, improved lighting, and other passenger related amenities. For additional details see [page 31](#).

9. Ensure the ongoing preservation of purchased open space (Preserves) which provides comprehensive mitigation of the environmental impacts of freeway improvements and higher-value environmental benefits in exchange for streamlined project approvals (Projects A-M).

The Freeway Mitigation Program Preserves includes seven properties (1,300 acres), and 12 restoration projects (350 acres). In 2017, OCTA received biological resource permits after completing a state and federal Natural Community Conservation Plan/Habitat Conservation Plan (Conservation Plan) for the Environmental Mitigation Program, allowing streamlined project approvals for the freeway improvement projects. The Conservation Plan also includes a streamlined process for coordination of streambed alternation agreements. In 2018, the OCTA secured programmatic permits and assurances for federal and state clean water permitting requirements. Receipt of these permits represent the culmination of years of collaboration and support by the Board, environmental community, and regulatory agencies.

To ensure ongoing preservation of the open space, an endowment was established to pay for the long-term management of the Preserves. Approximately \$2.9 million will be deposited annually. To date, OCTA has made four endowment deposits. Quarterly investment reports are provided to the Board, with the most recent one in November 2019. As of September 30, 2019, the endowment balance is \$12,393,157, and on par with baseline assumptions with respect to interest earnings. For more details, see the project updates on [page 33](#).

10. Work with the Environmental Cleanup Allocation Committee (ECAC) to develop the next tiers of water quality programs, with a goal of providing \$40 million in grants to prevent the flow of trash, pollutants, and debris into waterways from transportation facilities. In addition, focus on improving water quality on a regional scale that encourages partnerships among the local agencies as part of the Environmental Cleanup Program (ECP) (Project X).

Since adoption of the Next 10 Plan in November 2016, OCTA has issued three calls for Tier 1 ECP projects. The Board awarded approximately \$7.6 million to fund 39 Tier 1 projects. Staff anticipates the next Tier 2 call in 2021, dependent on projected cash flow and local jurisdictions' interest in potential viable Tier 2 projects. For more details, see the project updates on [page 32](#).



FREEWAYS

INTERSTATE 5 (I-5) PROJECTS ▾

Segment: I-5, Between SR-55 and SR-57

PROJECT A

Status: Construction Underway – 45% complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project will increase high occupancy vehicle (HOV) capacity by adding a second HOV lane in both directions along I-5 between SR-55 and SR-57 for approximately 3 miles in Santa Ana. Construction began on February 20, 2019, and during the quarter activities included completion of installation of retaining walls at Lincoln Avenue and removal of debris associated with demolition of the HOV ramp bridge at Main Street (in early August 2019) and construction of retaining walls and roadway sub base in the median. The project is expected to be completed in early 2021.

Segment: I-5, I-405 to SR-55

PROJECT B

Status: Environmental Phase Underway - 92% Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project is studying the addition of one general purpose lane in each direction of the I-5 corridor and improved interchanges in the area between just north of I-405 to SR-55 in the cities of Tustin and Irvine. Additional features include the addition of auxiliary lanes in some areas and re-establishment in other areas within the project limits. The Draft Environmental Document (DED) was circulated in May 2018 and two open house format public hearings were held in late May 2018. To limit community and business impacts, design variations were recommended to address tight right-of-way constraints in the project area. Due to a lack of agreement over design variations recommended, the completion of the environmental document was delayed 15 months. Following discussions and further study, agreement was reached, and the Project Development Team recommended a preferred alternative in mid-March 2019. The Design Standard Decision Document (formerly Fact Sheet) process is underway to address the agreed upon design variations and completion of the final ED is expected in early January 2020. This project has been segmented into two segments and is advanced through construction in the updated 2019 Next 10 Delivery Plan approved by the Board on November 11, 2019.



FREEWAYS

PROJECT C AND PART OF PROJECT D

I-5, Avenida Pico to San Juan Creek Road is one project broken into three segments, as described below.

Segment: I-5, Avenida Pico to Avenida Vista Hermosa/Avenida Pico Interchange

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: This segment added a carpool lane in each direction on I-5 between Avenida Pico and Avenida Vista Hermosa for approximately 0.7 miles in San Clemente and included major improvements through reconstruction of the Avenida Pico Interchange (part of Project D). The project also added bicycle lanes in both directions on Avenida Pico. Construction began in February 2015 and all three segments of the I-5 between Avenida Pico to San Juan Creek were opened to traffic on March 13, 2018. The project was officially completed on August 23, 2018, and the one-year plant establishment period for this segment was completed in May 2019.

Segment: I-5, Avenida Vista Hermosa to Pacific Coast Highway

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: This segment added a carpool lane in each direction of I-5 between Avenida Vista Hermosa and Pacific Coast Highway (PCH) for approximately 2.5 miles in San Clemente, and also reconstructed on- and off-ramps at Avenida Vista Hermosa and Camino de Estrella. Construction began in September 2014 and all three segments of the I-5 between Avenida Pico to San Juan Creek were opened to traffic on March 13, 2018. The project was officially completed on July 31, 2017, and the one-year plant establishment period for this segment was completed in May 2018.

Segment: I-5, Pacific Coast Highway to San Juan Creek Road

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: This segment added one carpool lane in each direction of the I-5 between PCH and San Juan Creek Road for approximately 2.5 miles in the Cities of San Clemente, Dana Point, and San Juan Capistrano. Project improvements also reconstructed the on and off ramps at PCH/Camino Las Ramblas. Construction began in March 2014 and all three segments of the I-5 between Avenida Pico to San Juan Creek were opened to traffic on March 13, 2018. The project was officially completed on July 3, 2018, and the one-year plant establishment period for this segment was completed in March 2019. During the quarter, all outstanding contractor claims were resolved.

FREEWAYS

I-5, SR-73 to El Toro Road is one project broken into three segments in early 2018, as described below. With a cost estimate for this project of \$557.11 million, the project was above the \$500 million threshold for a “Major Project” designation, as determined by the Federal Highway Administration (FHWA). Major projects require a Cost Estimate Review (CER) workshop, and a CER was conducted by the FHWA, Caltrans, and OCTA in February 2018 and resulted in an estimated project cost of \$612.6 million. The OCTA cost estimate for the three segments is currently \$595.7 million.

Segment: I-5, SR-73 to Oso Parkway/Avery Parkway Interchange

Status: Design Complete. Construction contract awarded.

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project will make improvements along I-5 between SR-73 and Oso Parkway in the Cities of Laguna Hills, Laguna Niguel, and Mission Viejo. The improvements include the addition of a 2.2-mile general-purpose lane in each direction and reconstruction of the Avery Parkway Interchange (part of Project D). During the quarter, the consultant continued working on ROW acquisition and coordination with utility agencies. Due to extended ROW coordination, this project is marked “red” in the CAP, with delay of 12 months beyond the original schedule. The project was advertisement on August 26, 2019 and bids were received on October 15, 2019. ORTIZ Enterprises, Inc was the lowest bidder with \$107,993,733 which was approximately \$3.6 million under the engineers estimate. The project was awarded on December 19, 2019 and construction is anticipated to start mid-March of 2020.

Segment: I-5, Oso Parkway to Alicia Parkway/La Paz Road Interchange

Status: Construction Underway – 7% Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project will make improvements along I-5 between Oso Parkway and Alicia Parkway in the cities of Mission Viejo, Laguna Hills, and Lake Forest. The proposed improvements include the addition of a 2.6-mile general-purpose lane in each direction and reconstruction of the La Paz Road Interchange (Part of Project D). The construction contract award was on April 4, 2019, and the first working day was May 29, 2019. Activities this quarter include completion of removal and disposal of Aerially Deposited Lead and demolition of the northbound looped on-ramp at La Paz Road. Staff continues coordination of the service contract with SCRR/Metrolink, and with Caltrans on ROW and utility relocations.

Segment: I-5, Alicia Parkway to El Toro Road

Status: Design Complete. Construction bid package preparation underway

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project will make improvements along I-5 between Alicia Parkway to El Toro Road in the Cities of Lake Forest, Laguna Hills, Laguna Woods and Mission Viejo. The proposed improvements include the addition of a 1.7-mile general-purpose lane in each direction and the extension of the second HOV lane from El Toro

FREWAYS

Road to Alicia Parkway. The 100 percent Plans, Specifications and Estimates Submittal was on May 3, 2019 for Caltrans review. This quarter, the consultant continued Right-of-Way and Utility efforts, updated and submitted the final plans in coordination with the Caltrans Office Engineer to prepare to achieve Ready to List Status. Due to extended ROW coordination with Caltrans and delayed design start date, this project is marked “red” in the CAP, with a delay of over 16 months beyond the original schedule. The Board has approved \$49.9 million in federal funding and OCTA has received \$9.4 million in state funding.

PROJECT D

This project will update and improve key I-5 interchanges at Avenida Pico, Ortega Highway, Avery Parkway, La Paz, and at El Toro Road. Three interchange improvements at La Paz, Avery Parkway, and Avenida Pico are included and discussed as part of the respective segments in Project C.

Segment: I-5, Ortega Highway Interchange

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: Construction began in February 2013 to reconstruct the SR-74 Ortega Highway Bridge over I-5 and improve local traffic flow along SR-74 and Del Obispo Street in the City of San Juan Capistrano. All lanes on the new bridge were opened to traffic on September 4, 2015. A dedication ceremony was held on October 1, 2015. The project was officially completed on January 15, 2016.

Segment: I-5, El Toro Interchange

Status: Environmental Phase On Hold

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: Caltrans is the lead in the environmental phase of this project which included the study of four build alternatives that consider modifications to the existing interchange, ranging from an I-5 southbound direct connector to El Toro Road to modifications in how existing on and off ramp intersections operate. The project area includes the cities of Laguna Hills, Laguna Woods and Lake Forest who are direct stakeholders of the project improvements. The study began in April 2017 and the Draft Initial Study/Environmental Assessment (IS/EA) was completed in March 2019. The public comment review period was from April 2, 2019, through May 20, 2019, and a public hearing was held on April 18, 2019, in the City of Lake Forest. The four alternatives were reduced to two and the remaining two alternatives have large community and business impacts as a result of the project being in a densely built out area. The three stakeholder cities are not in consensus on a preferred alternative and costs identified for the remaining alternatives are significantly higher than the assumed cost in the Next 10 Plan which creates additional challenges. The environmental phase was anticipated to be completed in late 2019, however without the cities' consensus, OCTA will not support finalization of the document. OCTA has



FREWAYS

requested Caltrans put completion of the environmental document on hold. Major activities this quarter included two meetings with the three stakeholder cities to request that the cities work together to determine if they can jointly support an alternative. Also, Caltrans completed preparing responses to comments received during the Public Review period.

STATE ROUTE 22 (SR-22) PROJECTS ▼

Segment: SR-22 Access Improvements

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



PROJECT E

Summary: Completed in 2008, Project E made improvements at three key SR-22 interchanges (Brookhurst Street, Euclid Street, and Harbor Boulevard) in the City of Garden Grove to reduce freeway and street congestion in the area. This M2 project was completed early as a “bonus project” provided by the original Measure M (M1).

STATE ROUTE 55 (SR-55) PROJECTS ▼

Segment: SR-55, I-405 to I-5

Status: Design Phase Underway - 90% Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

PROJECT F

Summary: This project will widen SR-55 between I-405 and I-5 in the Cities of Irvine, Santa Ana, and Tustin. The improvements will include a 4-mile general purpose lane and a second HOV lane in both directions between the I-405 and I-5. Auxiliary lanes will be added and extended in some segments, within the project limits. Through a cooperative agreement, Caltrans and OCTA’s consultant initiated the design together and on July 19, 2019 the 95 percent design was completed. The 100 percent design will be submitted next quarter. Caltrans originally agreed to be responsible for developing and gaining approval of the required Supplemental Fact Sheet addressing necessary design variations on the project; however, OCTA was notified that Caltrans will not complete the work. On December 9, 2019, OCTA Board approved an amendment to the Caltrans cooperative agreement and amendment to the OCTA consultant contract to transfer the Supplemental Fact Sheet task to OCTA. The Supplemental Fact Sheet will be submitted next quarter to Caltrans for review and approval. The project is anticipated to be ROW Certified and ready to list (RTL) by December 2020. The Board has approved \$103 million in federal funds and OCTA has received \$80 million in state funds through the 2018 STIP. Caltrans has originally committed \$46.8 million in SHOPP funds but that amount was reduced to \$45 million and OCTA will seek to capture another \$75 million in future SB1 funding to fully fund the carpool elements of the project.



FREWAYS

Segment: SR-55, I-5 to SR-91
Status: Environmental Phase Underway - 92% Complete
Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project is studying approximately 7.5 miles of SR-55 between I-5 and SR-91 in the Cities of Santa Ana, Tustin, Orange and Anaheim. The environmental study is looking at the addition of one general purpose lane in each direction between SR-22 and the I-5 and providing operational improvements between SR-22 and SR-91. During the quarter, the consultant continued working on technical studies and obtained approval on most. The Draft Environmental Document (ED) and Draft Project Report were approved in September 2019. The Draft ED was circulated to the public in late-September, and an open house format Public Hearing was held in mid-October. The Project Development Team recommended a preferred alternative in mid-December 2019. The Design Standard Decision Document (formerly Fact Sheet) process has been underway to address design variations needed to limit right-of-way impacts. The final ED is expected to be approved in early 2020. This is contingent on the project being exempt from new Safe Rule air conformity standards (subsequently enacted) that if applied would require a redo of work already completed. This project was approved for advancement through construction in the updated 2019 Next 10 Delivery Plan by the Board on November 11, 2019.

STATE ROUTE 57 (SR-57) PROJECTS ▼

PROJECT G

Segment: SR-57 Northbound, Katella Avenue to Lincoln Avenue
Status: PROJECT COMPLETE
Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: This project increased capacity and improved operations on northbound SR-57 between Katella Avenue and Lincoln Avenue in the City of Anaheim with the addition of a new 3-mile general purpose lane, on- and off-ramp improvements, and sound walls. Bridges at Katella Avenue and Douglas Road were also widened in the northbound direction. The project opened to traffic on November 19, 2014, and completed on April 21, 2015.

Segment: SR-57 Northbound, Orangethorpe Avenue to Yorba Linda Boulevard
Status: PROJECT COMPLETE
Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: This project increased capacity and improved operations on northbound SR-57 with a new 2.5-mile northbound general-purpose lane between Orangethorpe Avenue in the City of Placentia to Yorba Linda Boulevard in the City of Fullerton. In addition to the new lane, capital improvements include reconstruction of northbound on- and off-ramps, widening of seven bridges, and the addition of soundwalls. The new general purpose lane was opened to traffic on April 28, 2014. The project was completed on November 6, 2014.



FREEWAYS

Segment: SR-57 Northbound, Yorba Linda Boulevard to Lambert Road

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: Completed on May 2, 2014, this project improved capacity, operations, and traffic flow on SR-57 with the addition of a new 2.5-mile northbound general-purpose lane between Yorba Linda Boulevard in the City of Fullerton and Lambert Road in the City of Brea. Additional project benefits include on- and off-ramp improvements, the widening and seismic retrofit (as required) of six bridges in the northbound direction and the addition of soundwalls. Existing lanes and shoulders were also widened to standard widths, enhancing safety for motorists. The new general purpose lane was opened to traffic on September 23, 2013. The project was completed on May 2, 2014.

Segment: SR-57 Northbound, Lambert Road to Tonner Canyon Road

Status: Environmental phase schedule TBD

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: Caltrans previously completed a Project Study Report (PSR)/Project Development Support document for the Lambert Road to Tonner Canyon Road segment, which would add a northbound truck-climbing lane (approximately 2.5 miles) in the City of Brea. The project will require coordination with LA Metro on planned improvements or related work across the county line. The mainline project includes interchange and ramp improvements at Lambert Road. Through the SB 1 Trade Corridor Enhancement Program, funds were allocated to initiate the construction phase for interchange improvements at Lambert Road which will complement and serve as a first phase to the freeway improvement project. Construction began in mid-2019 and is anticipated to be complete at the end of 2021. Phase 2, which is the mainline improvements, was initially approved for STIP funding in March 2018 to initiate the environmental phase. However, due to the 2019 STIP reduction, funding was shifted to cover projects already underway. The schedule for this project will be updated during the annual M2 cash flow review and Next 10 update.

Segment: SR-57 Northbound, Orangewood Avenue to Katella Avenue

Status: Environmental Phase Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project studied the addition of a new one mile northbound general purpose lane on SR-57 from Orangewood Avenue to Katella Avenue in the Cities of Anaheim and Orange. The northbound general-purpose lane would join the northbound general purpose lane which was opened to traffic in 2014 between Katella Avenue and Lincoln Avenue. The Final Environmental Document and Final Project Report were approved on March 29, 2019. This project was approved for advancement through construction in the updated 2019 Next 10 Delivery Plan by the Board on November 11, 2019. The design phase is scheduled to begin in late 2021.



FREEWAYS

STATE ROUTE 91 (SR-91) PROJECTS ▾

Segment: SR-91 Westbound, I-5 to SR-57

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



PROJECT H

Summary: This project increased capacity in the westbound direction of SR-91 by adding an additional 4.5-mile general purpose lane in the westbound direction between Anaheim and Fullerton and provided operational improvements at on and off-ramps between Brookhurst Street and State College Boulevard. The general purpose lane was opened to traffic on March 7, 2016, and the project was complete on June 23, 2016.

Segment: SR-91, SR-55 to Tustin Avenue Interchange

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



PROJECT I

Summary: This project improved traffic flow at the SR-55/SR-91 interchange by adding a westbound auxiliary lane beginning at the northbound SR-55 to westbound SR-91 connector through the Tustin Avenue interchange in the City of Anaheim in the approximately 2-mile area. The project reduced weaving congestion in the area and included reconstruction of the westbound side of the Santa Ana River Bridge to accommodate the additional lane. The bypass lane was open to traffic on May 14, 2016, and construction was completed on July 15, 2016.

Segment: SR-91, SR-55 to SR-57

Status: Environmental Phase Underway - 94% Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project will improve traffic flow and operations along SR-91 within the Cities of Fullerton and Anaheim in the approximately 5-mile study area. The study is looking at the addition of one general purpose lane eastbound between SR-57 and SR-55, and one general purpose lane westbound from the NB SR-57 connector to State College Boulevard. Additional features of this project include improvements to various interchanges. Auxiliary lanes will be added in some segments and re-established in others within the project limits. The Project Development Team recommended the preferred alternative in late-March 2019. Due to Caltrans requiring extra work to study interchange improvements outside of the completed PSR and the M2 promised project, the project is marked “red” in the CAP signifying a delay of 20 months from its original schedule. 91 Express Lanes excess revenue is designated to pay for the mainline freeway improvements included in M2. The Draft ED was circulated to the public late-November 2018 and an open house format public hearing was held in December 2018. The finalization of the document has been delayed due to a requirement by Caltrans that OCTA provide additional information in order to consider approval of necessary design exceptions. This requires a site investigation in the landscape area of the former landfill operating as a metals recycling facility. This is a lengthy process and introduces risk to the project. The permit-to-enter for the site investigation was obtained in December 2019 and field work is scheduled to begin in January 2020. The final ED is anticipated to be complete in June 2020. This project has been segmented into three segments for the design phase which is anticipated to begin in early 2020.



FREEWAYS

Segment: SR-91, SR-55 to SR-241

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



PROJECT J

Summary: This completed Project J segment added six miles in the westbound and eastbound direction to a key stretch of SR-91 between SR-55 and SR-241 in the Cities of Anaheim and Yorba Linda. In addition to adding 12 lane miles to SR-91, the project also delivered a much needed second eastbound exit lane at the Lakeview Avenue, Imperial Highway and Yorba Linda Boulevard/Weir Canyon Road off-ramps. Beyond these capital improvements, crews completed work on safety barriers, lane striping and soundwalls. Completion of this project in March 2013 means a total of 18 lane miles have been added to SR-91 since December 2010. The lanes opened to traffic in December 2012, and construction completed on March 5, 2013.

Segment: SR-91, SR-241 to SR-71

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: Completed in January 2011, this segment added six miles through a key stretch of SR-91 between Orange County's SR-241 and Riverside County's SR-71. The project improves mobility and operations by reducing traffic weaving from traffic exiting at SR-71 and Green River Road. An additional eastbound general purpose lane on SR-91 was added and all existing eastbound lanes and shoulders were widened. The new facilities were opened to traffic on December 2, 2010, and construction completed January 31, 2011. Because this project was shovel-ready, OCTA was able to obtain American Recovery and Reinvestment Act funding for this M2 project, saving M2 revenues for future projects.

Segment: SR-91, SR-241 to I-15

Status: RCTC's Design-Build - Initial Phase Complete March 20, 2017

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: Freeway improvements that cross county lines require close coordination to maintain seamless travel. This project adds one general-purpose lane (bringing the total to 6 lanes in each direction) on SR-91 between SR-241 and I-15. Since the SR-91 corridor is one of the busiest in the region, implementation of this project requires constructing the improvements under multiple segments to coordinate improvements and to capitalize on available funding. While the portion of this project between SR-241 and the Orange County/Riverside County line is part of OCTA's OC Go Project J, the matching segment between the county line and SR-71 is part of RCTC's Measure A. The 6th lane addition requires joint implementation to ensure smooth delivery of the project. With significant SR-91 freeway improvements taking place as a result of both counties sales tax measures, the construction timing of the additional general-purpose lane between SR-241 and SR-71 was anticipated to take



FREEWAYS

place post-2035. However, RCTC requested OCTA’s support to accelerate a portion of the ultimate project in the westbound direction (in Orange County) to address a bottleneck issue affecting the City of Corona. With OCTA’s support, RCTC has initiated the 91 Corridor Operation Project to initiate construction and the project is anticipated to be complete in 2021. In addition, OCTA and RCTC will be jointly conducting a feasibility study to determine how best to implement the 6th general-purpose lane while minimizing environmental and construction impacts in the eastbound direction between SR-241 and SR-71. On October 10, 2019, the Request for Proposals was released for the SR-91 (SR-241 to SR-71) Eastbound Geometric and Design Alternatives Analysis. The consultant recommendation will be presented to the Board on February 10, 2020.

INTERSTATE 405 (I-405) PROJECTS ▼

PROJECT K

Segment: I-405, SR-73 to I-605

Status: Design-Build Underway

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: OCTA and Caltrans are working together to widen I-405 through the Cities of Costa Mesa, Fountain Valley, Garden Grove, Huntington Beach, Los Alamitos, Seal Beach, and Westminster in the approximately 16-mile project area. These improvements will add one general purpose lane, add a second lane to be combined with the existing HOV lane to provide a dual express lanes facility, and improve the local interchanges along the corridor from SR-73 to I-605.³

During the quarter, work continued on ROW acquisition, utility coordination and public outreach. OCTA is in possession of 98 percent of the property necessary for construction with the remaining two percent on schedule. Other work included review of design-builder submittals along with design and construction submittals. OCTA’s toll lanes system integrator, Kapsch, is under contract and working with OCTA and the design-builder. Significant roadway construction activities including installation of drainage systems, retaining walls, and paving are underway. Additionally, over 40 walls are under construction or completed. The Slater Avenue bridge was the first new bridge completed and was opened to traffic on August 30, 2019. Significant bridge construction continues on Fairview Road, Magnolia Street, Goldenwest Street, Bolsa Chica Road and Westminster Boulevard bridges. These are two-stage bridges, which means traffic is maintained on the remaining portion of the existing bridge while the first half of the new bridge is constructed. Construction also continued at the McFadden Avenue, Talbert Avenue and Bushard Street bridges, which are one-stage bridges that are closed to traffic during construction. In this quarter, construction began on the widening of the existing freeway bridges at Beach Boulevard, Bolsa railroad crossing and an old Navy railroad crossing. Construction continues at the Santa Ana River and Harbor Boulevard bridges which consists of widening the existing freeway bridges over both of those facilities. OCTA also continued targeted public outreach through neighborhood meetings in anticipation of construction activities. Construction is scheduled to be completed in 2023.

³The general purpose lane portion of the project is a M2 project and will be funded by a combination of local, state and federal funds, with the express lanes portion of the project financed and paid for by those who choose to pay a toll and use the 405 Express Lanes.



FREEWAYS

Segment: I-405, I-5 to SR-55

PROJECT L

Status: Environmental Phase Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project studied the addition of general purpose lanes for approximately 8.5-miles along the I-405 corridor between I-5 and SR-55 in Irvine. The project development team reviewed the alternatives and public comments received during public circulation and as a result of the effort, recommended adding one general purpose lane in each direction. The final Project Report (PR) and Environmental Document (ED) were completed in August 2018. The Next 10 Plan sets direction through 2026 and is reviewed annually. As projects listed are completed, schedules and revenues are reviewed, the Board adopts an updated delivery plan providing direction on project advancement. To ensure coordination with other projects planned for construction and to avoid unreasonable impacts to the public, this project is currently scheduled to be constructed beyond 2026.

INTERSTATE 605 (I-605) PROJECTS ▼

Segment: I-605, Katella Interchange Improvements

PROJECT M

Status: Environmental Phase Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project will improve freeway access and the arterial connection to I-605 at Katella Avenue in the City of Los Alamitos and the County of Orange. Improvements under this project will include enhancements at the on-ramps and off-ramps in addition to operational improvements on Katella Avenue at the I-605 Interchange. The final ED was approved in October 2018 and the final PR was approved in November 2018. This project was approved for advancement through construction in the updated 2019 Next 10 Delivery Plan by the Board on November 11, 2019. The design phase is scheduled to begin in late 2020.

FREEWAY SERVICE PATROL ▼

Status: Service Ongoing

PROJECT N

Contact: Cliff Thorne • (714) 560-5975

Summary: Freeway Service Patrol (FSP) provides assistance to motorists whose vehicles have become disabled on Orange County freeways and removes congestion-causing debris from traffic lanes to reduce freeway congestion and collisions. In June 2012, M2 began supporting FSP with local funds to maintain existing service levels and expand services through 2041. During the quarter, FSP provided 12,216⁴ services. Since June 2012, FSP has provided a total of 495,126⁴ services on the Orange County freeway system.

⁴ Service calculations have changed from the previous quarter. Because FSP is funded by M2 and external sources, it is more accurate to report all services provided, rather than a particular time of day/week.



STREETS AND ROADS

REGIONAL CAPACITY PROGRAM ▼

Status: 2020 Call for Projects in Progress

PROJECT O

Contact: Joseph Alcock, Planning • (714) 560-5372

Summary: This program, in combination with required local matching funds, provides funding for improvements on Orange County’s Master Plan of Arterial Highways. Since 2011, 147 projects totaling more than \$296⁵ million, including \$24 million in external funding, have been awarded through nine calls for projects by the Board. On August 12, 2019, the Board approved the release of the 2020 Call for Projects. The application deadline for the tenth call closed on October 24, 2019 with 8 applications received and currently under review. Award recommendations are anticipated to go to the Board in mid-2020.

⁵To date, 15 of the 183 phases awarded by OCTA totaling approximately \$21.1 million have been cancelled by the awarded local jurisdictions.

OC Bridges Railroad Program

This program built seven grade separations (either under or over passes) where high volume streets are impacted by freight trains along the BNSF Railroad in North County. With all seven grade separations open to traffic, an OC Bridges completion ceremony was held on October 24, 2017. To date, the Board has approved approximately \$664 million in committed M2 and external funds for all seven of the OC Bridges Program grade separation projects. Minor activities this quarter include warranty work and close out of projects.

Segment: Kraemer Boulevard Grade Separation

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: The project located at Kraemer Boulevard railroad crossing is grade separated and open to traffic. The project separated the local street from railroad tracks in the City of Placentia by building an underpass for vehicular traffic. The grade separation was opened to traffic on June 28, 2014, and an event was held on July 8, 2014, to commemorate the opening. Project acceptance by the Cities of Anaheim and of Placentia, respectively, occurred in December 2014 and the cities assumed full maintenance responsibilities. In December 2015, the one-year warranty period expired with no issues or repairs identified.



STREETS AND ROADS

Segment: Lakeview Avenue Grade Separation

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: The project located at Lakeview Avenue railroad crossing grade separated the local street from railroad tracks in the Cities of Anaheim and Placentia by building a bridge for vehicular traffic over the railroad crossing and reconfiguring the intersection of Lakeview Avenue and Orangethorpe Avenue. Construction began on July 1, 2014.

Lakeview Avenue was reopened on June 6, 2017. Construction acceptance from the Cities of Anaheim and Placentia was obtained on June 2, 2017, and OCTA has turned over the maintenance responsibilities to the cities and completed the one-year warranty on some constructed items. The one-year warranty was extended to July 2019 for some minor repair items and close-out activities are completed. Staff presented recommendation for final claim resolution to the Board on July 22, 2019, which was approved. Funding reimbursement and closeout were initiated and are ongoing.

Segment: Orangethorpe Avenue Grade Separation

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: The project located at Orangethorpe Avenue railroad crossing is grade separated and open to traffic. The project separated the local street from railroad tracks in the Cities of Placentia and Anaheim by building a bridge for vehicular traffic over the railroad tracks. On May 17, 2016, a joint-grand opening event was held to commemorate the opening to traffic for the Orangethorpe and Tustin/Rose Grade Separation projects. Construction was completed in October 2016 and construction acceptance was obtained from the Cities of Anaheim and Placentia on October 25, 2016. OCTA has turned over the maintenance responsibilities to the cities and completed the one-year warranty on the majority of constructed items. The one-year warranty was extended to June 2019 for some minor repair items. Funding reimbursement and closeout are completed.

Segment: Placentia Avenue Grade Separation

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: The project located at Placentia Avenue railroad crossing is grade separated and open to traffic. This project separated the local street from railroad tracks in the City of Placentia by building an underpass for vehicular traffic. An event was held on March 12, 2014, to commemorate the opening. Project acceptance by the Cities of Anaheim and Placentia occurred in December 2014 and the cities assumed full maintenance responsibilities. In December 2015, the one-year warranty period expired with no issues or repairs identified.

STREETS AND ROADS

Segment: Raymond Avenue Grade Separation

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: The project located at Raymond Avenue railroad crossing grade separated the local street from railroad tracks in the City of Fullerton by taking vehicular traffic under the railroad crossing. The City of Fullerton is managing construction and OCTA is providing construction oversight, public outreach, railroad coordination, and ROW support. Construction began on June 2, 2014. Raymond Avenue has been opened to traffic since October 2017. OCTA received conditional construction acceptance in May 2018. Activities this quarter include project closeout documentation and processing final invoices. Funding reimbursement and closeout were initiated and are ongoing.

Segment: State College Boulevard Grade Separation

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: The project located at State College Boulevard railroad crossing grade separated the local street from railroad tracks in the City of Fullerton by taking vehicular traffic under the railroad crossing. The City of Fullerton managed the construction and OCTA provided construction oversight, public outreach, railroad coordination, and ROW support. State College Boulevard was opened to through traffic on November 1, 2017. Construction acceptance and maintenance responsibilities from the City of Fullerton was obtained on March 7, 2018, and the one-year warranty began. Close-out activities and warranty work will be ongoing through mid-2019. Funding reimbursement and closeout were initiated and are ongoing.

Segment: Tustin Avenue/Rose Drive Grade Separation

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: The project located at Tustin Avenue/Rose Drive railroad crossing is grade separated and open to traffic. The project separated the local street from railroad tracks in the Cities of Placentia and Anaheim by building a bridge over the railroad crossing for vehicular traffic. On May 17, 2016, a joint-grand opening event was held to commemorate the opening to traffic for the Orangethorpe and Tustin/Rose Grade Separation projects. Construction was completed in October 2016 and construction acceptance was obtained from the Cities of Anaheim and Placentia on October 25, 2016. OCTA has turned over the maintenance responsibilities to the cities and completed the one-year warranty on the majority of constructed items. The one-year warranty was extended to November 2018 for some minor repair items. In November 2018, the warranty period expired with no additional issues or repairs identified.



STREETS AND ROADS

REGIONAL TRAFFIC SIGNAL SYNCHRONIZATION PROGRAM ▼

Status: 2020 Call for Projects in Progress

PROJECT P

Contact: Anup Kulkarni, Planning • (714) 560-5867

Summary: This program provides funding and assistance to implement multi-agency signal synchronization. The target of the program is to regularly coordinate a network of over 2,000 signalized intersections along 750 miles of roadway within Orange County. OCTA also leverages external funding to further enhance the efficiency of the street grid and reduce travel delay.

To date, OCTA and local agencies have synchronized more than 2,700 intersections over more than 705 miles of streets (79 completed projects). Through a competitive process, there have been nine rounds of M2 funding which awarded a total of 95 projects a total of more than \$95 million. Overall, the program has funded 111 projects⁶ totaling more than \$106 million, including \$13.6 million in leveraged external funding.

On August 12, 2019, the Board approved the release of the 2020 Call for Projects. The application deadline for the tenth call closed on October 24, 2019 with seven applications received and currently under review. Award recommendations are anticipated to go to the Board in mid-2020.

⁶To date, three projects totaling approximately \$1.6 million have been cancelled by the awarded local jurisdictions.

LOCAL FAIR SHARE ▼

Status: Ongoing

PROJECT Q

Contact: Ben Torres, Finance • (714) 560-5692

Summary: In order to help cities and the County of Orange keep up with the rising cost of repairing the aging street system, this program provides flexible funding intended to augment, not replace, existing transportation expenditures by the cities and the County. Annually, all local agencies are reviewed to determine eligibility to receive M2 funds. All local agencies except the City of Santa Ana and City of Stanton have been found eligible to receive Local Fair Share funds. On a bi-monthly basis, 18 percent of net revenues are allocated to local agencies by formula. Approximately \$416 million⁷ in Local Fair Share payments have been provided to local agencies as of the end of this quarter.

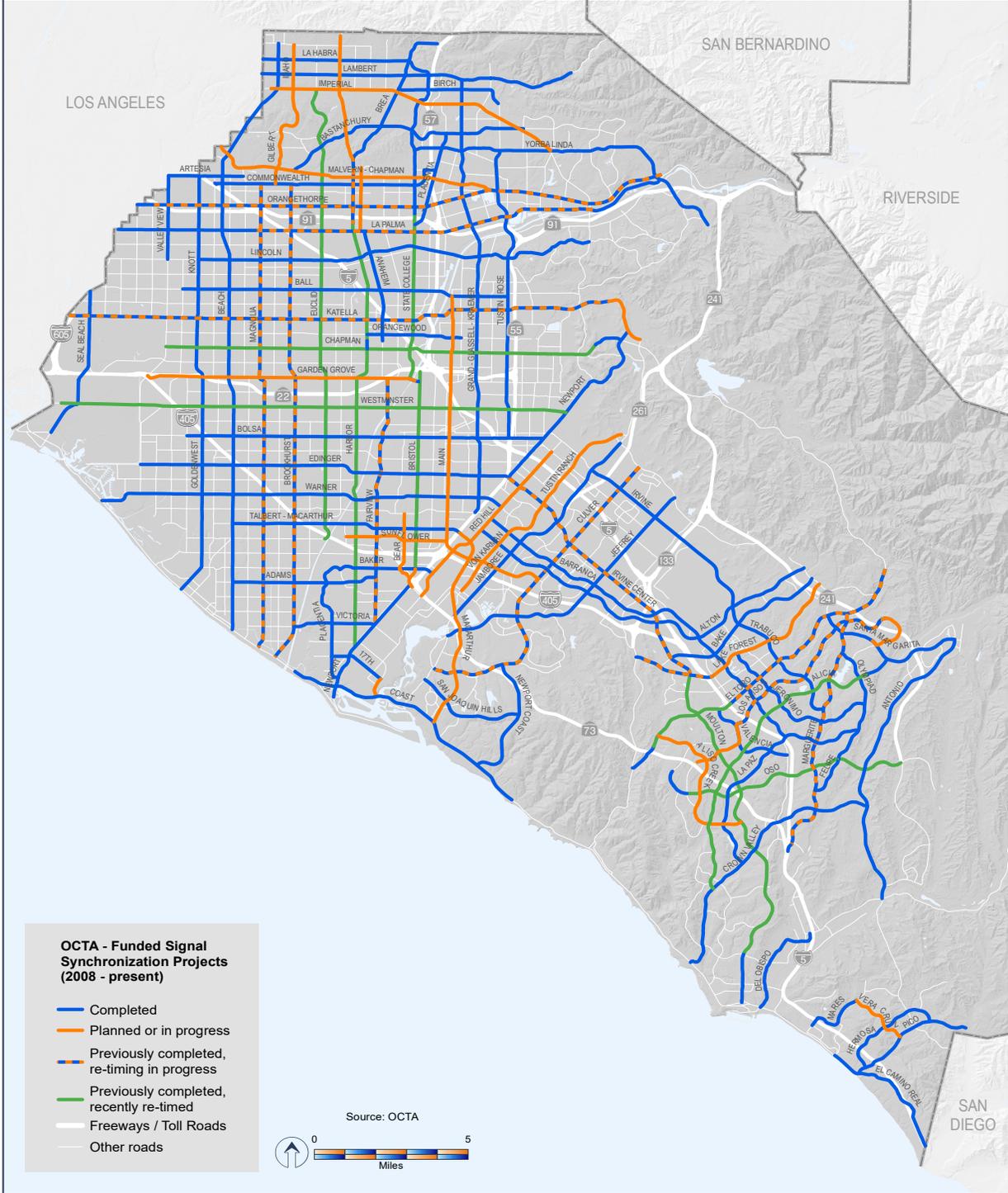
See [pages 49-50](#) for funding allocation by local agency.

⁷Only includes disbursed funds. On May 13, 2019, the Board determined that the City of Santa Ana and the City of Stanton ineligible to receive M2 revenues. Disbursement of M2 funds have been suspended until the cities achieve compliance and the Board reconsiders the matter by May 2020.



STREETS AND ROADS

OCTA-Funded Signal Synchronization Projects (2008 - Present) 





TRANSIT

HIGH FREQUENCY METROLINK SERVICE ▾

PROJECT R

Project R will increase rail services within the County and provides additional Metrolink service north of Fullerton to Los Angeles. The program provides for track improvements, the addition of trains and parking capacity, upgraded stations, and safety enhancements to allow cities to establish quiet zones along the tracks. This program also includes funding for grade crossing improvements at high volume arterial streets, which cross Metrolink tracks.

Project: Metrolink Grade Crossing Improvements

Status: PROJECT COMPLETE

Contact: Jennifer Bergener, Rail • (714) 560-5462



Summary: Enhancement at 50 of the designated 52 Orange County at-grade rail-highway crossings were completed in support of the Metrolink Service Expansion Program (MSEP) in October 2012. As a result of one private crossing which did not allow for OCTA to make enhancements and one street closure that eliminated the need for enhancements, the final count of enhanced rail-highway crossings was 50. Completion of the safety improvements provided each corridor city with the opportunity to establish a “quiet zone” at their respective crossings. Quiet zones are intended to prohibit the sounding of train horns through designated crossings, except in the case of emergencies, construction work, or safety concerns identified by the train engineer. The Cities of Anaheim, Dana Point, Irvine, Orange, Santa Ana, San Clemente, San Juan Capistrano, and Tustin have established quiet zones within their communities.

Project: Metrolink Service Expansion Program

Status: Service Ongoing

Contact: Jennifer Bergener, Rail • (714) 560-5462

Summary: Following the completion of the MSEP improvements in 2012, OCTA deployed a total of ten new Metrolink intracounty trains operating between Fullerton and Laguna Niguel/Mission Viejo, primarily during the midday and evening hours.

In April 2015, a schedule change added a connection between the 91/PV Line and the intracounty service at Fullerton to allow a later southbound peak evening departure from Los Angeles to Orange County. Ridership on these two trains combined has increased by 68 percent since the improvement was implemented, from 130 average boardings in Fiscal Year (FY) 2015-16 to 219 to date for FY 2019-20.

In October 2019, several intracounty trains were extended to Los Angeles to increase ridership through a redeployment of the trains without significantly impacting operating costs. The changes consisted of :

- Orange County (OC) Line: Three weekday intracounty round trips operating between Fullerton and Laguna Niguel/Mission Viejo were replaced with two round trips between Laguna Miguel/Mission Viejo and Los Angeles.



Average daily passenger boardings on the intracounty trains extended to Los Angeles increased by 385 percent following the change.

- 91/Perris Valley (91/PV) Line: Three round trips within Riverside County between Perris–South and Riverside–Downtown were replaced with one roundtrip between Perris–South and Los Angeles Union Station, via Fullerton. The new round trip has averaged 262 daily boardings to date.

Metrolink will implement the addition of two round trips in April 2020. The OC Line will see the addition of one evening weekday round trip from Oceanside to Los Angeles. Along the 91/PV Line, one weekday round trip will be added between Los Angeles and Perris, south via Fullerton. The abovementioned changes are in alignment with OCTA’s redeployment plan.

Rail Corridor and Station Improvements

Additionally, under MSEP, funding is provided for rail line and station improvements to accommodate increased service. Rail station parking lot expansions, better access to platforms, among other improvements have been made or are underway. For schedule information on station improvement projects, please see the CAP pages on pages [51-55](#).

Segment: Anaheim Canyon Metrolink Station Improvements

Status: Design Underway – 99% Complete

Contact: Jim Beil, Capital Programs • (714) 560-5646

Summary: This OCTA-led project will include construction of a second main track and platform, lengthening the existing platform, and improved pedestrian circulation. The project will also include the addition of benches, shade structures, and ticket vending machines. The design plans have been completed to 98 percent. Plans are expected to be complete and ready to bid in March 2020. Construction of the project is expected to begin in June 2020 with completion anticipated in Fall-2021.

Segment: Fullerton Transportation Center Improvements

Status: PROJECT COMPLETE

Contact: Jim Beil, Capital Programs • (714) 560-5646



Summary: Completed early on, a new 5-level parking structure was constructed to provide additional transit parking at the Fullerton Transportation Center for both intercity rail service and commuter rail passengers. This City-led project was completed on June 19, 2012. After completion, an elevator upgrade project was initiated with leftover savings. The elevator project modified the existing pedestrian bridge to add two new traction elevators, one on each side. The City of Fullerton was the lead on this project which was completed May 1, 2019. Closeout activities are underway and final invoices are being processed.



TRANSIT

Segment: Laguna Niguel/Mission Viejo Metrolink Station Americans with Disabilities Act (ADA) Ramps

Status: PROJECT COMPLETE

Contact: Jim Beil, Capital Programs • (714) 560-5646



Summary: The Laguna Niguel/Mission Viejo station accessibility improvements project was completed in September 2017. Improvements include new ADA-compliant access ramps on either side of the pedestrian undercrossing and a unisex ADA-compliant restroom, vending machine room, and three passenger canopies. Construction acceptance from the cities was obtained on September 20, 2017, and OCTA has turned over the maintenance responsibilities to the cities and commenced the one-year warranty. Close-out activities and final costs are underway.

Segment: Orange Transportation Center Metrolink Parking Structure

Status: PROJECT COMPLETE

Contact: Jim Beil, Capital Programs • (714) 560-5646



Summary: This project includes a 608-space, 5-level, shared use parking structure that is located on Lemon Street between Chapman Avenue and Maple Street in Orange. Per a cooperative agreement between OCTA and the City of Orange, the City of Orange led the design phase, and OCTA led the construction phase of the project. Construction began on July 17, 2017 and was completed on February 15, 2019. A dedication ceremony was held on February 19, 2019. The project is in the close out phase.

Segment: New Placentia Metrolink Station and Parking Structure

Status: Design Complete - Ready for Advertisement subject to BNSF construction and maintenance agreement

Contact: Jim Beil, Capital Programs • (714) 560-5646

Summary: Plans for the proposed Placentia Metrolink Station Project were near completion when the City of Placentia requested to modify them to include a parking structure to be built where surface parking had been designed. On June 27, 2016, the Board approved a new Cooperative Agreement with the City of Placentia that revised the project's scope and budget, and with the changes the City of Placentia will contribute towards the cost. The station will include platforms, parking, a new bus stop, and passenger amenities. OCTA is the lead agency for design and construction of the project. The project will also include a third track which should assist with the on-time performance of train operations and provide operational flexibility for both freight and passenger trains. BNSF will be the lead on the rail construction. Design plans for the station are complete and will be ready to advertise for bidding once a Construction and Maintenance (C&M) agreement with BNSF is in place. Due to the dependency on the C&M agreement, this project is marked as a cost/schedule risk in the CAP.



TRANSIT

Segment: San Clemente Pier Station Lighting

Status: PROJECT COMPLETE

Contact: Jim Beil, Capital Programs • (714) 560-5646



Summary: This project was completed on March 17, 2017, and project closeout was completed in the same month. OCTA was the lead agency for design and installation of this project which added lighting to the existing platform and new decorative handrails at the San Clemente Pier Station.

Additional rail corridor improvements include: completed Control Point project at Fourth Street in the City of Santa Ana, which provides rail operational efficiencies; completed Positive Train Control implementation, which improves rail safety by monitoring and controlling train movement; continued with design and environmental work to replace the San Juan Creek railroad bridge in the City of San Juan Capistrano, which will not preclude a future bike trail on the south end along the creek (design is 95 percent complete, environmental clearance and ROW acquisition are in progress); continued with construction of the Railroad ROW Slope Stabilization project, which includes eight locations within the OCTA-owned LOSSAN rail corridor that have been identified for improvements to prevent future erosion and slope instability (construction began in June 2018 and is 75 percent complete); and continued implementation of video surveillance systems.

Segment: Sand Canyon Grade Separation

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: The project separated the local street from railroad tracks in the City of Irvine by constructing an underpass for vehicular traffic. The westbound lanes were opened to traffic on June 12, 2014, and the eastbound lanes were opened to traffic on July 14, 2014. A road opening ceremony was held on August 11, 2014. The project is complete and construction acceptance was obtained from the City of Irvine on January 15, 2016. The project completed the one-year warranty period and no repairs were identified. The project closed out in January 2017.

Segment: Tustin Metrolink Station Parking Structure

Status: PROJECT COMPLETE

Contact: Jim Beil, Capital Programs • (714) 560-5646



Summary: This early completion project, provided additional parking at the Tustin Metrolink Station to meet requirements associated with the MSEP by constructing a new 4-story parking structure with approximately 735 spaces, plus on-site surface parking. The parking structure was opened to the public on September 22, 2011.



TRANSIT

Segment: Laguna Niguel to San Juan Capistrano Passing Siding Project

Status: Construction Underway – 40% Complete

Contact: Jim Beil, Capital Programs • (714) 560-5646

Summary: The project is currently in the construction phase and will add approximately 1.8-miles of new passing siding railroad track adjacent to the existing mainline track, which will enhance operational efficiency of passenger services within the LOSSAN rail corridor. The construction contract was awarded on January 14, 2019, and the Notice to Proceed was issued on March 12, 2019.

Construction continued with the track, track crossovers, retaining walls and removal and replacement of a bridge. With most of the signals and communications infrastructures completed last quarter, a few final activities remain underway. This project is anticipated to be completed by early 2021. The project is marked “red” in the CAP, signifying a delay of 25 months due to design coordination with utilities and water quality control permitting concerns with the City of San Juan Capistrano.

TRANSIT EXTENSIONS TO METROLINK ▼

In order to broaden the reach of Metrolink to other Orange County cities, communities, and activity centers, Project S includes a competitive program which allows cities to apply for funding to connect passengers to their final destination via transit extensions. There are currently two categories for this program: a fixed guideway program (streetcar) and a rubber tire transit program.

Project: OC Streetcar

PROJECT S

Status: Full Funding Grant Agreement (FFGA) Executed November 30, 2018, Notice To Proceed Issued to Construction Contractor, Operation and Maintenance Request For Proposals are under review, Vehicle Production Underway, Utility Relocation Work Ongoing

Contact: Mary Shavalier, Rail • (714) 560-5725

Summary: The will serve the Santa Ana Regional Transportation Center through downtown Santa Ana, and the Civic Center to Harbor Boulevard in the City of Garden Grove. At the request of the two cities, OCTA is serving as the lead agency for the project.

Construction work continues with sewer and water line relocations in several locations, grading and utility duct work installations at the Maintenance and Storage Facility and soil excavations on the PE Right-of-Way. Construction for the installation of foundations and substructure for the new Santa Ana River Streetcar Bridge and Westminster Bridge are complete. OCTA and Siemens conducted the First Article Inspection of the carshell for the first vehicle in production.



TRANSIT

On October 28, 2019, the Board approved an amendment to HNTB for additional design support services for the OC Streetcar. On November 25, 2019, the Board approved contract change order no. 4.1 to Walsh Construction Company II, LLC, for work to address utility conflicts for the construction of the OC Streetcar project. On December 3, 2019, OCTA and FTA conducted its quarterly meeting to discuss project status and report on the Project schedule and cost estimate.

Work continues to progress on other key OC Streetcar activities, including reviewing the Operations and Maintenance Request for Proposals submissions, coordination with third parties on utility relocation, public outreach and continued coordination with the FTA.

Project: Bus and Station Van Extension Projects

Status: Service Ongoing for Anaheim Canyon Metrolink Bus Connection

Contact: Joseph Alcock, Planning • (714) 560-5372

Summary: Bus and Station Van Extension projects help enhance the frequency of service in the Metrolink corridor by linking communities within the central core of Orange County to commuter rail. To date, the Board has approved one round of funding for bus and van extension projects, totaling over \$730,000. One project located within the City of Anaheim and three proposals within the City of Lake Forest were approved for funding by the Board on July 23, 2012. Currently, the Anaheim project is in service and the Lake Forest projects have been canceled. The Anaheim Canyon Metrolink Station Bus Connection began service in February 2013 and is anticipated to continue providing service between the station and the Anaheim Resort area through 2020 when the grant expires. In anticipation of the grant expiration, the city applied for Project V funding to continue this service.

METROLINK GATEWAYS ▼

Status: PROJECT COMPLETE

Contact: Jennifer Bergener, Rail • (714) 560-5462



PROJECT T

Summary: This project constructed the Anaheim Regional Transportation Intermodal Center (ARTIC) located at 2626 East Katella Avenue in the City of Anaheim. In addition to providing transit connections for OCTA bus service, Metrolink and Amtrak service, shuttle and charter bus service, taxis, bikes, and other public and private transportation services, ARTIC also accommodates future high-speed rail trains. The City of Anaheim, which led the construction effort, opened the facility to rail and bus service on December 6, 2014. A ribbon-cutting ceremony was held on December 8, 2014, with a grand opening celebration hosted on December 13, 2014. This facility replaced the former Anaheim Metrolink Station that was located on the opposite side of the freeway in the Los Angeles Angels of Anaheim Stadium parking lot.



TRANSIT

EXPAND MOBILITY CHOICES FOR SENIORS AND PERSONS WITH DISABILITIES ▾

Project U expands mobility choices for seniors and persons with disabilities, and includes the SMP, the SNEMT Program, and the Fare Stabilization Program. Since inception, approximately \$73.7⁹ million in Project U funding has been provided under M2.

Project: Senior Mobility Program

PROJECT U

Status: Ongoing

Contact: Beth McCormick, Transit • (714) 560-5964

Summary: This program provides one percent of net M2 revenues to continue and expand local community transportation service for seniors under the SMP. According to the SMP Funding and Policy Guidelines, M2 revenue is allocated to local jurisdictions proportionally, relative to the total county’s senior population, by the residents age 60 and above multiplied by available revenues. Remaining unallocated funds are distributed to the M2 Project U Fare Stabilization Program.

Since inception, approximately \$21.68 million⁸ and 2,361,000 boardings have been provided for seniors traveling to medical appointments, nutrition programs, shopping destinations, and senior and community center activities. This quarter, approximately \$506,000 was paid out to the 31 participating cities.

Project: Senior Non-emergency Medical Transportation Program

Status: Ongoing

Contact: Beth McCormick, Transit • (714) 560-5964

Summary: This program provides one percent of net M2 revenues to supplement existing county-wide senior non-emergency medical transportation services. Since inception, more than \$23.4 million and 919,554 SNEMT boardings have been provided. This quarter, approximately \$582,000 in SNEMT funding was paid⁹ to the County of Orange.

⁸Only includes disbursed funds. On May 13, 2019, the Board determined that the City of Santa Ana and the City of Stanton ineligible to receive M2 revenues. Disbursement of M2 funds have been suspended until the cities achieve compliance and the Board reconsiders the matter by May 2020.



TRANSIT

Project: Fare Stabilization Program

Status: Ongoing

Contact: Sean Murdock, Finance • (714) 560-5685

Summary: Between years 2011-2015, one percent of net M2 revenues was dedicated to stabilizing fares and provide fare discounts for bus services and specialized ACCESS services for seniors and persons with disabilities. Effective January 28, 2016, an amendment to the M2 Ordinance No. 3, adjusted this amount to 1.47 percent of net M2 revenues to be dedicated to the Fare Stabilization Program.

Approximately \$855,000⁹ in revenue was allocated this quarter to support the Fare Stabilization Program. The amount of funding utilized each quarter varies based on ridership. During the quarter, based on 3,600,000 program-related boardings recorded on fixed route and ACCESS services, approximately \$995,000 was utilized. Since inception of the program, more than \$30 million and 116 million program-related boardings have been provided.

COMMUNITY BASED TRANSIT/CIRCULATORS ▼

Status: Service Updates; Fourth Call for Projects Underway

PROJECT V

Contact: Joseph Alcock, Planning • (714) 560-5372

Summary: This program provides funding for local jurisdictions to develop local bus transit services such as community-based circulators and shuttles that complement regional bus and rail services and meet needs in areas not adequately served by regional transit. To date, through a competitive process, OCTA has provided three rounds of funding (June 2013, June 2016, and June 2018) which have awarded 29 projects and 7 planning studies totaling approximately \$43 million. Out of the transit circulator projects: 20 are currently active; eight have been cancelled (primarily due to low ridership); and one has been completed.

In March 2019, OCTA requested letters of interest for a future round of Project V funding. Ten responses from eligible local agencies were received and staff reported these findings to the Board in August 2019. At that meeting, the Board directed staff to develop and evaluate potential revisions for the Project V Comprehensive Transportation Funding Programs Guidelines. Approval of these revisions as well as a request to authorize a fourth Project V call for approximately \$9 million was authorized by the Board on October 14, 2019.

OCTA receives ridership reports from local agencies on a regular basis to monitor the success of these services against performance measures adopted by the Board. Currently, most of these services are generally meeting their required performance standards. The most recent Project V Ridership report was presented to the Transit Committee on August 8 and the Board on August 12, 2019. The next Project V Ridership report is scheduled for early 2020. Lessons learned from the success of implemented services are incorporated into recommendations for future funding guidelines and programming recommendations.

⁹Payments are made every other month (January, March, May, July, September, and November). July payments are based on June accruals, and therefore counted as June payments. The amount totaled for one fiscal year quarter either covers one or two payments, depending on the months that fall within that quarter.



TRANSIT

SAFE TRANSIT STOPS ▼

PROJECT W

Status: City-Initiated Improvements Underway or Complete

Contact: Joseph Alcock, Planning • (714) 560-5372

Summary: This program provides funding for passenger amenities at the 100 busiest transit stops across Orange County. Stop improvements are designed to ease transfers between bus lines and provide passenger amenities such as installation of bus benches or seating, shelters, lighting, and other passenger related amenities.

In 2014, the Board approved the first round of funding in the amount of \$1,205,666 to support 51 city-initiated improvements and \$370,000 for OCTA-initiated improvements. The City of Anaheim postponed development of eight stops and the OCTA initiated improvements were funded through another grant source and the funds were de-allocated and returned to the program in June 2019. Improvements funded through the first effort at all 43 stops are now complete.

In October 2018, the Board authorized a second Project W allocation process; providing up to \$3 million (in total) to eligible agencies to support bus stop amenity improvements. Eligible agencies were able to receive between \$20,000 to \$35,000 (per identified bus stop based on ridership). On June 13, 2019, funding recommendations were approved by the Board providing just under \$1 million to support improvements at 36 locations within the seven¹⁰ eligible agencies and OCTA.

¹⁰ The City of Santa Ana (City) submitted 36 Project W funding request applications. However, on May 13, 2019, the Board determined the City ineligible to receive M2 revenues, due to failure to meet maintenance of effort requirements and therefore these applications were not funded.



ENVIRONMENTAL

CLEAN UP HIGHWAY AND STREET RUNOFF THAT POLLUTES BEACHES ▾

Project: Environmental Cleanup Program

Status: Ongoing

PROJECT X

Contact: Dan Phu, Planning • (714) 560-5907

Summary: This program implements street and highway-related water quality improvement programs and projects that assist agencies countywide with federal Clean Water Act standards for urban runoff. It is intended to augment, not replace existing transportation-related water quality expenditures and to emphasize high-impact capital improvements over local operations and maintenance costs. The ECAC is charged with making recommendations to the Board on the allocation of funds for the ECP. These funds are allocated on a countywide, competitive basis to assist agencies in meeting the Clean Water Act standards for controlling transportation-related pollution.

Project X is composed of a two-tiered funding process focusing on early priorities (Tier 1), and a second program designed to prepare for more comprehensive capital investments (Tier 2). To date, there have been nine rounds of funding under the Tier 1 grants program. A total of 177 projects, amounting to more than \$24 million, have been awarded by the Board 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. A tenth Tier 1 call for projects is anticipated to be released in spring 2020 with funding recommendations anticipated by late summer. Staff anticipates the next Tier 2 call in 2021, dependent on projected cash flow and local jurisdictions' interest in potential viable Tier 2 projects.

Staff estimates that over 33 million gallons of trash has been captured as a result of the installation of Tier 1 devices since the inception of the Tier 1 Program in 2011. This is equivalent to over 50 Olympic size swimming pools. Over time, the volume of trash captured is expected to increase. It is estimated that the funded Tier 2 projects, once fully functional, will have an annual groundwater recharge potential of approximately 157 million gallons of water from infiltration or through pumped and treated recharge facilities.



ENVIRONMENTAL

FREEWAY MITIGATION ▼

Project: Environmental Mitigation Program

Status: Biological Permits Issued and Conservation Plan in Place

Contact: Dan Phu, Planning • (714) 560-5907

Summary: In June 2017, the United States Fish and Wildlife Service, and the California Department of Fish and Wildlife (Wildlife Agencies) finalized the issuance of their respective biological opinion, findings, and associated permits, as well as signed the Conservation Plan Implementing Agreement. Receipt of these permits represent the culmination of years of collaboration and support by the Board, environmental community, and Wildlife Agencies. As a result, the environmental process will be streamlined, allowing OCTA to move forward with the M2 freeway projects (as described in the Conservation Plan) with little additional coordination from the Wildlife Agencies. The OCTA Conservation Plan is unique as it is only the second state/federal conservation plan approved in Orange County.

The Conservation Plan also includes a streamlined process for coordination for streambed alteration agreements for portions of freeway projects that cross through streams and riverbeds. In 2017, the United States Army Corps of Engineers (Corps) issued a programmatic permit to OCTA and Caltrans (as owner/operator of the state highway system). The State Board provided a letter to OCTA in 2018, which further secured assurances related to advanced mitigation and freeway project permit issuance. These efforts are the result of years of collaboration between OCTA, the Corps, and State Board, and constitute another groundbreaking milestone for the M2 Environmental Mitigation Program.

The program is proceeding as planned, with seven properties (Preserves) acquired (1,300 acres), and 12 restoration projects approved for funding by the Board, totaling approximately 350 acres. The restoration project plans have been approved by the wildlife agencies and are currently at various stages of implementation. The Board authorized \$42 million (inclusive of setting aside funds for long-term land management) for property acquisitions, \$10.5 million to fund habitat restoration activities, and \$2.5 million for conservation plan development and program support, for a total of approximately \$55 million.

As part of the Conservation Plan requirement, an endowment has been established to pay for the long-term management of the Preserves. It is estimated that it will take approximately 12 years to fully fund the endowment with deposits annually. Approximately \$2.9 million will be deposited annually. The most recent deposit was made in November 2019. Staff will continue to oversee and provide endowment updates to the Finance and Administration and the Environmental Oversight Committee (EOC) on a regular basis.

Resource management plans (RMPs) for the Preserves were finalized in 2018. These RMPs guide the management of the Preserves as outlined within the Conservation Plan. Staff will continue to oversee and manage the Preserves until a long-term manager(s) is established.

In consultation with the local fire authority, staff has begun to work with a consultant to draft fire management plans (Plans) for the seven Preserves. The Plans will provide guidelines for decision-making at all stages including fire prevention, pre-fire vegetation management, suppression activities, and post-fire responses that are compatible



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with conservation and stewardship responsibilities. These Plans are a requirement of the Conservation Plan and will require approval by the Wildlife Agencies. The Plans are anticipated to be complete in 2020.

The first Conservation Plan Annual Report was presented to the EOC in July 2019. This report includes the tracking of impacts associated with covered freeway improvement projects, other management and monitoring activities on Preserves, status and activities, progress of the restoration projects, plan administration, and public outreach activities. In summary, the Annual Report documents that OCTA's activities through 2018 are in compliance and on target with the Conservation Plan commitments. OCTA will continue with its' efforts to complete the required objectives in a timely manner. This Annual Report has been reviewed and approved by the Wildlife Agencies. The Annual Report is available for public review at www.PreservingOurLegacy.org.

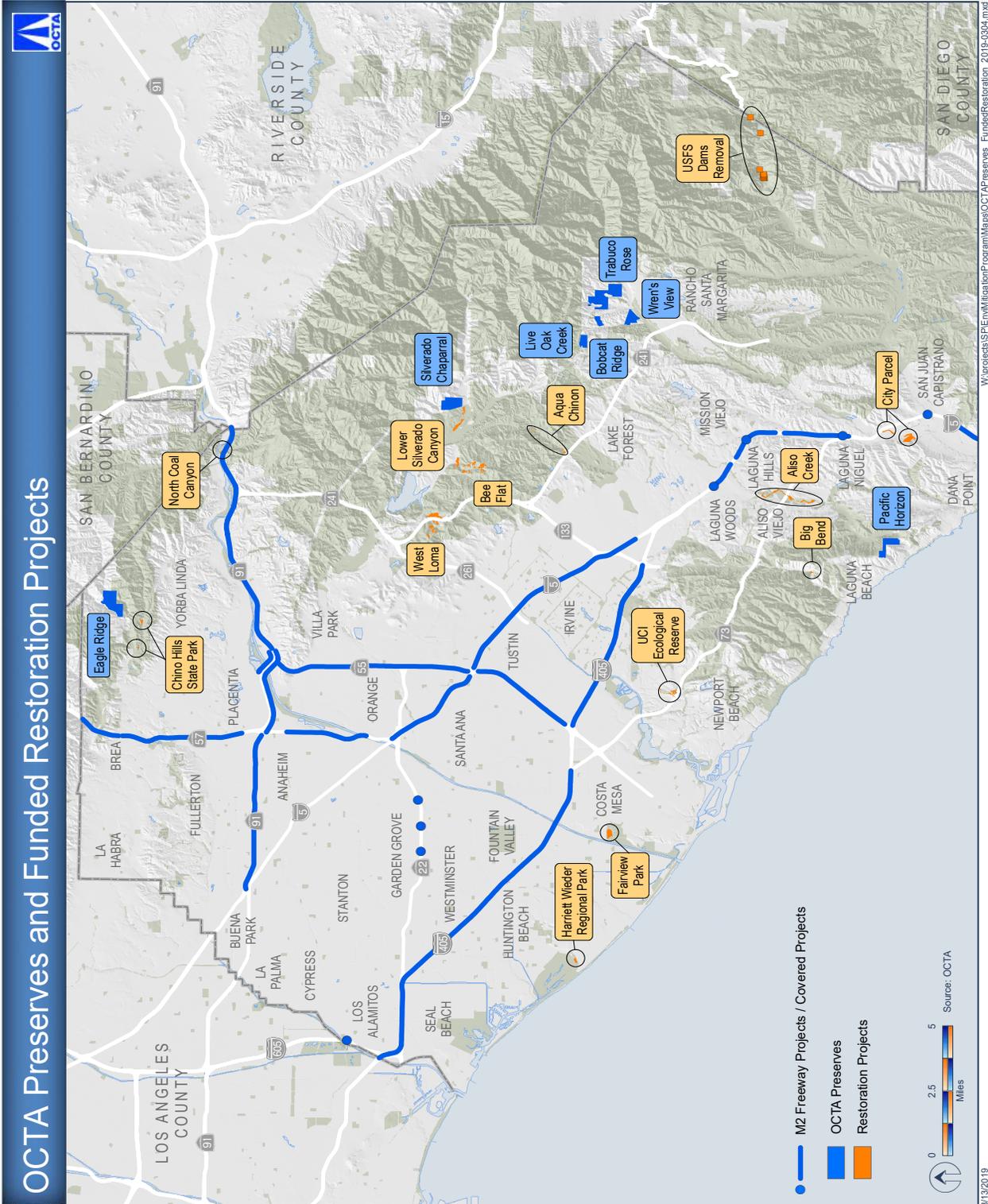
To date, multiple freeway projects have utilized the Conservation Plan and/or the Clean Water Act streamlined permitting process. Some of the projects that benefit from these mechanisms include: Project K (I-405 Improvement Project from SR-73 to I-605), Project C (I-5 from SR-73 to El Toro Road), and Project M (I-605 and Katella Interchange Project). If these mechanisms were not in place, it is anticipated that these projects would incur an additional \$700,000 to \$2.5 million (in 2018 dollars) in mitigation related costs and unknown schedule risks. Furthermore, a strong partnership has been forged through collaboration with the environmental community.

OCTA provides docent led hikes and equestrian rides in the Preserves. A list of scheduled 2019 wilderness Preserve tours is also available on the M2 website at www.PreservingOurLegacy.org.

As part of the safeguards in place for the M2 Program, a 12-member EOC makes recommendations on the allocation of environmental freeway mitigation funds and monitors the implementation of the Conservation Plan between OCTA and state and federal Wildlife Agencies. The EOC has led efforts with policy recommendations to the Board and has operated in an open and transparent manner that has garnered the trust of stakeholders, ranging from the environmental community to the recreational community to Orange County citizens.

See map of Preserves and funded restoration properties on the following page.

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PROGRAM MANAGEMENT

PROGRAM MANAGEMENT OFFICE ▼

Contact: Tami Warren, PMO Manager • (714) 560-5590

The M2 PMO provides inter-divisional coordination for all M-related projects and programs. To ensure agency-wide compliance, the PMO holds a bi-monthly committee meeting comprised of executive directors and key staff from each of the divisions, who meet to review significant issues and activities within the M2 programs. This quarter, the focus of the PMO has been on several major items, including the following.

Market Conditions Forecast and Risk Analysis

In September 2017, the Board was presented with a Next 10 Delivery Plan Market Conditions Forecast and Risk Analysis Report conducted by Dr. Wallace Walrod and Dr. Marlon Boarnet. The consultant's analysis identified a strong potential for OCTA to experience an increasing cost environment during the Next 10 delivery years. This, coupled with a reduction in revenue, could present the potential for significant challenges in the delivery of M2 and Next 10.

Given this analysis, the Board directed staff to continue to work with the consultant to monitor and track key early warning indicators and provide the Board with updates in a timeline consistent with updates on the M2 sales tax revenue forecast. With a rapidly changing construction market, staff looked to our contracted local economists for insights to better anticipate cost implications to our freeway program delivery. The consultant team continues to analyze trends in material costs, labor costs, and general economic conditions to determine a range of potential cost impacts.

This quarter, the consultant team worked presented to the Board on October 28, 2019. The results of the fall analysis concluded that OCTA may experience a cost increase of between two percent and six percent during the 2020 through 2022 time period of construction activity. To reduce the potential risk of cost pressure and project delivery slowdowns due to unanticipated cost increases, staff incorporated information from this analysis into the M2 cashflow for the 2019 updated Next 10 Delivery Plan.

Next 10 Delivery Plan

On November 14, 2016, the Board adopted the Next 10 Delivery Plan (Next 10) providing staff guidance on the delivery of M2 projects and programs between 2017 and 2026. The PMO monitors the progress on the ten deliverables identified in the Plan and reports on them in this report. See pages [3-6](#) for the status on deliverables.

Annually, OCTA reviews the M2 program assumptions and updates the cash flows and Next 10 assumptions as needed based on changes to the revenue forecast and project cost and schedule updates. The 2019 review incorporated an updated forecast of \$13.4 billion (presented to the Board on October 28, 2019). The updated 2019 Next 10 Plan was presented to the Board at the November 11, 2019 meeting. The 2019 updated Next 10 identified five projects to be advanced through construction: I-605/ Katella Interchange (Project M), SR-57 Northbound from Orangewood Avenue to Katella Avenue (Project G), I-5 between I-405 and Yale Avenue



PROGRAM MANAGEMENT

(Project B), I-5 between Yale Avenue and SR-55 (Project B) and SR-55 between I-5 and SR-91 (Project F). The result of the Next 10 Plan review demonstrated a delivery plan that remains solvent.

M2 Performance Assessment

The M2 ordinance includes a requirement for a performance assessment to be conducted at least once every three years to evaluate OCTA's efficiency and effectiveness in delivery of M2 as promised to the voters. Three prior performance assessments have been completed covering fiscal years FY 2006-07 through FY 2008-09, FY 2009-10 through FY 2011-12, and FY 2012-13 through FY 2014-15. A fourth assessment covering the period between July 1, 2015 and June 30, 2018 along with findings and recommendations for enhancements were presented to the Board on March 11, 2019. Staff has implemented all eight recommendations for enhancements and will provide an update to the Board in January 2020.

M2 Ordinance Tracking Matrix

The M2 Ordinance and Transportation Investment Plan (Ordinance No. 3) includes numerous requirements that staff must follow in order to keep the promise to Orange County voters through the passage of M2. The PMO annually updates the M2 Ordinance Tracking Matrix to verify that OCTA is in compliance with all requirements detailed in Ordinance No. 3. The tracking matrix update for 2019 is underway and will be completed by early 2020.

PMO M2 Tracking Tools

The PMO has developed several tracking tools to assist in reporting consistency and increased transparency of the M2 program. See the following for a brief explanation of PMO M2 tracking tools and their current status:

Local Jurisdiction Fact Sheets

Fact Sheets have been created for the County of Orange and each of Orange County's 34 cities. The Fact Sheets provide data on transportation and transit projects (funded through Measure M, state, and federal grants) in a format which emphasizes key points concisely on a single printed page. The City Fact Sheets are utilized when speaking with the jurisdictions to provide a summary overview of how OCTA has provided the local agency with funding (M2 and other) and transportation improvements. During the quarter, staff began updating the City Fact Sheets to include the 2019 Tier 1 ECP projects approved by the Board on September 9, 2019, the September 2019 semi-annual review of CTFP projects approved by the Board on December 9, 2019 and programming updates. Updated City Fact Sheets will be completed next quarter.

M2 Financial Picture

The M2 Financial Picture report provides a summary of each M2 project's total expenditures to date (external and internal), programmed funding, current estimate at completion per the latest quarter, and M2 program cash



PROGRAM MANAGEMENT

flow assumptions through 2041. This document allows the PMO to appropriately track and answer questions regarding the M2 investment. The FY 2019-20 first quarter Financial Picture was updated in November 2019.

Next 10 Tracking

The Next 10 Tracking report compares the current Next 10 Delivery Plan cash flow assumptions with the latest Project Controls quarterly assumptions. It highlights variances for a project's estimate at completion, project costs, and contingency utilization. The purpose of the Next 10 Tracking report is to highlight the impact to the bottom line when variances occur from the current plan and each quarterly update. The FY 2019-20 first quarter Next 10 Tracking report was updated in November 2019.

Engineer's Estimate versus Bids Tracking

The Estimate versus Bid Tracking process allows the PMO to monitor the bidding environment for capital projects in the M2 Program. Capital projects that were planned for and began construction early in the M2 program have shown cost savings due to a favorable bidding environment during the recession. For these earlier M2 projects, savings can be primarily traced back to construction costs.

More recent market conditions analyses have indicated that OCTA will experience an increasing cost environment related to increased demand for construction services, lack of labor resources, and increased construction material costs. It should be noted that the engineer's estimate is based on a number of factors – such as bidding history and historical and current market rates (materials, labor, equipment, etc.) – and adjusted accordingly for the project's conditions. Because the estimate uses prior information, there may be a lag between an uptick or downtick in the market.

During the quarter, bids were opened on October 15, 2019 for the construction contract for Project C (I-5 between SR-73 and Oso Parkway, including Avery Parkway Interchange). The apparent low bid was at 3.27 percent under the engineer's estimate. Caltrans reviewed the bid for responsiveness and made a determination on December 20, 2019 to award it to the lowest bidder. Staff has updated the tracking spreadsheet with this bid result.

M2 Administrative Safeguards

M2 includes a one percent cap on administrative expenses for salaries and benefits of OCTA administrative staff on an annual basis. In a legal opinion on M2, it was determined that in years where administrative salaries and benefits are above one percent, only one percent can be allocated with the difference borrowed from other, non-M2 fund sources. Conversely, in years where administrative salaries and benefits are below one percent, OCTA can still allocate the full one percent for administrative salaries and benefits but may use the unused portion to repay the amount borrowed from prior years in which administrative salaries and benefits were above one percent.

Based on the original M2 revenue projections, OCTA expected to receive \$24.3 billion in M2 funds, with one percent of total revenues available to fund administrative salaries and benefits over the life of the program. As M2 revenue projections declined (currently \$13.4 billion or 45 percent lower) as a result of economic conditions, the funds

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available to support administrative salaries and benefits have also declined from the original expectations. While revenue has declined, the administrative effort needed to deliver M2 remains the same. Additionally, the initiation of the Early Action Plan (EAP) in 2007 required administrative functions four years prior to revenue collection. While the EAP resulted in project savings and significant acceleration of the program, administrative functions were required during this time with associated administrative costs.

As a result of the aforementioned factors, OCTA has incurred higher than one percent administrative costs. OCTA currently has Board approval to use funds from the Orange County Unified Transportation Trust (OCUTT) fund to cover costs above the one percent, with the understanding that those funds will be repaid with interest in future years that OCTA administrative costs fall below the one percent cap. As of June 30, 2012, OCTA had borrowed approximately \$5.2 million from OCUTT. Over the last few years, OCTA has experienced under-runs in the one percent administration cap and has made payments to OCUTT to reduce the outstanding balance. As of the most recent September 2019 Taxpayer Oversight Committee Report, the outstanding principal balance was \$0.3 million.

Staff meets quarterly to review all labor costs to ensure proper cost allocation under M2. After the quarter ended, staff met on October 31, 2019 to review labor reports for this quarter to ensure costs attributed to the one percent cap were accurately reported and there were no misplaced project related costs, as well as to ensure project costs were applied to the correct projects.

Taxpayer Oversight Committee

The M2 Ordinance requires a Taxpayer Oversight Committee (TOC) oversee the implementation of the M2 plan and ensure compliance with all requirements of Measure M2 Ordinance No. 3. With the exception of the elected Auditor/Controller of Orange County who is identified as the chair in the Ordinance, all other members are not elected or appointed officials. Members are recruited and screened for expertise and experience independently by the Orange County Grand Jurors Association and are selected from the qualified pool by lottery. The TOC meets every other month. The TOC upholds the integrity of the measure by monitoring the use of M2 funds and ensuring compliance. The responsibilities of the 11-member Measure M2 TOC are to:

- Ensure all transportation revenue collected from M2 is spent on the projects approved by the voters as part of the plan
- Ratify any changes in the plan and recommend any major changes go back to the voters for approval
- Participate in ensuring that all jurisdictions in Orange County conform with the requirements of M2 before receipt of any tax monies for local projects
- Hold annual public meetings regarding the expenditure and status of funds generated by M2
- Review independent audits of issues regarding the plan and performance of the Orange County local Transportation Authority regarding the expenditure of M2 sales tax monies
- Annually certify whether M2 funds have been spent in compliance with the plan.



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The TOC will meet next on February 11th, 2020. The December 10th, 2019 meeting was cancelled. Taxpayer Oversight Committee vacancies for 2020 will occur in the 2nd and 3rd Supervisorial Districts. The Grand Jurors Association of Orange County will select finalists after an extensive recruitment effort takes place in early spring. Prior to the next meeting OCTA CEO, Darrell Johnson, and Director of Marketing and Public Outreach, Alice Rogan, will be meeting with the newly appointed Auditor Controller, Frank Davies, to provide an orientation for the TOC and Measure M.

Two subcommittees assist the TOC with their safeguard responsibilities: the Annual Eligibility Review (AER) Subcommittee and the Audit Subcommittee. The AER Subcommittee meets a few times per year, as needed, to ensure local jurisdictions have submitted the following documents in order to be deemed eligible to receive M2 funding: Congestion Management Program, Mitigation Fee Program, Local Traffic Signal Synchronization Plan, Pavement Management Plan, and an Expenditure Report. The Audit Subcommittee meets bi-monthly and is responsible for reviewing the quarterly M2 Revenue and Expenditure Reports and the Annual M2 Audit, as well as any other items related to M2 audits.

M2 FINANCING AND SCHEDULE OF FUNDING ▼

Contact: Sam Kaur, Revenue and Grants • (714) 560-5685

Revenue Forecast and Collection

OCTA contracts with three universities (Chapman University; University of California, Los Angeles; and California State University, Fullerton) to provide a long-range forecast of taxable sales to forecast M2 revenues for purposes of planning projects and program expenditures.

In the past, OCTA averaged the three university taxable sales projections to develop a long-range forecast of M2 taxable sales. On March 28, 2016, the Board approved a new sales tax forecast methodology as part of the FY 2016-17 budget development process. This methodology includes a more conservative approach by utilizing MuniServices, Inc forecast for the first five years and the three-university average for the remaining years.

Revenue forecast information is updated quarterly based on the actual revenues received for the previous quarter. As required by law, OCTA pays the California Department of Tax and Fee Administration (CDTFA) a fee to collect the sales tax. The M2 Ordinance estimated this fee to be 1.5 percent of the revenues collected over the life of the program.



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Current Forecast

Based on long-term forecasts updated in October 2019 , OCTA staff forecasts total nominal sales tax collections over the life of M2 to be approximately \$13.4 billion. Original projections in 2005 during the development of M2 estimated total nominal M2 sales tax collections at \$24.3 billion. This is approximately \$10.9 billion (45 percent) less than the original 2005 projection.

OCTA's assumed growth rate for FY 2019 budget was 3.7 percent or gross annual sales tax of \$332 million. FY 2019 gross actuals were closely in alignment with the budget closing the year at approximately \$332 million. For FY 2020, the assumed budget growth rate is 2.5 percent. Based on actuals to date and information provided by Muni Services Inc., the actual growth rate is anticipated to be in alignment with the budget or higher by the end of the fiscal year. The 2020 updated forecast is anticipated to be brought to the Board in the fall 2020.

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FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of December 31, 2019 (Unaudited) Schedule 1

(\$ in thousands)	Quarter Ended Dec 31, 2019	Year to Date Dec 31, 2019 (A)	Period from Inception to Dec 31, 2019 (B)
Revenues:			
Sales taxes	\$ 86,119	\$ 164,338	\$ 2,578,067
Other agencies' share of Measure M2 costs:			
Project related	27,102	52,247	720,032
Non-project related	-	-	454
Interest:			
Operating:			
Project related	458	298	1,526
Non-project related	4,084	9,668	62,024
Bond proceeds	2,523	5,152	66,639
Debt service	54	165	978
Commercial paper	-	-	393
Right-of-way leases	29	69	1,010
Proceeds on sale of assets held for resale	-	-	12,201
Donated assets held for resale			
Project related	-	-	2,071
Miscellaneous:			
Project related	-	17	287
Non-project related	-	-	100
Total revenues	<u>120,369</u>	<u>231,954</u>	<u>3,445,782</u>
Expenditures:			
Supplies and services:			
Sales tax administration fees	956	1,957	28,249
Professional services:			
Project related	7,596	9,855	391,657
Non-project related	886	1,498	28,283
Administration costs:			
Project related	2,519	5,035	78,304
Non-project related:			
Salaries and Benefits	643	1,286	26,393
Other	1,326	2,653	44,668
Other:			
Project related	78	82	5,109
Non-project related	187	237	5,152
Payments to local agencies:			
Project related	20,926	33,336	979,193
Capital outlay:			
Project related	69,916	84,150	1,110,133
Non-project related	-	-	31
Debt service:			
Principal payments on long-term debt	-	-	50,500
Interest on long-term debt and commercial paper	6	17,524	196,138
Total expenditures	<u>105,039</u>	<u>157,614</u>	<u>2,943,811</u>
Excess of revenues over expenditures	<u>15,330</u>	<u>74,340</u>	<u>501,972</u>
Other financing sources (uses):			
Transfers out:			
Project related	(16,837)	(22,182)	(226,861)
Transfers in:			
Project related	14,460	14,460	172,930
Bond proceeds	-	-	804,625
Payment to refunded bond escrow agent	-	-	(45,062)
Total other financing sources (uses)	<u>(2,377)</u>	<u>(7,722)</u>	<u>705,632</u>
Excess of revenues over expenditures and other sources	<u>\$ 12,953</u>	<u>\$ 66,618</u>	<u>\$ 1,207,604</u>

FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of December 31, 2019 (Unaudited) Schedule 2

(\$ in thousands)	Quarter Ended Dec 31, 2019 (actual)	Year to Date Dec 31, 2019 (actual)	Period from Inception through Dec 31, 2019 (actual)	Period from January 1, 2020 through March 31, 2041 (forecast)	Total
		(C.1)	(D.1)	(E.1)	(F.1)
Revenues:					
Sales taxes	\$ 86,119	\$ 164,338	\$ 2,578,067	\$ 10,794,597	\$ 13,372,664
Operating interest	4,084	9,668	62,024	292,796	354,820
Subtotal	<u>90,203</u>	<u>174,006</u>	<u>2,640,091</u>	<u>11,087,393</u>	<u>13,727,484</u>
Other agencies share of M2 costs	-	-	454	-	454
Miscellaneous	-	-	100	-	100
Total revenues	<u>90,203</u>	<u>174,006</u>	<u>2,640,645</u>	<u>11,087,393</u>	<u>13,728,038</u>
Administrative expenditures:					
Sales tax administration fees	956	1,957	28,249	119,389	147,638
Professional services	886	1,498	24,508	102,326	126,834
Administration costs:					
Salaries and Benefits	643	1,286	26,393	111,544	137,937
Other	1,326	2,653	44,668	187,748	232,416
Other	187	218	2,132	8,425	10,557
Capital outlay	-	-	31	-	31
Environmental cleanup	641	1,024	42,889	215,857	258,746
Total expenditures	<u>4,639</u>	<u>8,636</u>	<u>168,870</u>	<u>745,289</u>	<u>914,159</u>
Net revenues	<u>\$ 85,564</u>	<u>\$ 165,370</u>	<u>\$ 2,471,775</u>	<u>\$ 10,342,104</u>	<u>\$ 12,813,879</u>
Bond revenues:					
Proceeds from issuance of bonds	\$ -	\$ -	\$ 804,625	\$ 298,950	\$ 1,103,575
Interest revenue from bond proceeds	2,523	5,152	66,639	83,659	150,298
Interest revenue from debt service funds	54	165	978	4,650	5,628
Interest revenue from commercial paper	-	-	393	-	393
Total bond revenues	<u>2,577</u>	<u>5,317</u>	<u>872,635</u>	<u>387,259</u>	<u>1,259,894</u>
Financing expenditures and uses:					
Professional services	-	-	3,775	1,046	4,821
Payment to refunded bond escrow	-	-	45,062	-	45,062
Bond debt principal	-	-	50,500	935,220	985,720
Bond debt and other interest expense	6	17,524	196,138	599,405	795,543
Commercial paper interest expense	-	-	-	-	-
Other	-	19	3,020	-	3,020
Total financing expenditures and uses	<u>6</u>	<u>17,543</u>	<u>298,495</u>	<u>1,535,671</u>	<u>1,834,166</u>
Net bond revenues (debt service)	<u>\$ 2,571</u>	<u>\$ (12,226)</u>	<u>\$ 574,140</u>	<u>\$ (1,148,412)</u>	<u>\$ (574,272)</u>

FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of December 31, 2019 (Unaudited) Schedule 3

Project	Description	Net Revenues through Dec 31, 2019	Total Net Revenues
(G)		(H)	(I)
(\$ in thousands)			
Freeways (43% of Net Revenues)			
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 97,426	\$ 505,061
B	I-5 Santa Ana/SR-55 to El Toro	62,228	322,594
C	I-5 San Diego/South of El Toro	129,971	673,772
D	I-5 Santa Ana/San Diego Interchange Upgrades	53,480	277,246
E	SR-22 Garden Grove Freeway Access Improvements	24,876	128,951
F	SR-55 Costa Mesa Freeway Improvements	75,867	393,303
G	SR-57 Orange Freeway Improvements	53,625	277,997
H	SR-91 Improvements from I-5 to SR-57	29,020	150,444
I	SR-91 Improvements from SR-57 to SR-55	86,335	447,570
J	SR-91 Improvements from SR-55 to County Line	73,007	378,473
K	I-405 Improvements between I-605 to SR-55	222,378	1,152,828
L	I-405 Improvements between SR-55 to I-5	66,270	343,549
M	I-605 Freeway Access Improvements	4,146	21,492
N	All Freeway Service Patrol	31,093	161,190
	Freeway Mitigation	53,143	275,498
	Subtotal Projects	1,062,865	5,509,968
	Net (Bond Revenue)/Debt Service	-	-
	Total Freeways	\$ 1,062,865	\$ 5,509,968
	%		

Street and Roads Projects (32% of Net Revenues)

O	Regional Capacity Program	\$ 247,180	\$ 1,281,404
P	Regional Traffic Signal Synchronization Program	98,868	512,539
Q	Local Fair Share Program	444,920	2,306,498
	Subtotal Projects	790,968	4,100,441
	Net (Bond Revenue)/Debt Service	-	-

FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of December 31, 2019 (Unaudited) Schedule 3

Expenditures through Dec 31, 2019 (J)	Reimbursements through Dec 31, 2019 (K)	Net M2 Cost (L)
\$ 8,025	\$ 7,101	\$ 924
9,744	6,515	3,229
163,318	46,759	116,559
2,262	527	1,735
5	-	5
30,399	14,605	15,794
51,298	12,217	39,081
34,855	824	34,031
23,413	22,005	1,408
6,936	5,520	1,416
554,483	114,165	440,318
9,192	6,954	2,238
2,124	16	2,108
5,890	-	5,890
54,048	3,233	50,815
<u>955,992</u>	<u>240,441</u>	<u>715,551</u>
<u>49,388</u>	<u>-</u>	<u>49,388</u>
<u>\$ 1,005,380</u>	<u>\$ 240,441</u>	<u>\$ 764,939</u>
		38.8%
\$ 754,543	\$ 501,300	\$ 253,243
64,391	5,054	59,337
<u>422,953</u>	<u>77</u>	<u>422,876</u>
1,241,887	506,431	735,456
<u>54,856</u>	<u>-</u>	<u>54,856</u>

FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of December 31, 2019 (Unaudited) Schedule 3

Project Description	Net Revenues through Dec 31, 2019	Total Net Revenues
<i>(\$ in thousands)</i>		
Transit Projects (25% of Net Revenues)		
High Frequency Metrolink Service	\$ 233,934	\$ 1,277,994
Transit Extensions to Metrolink	218,200	1,131,169
Metrolink Gateways	30,989	65,495
Expand Mobility Choices for Seniors and Persons with Disabilities	79,942	444,323
Community Based Transit/Circulators	49,422	256,210
Safe Transit Stops	5,455	28,279
	<hr/>	<hr/>
Subtotal Projects	617,942	3,203,470
Net (Bond Revenue)/Debt Service	-	-
	<hr/>	<hr/>
Total Transit Projects	\$ 617,942	\$ 3,203,470
%		
Environmental Cleanup (2% of Revenues)		
Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 52,802	\$ 274,550
	<hr/>	<hr/>
Net (Bond Revenue)/Debt Service	-	-
	<hr/>	<hr/>
Total Environmental Cleanup	\$ 52,802	\$ 274,550
%		
Taxpayer Safeguards and Audits		
Collect Sales Taxes (1.5% of Sales Taxes)	\$ 38,671	\$ 200,590
	<hr/>	<hr/>
%		
Oversight and Annual Audits (1% of Revenues)	\$ 26,401	\$ 137,275
	<hr/>	<hr/>
%		

FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of December 31, 2019 (Unaudited) Schedule 3

Expenditures through Dec 31, 2019	Reimbursements through Dec 31, 2019	Net M2 Cost
\$ 290,728	\$ 98,743	\$ 191,985
74,438	2,133	72,305
98,220	60,956	37,264
75,727	88	75,639
10,260	947	9,313
1,117	26	1,091
550,490	162,893	387,597
30,679	-	30,679
<u>\$ 581,169</u>	<u>\$ 162,893</u>	<u>\$ 418,276</u>
		21.2%
<u>\$ 42,889</u>	<u>\$ 292</u>	<u>\$ 42,597</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 42,889</u>	<u>\$ 292</u>	<u>\$ 42,597</u>
		1.6%
<u>\$ 28,249</u>	<u>\$ -</u>	<u>\$ 28,249</u>
		1.1%
<u>\$ 26,393</u>	<u>\$ -</u>	<u>\$ 26,393</u>
		1.0%

LOCAL FAIR SHARE

M2 Funds		
ENTITY	2nd Quarter FY 2019-20	FUNDS TO DATE
ALISO VIEJO	\$131,916	\$5,263,918
ANAHEIM	\$557,621	\$44,530,520
BREA	\$186,771	\$7,574,700
BUENA PARK	\$282,459	\$11,835,644
COSTA MESA	\$486,026	\$19,257,843
CYPRESS	\$167,634	\$6,989,998
DANA POINT	\$112,098	\$4,389,730
FOUNTAIN VALLEY	\$200,861	\$8,215,233
FULLERTON	\$422,692	\$17,206,744
GARDEN GROVE	\$482,361	\$19,679,036
HUNTINGTON BEACH	\$642,343	\$25,708,311
IRVINE	\$935,153	\$35,676,177
LAGUNA BEACH	\$82,870	\$3,377,154
LAGUNA HILLS	\$110,319	\$4,510,301
LAGUNA NIGUEL	\$214,806	\$8,816,930
LAGUNA WOODS	\$40,703	\$1,687,048
LA HABRA	\$171,929	\$6,963,893
LAKE FOREST	\$265,073	\$10,463,304

LOCAL FAIR SHARE

M2 Funds		
ENTITY	2nd Quarter FY 2019-20	FUNDS TO DATE
LA PALMA	\$48,948	\$2,186,693
LOS ALAMITOS	\$42,491	\$1,717,253
MISSION VIEJO	\$301,799	\$12,378,541
NEWPORT BEACH	\$361,389	\$14,549,295
ORANGE	\$538,347	\$21,799,894
PLACENTIA	\$95,395	\$6,172,903
RANCHO SANTA MARGARITA	\$136,935	\$5,606,321
SAN CLEMENTE	\$186,520	\$7,433,240
SAN JUAN CAPISTRANO	\$124,905	\$5,012,738
SANTA ANA	\$0*	\$33,406,560
SEAL BEACH	\$77,875	\$3,321,006
STANTON	\$0*	\$3,605,030
TUSTIN	\$295,839	\$11,823,850
VILLA PARK	\$16,867	\$690,754
WESTMINSTER	\$275,150	\$11,329,479
YORBA LINDA	\$197,808	\$7,947,214
COUNTY UNINCORPORATED	\$636,020	\$24,910,913
TOTAL M2 FUNDS	\$8,829,922	\$416,038,168

*On May 13, 2019, the Board determined that the City of Santa Ana and the City of Stanton ineligible to receive M2 revenues. Disbursement of M2 funds have been suspended until the cities achieve compliance and the Board reconsiders the matter by May 2020. Below are the M2 Funds withheld from the ineligible cities.

ENTITY	2nd Quarter FY 2019-20	SUSPENDED FUNDS TO DATE
SANTA ANA	\$905,287	\$3,405,008
STANTON	\$95,679	\$360,365
TOTAL M2 FUNDS	\$1,000,966	\$3,765,373

CAPITAL ACTION PLAN

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Red = Forecast milestone is over three months later than plan

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Bold = Forecasted/Actual

Capital Projects	Cost	Schedule			
	Baseline/Forecast	Plan/Forecast			
	(millions)	Begin Environmental	Begin Design	Award Contract	Complete Construction
Freeway Projects:					
I-5, SR-55 to SR-57	\$38.1	Jul-11	Jun-15	Dec-17	Apr-21
Project A	\$41.5	Jun-11	Jun-15	Nov-18	Apr-21
I-5, I-405 to SR-55	TBD	May-14	TBD	TBD	TBD
Project B	TBD	May-14	TBD	TBD	TBD
I-5, Pico to Vista Hermosa	\$113.0	Jun-09	Jun-11	Dec-14	Aug-18
Project C	\$83.5	Jun-09	Jun-11	Dec-14	Aug-18
I-5, Vista Hermosa to Pacific Coast Highway	\$75.6	Jun-09	Jun-11	Dec-13	Mar-17
Project C	\$75.6	Jun-09	Jun-11	Jun-14	Jul-17
I-5, Pacific Coast Highway to San Juan Creek Road	\$70.7	Jun-09	Jun-11	Oct-13	Sep-16
Project C	\$75.5	Jun-09	Jun-11	Dec-13	Jul-18
I-5, I-5/Ortega Interchange	\$90.9	Sep-05	Jan-09	Aug-12	Sep-15
Project D	\$79.8	Sep-05	Jan-09	Aug-12	Jan-16
I-5, SR-73 to Oso Parkway	\$151.9	Sep-11	Mar-15	Dec-18	Jan-24
Project C & D	\$196.1	Oct-11	Mar-15	Dec-19	Mar-25
I-5, Oso Parkway to Alicia Parkway	\$196.2	Sep-11	Nov-14	Jun-18	Nov-23
Project C & D	\$203.1	Oct-11	Nov-14	Mar-19	Nov-23
I-5, Alicia Parkway to El Toro Road	\$133.6	Sep-11	Mar-15	May-19	Jun-23
Project C	\$184.1	Oct-11	Mar-15	Oct-20	Oct-24
I-5, SR-73 to El Toro Road (Landscape)	TBD	N/A	TBD	TBD	TBD
Project C	\$12.4	N/A	Jul-22	Nov-24	Jun-26

*Status through December 2019. For detailed project information, please refer to the individual project section within this report.

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Capital Projects	Cost	Schedule			
	Baseline/Forecast	Plan/Forecast			
	(millions)	Begin Environmental	Begin Design	Award Contract	Complete Construction
I-5, I-5/EI Toro Road Interchange (on hold)	TBD	Apr-17	TBD	TBD	TBD
Project D Cost/Schedule Risk	TBD	Apr-17	TBD	TBD	TBD
SR-55, I-405 to I-5	\$410.9	Feb-11	Sep-17	Jul-21	Aug-25
Project F Cost/Schedule Risk	\$410.9	May-11	Sep-17	Jul-21	Aug-25
SR-55, I-5 to SR-91	TBD	Dec-16	TBD	TBD	TBD
Project F	TBD	Dec-16	TBD	TBD	TBD
SR-57 Northbound (NB), Orangewood Avenue to Katella Avenue	TBD	Apr-16	TBD	TBD	TBD
Project G	TBD	Apr-16	TBD	TBD	TBD
SR-57 (NB), Katella Avenue to Lincoln Avenue	\$78.7	Apr-08	Jul-08	Aug-11	Sep-14
Project G	\$38.0	Apr-08	Aug-08	Oct-11	Apr-15
SR-57 (NB), Katella Avenue to Lincoln Avenue (Landscape)	N/A	N/A	N/A	N/A	N/A
Project G	N/A	N/A	May-09	Sep-17	Jun-18
SR-57 (NB), Orangethorpe Avenue to Yorba Linda Boulevard	\$80.2	Aug-05	Feb-08	Oct-10	May-14
Project G	\$52.3	Aug-05	Feb-08	Oct-10	Nov-14
SR-57 (NB), Yorba Linda Boulevard to Lambert Road	\$79.3	Aug-05	Feb-08	Oct-10	Sep-14
Project G	\$54.1	Aug-05	Feb-08	Oct-10	May-14
SR-57 (NB), Orangethorpe Avenue to Lambert Road (Landscape)	N/A	N/A	N/A	N/A	N/A
Project G	N/A	N/A	Oct-14	Feb-18	Apr-19
SR-57 (NB), Lambert Road to Tonner Canyon	TBD	TBD	TBD	TBD	TBD
Project G	TBD	Jul-23	TBD	TBD	TBD

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Capital Projects	Cost	Schedule			
	Baseline/Forecast	Plan/Forecast			
	(millions)	Begin Environmental	Begin Design	Award Contract	Complete Construction
SR-91 Westbound (WB), I-5 to SR-57	\$78.1	Jul-07	Oct-09	Nov-12	Apr-16
Project H	\$59.2	Jul-07	Mar-10	Jan-13	Jun-16
SR-91 Westbound (WB), I-5 to SR-57 (Landscape)	N/A	N/A	N/A	N/A	N/A
Project H	N/A	N/A	Nov-14	Mar-17	Nov-17
SR-91, SR-55 to Lakeview Avenue (Segment 1)	TBD	Jan-15	TBD	TBD	TBD
Project I	\$102.5	Jan-15	Mar-20	Jan-24	Sep-27
SR-91, La Palma Avenue to SR-55 (Segment 2)	TBD	Jan-15	TBD	TBD	TBD
Project I	\$223.1	Jan-15	Jul-20	Apr-24	Nov-27
SR-91, Acacia Street to La Palma Ave (Segment 3)	TBD	Jan-15	TBD	TBD	TBD
Project I	\$109.7	Jan-15	Nov-20	Sep-24	May-28
SR-91 (WB), Tustin Interchange to SR-55	\$49.9	Jul-08	Jul-11	Oct-13	Jul-16
Project I	\$42.5	Jul-08	Jun-11	Oct-13	Jul-16
SR-91, SR-55 to SR-241	\$128.4	Jul-07	Jun-09	Sep-11	Dec-12
Project J	\$79.7	Jul-07	Apr-09	May-11	Mar-13
SR-91, SR-55 to SR-241 (Landscape)	N/A	N/A	N/A	N/A	N/A
Project J	N/A	N/A	May-12	Oct-13	Feb-15
SR-91 Eastbound, SR-241 to SR-71	\$104.5	Mar-05	Jul-07	Jul-09	Nov-10
Project J	\$57.8	Mar-05	Jul-07	Aug-09	Jan-11
I-405, I-5 to SR-55	TBD	Dec-14	TBD	TBD	TBD
Project L	TBD	Dec-14	TBD	TBD	TBD
I-405, SR-55 to I-605 (Design-Build)	\$1,900.0	Mar-09	Mar-14	Nov-16	May-23
Project K	\$1,900.0	Mar-09	Mar-14	Nov-16	May-23

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Capital Projects	Cost	Schedule			
	Baseline/Forecast	Plan/Forecast			
	(millions)	Begin Environmental	Begin Design	Award Contract	Complete Construction
I-605, I-605/Katella Interchange	TBD	Aug-16	TBD	TBD	TBD
Project M	TBD	Aug-16	TBD	TBD	TBD
Grade Separation Projects:					
Raymond Avenue Railroad Grade Separation	\$77.2	Feb-09	Mar-10	May-13	Aug-18
Project O	\$125.6	Feb-09	Mar-10	Feb-14	May-18
State College Boulevard Railroad Grade Separation (Fullerton)	\$73.6	Dec-08	Jul-06	May-13	May-18
Project O	\$100.3	Dec-08	Jul-06	Feb-14	Mar-18
Placentia Avenue Railroad Grade Separation	\$78.2	Jan-01	Jan-09	Jun-11	Nov-14
Project O	\$64.5	Jan-01	Jan-09	Jul-11	Dec-14
Kraemer Boulevard Railroad Grade Separation	\$70.4	Jan-01	Jan-09	Aug-11	Oct-14
Project O	\$63.8	Jan-01	Feb-09	Sep-11	Dec-14
Orangethorpe Avenue Railroad Grade Separation	\$117.4	Jan-01	Feb-09	May-12	Sep-16
Project O	\$105.9	Jan-01	Feb-09	Jan-13	Oct-16
Tustin Avenue/Rose Drive Railroad Grade Separation	\$103.0	Jan-01	Feb-09	Aug-12	May-16
Project O	\$96.7	Jan-01	Feb-09	Feb-13	Oct-16
Lakeview Avenue Railroad Grade Separation	\$70.2	Jan-01	Feb-09	May-13	Mar-17
Project O	\$110.5	Jan-01	Feb-09	Nov-13	Jun-17
Rail and Station Projects:					
Sand Canyon Avenue Railroad Grade Separation	\$55.6	N/A	Jan-04	Feb-11	May-14
Project R	\$61.9	N/A	Jan-04	Feb-11	Jan-16

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Capital Projects	Cost	Schedule			
	Baseline/Forecast	Plan/Forecast			
	(millions)	Begin Environmental	Begin Design	Award Contract	Complete Construction
Rail-Highway Grade Crossing Safety Enhancement	\$94.4	Jan-08	Jan-08	Aug-09	Dec-11
Project R	\$90.4	Jan-08	Jan-08	Aug-09	Dec-11
San Clemente Beach Trail Safety Enhancements	\$6.0	Sep-10	Feb-12	Oct-12	Jan-14
Project R	\$5.0	Sep-10	Feb-12	May-13	Mar-14
San Juan Capistrano Passing Siding	\$25.3	Aug-11	Mar-15	Dec-16	Feb-21
	\$36.4	Aug-11	Mar-15	Mar-19	Feb-21
Placentia Metrolink Station and Parking Structure	\$34.8	Jan-03	Oct-08	TBD	TBD
Project R Cost/Schedule Risk	\$40.1	Jan-03	Oct-08	Oct-20	May-22
Orange County Maintenance Facility	TBD	TBD	TBD	TBD	TBD
Project R	TBD	Feb-20	TBD	TBD	TBD
Anaheim Canyon Station	\$27.9	Jan-16	Mar-19	Nov-19	Mar-21
	\$29.9	Jan-16	Mar-18	Jun-20	Oct-21
Orange Station Parking Expansion	\$33.2	Dec-09	Nov-10	Nov-16	Feb-19
	\$30.9	Dec-09	Nov-10	Jun-17	Feb-19
Fullerton Transportation Center - Elevator Upgrades	\$3.5	N/A	Jan-12	Sep-14	Mar-17
	\$4.2	N/A	Jan-12	Apr-15	May-19
Laguna Niguel/Mission Viejo Station ADA Ramps	\$3.5	Jul-13	Jul-13	Jan-15	Apr-17
	\$5.0	Jul-13	Jul-13	Oct-15	Sep-17
Anaheim Regional Transportation Intermodal Center	\$227.4	Apr-09	Jun-09	Jul-12	Nov-14
Project R & T	\$232.2	Apr-09	Jun-09	Sep-12	Dec-14
OC Streetcar	\$424.4	Aug-09	Feb-16	Aug-18	Dec-21
Project S Cost/Schedule Risk	\$424.4	Aug-09	Feb-16	Sep-18	Apr-22

*Status through December 2019. For detailed project information, please refer to the individual project section within this report.

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COMMITTEE TRANSMITTAL

March 9, 2020

To: Members of the Board of Directors
From: Laurena Weinert, Clerk of the Board
Subject: Environmental Mitigation Program Endowment Fund Investment Report for December 31, 2019

Finance and Administration Committee Meeting of February 26, 2020

Present: Directors Hennessey, Hernandez, Jones, Muller, and R. Murphy
Absent: Directors Do and Steel

Committee Vote

This item was passed by the Members present.

Committee Recommendation

Receive and file as an information item.



February 26, 2020

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Environmental Mitigation Program Endowment Fund Investment Report for December 31, 2019

Overview

The Orange County Transportation Authority has developed a Natural Community Conservation Plan/Habitat Conservation Plan, acquired conservation properties, and funded habitat restoration projects to mitigate the impacts of Measure M2 freeway projects. California Community Foundation manages the non-wasting endowment required to pay for the long-term management of the conservation properties. Each quarter, the California Community Foundation publishes a comprehensive report detailing the composition of the pool and its performance. Attached are the quarterly investment reports for the Endowment Pool for the period ending December 31, 2019. The reports have been reviewed and are consistent with the pool objectives.

Recommendation

Receive and file as an information item.

Background

On September 26, 2016, the Board of Directors approved the selection of the California Community Foundation (CCF) as an endowment fund manager for the Measure M2 Freeway Environmental Mitigation Program. Annually, approximately \$2.9 million will be deposited in the endowment. As of December 31, 2019, the Orange County Transportation Authority (OCTA) has made four deposits to the Endowment Pool, each in the amount of \$2,877,000. These annual deposits are expected to continue for ten to 12 years, or until the fund totals approximately \$46.2 million.

Discussion

As of December 31, 2019, total pool assets in the CCF Endowment Pool were \$1.25 billion. Total foundation assets were \$1.97 billion. Performance for the Endowment Pool was 2.5 percent for the month, 0.2 percent below the benchmark; 5.2 percent for the quarter, 0.4 percent below the benchmark. The one-year return was 17 percent, 2 percent below the benchmark.

The balance as of December 31, 2019, was \$13,034,838. The number exceeded the projected balance of \$12,440,408 due to higher than expected investment earnings, and overall gains in the market.

The projected annualized cost for endowment services was 0.75 percent based on indications received during the due diligence process. Based on the current balance of the endowment, the cost for administration services is 0.25 percent.

Summary

The OCTA is submitting a copy of the California Community Foundation Investment Report to the Board of Directors. The report is for the quarter ending December 31, 2019.

Attachments

- A. California Community Foundation Fund Statement – December 31, 2019
- B. California Community Foundation Endowment Pool Investments – December 31, 2019

Prepared by:



Robert Davis
Department Manager,
Treasury and Public Finance
714-560-5675

Approved by:



Andrew Oftelie
Chief Financial Officer
Finance and Administration
714-560-5649



Fund Name OCTA - Measure M2 Environmental Mitigation Program Fund
Fund Start Date 2/28/2017
Investment Pool(s) Endowment Pool

FUND STATEMENT

OCTA - Measure M2 Environmental Mitigation Program Fund (V398)

10/1/2019 - 12/31/2019

Fund Summary

	Report Period 10/1/2019 - 12/31/2019	Calendar YTD 1/1/2019 - 12/31/2019
Opening Fund Balance	\$12,393,156.81	\$8,568,158.77
Contributions	0.00	2,877,000.00
Investment Activity, net	641,681.61	1,615,060.95
Administration & Grant Management Fees	0.00	(25,381.30)
Net Changes to Fund	641,681.61	4,466,679.65
Ending Balance	\$13,034,838.42	\$13,034,838.42

Investment Pool Performance as of 12/31/2019

	This Qtr.	1-Year	3-Years	5-Years	10-Years
Endowment Pool	5.2%	17.0%	8.9%	6.1%	6.7%
Social Impact Endowment Pool	6.9%	22.7%	10.2%	7.2%	8.0%
Conservative Balanced Pool	2.9%	12.2%	6.2%	4.9%	n/a
Short Duration Bond Pool	0.4%	4.8%	2.4%	2.0%	n/a
Capital Preservation Pool	0.5%	2.3%	1.6%	1.1%	0.7%

Endowment Pool - invested for long-term growth and appreciation while providing a relatively predictable stream of distributions that keeps pace with inflation over time. The target asset allocation is 50% equities, 14% hedge funds, 22% fixed income and 14% real assets. Investment management fees are 66 basis points.

Social Impact Endowment Pool - invested in a diversified pool aiming for capital growth for long-term grantmaking; underlying instruments undergo rigorous environmental and social analysis, with an asset allocation of approximately 60%-75% equities and 25%-40% fixed income. Investment management fees are 68 basis points.

Conservative Balanced Pool - designed to aim for moderate growth and to offer diversified exposure to the U.S. equity market and to investment grade fixed income with maturities from one to five years and an asset allocation of 70% fixed income and 30% equities investments. Investment management fees are 9 basis points.

Short Duration Bond Pool - invested to offer diversified exposure to investment grade fixed income with maturities from one to five years for the purposes of grants over a near-term one to four year horizon. Investment management fees are 5 basis points.

Capital Preservation Pool - designed to preserve principal and provide liquidity for present grantmaking needs through investment in short-term fixed income and cash instruments. Investment management fees are 10 basis points.



Endowment Pool December 2019

INVESTMENTS

The Endowment Pool returned 2.5% for the month of December 2019, 20 basis points behind its benchmark. For the trailing year, the pool returned 17.0%, 200 basis points behind its benchmark.

Total Pool Assets

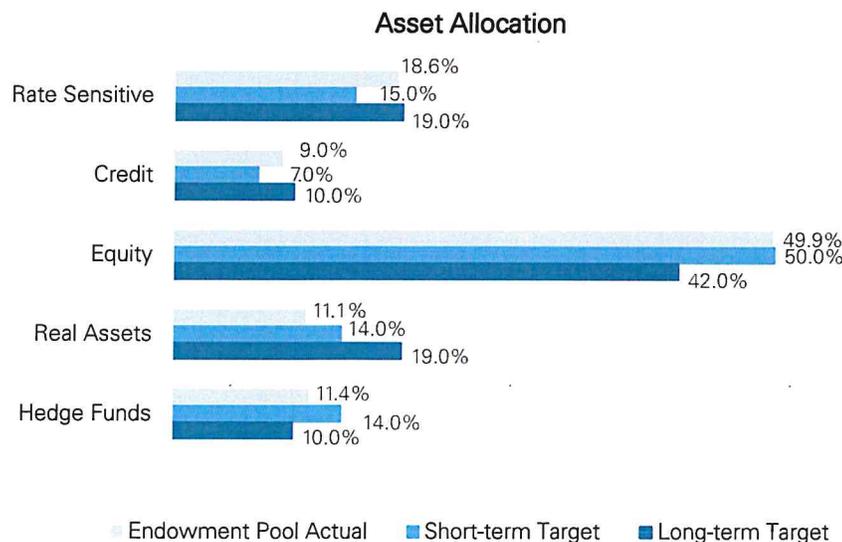
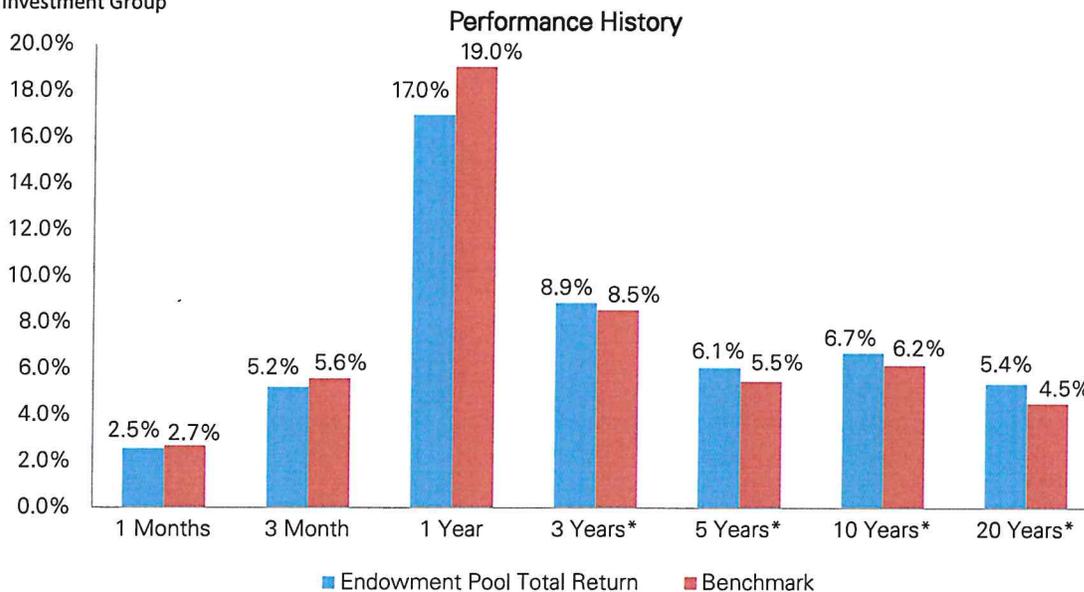
\$1.25 billion (Endowment Pool), \$1.97 billion (total foundation assets) as of December 31, 2019.

Pool Objective

Preserve the real (i.e., inflation-adjusted) purchasing power of the investment pool net of annual distributions for grants and expenses. An additional objective is to provide a relatively predictable, stable stream of distributions for grants and expenses that keep pace with inflation over time.

Investment Consultant

Meketa Investment Group



*Represents annualized returns.

1) Investment expense ratio approximates 0.66%, excluding fund manager incentive fees.

2) Investment performance is presented net of investment expenses, including fund manager incentive fees.

3) Total Fund Benchmark is a combination of: 48% MSCI ACWI - 2% Cambridge PE Index 1-Qtr Lag / 14% HFR FOF / 5% ODCE - 5% S&P Global Large Mid NR - 4% S&P Global Infrastructure / 9% Barc Agg. - 3% Barc 1-5 Yr. Gov/Cr - 3% Barc 0-5 Yr. US Treasury TIPS / 2% Barc High Yield - 2% S&P/LSTA Leveraged Loan - 3% JP Morgan EMBI Global Diversified.

4) Short-term target allocation is over 1-4 years, long-term target allocation is over 4-9 years.



COMMITTEE TRANSMITTAL

March 23, 2020

To: Members of the Board of Directors
From:  Laurena Weinert, Clerk of the Board
Subject: OC Streetcar Project Quarterly Update

Transit Committee Meeting of March 12, 2020

Present: Directors Do, Davies, Jones, Shaw, and Sidhu
Absent: Directors Pulido and Winterbottom

Committee Vote

Following the discussion, no action was taken on this receive and file information item.

Staff Recommendation

Receive and file as an information item.



March 12, 2020

To: Transit Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: OC Streetcar Project Quarterly Update

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is placed to the right of the "From:" field.

Overview

The Orange County Transportation Authority is currently implementing the OC Streetcar project. Updates are provided to the Board of Directors on a quarterly basis. This report provides an update on OC Streetcar project activities from October 2019 through February 2020.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA), in cooperation with the cities of Santa Ana and Garden Grove, is implementing a modern streetcar running between the Santa Ana Regional Transportation Center in the City of Santa Ana (City) and the intersection of Harbor Boulevard and Westminster Avenue in the City of Garden Grove. The OC Streetcar project (Project) will improve transit connectivity and accessibility, increase transit options, relieve congestion, and provide benefits to the community and traveling public. The Project is being implemented as part of Measure M2 Project S – Transit Extensions to Metrolink, approved by Orange County voters in November 2006.

Construction of the 4.15-route-mile OC Streetcar line involves complex and specialized work, including the installation of embedded track in streets, an overhead catenary system to supply power to the vehicles, stops with canopies, bridges, and a maintenance and storage facility (MSF).

The Project includes ten streetcar stops in each direction (four shared center platforms and six side platforms in each direction, for a total of 16 platforms). Each stop includes a canopy, benches, leaning rails, trash cans, lighting, changeable

message signs, video cameras, a public address system, and ticket vending machines, which will be procured separately. Platforms will be 14 inches high to enable level boarding. Also included is the installation of new traffic signals and transit signal priority at intersections.

The MSF can accommodate up to 15 modern streetcar vehicles and includes Project administration, operations, vehicle maintenance, parts storage, and maintenance-of-way. Secured exterior vehicle storage, including a wye track for turning vehicles end-for-end, a free-standing vehicle wash, employee parking, and fire department/delivery access will also be included.

On March 26, 2018, the OCTA Board of Directors (Board) awarded a contract to Siemens Mobility, Inc., (Siemens) for the manufacture and delivery of eight modern streetcar vehicles, spare parts, and special tools. On September 24, 2018, the Board awarded the Project construction contract to Walsh Construction Company II, LLC (Walsh). On November 30, 2018, the Federal Transit Administration (FTA) executed the Full Funding Grant Agreement (FFGA), which was a significant milestone as it secured \$149 million in federal New Starts discretionary funding for the Project. In February 2019, the FFGA was awarded through the FTA Transit Award Management System, which was the final step necessary to begin the drawdown of federal funding. Through January 2020, \$26.81 million has been drawn down on the FFGA.

Discussion

The following is a status of ongoing OC Streetcar activities.

Construction Activities

The Notice to Proceed with construction was issued to Walsh on March 4, 2019. Construction activities continued throughout the Project, with the focus on construction of the Santa Ana River and Westminster Avenue bridges, the MSF, and relocation of storm drain, sewer, and water systems within the City's streets.

Foundations, abutments, and the center pier for the bridge over Westminster Avenue were completed in December 2019. The temporary falsework to support bridge construction is being installed. Furthermore, foundations for the retaining wall approaches for the bridges over Westminster Avenue and the Santa Ana River are also underway.

Testing, manifesting, and hauling of contaminated materials to approved disposal facilities from the Pacific Electric Right-of-Way (PEROW) and other project areas is progressing. This will allow for construction of retained fill

approaches to the bridges and establishment of areas for rail deliveries and rail welding. Additionally, the prototype station canopy is being fabricated.

MSF

Construction of the MSF is critical to the Project schedule as the MSF is needed to accept delivery and conduct final acceptance testing for the eight vehicles being manufactured by Siemens. Spread footings and conduits have been installed at the MSF, and construction of the service and inspection pits has begun and will be followed by the pouring of the building slab. Structural steel members for the building frame are being fabricated.

Utility Relocation

Wet utilities (sewer, water, and storm drains) are being relocated by Walsh as part of the construction contract. Utility relocations from Raitt Street to Bristol Street are complete; therefore, the in-street embedded trackwork construction can begin once the rail strings have been welded. Sewer relocations are approximately 80 percent complete. Water line relocations are approximately 56 percent complete, and storm drain relocations for all of the street-running portions of the Project are approximately 17 percent complete.

There have been challenges installing storm drains and sewers due to the discovery of utilities that were either not shown on any of the record drawings or shown at different locations or elevations than on the plans. Some of the utility conflicts have been taking longer to resolve due to the need for additional potholing and/or excavation work to expose the utility and determine how it should be relocated. A supplemental change order for the additional work to address the unknown utilities was approved by the Board in November 2019.

Dry utilities (electric, communications, and gas) are being relocated by the owners of these systems, with most of these third-party utility relocations having been completed. Remaining work includes Southern California Edison's removal of underground vaults on Santa Ana Boulevard, one final relocation being scheduled by AT&T, and a few communications facilities.

Vehicle Manufacturing and Delivery

The production of the Siemens S700 vehicles is underway with six of the eight vehicles in various stages of early production. To date, first article inspections have been conducted for the braking system, first welded carshell, auxiliary power supply, and the painted carshell. Parallel to production of the vehicle carshells, final design review continues for a few remaining vehicle components, which include the train to wayside communication, monitoring and diagnostic

system, crash energy management, energy absorbing bumper, and the emergency battery drive.

In January 2020, the California Public Utilities Commission approved a variance request for the use of rearview cameras in lieu of rearview mirrors. OCTA elected to utilize a camera and monitor system instead of rearview mirrors on the vehicles in order to allow operators a clearer view of the rear and both sides of the vehicle for the full length of the vehicle. The rearview cameras are a component of the vehicles' safety and security measures, which include monitoring and recording of forward-facing cameras, passenger area cameras, and in-cab inward facing cameras.

Staff continues to receive weekly reports from OCTA's on-site vehicle inspector with details of production progress, pictures of the work completed, and upcoming production schedule and milestones. The on-site vehicle inspector also reviews the subcontractors' manufacturing processes and performs critical quality control checks.

Coordination is ongoing between Conduent Transportation, OCTA, and Siemens in the design of the Computer Aided Dispatch and Automated Vehicle Location, as well as the communications equipment on the vehicles.

Coordination also continued between OCTA, Siemens, and Walsh in the integration of the streetcar vehicle with the infrastructure, including the tracks, platforms, MSF, and wayside equipment and systems.

Operations and Maintenance (O&M) Contract

The O&M contractor selection process is progressing. Best and final offers have been submitted and reviewed in response to the request for proposals. Award of the O&M contract is anticipated for consideration by the Board in April 2020.

Public Outreach

Outreach activities continue to focus on keeping the community and project stakeholders aware of ongoing construction activities with a targeted focus on expanding project awareness to visitors in Downtown Santa Ana (Downtown).

The biweekly Construction News email alert looks ahead to general activities along the alignment, as well as segment-by-segment details. In addition to email alerts, individual notifications are provided with multilingual doorhangers describing the activities in detail. The alerts also are available on the project website, and social media channels are used to broaden its availability and awareness. OCTA launched a promotional campaign for the Project's digital

application (app) to encourage downloads. The app includes information about current construction activities, locations of parking facilities in Downtown, and links to additional Project information.

A construction safety campaign is under way, and messaging has been added to the website, social media, and other collateral. The safety campaign includes an activity book for school-age children and an overview flyer. Both collateral pieces will be distributed to all schools on the Project alignment.

OCTA and the City partnered to design and install large-format banners on several of the parking structures in Downtown. The banners help to attract drivers to the parking structures and remind the public that businesses are open during construction. In addition, OCTA has provided additional parking structure signage, A-frame street signs, and printed maps promoting the City's two-hour free parking program.

OCTA outreach staff works proactively with representatives from the cities of Santa Ana and Garden Grove to provide periodic closed-caption slides on major construction activities for display before city council meetings. OCTA is collaborating with City staff to monitor community events in Downtown and ensures that the contractor is aware and can coordinate activities accordingly. This coordination also offers opportunities for the outreach team to host information tables at the events, such as the Downtown art walk.

OCTA has introduced the Eat, Shop, Play (ESP) program to provide assistance to local businesses and to promote the Downtown area. OCTA has partnered with both Downtown business associations to share the ESP program enrollment application with the more than 700 businesses in Downtown. OCTA also assisted Downtown, Inc., with rebranding its dining guide to include an updated business listing, safety messaging, ESP program information, and a campaign encouraging jurors to eat at Downtown restaurants. As Project construction continues, OCTA has encouraged its employees to show continued support of the businesses in Downtown.

Tabletop and free-standing lobby displays with literature holders were created to disseminate general Project information and promote the ESP program. These displays will be available at city halls, libraries, community centers, municipal buildings, and the 4th Street Market. The literature holders will include materials such as construction brochures, dining guides, and safety information.

On February 24, 2020, the Board approved entering into agreements with two business associations that directly support Santa Ana's Business Improvement District. The efforts of Downtown, Inc., and the Santa Ana Business Council support more than 700 businesses in the district and share the goal of bringing

more awareness and customers to Downtown. Staff will report on the progress of these enhanced efforts in future updates.

In addition, a phased marketing program to create awareness, interest, and anticipation began in late 2019, and will run through the start of revenue service. Key initiatives for the first phase of the marketing program include a brand video showcasing vehicle renderings travelling along the corridor, a revitalized website, multilingual branded brochures, and a themed digital campaign set to begin in spring 2020.

Cost and Schedule

The Project cost, as included in the FFGA, remains at \$407.7 million, including \$37.96 million in contingency. As of February 2020, approximately \$17.09 million in contingency has been expended or committed.

As discussed with the Board in February 2020, the revenue service date is anticipated for mid-2022. Staff will continue to keep the Board apprised of schedule updates.

Next Steps

Construction activities in the next quarter are scheduled to include preparation of pits and slabs for the MSF building foundations, constructing retaining walls and approach fills for the Westminster Avenue and Santa Ana River bridges, the superstructure for the Westminster Avenue Bridge, preparation for ballasted track installation in the PEROW, and the start of in-street embedded track installation. Next steps for vehicles include finalizing design for remaining vehicle components, additional first article inspections, and continued production and assembly for the remaining vehicles. Upcoming outreach activities include coordination with the construction team and the City regarding traffic control measures that will be needed for the in-street embedded track installation.

Summary

An OC Streetcar project update is provided for the Orange County Transportation Authority Board of Directors' review.

Attachment

None.

Prepared by:



Mary Shavalier
Program Manager
(714) 560-5856

Approved by:



James G. Beil, P.E.
Executive Director, Capital Programs
(714) 560-5646

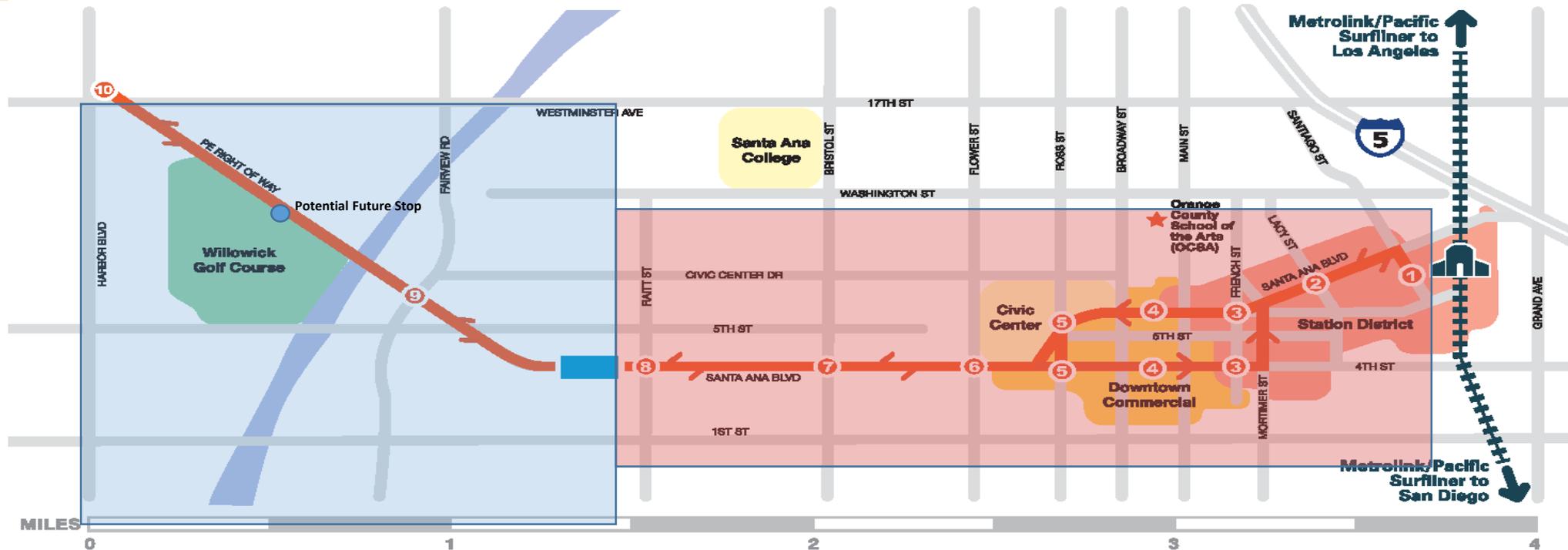
OC Streetcar Project Quarterly Update

Background

- Measure M2 Project S – Transit Extensions to Metrolink approved by Orange County voters in November 2006
- Key OC Streetcar project (Project) implementation dates:

Key Milestone	Date	Contract Execution Amount (in Millions)
Vehicle Contract Award	March 2018	\$51.52
Construction Contract Award	September 2018	\$220.53
Full Funding Grant Agreement Executed	November 2018	\$148.96

OC Streetcar Features



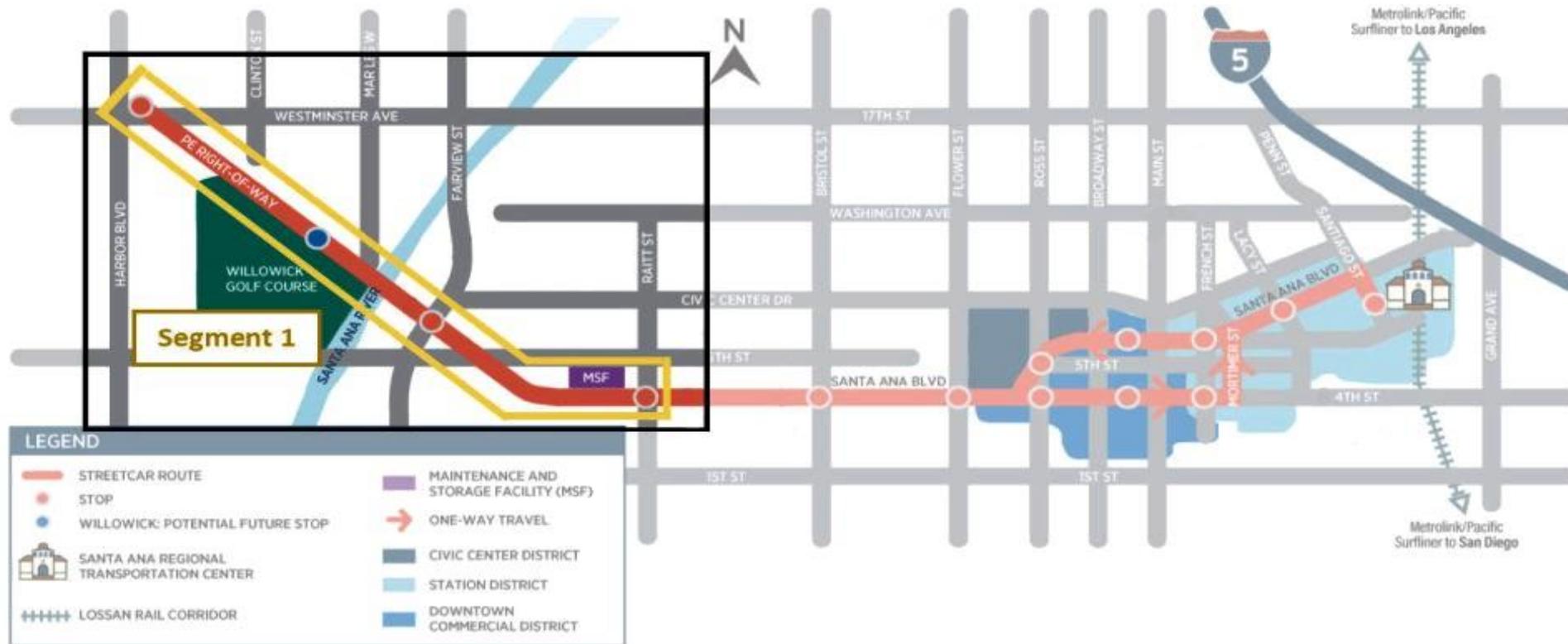
Pacific Electric Right-of-Way (PEROW)

- Dedicated right-of-way owned by the Orange County Transportation Authority (OCTA)
- Double-Track, Ties, and Ballast
- Two Bridges-Westminster and Santa Ana River
- Two Gated Crossings-Fairview and 5th Street
- Maintenance facility for eight cars west of Raitt Street
- Center Platforms
- Two-Wire Overhead Catenary System (OCS)

STREET RUNNING

- Traffic Signal Priority
- One-Way Couplet Downtown
 - 4th Street Eastbound, Santa Ana Boulevard Westbound
- Embedded Track (Block Rail)
- Side Platforms (except Santa Ana Regional Transportation Center)
- Protected bike lane on Santa Ana Boulevard
- One-Wire OCS with underground feeder

Construction—Segment 1



- Bridge foundations, bents, abutments and piers completed. Temporary falsework supports to build Westminster bridge installed. Retaining walls for bridge approaches beginning construction.
- Testing, manifesting, and hauling of contaminated materials from PEROW to approved disposal facilities is progressing.
- Establish rail laydown and welding area in PEROW.

Santa Ana River Bridge



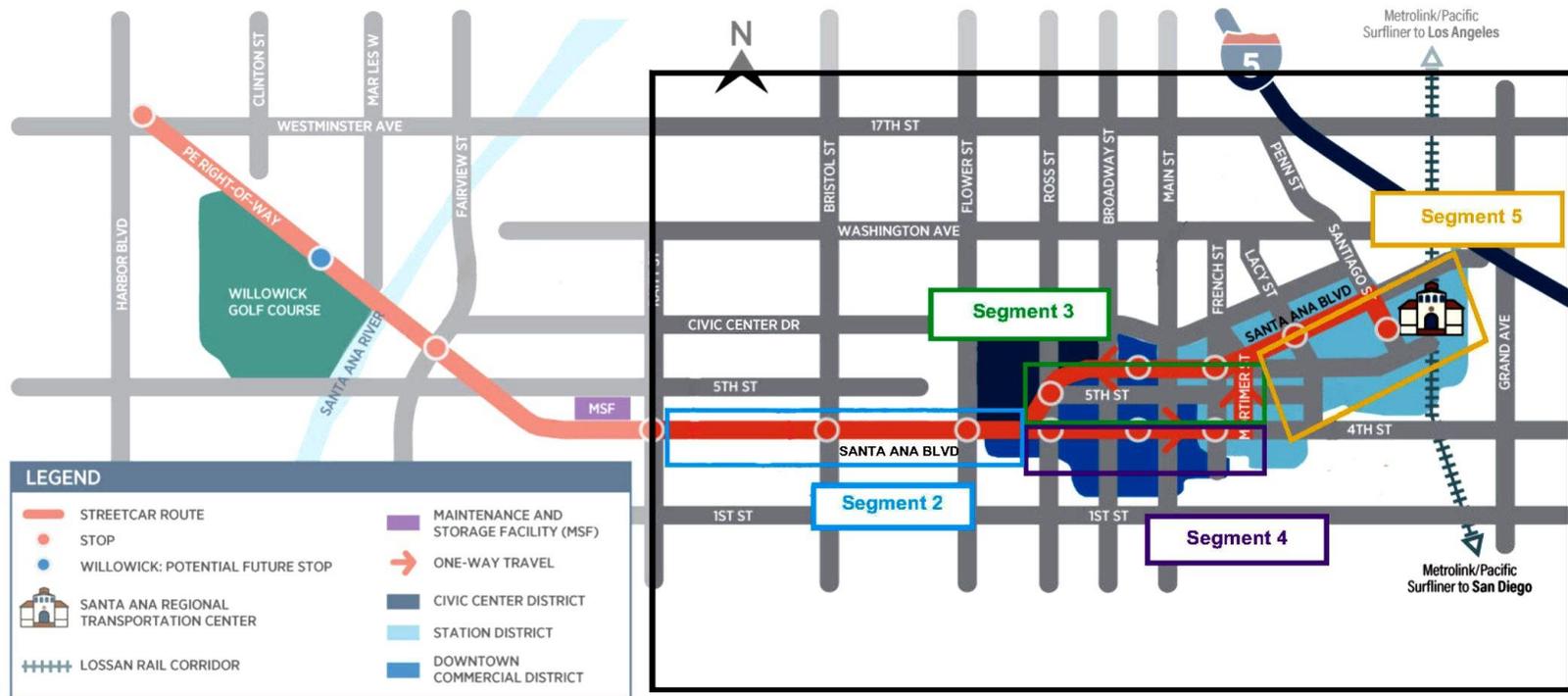
Westminster Avenue Bridge



Maintenance and Storage Facility (MSF)



Construction—Segments 2 Through 5



- Wet utilities relocated by OCTA's contractor: water, sewer, and storm drain
 - Raitt Street to Bristol Street utilities complete, in-street embedded trackwork will begin once the rail strings delivered and welded
 - Sewer relocations in Segment's 4 and 5 approximately 80 percent complete
 - Water line relocations are approximately 56 percent complete
 - Storm drain relocations in street-running segments are approximately 17 percent complete

Third-Party Utility Relocations

- Most third-party dry utility relocations are complete
- Remaining work includes:
 - Southern California Gas working downtown and east of downtown on Santa Ana Boulevard
 - Southern California Edison removal of underground vaults on Santa Ana Boulevard
 - AT&T with one final relocation being scheduled now that a conflicting sewer line has been relocated

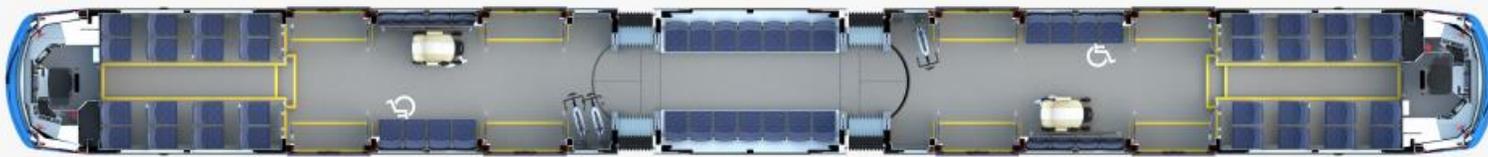


Vehicles

- First article inspections have been conducted for the brake system, first welded carshell, auxiliary power supply, and the painted carshell
- Finalizing outstanding items from final design review
- California Public Utilities Commission approved a variance request for the use of rearview cameras in lieu of rearview mirrors
- Ongoing coordination with Conduent and Siemens on Computer Aided Dispatch and Automated Vehicle Location design specifications
- Ongoing coordination between OCTA, Siemens, and Walsh Construction Company II, LLC, in the integration of the streetcar vehicle with the infrastructure, including the tracks, platforms, MSF, and wayside equipment and systems



Vehicle Interior



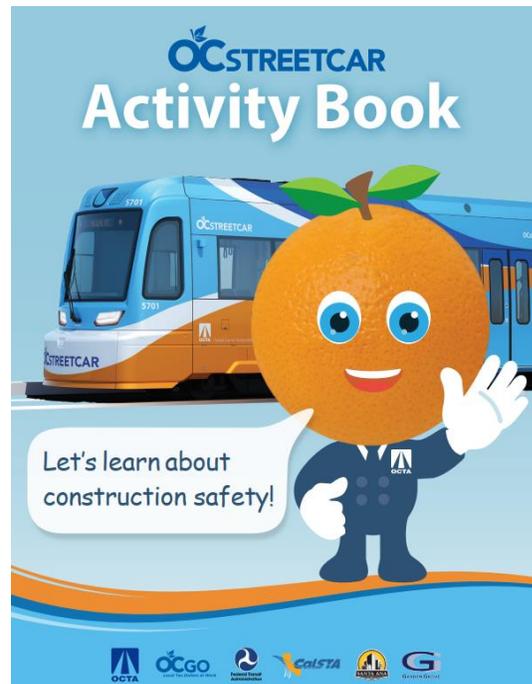
Other Key Project Updates

- Best and final offers were received in response to the operations and maintenance request for proposals
 - Contract award anticipated in April 2020
- Ongoing coordination with the Federal Transit Administration, City of Santa Ana, City of Garden Grove, Orange County Fire Authority, Orange County Flood Control District, and OC Parks



OC Streetcar Outreach – Support

- Eat, Shop, Play
- Dining Guide
- OCTA Employee Program
- Lobby Displays
- Safety Campaign
- Parking Signage



EAT SHOP PLAY
DOWNTOWN SANTA ANA

OC STREETCAR OCTA

Ask about deals from businesses displaying the OC Streetcar decal

The Orange County Transportation Authority (OCTA) Eat Shop Play program supports businesses located along the future OC streetcar route.

We offer marketing assistance to increase exposure and foot traffic during construction.

Benefits to Local Businesses

- Social media and email marketing
- Print and digital ads
- Professional photography & videography
- Coupon promotions

Businesses located along the future OC streetcar route are eligible to sign up for marketing assistance at octa.net/ocstreetcar.

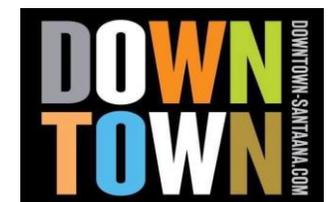
For questions, email ocstreetcar@octa.net.

Stay Connected

- 1(844) 7GO-OCSC or 1(844) 746-6272
- [facebook.com/OCStreetcar](https://www.facebook.com/OCStreetcar)
- @OCStreetcar
- Download the OC Streetcar app

PARTICIPATION IS FREE

OC GO CalSTA



OC Streetcar Outreach – Construction

- E-Blasts
- Social Media
- Flyers and Doorhangers
- Mobile App
- Construction Brochure
- Closed Circuit Television Slides
- Posters with tear-sheets

OCSTREETCAR Mobile App

Mobile App Features

- Filter real-time construction information by location
- Navigate your commute and discover detours routes
- Find answers to frequently asked questions

Available for download in the Apple Store and Google Play

OCstreetcar.com | OCstreetcar@octa.net | 1(844) 7GO-OCSC or 1(844) 746-6272 | facebook.com/OCstreetcar | @OCstreetcar | Download the Streetcar App

Logos: OCTA, OCgo, Federal Transit Administration, CalSTA, Amtrak, GARRISON GROUP

OC Streetcar
@ocstreetcar

Edit profile

Coming in 2022
Próximamente en 2022

OCSTREETCAR
MOVING FORWARD | AVANZANDO

Logos: OCTA, OCgo, Federal Transit Administration, CalSTA, Amtrak, GARRISON GROUP

Coming in 2022
Próximamente en 2022

OCSTREETCAR

PROJECT BENEFITS / BENEFICIOS DEL PROYECTO

- More Travel Options**
Más Opciones de Viaje
- Connects to Metrolink and Amtrak**
Conexiones a Metrolink y Amtrak
- Creates Local Jobs**
Creación de empleos locales

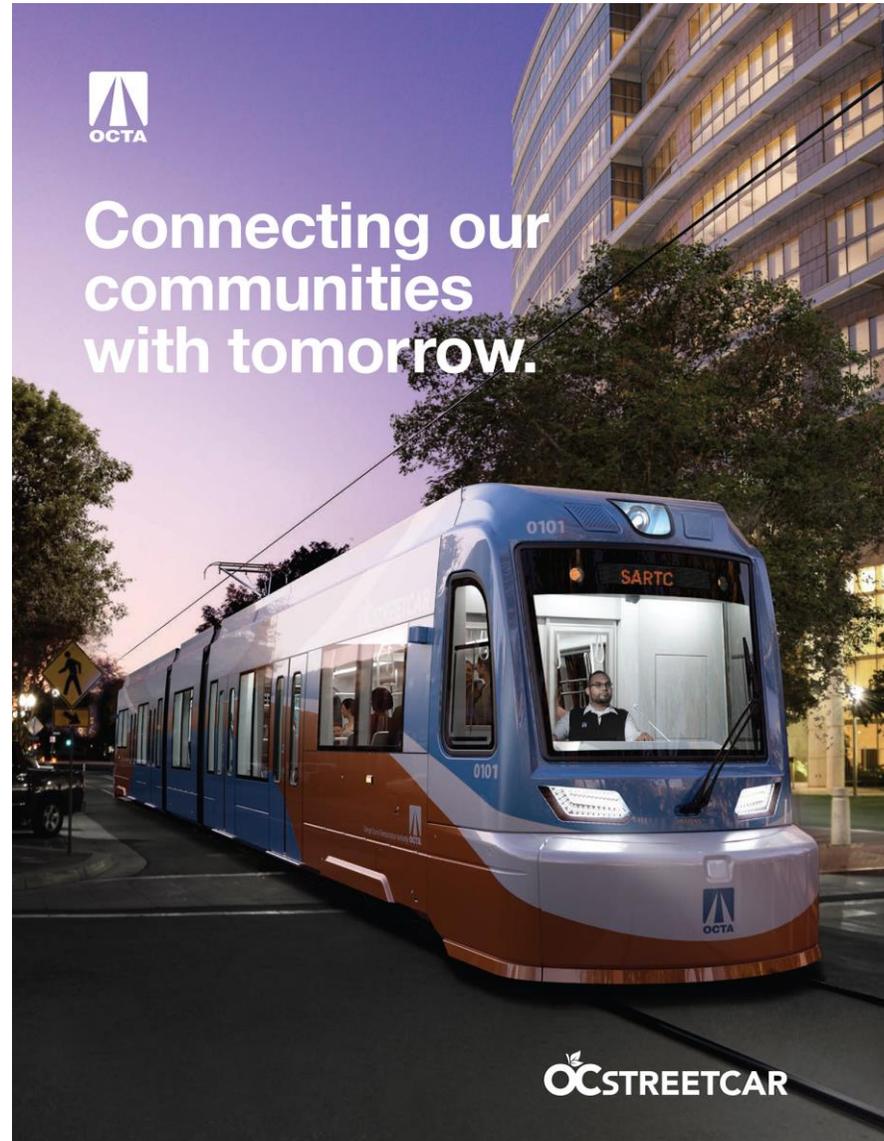
Stay connected during construction! (Manténgase conectado durante la construcción)

Learn more and sign up for email alerts (Obtenga más información y regístrese para recibir alertas por correo electrónico)

Logos: OCTA, OCgo, Federal Transit Administration, CalSTA, Amtrak, GARRISON GROUP

OC Streetcar Awareness Campaign

- Promote brand awareness
- Integrated website design and development
- Brand video
- Benefit-driven brochure





COMMITTEE TRANSMITTAL

March 23, 2020

To: Members of the Board of Directors

From: Laurena Weinert, ^{AW} Clerk of the Board

Subject: Orange County Local Transportation Authority Measure M2 Maintenance of Effort, Agreed-Upon Procedures Report, City of Stanton, Year Ended June 30, 2019

Finance and Administration Committee Meeting of March 11, 2020

Present: Directors Do, Hennessey, Hernandez, Jones, Muller, R. Murphy, and Steel

Absent: None

Committee Vote

This item was passed by the Members present.

Committee Recommendation

Direct staff to develop recommendation(s) for Board of Directors' action related to the status of the City of Stanton's Measure M2 eligibility.



March 11, 2020

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 Maintenance of Effort, Agreed-Upon Procedures Report, City of Stanton, Year Ended June 30, 2019

Overview

Eide Bailly LLP, an independent accounting firm, has applied agreed-upon procedures related to Measure M2 Maintenance of Effort expenditures by the City of Stanton for the fiscal year ended June 30, 2019. Based on the audit, the City of Stanton spent sufficient funds to meet the required minimum expenditures as outlined in a settlement agreement between the City of Stanton and the Orange County Transportation Authority.

Recommendation

Direct staff to develop recommendation(s) for Board of Directors' action related to the status of the City of Stanton's Measure M2 eligibility.

Background

On May 13, 2019, the Orange County Transportation Authority (OCTA) Board of Directors (Board) found the City of Stanton (City) ineligible to receive Measure M2 revenues after an audit found that the City had not met the minimum Maintenance of Effort (MOE) requirement of the Measure M2 Ordinance (Ordinance). In addition, the Board directed staff to conduct an audit of the City for the fiscal year (FY) ending June 30, 2019, to assess compliance with MOE requirements and to increase the MOE requirement for FY 2018-19 by the shortfall amount identified in the FY 2017-18 audit.

A written settlement agreement, dated July 22, 2019, was executed between OCTA and the City which outlined requirements for the City to re-establish eligibility. Among other items, the settlement agreement required the City to

undergo, and pay for, an audit of FY 2018-19 to determine compliance with MOE requirements.

Discussion

Eide Bailly LLP (auditors), tested a sample of MOE expenditures for FY 2018-19, and found the City met the minimum required expenditures per the settlement agreement with OCTA.

Per the settlement agreement, the City was required to spend \$252,775 in MOE. The City reported total MOE expenditures of \$303,195, and the auditors tested \$163,627, or 54 percent, for compliance with the Ordinance. After removing \$12,413 in ineligible expenditures, the City still met the minimum requirement.

The detailed audit report can be found at Attachment A.

Summary

The auditors have completed agreed-upon procedures related to Measure M2 MOE expenditures for the City for FY ended June 30, 2019.

Attachment

- A. Measure M2 Maintenance of Effort Agreed-Upon Procedures Report Year Ended June 30, 2019 Orange County Local Transportation Authority – City of Stanton

Prepared by:



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



Measure M2 Maintenance of Effort
Agreed-Upon Procedures Report
Year Ended June 30, 2019

Orange County
Local Transportation Authority –
City of Stanton



**Independent Accountant’s Report on Applying
Agreed-Upon Procedures — City of Stanton, California**

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

We have performed the procedures enumerated below, which were agreed to by the Board of Directors of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of Stanton’s (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2019. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. We obtained the Settlement Agreement between OCTA and the City and identified the required minimum amount to be spent on MOU expenditures.

Findings: The City was required to spend \$252,775 in MOE expenditures during the fiscal year ended June 30, 2019, which included \$245,213 for FY 2018-19 MOE expenditures and \$7,562 of MOE shortfall from fiscal year 2017-18. No exceptions were found as a result of this procedure.

2. We documented which funds the City used to track all street and road expenditures and inquired how the City identifies MOE expenditures in its general ledger.

Findings: All MOE expenditures were tracked in the general ledger by fund, program, and activity. The City recorded its MOE expenditures in its General Fund (101) under the Street Maintenance Department (3500). No exceptions were found as a result of this procedure.

3. We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2019 and determined whether the City met the minimum MOE requirement. We agreed the total MOE expenditures to the amount reported on the City’s Expenditure Report (Schedule 3, line 18), explaining any differences.

Findings: The City’s MOE expenditures for the fiscal year ended June 30, 2019 were \$303,195 (see Schedule A), which exceeded the requirement. We agreed the total expenditures of \$303,195 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.

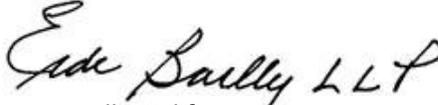
4. We haphazardly selected a sample of MOE expenditures from the City's general ledger expenditure detail. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation. For indirect charges, we reviewed supporting documentation for reasonableness and appropriate methodology.
 - b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: MOE expenditures tested totaled \$163,627, representing approximately 54% of total MOE expenditures for the fiscal year ended June 30, 2019. We identified eleven expenditures, totaling \$12,413 that were not properly classified as local street and road expenditures, nor were the costs allowable per the Ordinance. However, after removing the amounts from total MOE expenditures, the City continued to meet the minimum MOE requirement. No other exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, 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.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purposes 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 the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.


Laguna Hills, California
March 4, 2020

Orange County Local Transportation Authority
 Schedule of Measure M2 Maintenance of Effort Expenditures (Unaudited)
 City of Stanton, California
 Year Ended June 30, 2019

Schedule A

Maintenance of Effort (MOE) Expenditures:

Maintenance:

Other Street Purpose Maintenance - Schedule 3, line 15	\$ 122,846
Indirect and/or Overhead - Schedule 3, line 1	180,349
Total MOE expenditures	303,195

MOE Benchmark 2018-19	\$ 245,213
MOE Shortfall 2017-18	7,562
Total required MOE expenditures	252,775

Direct MOE expenditures tested	\$ 106,124
Indirect MOE expenditures tested	57,503
Total MOE expenditures tested	163,627

% tested of total MOE expenditures 54%

Ineligible costs identified	12,413
Total Allowable MOE expenditures Tested	\$ 151,214

% allowable tested of required MOE expenditure total 60%

Note:

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



David J. Shawver
Mayor

Carol Warren
Mayor Pro Tem

Gary Taylor
Council Member

Hong Alyce Van
Council Member

Rigoberto A. Ramirez
Council Member

Jarad L. Hildenbrand
City Manager

March 4, 2020

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Transportation Ordinance for the City Stanton as of and for the fiscal year ended June 30, 2019.

Procedure #4

We haphazardly selected a sample of MOE expenditures from the City's general ledger expenditure detail. For each item selected, we performed the following:

- a. Agreed 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. For indirect charges, we reviewed supporting documentation for reasonableness and appropriate methodology.
- b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: MOE expenditures tested totaled \$163,627, representing approximately 54% of total MOE expenditures for the fiscal year ended June 30, 2019. We identified twelve expenditures, totaling \$12,413 that were not properly classified as local street and road expenditures, nor were the costs allowable per the Ordinance. However, after removing the amounts from total MOE expenditures, the City continued to meet the minimum MOE requirement. No other exceptions were found as a result of this procedure.

City's Response:

Management has reviewed the types of expenditures that were disallowed by the auditors with the Public Works Department's staff who are responsible for coding vendor invoices to inform them of the appropriate division these expenditures should be coded to in the future. For fiscal year 2019-20, Finance Department staff is working with Public Works Department staff to scan the expenditure detail to reclassify similar costs that may have been incorrectly coded to the street maintenance division before the completion of the Measure M2 audit.

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Page Two

Sincerely,



Jarad Hildenbrand, City Manager



Michelle Bannigan, Director of Finance



Allan Rigg, Director of Public Works



COMMITTEE TRANSMITTAL

March 23, 2020

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Orange County Local Transportation Authority Measure M2 Maintenance of Effort, Agreed-Upon Procedures Report, City of Santa Ana, Year Ended June 30, 2019

Finance and Administration Committee Meeting of March 11, 2020

Present: Directors Do, Hennessey, Hernandez, Jones, Muller, R. Murphy, and Steel

Absent: None

Committee Vote

This item was passed by the Members present.

Committee Recommendation

Direct staff to develop recommendation(s) for Board of Directors' action related to the status of the City of Santa Ana's Measure M2 eligibility.



March 11, 2020

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 Maintenance of Effort, Agreed-Upon Procedures Report, City of Santa Ana, Year Ended June 30, 2019

Overview

Eide Bailly LLP, an independent accounting firm, has applied agreed-upon procedures related to Measure M2 Maintenance of Effort expenditures by the City of Santa Ana for the fiscal year ended June 30, 2019. Based on the audit, the City of Santa Ana spent sufficient funds to meet the required minimum expenditures as outlined in a settlement agreement between the City of Santa Ana and the Orange County Transportation Authority.

Recommendation

Direct staff to develop recommendation(s) for Board of Directors' action related to the status of the City of Santa Ana's Measure M2 eligibility.

Background

On May 13, 2019, the Orange County Transportation Authority (OCTA) Board of Directors (Board) found the City of Santa Ana (City) ineligible to receive Measure M2 revenues after an audit found that the City had not met the minimum Maintenance of Effort (MOE) requirement of the Measure M2 Ordinance. In addition, the Board directed staff to conduct audits of the City for the fiscal years (FY) ending June 30, 2019 and June 30, 2020, to assess full (100 percent) compliance with MOE requirements and to increase the MOE requirement for FY 2018-19 by the shortfall amount identified in the FY 2017-18 audit.

A written settlement agreement, dated October 22, 2019, was executed between OCTA and the City which outlined requirements for the City to re-establish

eligibility. Among other items, the settlement agreement required the City to undergo, and pay for, audits for FY 2018-19 and 2019-20, to determine compliance with MOE requirements.

Discussion

Eide Bailly LLP (auditors), tested MOE expenditures representing 100 percent of the City's minimum required expenditures and found it met the minimum required expenditures per the settlement agreement with OCTA.

Minimum required MOE expenditures totaled \$8,018,429, per the settlement agreement. The City spent a total of approximately \$10.7 million per its expenditure report and detailed general ledger. Of the amount spent, the auditors tested \$8,761,215 and, after removing ineligible and questioned expenditures, found that the City met the minimum required expenditures.

The detailed audit report can be found at Attachment A.

Summary

The auditors have completed agreed-upon procedures related to Measure M2 MOE expenditures for the City for FY ended June 30, 2019.

Attachment

- A. Measure M2 Maintenance of Effort Agreed-Upon Procedures Report
Year Ended June 30, 2019 Orange County Local Transportation
Authority – City of Santa Ana

Prepared by:



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



Measure M2 Maintenance of Effort
Agreed-Upon Procedures Report
Year Ended June 30, 2019

Orange County
Local Transportation Authority –
City of Santa Ana



**Independent Accountant's Report on Applying
Agreed-Upon Procedures — City Santa Ana, California**

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

We have performed the procedures enumerated below, which were agreed to by the Board of Directors of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of Santa Ana's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2019. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. We obtained the Settlement Agreement between OCTA and the City and identified the required minimum amount to be spent on MOU expenditures.

Findings: The City was required to spend \$8,018,429 in MOE expenditures during the fiscal year ended June 30, 2019, which included \$7,755,107 for 2018-19 MOE expenditures and \$263,322 of MOE shortfall from fiscal year 2017-18. No exceptions were found as a result of this procedure.

2. We documented which funds the City used to track all street and road expenditures and inquired how the City identifies MOE expenditures in its general ledger.

Findings: All MOE expenditures were tracked in the general ledger by fund, program, and activity. The City recorded its MOE expenditures in its General Fund under the following accounting units: Roadway Markings/Signs (AU 01117625), Street Light Maintenance (AU 01117630), Street Trees (AU 01117643), Street Lights (AU 05117620), Traffic/Transportation Engineering (AU 01117620), and Graffiti Abatement Program (AU 01117642). No exceptions were found as a result of this procedure.

3. We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2019 and determined whether the City met the minimum MOE requirement. We agreed the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18), explaining any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2019 were \$10,738,892 (see Schedule A), which exceeded the requirement. We agreed the total expenditures of \$10,738,892 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.

4. We tested MOE expenditures representing 100 percent of the City's minimum required expenditures, from the City's general ledger expenditure detail. For each item selected, we performed the following:
 - a. Agreed 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. For indirect charges, we reviewed supporting documentation for reasonableness and appropriate methodology.
 - b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: MOE expenditures tested totaled \$8,761,215, representing approximately 109% of the minimum required for the fiscal year ended June 30, 2019. Of the total tested, we identified the following exceptions:

- \$341,070 of expenditures were not allowable per the Ordinance, as they were not local street and road expenditures.
- \$71,864 of expenditures were questioned due to lack of support demonstrating that the expenditures were eligible local street and road expenditures.
- \$225,000 in graffiti removal expenditures were questioned after testing of the City's methodology for allocating these costs and identified a 35% error rate.

After removing \$637,934 from total MOE expenditures, the City continued to meet the minimum MOE requirement, with \$8,123,281 in expenditures tested, or 101% of the MOE benchmark. No other exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, 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.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purposes 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 the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.


Laguna Hills, California
February 28, 2020

Orange County Local Transportation Authority
 Schedule of Measure M2 Maintenance of Effort Expenditures (Unaudited)
 City of Santa Ana, California
 Year Ended June 30, 2019

Schedule A

Maintenance of Effort (MOE) Expenditures:

Maintenance:

Street Lights & Traffic Signals - Schedule 3, line 13	\$ 5,369,845
Other Street Purpose Maintenance - Schedule 3, line 15	2,991,125

Construction:

Signals, Safety Devices & Street Lights - Schedule 3, line 4	1,719,634
Indirect and/or Overhead - Schedule 3, line 1	658,288
Total MOE expenditures	10,738,892

MOE Benchmark 2018-19	\$ 7,755,107
MOE Shortfall 2017-18	263,322
Total required MOE expenditures	8,018,429

Direct MOE expenditures tested	\$ 8,102,927
Indirect MOE expenditures tested	658,288
Total MOE expenditures Tested	8,761,215

Ineligible costs identified	341,070
Questioned costs identified (non-graffiti removal)	71,864
Questioned costs identified (graffiti removal)	225,000
Total exceptions	637,934
Total allowable MOE expenditures tested	\$ 8,123,281

% allowable tested of required MOE expenditure total	101%
--	------

Note:

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

MAYOR
Miguel A. Pulido
MAYOR PRO TEM
Juan Villegas
COUNCILMEMBERS
Phil Bacerra
Cecilia Iglesias
David Penalzoa
Vicente Sarmiento
Jose Solorio



EXHIBIT 1
CITY MANAGER
Kristine Ridge
CITY ATTORNEY
Sonia R. Carvalho
CLERK OF THE COUNCIL
Daisy Gomez

CITY OF SANTA ANA

20 Civic Center Plaza • P.O. Box 1988
Santa Ana, California 92702
www.santa-ana.org

February 28, 2020

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Transportation Ordinance for the City of Santa Ana as of and for the fiscal year ended June 30, 2019.

Procedure #4

We tested MOE expenditures representing 100 percent of the City's minimum required expenditures, from the City's general ledger expenditure detail. For each item selected, we performed the following:

- a. Agreed 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. For indirect charges, we reviewed supporting documentation for reasonableness and appropriate methodology.
- b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: MOE expenditures tested totaled \$8,761,215, representing approximately 109% of the minimum required for the fiscal year ended June 30, 2019. Of the total tested, we identified the following exceptions:

- \$341,070 of expenditures were not allowable per the Ordinance, as they were not local street and road expenditures.
- \$71,864 of expenditures were questioned due to lack of support demonstrating that the expenditures were eligible local street and road expenditures.
- \$225,000 in graffiti removal expenditures were questioned after testing of the City's methodology for allocating these costs and identified a 35% error rate.

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After removing \$637,934 from total MOE expenditures, the City continued to meet the minimum MOE requirement, with \$8,123,281 in expenditures tested, or 101% of the MOE benchmark. No other exceptions were found as a result of this procedure.

City's Response:

- The Public Works Agency (PWA), with the assistance of the Finance and Management Services Agency, will update its department procedures to properly identify and code Maintenance of Effort (MOE) expenditures to ensure only eligible costs associated with Right-of Way are included in the General Fund accounting units identified for MOE.
- The City will review internal charges to ensure that MOE eligible expenditures are properly supported. MOE employee labor hours will be supported by daily timesheets and/or crew logs.
- PWA will review procedures related to graffiti services and explore the possibility of adding additional categories under the graffiti tracking system to improve the allocation process for MOE eligible expenditures.

With the implementation of procedures noted above, the City will continue to meet its MOE requirements.

Sincerely,



Kristine Ridge, City Manager



Kathryn Downs, Executive Director
Finance and Management Services
Agency



Nabil Saba, Acting Executive
Director of Public Works

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COMMITTEE TRANSMITTAL

April 13, 2020

To: Members of the Board of Directors

From: Laurena Weinert,  Clerk of the Board

Subject: Fiscal Year 2020-21 Updates to the Measure M2 Eligibility, Local Signal Synchronization Plan, and Pavement Management Plan Guidelines

Regional Planning and Highways Committee Meeting of April 6, 2020

Present: Directors Bartlett, Chaffee, Delgleize, Muller, M. Murphy, and R. Murphy

Absent: Director Pulido

Committee Vote

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Committee Recommendations

- A. Approve proposed revisions to the Fiscal Year 2020-21 Measure M2 Eligibility Guidelines.
- B. Direct staff to reevaluate maintenance of effort requirements for fiscal year 2020-21 pending a review of the economic impacts of the Coronavirus.
- C. Approve proposed revisions to the Guidelines for the Preparation of Local Signal Synchronization Plans 2020.
- D. Approve proposed revisions to the Countywide Pavement Management Plan Guidelines.



April 6, 2020

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is written over the "From:" line.

Subject: Fiscal Year 2020-21 Updates to the Measure M2 Eligibility, Local Signal Synchronization Plan, and Pavement Management Plan Guidelines

Overview

The Orange County Transportation Authority regularly develops and updates guideline documents, including the Measure M2 Eligibility Guidelines, Guidelines for the Preparation of Local Signal Synchronization Plans, and Guidelines for Countywide Pavement Management Plans to assist local agencies in completing Measure M2 eligibility requirements. Proposed revisions for each of these documents have been developed and are recommended for Board of Directors' consideration and approval.

Recommendations

- A. Approve proposed revisions to the Fiscal Year 2020-21 Measure M2 Eligibility Guidelines.
- B. Direct staff to reevaluate maintenance of effort requirements for fiscal year 2020-21 pending a review of the economic impacts of the Coronavirus.
- C. Approve proposed revisions to the Guidelines for the Preparation of Local Signal Synchronization Plans 2020.
- D. Approve proposed revisions to the Countywide Pavement Management Plan Guidelines.

Background

The Orange County Transportation Authority's (OCTA) Ordinance No. 3 specifies requirements that local agencies must satisfy to be eligible to receive net Measure M2 (M2) revenues. To assist local agencies with these requirements, OCTA regularly develops and updates guideline documents, which include M2 Eligibility Guidelines (Eligibility Guidelines), the Guidelines for the Preparation of Local Signal Synchronization Plans (LSSPs), and Guidelines for Countywide Pavement Management Plans (PMPs).

Staff has completed a review of each of these guidelines and are recommending approval of proposed revisions (discussed below) in order to both satisfy and support local agencies in meeting M2 eligibility requirements. All of the proposed revisions incorporate feedback received from local agencies during previous eligibility cycles and also include updates to better streamline and clarify M2 eligibility document development, submittal, and review processes for the M2 Fiscal Year (FY) 2020-21 Eligibility Review Cycle (Eligibility Review Cycle).

It should be noted that while these guidelines and OCTA's staff review support of eligibility submittals are intended to assist local agencies in completing required M2 eligibility processes, it is ultimately local agencies' responsibility to ensure that they meet and satisfy all required M2 eligibility requirements each year.

Discussion

Eligibility Guidelines

The Eligibility Guidelines specify basic requirements and procedures that local agencies must adhere to in order to establish and maintain M2 funding eligibility on an annual basis.

Currently, proposed revisions to the Eligibility Guidelines include:

- Updates to required due dates;
- The addition of a section on audits;
- An update to the maintenance of effort (MOE) benchmark table to reflect the MOE benchmark adjustment process (described below);
- Inclusion of an updated resolution for the LSSP requirement; and
- Streamlining of the Circulation Element/Master Plan of Arterial Highways Consistency and Congestion Management Program sections.

Other changes include minor updates to the eligibility checklist, general wording modifications, expansion on certain concepts, and technical clarifications throughout the document and appendices.

A summary of proposed revisions to the Eligibility Guidelines is provided in Attachment A, and a redlined version of proposed changes to the Eligibility Guidelines is provided in Attachment B.

MOE Benchmark Adjustment

One change to the Eligibility Guidelines was the MOE benchmark adjustment; which per M2, OCTA is required to calculate and update every three FYs, based upon the percentage of growth in the California Department of Transportation's Construction Cost Index (CCI) for the three preceding calendar years. However, if the growth in a local agencies' general fund revenues (GFRs) are less than CCI growth for the same period, the GFRs growth value is used as the escalation factor.

To calculate this adjustment, OCTA solicited from each local agency excerpts from their FY 2018-19 Comprehensive Annual Financial Reports (CAFRs)¹. A comparison of the growth in GFRs from 2016 through 2019 was then calculated. These findings were then compared to the growth rate in the CCI for the same period, which was 16.58 percent. MOE benchmark adjustments were then calculated for each local agency (with the exception of the County of Orange²) based upon the lesser of these two percentages. Recommended MOE benchmark adjustments are identified in Attachment C.

Given the economic and financial impacts anticipated to occur as a result of the Coronavirus (COVID-19), it is requested that the Board of Directors (Board) direct staff to examine the potential impacts to the local agencies related to the MOE requirement. The ordinance did not consider a situation such as the current pandemic, and this particular requirement needs to be reviewed as it is possible that some of the local agencies may experience negative growth in general fund revenue in FY 2020-21. Staff will keep the Board apprised on status and options through M2 quarterly reports initially, and specific Board items once options have been developed.

¹ The City of Villa Park (City) has not released or adopted a final CAFR. It has; however, provided a trial balance in order to calculate an estimated benchmark adjustment. As such, the recommended MOE benchmark adjustment may require further updating once the City adopts their CAFR.

² Orange County Public Works and their predecessor agencies did not (and continue to not) use discretionary funds for transportation purposes. Instead they fund transportation with various restricted and/or partially restricted funding sources.

Guidelines for the Preparation of LSSPs Guidelines

M2 also requires local agencies, on a triennial basis, to develop and update their respective LSSPs. During the FY 2020-21 eligibility review cycle, LSSPs will be required to be submitted. As such, a review of the LSSP Guidelines was completed and minor date, process, and formatting adjustments are recommended (see Attachment D).

Countywide PMP Guidelines

The PMP Guidelines establish a consistent methodology for local agencies to evaluate and report on pavement conditions, monitor changes, anticipate expected improvements, and verify compliance with M2's PMP requirements. For these guidelines, staff is recommending revising the acceptable criteria formula, updating dates, and revising Appendix B (Page B-1 in the PMP Guidelines) to list current prequalified pavement inspection consultants. These proposed revisions to the PMP Guidelines are identified and included in a redlined version of that document, which is provided in Attachment E.

Next Steps

Upon Board approval of the recommended guidelines revisions, the eligibility review recycle will be initiated. In addition to public outreach and a workshop (anticipated in April), staff will also coordinate with all local agencies throughout the eligibility review cycle in order to facilitate timely submittal of all required M2 eligibility components for this FY. Staff will also review the MOE component in light of the impacts of COVID-19 on the economy and may return with additional recommendations. Upon completion of the eligibility review cycle, staff will return to the Board to seek approval of M2 eligibility findings and recommendations through a two-phased process, with the first component being submitted for Board consideration in December 2020, and the second and final component being submitted in spring 2021.

Summary

Proposed modifications to the Eligibility Guidelines (including MOE benchmark adjustments), LSSP Guidelines, and PMP Guidelines are recommended to support and facilitate the initiation of the eligibility review cycle. Upon Board approval of the recommended guidelines revisions, the first phase of the eligibility review cycle will commence.

Attachments

- A. Revisions to the Measure M2 Eligibility Guidelines
- B. Measure M2 Eligibility Guidelines, Fiscal Year 2020/2021
- C. MOE Benchmark by Local Agency
- D. Guidelines for the Preparation of Local Signal Synchronization Plans 2020
- E. Countywide Pavement Management Plan Guidelines, April 2020

Prepared by:



Kelsey Imler
Associate Transportation Funding Analyst
(714) 560-5397

Approved by:



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

Revisions to the Measure M2 Eligibility Guidelines

Proposed Substantive Changes:

- **Page 2** – Expanding upon the intent and allowable activities of the Local Fair Share Program.
- **Page 3** – Adding a section on audits in Chapter 1.
- **Page 5** – Updating deadlines in the eligibility requirements table consistent with eligibility requirements discussed in Chapter 2.
- **Page 7-8** – Editing the Circulation Element/Master Plan of Arterial Highways consistency section to be more concise and reference the “Guidance for Administration of the Orange County Master Plan of Arterial Highways” manual.
- **Page 9** – Updating Exhibit 1 with the latest centerline mileage that is used to calculate Local Fair Share payments.
- **Page 10** – Editing the Congestion Management Program section to be more concise.
- **Page 11** – Clarifying that the expenditure report is self-certified by the jurisdiction and that Orange County Transportation Authority’s (OCTA) review is to check for consistency with Measure M2 disbursements only. Further clarifying that OCTA’s review and receipt of expenditure reports does not constitute approval, and the document is subject to audit.
- **Page 12-13** – Referencing the Gas Tax Guidelines where eligible maintenance of effort (MOE) expenditures are outlined. Emphasizing the importance of jurisdictions exceeding their MOE benchmark. Clarifying that it is the local jurisdiction’s responsibility to ensure expenditures on the MOE certification form are eligible.
- **Page 14** – Updating Exhibit 2 with the latest MOE benchmark adjustments.
- **Page 17** – Updating deadlines for eligibility requirements on Exhibit 3.
- **Page 18** – Clarifying the encumbrance and expenditure deadlines for competitive programs.

Revisions to the Measure M2 Eligibility Guidelines

- **Pages 22-23** – Clarifying that OCTA’s review and receipt of expenditure reports does not constitute approval, and the document is subject to audit. Clarifying the Annual Eligibility Review Subcommittee and the Taxpayer Oversight Committees’ role in eligibility.
- **Page 24-25** – Expanding on the eligibility non-compliance consequences and Board of Directors process related to ineligibility.
- **Appendix D** – Striking out eligibility requirements that are due as part of the fiscal year (FY) 2020-21 eligibility cycle.
- **Appendix E** – Striking out the Master Plan of Arterial Highway Circulation Element Consistency and Mitigation Fee Program resolutions and adding the Local Signal Synchronization Plan resolution.
- **Appendix G** – Graying out the “other” cell of “MOE” column and adding Finance Director initial to confirm understanding of MOE on schedule 3. Adding additional Finance Director certification checkboxes on the signature page and also acknowledging the OCTA Coronavirus waiver for FY 2022-21.
- **Appendix I** – Adding Finance Director certification of awareness of and compliance with the “Guidelines Relating to Gas Tax Expenditures for Cities and Counties” regarding MOE expenditures, and that the jurisdiction has budgeted and will meet its MOE requirement.



MEASURE M2 ELIGIBILITY GUIDELINES

FISCAL YEAR 2020 / 2021



ORANGE COUNTY TRANSPORTATION AUTHORITY

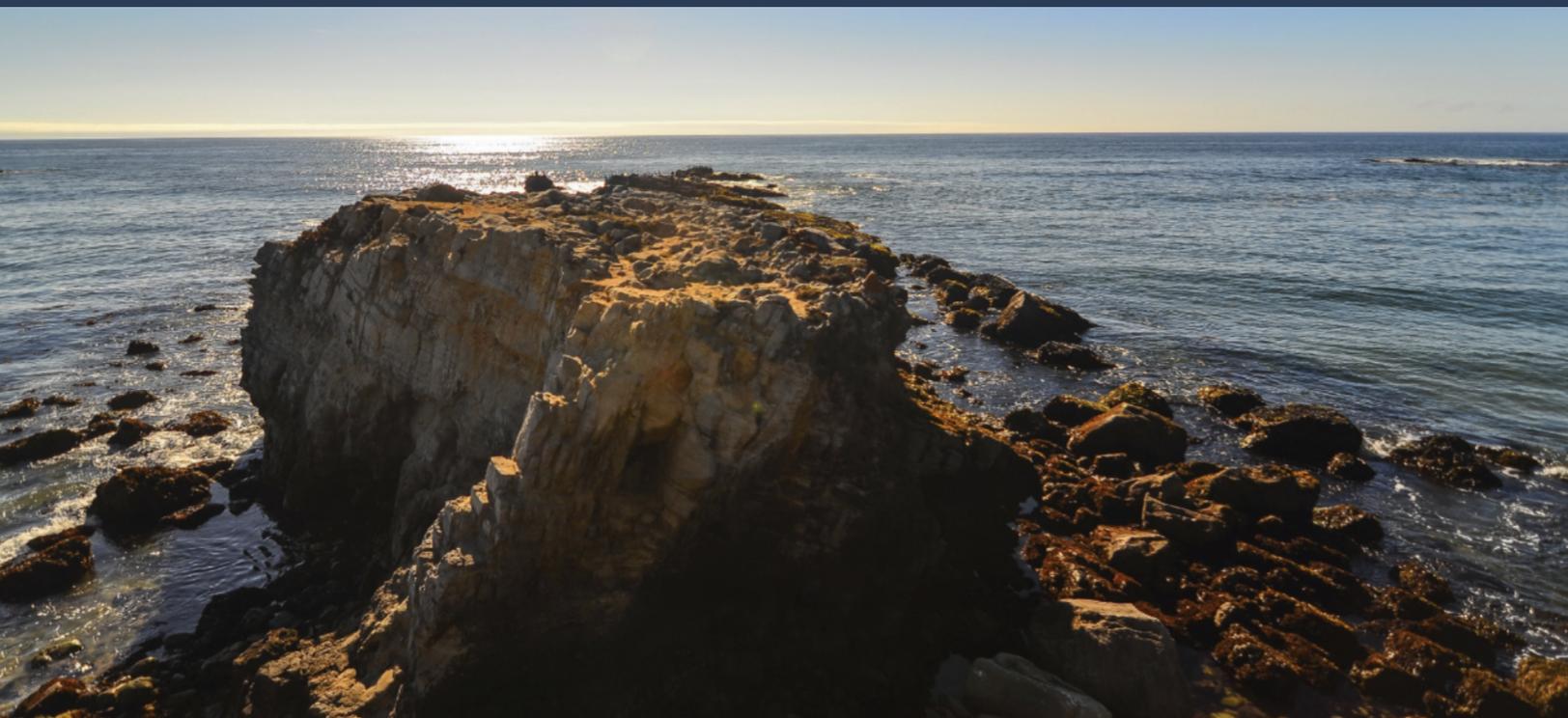


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Chapter 1 – Eligibility Overview

1.1 Introduction

On November 6, 1990, the voters in Orange County approved a ½-cent sales tax for transportation improvements known as Measure M. On November 7, 2006, voters approved a renewal of the original sales tax measure (M2) to continue the ½-cent sales tax for thirty years, beginning in 2011. Major improvement plans target Orange County freeways, streets and roads, transit and environmental programs.

The [Measure M2 Ordinance](#), included as Appendix A, outlines the eligibility requirements that local jurisdictions must satisfy ~~annually in order~~ to receive M2 Net Revenues. The M2 Eligibility Guidelines (Eligibility Guidelines) provide the resources local jurisdictions need to remain eligible to participate in M2 funding programs. Guidelines for newly incorporated cities are outlined in Appendix B.

Net Revenues are generated from the transactions and use tax plus any interest or other earnings, after allowable deductions. Net Revenues may be allocated to local jurisdictions for a variety of programs and the Orange County Transportation Authority (OCTA) shall allocate the Net Revenues to freeways, environmental, transit, and streets and roads projects.

Freeway Projects

Orange County freeways will receive forty-three percent (43%) of Net Revenues. Relieving congestion on State Route 91 is the centerpiece of the freeway program. Other major projects include improving Interstate 5 (I-5) in south Orange County, Interstate 405 (I-405) in west Orange County and State Route 57 in North Orange County. Under the plan, major traffic chokepoints on almost every freeway will be improved.

Environmental Programs

To address any environmental impact of freeway improvements, five percent (5%) of the allocated freeway funds will be used for environmental mitigation programs. A Master Agreement between OCTA and state and federal resource jurisdictions will provide higher-value environmental benefits such as habitat protection, wildlife corridors and resource preservation in exchange for streamlined project approvals for the freeway program as a whole. Funds are also available under the Environmental Cleanup Program (ECP) to implement water quality improvement projects.

Transit Projects

Orange County's rail and bus service will receive twenty-five percent (25%) of Net Revenues. These funds will be used to add transit extensions to the Metrolink corridor, reduce bus fares for senior citizens and persons with disabilities, and establish local bus circulators.

Streets and Roads Projects

Orange County has more than 7,300 lane miles of streets and roads; many in need of repair and rehabilitation. This sales tax measure will allocate thirty-two percent (32%) of Net Revenues to streets and roads. These funds will help fix potholes, improve intersections, synchronize traffic signals countywide, and make the existing network of streets and roads safer and more efficient.

The allocation of thirty-two percent (32%) of the Net Revenues for Streets and Roads Projects shall be made as follows:

1. Ten percent (10%) of the Net Revenues shall be allocated to Project O, Regional Capacity Program (RCP).
2. Four percent (4%) of the Net Revenues shall be allocated to Project P, Regional Traffic Signal Synchronization Program (RTSSP).
3. Eighteen percent (18%) of the Net Revenues shall be allocated to Project Q, Local Fair Share (LFS) Program.

1.2 Competitive Funds

OCTA shall select projects through a competitive process for the RCP, RTSSP, various transit programs (Projects S, T, V, and W), and the ECP (Project X). The criteria for selecting these projects are included in the Comprehensive Transportation Funding Programs (CTFP) Guidelines. The process for calculating and distributing LFS funds are described in Section 1.3.

1.3 Local Fair Share (LFS) Funds

The LFS Program is a formula-based allocation provided to eligible jurisdictions for use on allowable transportation planning and implementation activities. It is intended to provide flexible funding to help jurisdictions keep up with the rising cost of repairing the aging street system. In addition, cities can use these funds for other local transportation needs such as residential street projects, traffic and pedestrian safety near schools, signal priority for emergency vehicles, etc. The LFS Program is funded through an eighteen percent (18%) allocation from Net Revenues and is distributed to eligible jurisdictions on a formula basis as determined by the following:

- Fifty percent (50%) is divided between eligible jurisdictions based upon the ratio of the jurisdiction's population to the County's total population, each from the previous calendar year.
- Twenty-five percent (25%) is divided between eligible jurisdictions based upon the ratio of the jurisdiction's existing Master Plan of Arterial Highways (MPAH) centerline miles to the total MPAH centerline miles within the County as determined annually by OCTA.
- Twenty-five percent (25%) is divided between eligible jurisdictions based upon the ratio of the jurisdiction's total taxable sales to the total taxable sales for the County, each from the previous calendar year.
- OCTA contracts with three universities (Chapman University; University of California, Los Angeles; and California State University, Fullerton) to provide a long-range forecast of taxable sales to forecast M2 revenues for the purposes of planning projects and program expenditures. In the past, OCTA has taken an average of the three university taxable sales projections to develop a long-range forecast of taxable sales. On March 28, 2016, as part of the FY 2016-17 budget development process, the Board approved a new sales tax forecast methodology. The new methodology includes a more conservative approach by utilizing a five-year forecast from MuniServices, Inc. The resulting revenue estimates are used for programming of competitive funds and as a guide for local jurisdiction planning within their respective Capital Improvement Programs (CIPs).

1.4 Eligibility Requirements for Net Revenues

Every year, OCTA determines if a local jurisdiction is eligible to receive M2 Net Revenues. A local jurisdiction must satisfy certain requirements as outlined in the Ordinance. Specifically, a jurisdiction must:

- Comply with the conditions and requirements of the Orange County Congestion Management Program (CMP)
- Establish a policy which requires new development to pay its fair share of transportation-related improvements associated with their new development
- Adopt a General Plan Circulation Element consistent with the MPAH
- Adopt and update a Capital Improvement Program (CIP)
- Participate in Traffic Forums
- Adopt and maintain a Local Signal Synchronization Plan (LSSP)
- Adopt and update biennially a Pavement Management Plan (PMP)
- Adopt and provide an annual Expenditure Report to OCTA
- Provide OCTA with a Project Final Report within six months following completion of a project funded with Net Revenues
- Agree to expend Net Revenues received through M2 within three years of receipt
- Satisfy Maintenance of Effort (MOE) requirements
- Agree that Net Revenues shall not be used to supplant developer funding
- Consider, as part of the eligible jurisdiction's General Plan, land use and planning strategies that accommodate transit and non-motorized transportation

1.5 Audits

Eligibility requirements are subject to audit. Audits shall be conducted by the OCTA Internal Audit Department or other authorized agent either through a regular annual process or on a schedule to be determined by the OCTA Board. Local agencies are responsible for meeting eligibility requirements and applicable laws regarding the use of public funds. Failure to submit to an audit in a timely manner may result in loss of future funding. Audit findings may result in an ineligibility determination and/or other sanctions. Please see Chapter 4 for more information regarding ineligibility and non-compliance consequences.

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Chapter 2 – Eligibility Requirements

The annual eligibility process relies upon a variety of reporting methods to verify local jurisdiction compliance. Most methods leverage tools routinely used in the public planning process while others require certification forms or specialized reports. Templates, forms, and report formats are included as appendices to these guidelines and are available in electronic format. The table below summarizes certification frequency and documentation requirements.

Compliance Category	Schedule	Documentation
Capital Improvement Program (CIP)	Annual Next submittal is due June 30²⁸ , 20 20 ¹⁹ .	<ul style="list-style-type: none"> Electronic (online) and hard copy of OC Fundtracker CIP Report, hard copy City Council/Board of Supervisors approval by July 31, 2020.
Circulation Element/MPAH Consistency	Biennial/Odd numbered years Next submittal is due June 30²⁸ , 20 21 ¹⁹ .	<ul style="list-style-type: none"> Resolution (Appendix E) Circulation Element Exhibit Arterial Highway Mileage Change Report (Appendix H) Certify that the Circulation Element is consistent with MPAH in the Eligibility Checklist (Appendix D)
Congestion Management Program (CMP)	Odd numbered years Next submittal is due June 30²⁸ , 20 21 ¹⁹ .	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D Include projects to address deficient intersections in CIP (if applicable) CMP Checklist (Appendix C)
Expenditure Report	Annual – six months after end of fiscal year Next submittal is due December 31, 20 20 ¹⁹ .	<ul style="list-style-type: none"> Expenditure Report and resolution (Appendix G)
Local Signal Synchronization Plan (LSSP)	Every three years Next submittal is due June 30, 2020	<ul style="list-style-type: none"> Copy of plan Resolution (Appendix E)
Maintenance of Effort (MOE)	Annual Next submittal is due June 30²⁸ , 20 20 ¹⁹ .	<ul style="list-style-type: none"> MOE Certification form (Appendix I) signed by Finance Director or equivalent designee that meets/exceeds MOE Benchmark in Exhibit 2 Budget excerpts and fund key
Mitigation Fee Program (MFP)	Biennial/Odd numbered years Next submittal is due June 30²⁸ , 20 21 ¹⁹ . ¹	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D Copy of nexus study, revised impact fee schedule, or process methodology Resolution (Appendix E)
No Supplanting Existing Commitments	Annual Next submittal is due June 30²⁸ , 20 20 ¹⁹ .	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D
Pavement Management Plan (PMP)	Every two years Next submittal for odd-even year agencies is due June 30²⁸ , 20 20 ¹⁹ . Refer to Exhibit 3 to determine the required PMP submittal schedule.	<ul style="list-style-type: none"> PMP Submittal Template (Appendix F) with PMP Certification form signed by Public Works Director or City Engineer CD with pPavement report, and street listings Adoption - Resolution (Appendix E) or City Council/Board of Supervisors approved adoption recommendation
Project Final Report	Within 6 months of project completion	<ul style="list-style-type: none"> Final Report
Timely Expenditure of Funds	Annual Next submittal is due June 30²⁸ , 20 20 ¹⁹ .	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D
Traffic Forums	Annual Next submittal is due June 30²⁸ , 20 20 ¹⁹ .	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D
Transit/Non-motorized Transportation in General Plan	Annual Next submittal is due June 30²⁸ , 20 20 ¹⁹ .	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D Letter outlining land use planning strategies that accommodate transit and active transportation Excerpts of policies from the land use section of the General Plan

¹ Jurisdictions must submit their updated program and revised fee schedule or process methodology when the jurisdiction updates their mitigation program and/or nexus study regardless of eligibility submittal schedule.

2.1 Capital Improvement Program (CIP)

A CIP is a multi-year funding plan to implement capital transportation projects and/or programs including, but not limited to, capacity, safety, operations, maintenance, and rehabilitation projects. For purposes of eligibility, the Ordinance specifies that each jurisdiction must prepare a CIP. The annual seven-year CIP updates are required to enable timely review of eligible use of funds. The CIP shall include all capital transportation projects, such as projects funded by Net Revenues (i.e. ECP, RTSSP, RCP, other M2 Competitive Programs, and LFS projects) and transportation projects required to demonstrate compliance with signal synchronization, pavement management, and CMP requirements (See section 2.3 for the CIP's relevance to the CMP).

Projects funded by M2 Net Revenues include:

Project Description	Project
Freeway Environmental Mitigation Projects	A-M
Regional Capacity Program (RCP)	O
Regional Traffic Signal Synchronization Program (RTSSP)	P
Local Fair Share Program (LFS)	Q
High Frequency Metrolink Service	R
Transit Extensions to Metrolink	S
Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	T
Community Based Transit/Circulators	V
Safe Transit Stops	W
Environmental Cleanup Program (ECP) – Water Quality	X

Each eligible jurisdiction must include projects in their CIP that are needed to meet and maintain the adopted Traffic Level of Service and Performance Standards. The CIP shall also include all projects proposed to receive M2 funding. Local jurisdictions are encouraged, but not required, to include all transportation related projects regardless of M2 funding participation.

If M2 funding needed for a project is not reflected on the current CIP, an amended CIP should be adopted with contract award prior to expending funds. The revised CIP should be submitted to OCTA in hard copy format with evidence of council approval.

Submittal Frequency: Minimum annual or as needed to add M2 projects that are not reflected on the current CIP. Next submittal is due by ~~June 2830, 2020~~¹⁹. ~~Final CIP adoption due by July 31, 2020.~~

City Council/Board of Supervisors approval: Required

Verification Method: Each jurisdiction must submit an electronic (online) and hard copy of its CIP with evidence of City Council/Board of Supervisors approval. ~~The~~ OCTA provides a web-based database ~~called the Web Smart CIP on OC Fundtracker that is~~ used countywide for reporting approved CIP information. A separate CIP User's Manual has been developed to assist local jurisdictions with the preparation of the seven-year CIP.

The CIP User's Manual is available for download at <https://www.octa.net/OCGoM2Eligibility>.

2.2 Circulation Element/MPAH Consistency

A Circulation Element is one component of a jurisdiction's General Plan that depicts a planned multimodal network and related policies. Each jurisdiction is required to adopt and maintain a Circulation Element that is consistent with the OCTA MPAH, which defines the minimum planned lane configurations for major regionally significant roads in Orange County.

MPAH Consistency

~~Through a cooperative process, OCTA, the City Engineers Association, the City Managers Association, and the County of Orange developed criteria for determining consistency with the MPAH. Criteria and policies for determining MPAH Consistency are included in a separate manual titled "Guidance for Administration of the Orange County Master Plan of Arterial Highways" and supersede these guidelines, and are summarized below: "Consistent" for eligibility purposes means that local general plans maintain a comparable or greater number of through lanes on MPAH arterials. Every two years, each local jurisdiction must submit a resolution adopted by the governing body attesting that no unilateral reduction in lanes has been made on any MPAH arterial. The local jurisdiction may be determined ineligible to participate in M2 programs if a roadway on the MPAH has been knowingly and unilaterally removed from or downgraded on their Circulation Element and/or does not meet the planned capacity criteria. If a local jurisdiction requests a change to the MPAH and enters into a cooperative study to analyze the request, it may be considered conditionally consistent. No change shall be made to its Circulation Element until after the cooperative study is completed and agreement is reached on the proposed amendment. Please refer to the "Guidance for Administration of the Orange County Master Plan of Arterial Highways" manual for more information on re-establishing MPAH consistency. In cases of conflict between the Eligibility Guidelines and "Guidance for Administration of the Orange County Master Plan of Arterial Highways" manual, please refer to the latter.~~

- ~~• The local jurisdiction's Circulation Element is to have the minimum planned carrying capacity equivalent to the MPAH for all MPAH links within its jurisdiction. "Planned carrying capacity" is the number of through lanes on each arterial highway as shown on the local Circulation Element.~~
- ~~• Local jurisdictions will not be found inconsistent with the MPAH due to existing capacity limitations on arterials not yet constructed to the ultimate capacity shown on the MPAH.~~
- ~~• Every two years, each local jurisdiction must submit a resolution adopted by the governing body attesting that no unilateral reduction in lanes has been made on any MPAH arterial.~~
- ~~• The local jurisdiction will be ineligible to participate in M2 programs if a roadway on the MPAH has been unilaterally removed from or downgraded on their Circulation Element and/or does not meet the planned capacity criteria. Eligibility may be reinstated upon completion of a cooperative study that resolves the inconsistency. Additionally, the local jurisdiction can re-establish eligibility upon restoring its Circulation Element to its previous state of MPAH consistency.~~
- ~~• The local jurisdiction must adopt a General Plan Circulation Element that does not preclude implementation of the MPAH.~~
- ~~• A local jurisdiction is inconsistent with the MPAH as of the date the governing body takes unilateral action reducing the number of existing and/or planned through lanes on an MPAH arterial built to its ultimate configuration to less than the ultimate capacity shown on the~~

~~MPAH. "Unilateral action" means physical action such as striping, signing, or other physical restrictions executed by the local jurisdiction.~~

- ~~• A local jurisdiction may be permitted to reduce existing through lanes, if prior to acting, it can demonstrate to the OCTA that such action is temporary and can be justified for operational reasons. The local jurisdiction must enter into a binding agreement to restore capacity upon demand by OCTA, in which case OCTA may recommend that the local jurisdiction remain eligible on a conditional basis. If it is found to be ineligible, it may regain eligibility upon physical restoration of the arterial to the original state that is consistent with the MPAH.~~
- ~~• Traffic calming measures shall be administered on MPAH facilities per the latest version of the Guidance for the Administration of the Orange County MPAH.~~

~~If a local jurisdiction requests a change to the MPAH and enters into a cooperative study to analyze the request, it may be considered conditionally consistent. No change shall be made to its Circulation Element until after the cooperative study is completed and agreement is reached on the proposed amendment.~~

~~Submittal Frequency: Odd years - Odd year requirement. Next submittal is due by June 30th, 2021¹⁹.~~

~~City Council/Board of Supervisors approval: Required (Appendix E)~~

~~Verification Method: Each jurisdiction must provide the following every odd year:~~

- ~~• Document within the Eligibility Checklist (Appendix D) that confirms confirmation of understanding that the local jurisdiction's Circulation Element is consistent with the MPAH.~~
- A copy of the most current Circulation Element Exhibit biennially showing all arterial highways and their individual arterial designations. Any proposed changes and/or requests for changes to the MPAH should also be included.
- Resolution adopted by the governing body of the local jurisdiction.
- The Arterial Highway Mileage Change Report (Appendix H). Changes are in actual (built or annexed) MPAH centerline miles since the previous MPAH Consistency Review are to be reported to the nearest 0.01 mile, excluding State highways. Data should be current as of April 30 of the reporting year. Exhibit 1 lists the current MPAH centerline miles by jurisdiction that is used to calculate Local Fair Share.

~~OCTA shall review the materials submitted, and determine whether the local jurisdictions' Circulation Element submittals are consistent with the MPAH, meaning there is a minimum planned carrying capacity equivalent to the MPAH for all MPAH links within the local agency's jurisdiction. satisfy M2 Eligibility requirements. However, it is ultimately each local agencies' responsibility for ensuring that their Circulation Element is consistent with the MPAH.~~

Exhibit 1: MPAH Centerline Miles

As of August 15, ~~2018~~2019

Local Jurisdiction	Centerline Mileage
Aliso Viejo	14.85 14.85
Anaheim	148.90 148.69
Brea	20.57 20.57
Buena Park	34.44 34.44
Costa Mesa	49.33 49.33
County of Orange	60.83 59.36
Cypress	24.93 24.93
Dana Point	20.16 20.16
Fountain Valley	35.50 35.28
Fullerton	62.18 62.18
Garden Grove	63.78 63.59
Huntington Beach	93.05 93.05
Irvine	138.05 134.82
La Habra	17.13 17.13
La Palma	7.23 7.23
Laguna Beach ²	14.01 14.01
Laguna Hills	20.73 20.73
Laguna Niguel	35.94 35.94
Laguna Woods	5.77 5.77
Lake Forest	38.03 37.47
Los Alamitos	6.44 6.44
Mission Viejo	43.77 43.77
Newport Beach	48.92 48.92
Orange	85.03 85.24
Placentia	25.01 25.01
Rancho Santa Margarita	18.20 18.20
San Clemente	25.57 25.57
San Juan Capistrano	18.88 18.55
Santa Ana	100.15 100.21
Seal Beach	12.24 12.24
Stanton	9.48 9.48
Tustin	41.71 41.28
Villa Park	3.49 3.49
Westminster	35.75 35.75
Yorba Linda	32.67 32.67
	1,406.351,412.27

² Laguna Beach credited with State Highway mileage by agreement of the TAC.

2.3 Congestion Management Program (CMP)

With the passage of Proposition 111 Gas Tax increase in June 1990, urbanized areas of California were required to adopt a CMP. OCTA was designated as the County's Congestion Management Agency (CMA), and as such, is responsible for the development, monitoring, and biennial updating of Orange County's CMP. Orange County's CMP is a countywide program established in 1992 to support regional mobility and air quality objectives by reducing traffic congestion, providing a mechanism for coordinating land use and development decisions that support the regional economy, and determining gas tax eligibility. ~~through the effective use of transportation funds, coordinated land use, and development planning practices.~~ Required elements of the County's CMP include traffic level of service (LOS) standards, performance measures, travel demand assessment methods and strategies, land use analysis programs, and Capital Improvement Programs.

~~The goals of Orange County's CMP are to support regional mobility and air quality objectives by reducing traffic congestion, providing a mechanism for coordinating land use and development decisions that support the regional economy, and determining gas tax eligibility.~~ Each jurisdiction must comply with the following conditions and requirements of the Orange County CMP pursuant to the provisions of Government Code Section 65089 to be considered eligible for both gas tax revenues and M2 funding:

- Level of Service – Highways and roadways designated by OCTA must operate at an established LOS of no less than LOS "E" (unless the LOS from the baseline CMP dataset was lower).
- Deficiency Plans – Any CMP intersections that do not comply with the LOS standards must have a deficiency plan prepared by the responsible local jurisdiction that identifies the cause and necessary improvements for meeting LOS standards (certain exceptions apply).
- Land Use Analysis – Jurisdictions must analyze the impacts of land use decisions on the transportation system, using a designated methodology, consistent with the CMP Traffic Impact Analysis guidelines. The analysis must also include estimated cost to mitigate associated impacts.
- Modeling and Data Consistency – A jurisdiction utilizing a local area model for traffic impact analysis must conform to the Orange County Sub-Area Modeling guidelines, prepared by OCTA.
- CIP – Jurisdictions must submit an adopted seven-year CIP that includes projects to maintain or improve the LOS on CMP facilities or adjacent facilities.

Submittal Frequency: Odd years ~~—~~ Next submittal is due by June 30~~28~~, 20~~21~~19.

City Council/Board of Supervisors approval: Not Required

Verification Method: The CMP checklist, as shown in Appendix C, must be submitted to demonstrate compliance with CMP requirements. If a deficient intersection is identified, the jurisdiction must include a project in their CIP to address the issue or develop a deficiency plan. OCTA will use the M2 CIP prepared by each local jurisdiction as the default CMP CIP rather than require a separate submittal. Projects intended to address CMP deficiencies should be clearly identified in the project description within the CIP. Appendix C is available for download at <https://www.octa.net/OCGoM2Eligibility>.

2.4 Expenditure Report

The ~~expenditure report~~Expenditure Report is a detailed financial report that tracks financial activity for M2 and other improvement revenue sources. Each jurisdiction must adopt an annual Expenditure Report to account for M2 funds, developer/traffic impact fees, and funds expended by the jurisdiction that satisfy the MOE requirements. This report is used to validate eligible uses of funds and to report actual MOE expenditures.

- Report required within six months of jurisdiction's end of fiscal year.
- Report to include all Net Revenue, fund balances, and interest earned. If interest earnings are negative, an explanation should be included to explain why.
- Reported expenditures shall be identified by activity type (i.e. construction, maintenance/operations, indirect and/or overhead) and funding source for each M2 program and/or project.

Submittal Frequency: Annual ~~--- within~~Within 6 months of the end of the fiscal year. The deadline is December 31~~-for jurisdictions following a state fiscal year (July-June).~~

City Council/Board of Supervisors approval: Required (Appendix G)

Verification Method: The ~~expenditure report~~Expenditure Report signed by the jurisdiction's Finance Director and City ~~C~~ouncil/Board of Supervisors resolution attesting to the adoption is required. The Expenditure Report is self-certified by the jurisdiction and OCTA's review is to check for consistency with M2 disbursements only. Further, OCTA's receipt of the Expenditure Report does not constitute or confirm OCTA's acceptance or approval of reporting in the Expenditure Report itself, which is ultimately subject to audit review. The ~~expenditure report~~Expenditure Report template, instructions, and resolution are provided in Appendix G. Appendix G is available for download at <https://www.octa.net/OCGoM2Eligibility>.

2.5 Local Signal Synchronization Plan (LSSP)

The LSSP³ is a three-year plan identifying traffic signal synchronization, street routes and traffic signals to be improved in eligible jurisdictions. The LSSP shall be consistent with the Regional Traffic Signal Synchronization Master Plan (RTSSMP). The LSSP will outline the costs associated with the identified improvements, funding and phasing of capital, and the operations and maintenance of the street routes and traffic signals. Inter-jurisdictional planning of traffic signal synchronization is also a component of the LSSP. Local jurisdictions must update LSSPs every three years and include a performance assessment which compares the information in the current report to prior cycle activities.

Submittal Frequency: Every 3 years - Next LSSP update submittal is due by June 30, 2020.

City Council/Board of Supervisors approval: Required

Verification Method: Local jurisdictions must ensure that their LSSP is in conformance with the RTSSMP. LSSPs must be updated and adopted every three years starting June 30, 2014. At a minimum, a Public Works Director must sign the LSSP Consistency Review Checklist. A separate document prepared by OCTA, "Guidelines for the Preparation of Local Signal Synchronization Plans," provides additional detail for agency submittal and is available for download at <https://www.octa.net/OCGoM2Eligibility>.

³ A local match reduction of ten percent (10%) is provided for competitive grant applications submitted through the Regional Capacity Program (Project O) if the local jurisdiction has adopted a LSSP consistent with the RTSSMP.

2.6 Maintenance of Effort (MOE)

The MOE Certification is a financial reporting document, which provides annual certification of planned/budgeted maintenance, construction and indirect/other transportation related expenditures and the comparison to the annual MOE Benchmark Requirements for the fiscal year. Each jurisdiction must provide annual certification to OCTA that ~~the it will meet~~ MOE requirements of Section 6 of the Ordinance ~~have been satisfied~~. MOE applies to street and road transportation-related discretionary expenditures using General Funds or other non-transportation discretionary funds by local agencies ~~for street and road expenditures~~. Eligible expenditures are outlined in the State Controller's "Guidelines Relating to Gas Tax Expenditures for Cities and Counties", consistent with Article XIX of the State Constitution, and are subject to audit.

MOE Certification Process

M2 funds may be used to supplement, not replace, existing local revenues being used for transportation improvements and programs. A local jurisdiction cannot redirect discretionary funding such as general fund currently being used for transportation purposes to other uses and replace the redirected funds with M2 revenues.

Each jurisdiction is required to maintain a minimum level of local streets and roads expenditures to conform to the MOE requirement. The original minimum level of expenditures was based upon an average of General Fund expenditures for local street maintenance and construction over the period from Fiscal Year 1985-86 through Fiscal Year 1989-90. The expenditure information was obtained from the Orange County Transportation Commission's (OCTC's) Annual Report data collection sheets. The established benchmark was reported in constant dollars and was not adjusted for inflation. Annexation of land into an existing jurisdiction does not affect the MOE.

Per the Ordinance, the MOE benchmark must be adjusted in 2014 and every three years thereafter based upon Caltrans' Construction Cost Index (CCI) for the preceding three ~~years~~ calendar years. The CCI-based adjustment cannot exceed growth rate in General Fund revenues during the update period. The current MOE benchmark is reflected in Exhibit 2. The next MOE benchmark adjustment will be effective July 1, 20230.

Submittal Frequency: Annual - Next MOE submittal is due ~~June 3028, 202019~~.

City Council/Board of Supervisors approval: Not Required

Verification Method: An MOE ~~reporting-Certification~~ form must be completed, signed by the jurisdiction's finance director and submitted on an annual basis. The form is included in the Eligibility Guidelines as Appendix I and is available for download at <https://www.octa.net/OCGoM2Eligibility>.

In addition, excerpts from the jurisdiction's annual budget showing referenced MOE expenditures and dedication of ~~General-F~~ funds should be included in the annual submittal to substantiate planned relevant discretionary fund ~~(General-Funds)-expenditures~~, such as General Funds. MOE expenditures should be budgeted carefully, with clear focus upon benefits to local streets and roads, which can withstand periodic expenditure audit processes. Jurisdictions are encouraged to submit MOE eligible expenditures higher than their MOE benchmark, so that should certain expenses be ruled ineligible during an MOE audit, the local jurisdiction still has sufficient MOE expenditures to demonstrate continued achievement of the MOE benchmark.

Any California State Constitution Article XIX street and road eligible expenditure may be "counted" in a local jurisdiction's annual calculation of MOE if the activity is supported (funded) by a local jurisdiction's discretionary funds (e.g. General Fund). This is ~~the same definition used~~ similar to how

MOE is defined for Gas Tax expenditures in the Gas Tax Guidelines related to the use of Road Maintenance and Rehabilitation Program funds. The California State Controller also provides useful information on Article XIX and Streets and Highways Code eligible expenditures. These guidelines do not replace statutory or legal authority, but explain the general information found in California Constitution Article XIX and the Streets and Highways Code. Additional expenditures ~~for which the jurisdiction can demonstrate that the funds were~~ spent in support of streets and roads may also be eligible for MOE, but would need to withstand audit scrutiny subject to providing acceptable justification.

It is the local jurisdiction's responsibility to ensure that the expenditures are eligible street and road expenditures that are budgeted and certified through the MOE certification. OCTA's review and receipt of the MOE Certification form does not constitute or confirm OCTA's acceptance or approval of the MOE Certification form.

Exhibit 2: MOE Benchmark by Local Jurisdiction

Local Jurisdiction	MOE Benchmark
Aliso Viejo	\$ <u>538,604</u> \$ 462,004
Anaheim	\$ <u>11,725,957</u> \$ 10,058,292
Brea	\$ <u>838,243</u> \$ 719,028
Buena Park	\$ <u>4,206,464</u> \$ 3,743,072
Costa Mesa	\$ <u>8,607,340</u> \$ 7,383,205
Cypress	\$ <u>3,607,878</u> \$ 3,117,765
Dana Point	\$ <u>1,510,094</u> \$ 1,313,011
Fountain Valley	\$ <u>1,564,638</u> \$ 1,342,115
Fullerton	\$ <u>4,413,567</u> \$ 3,785,870
Garden Grove	\$ <u>3,938,473</u> \$ 3,378,344
Huntington Beach	\$ <u>5,921,206</u> \$ 5,607,203
Irvine	\$ <u>8,001,915</u> \$ 7,050,145
La Habra	\$ <u>1,737,300</u> \$ 1,529,313
La Palma	\$ <u>201,688</u> \$ 173,004
Laguna Beach	\$ <u>1,806,353</u> \$ 1,549,454
Laguna Hills	\$ <u>331,579</u> \$ 310,467
Laguna Niguel	\$ <u>908,566</u> \$ 908,566
Laguna Woods	\$ <u>104,578</u> \$ 89,705
Lake Forest	\$ <u>226,678</u> \$ 194,440
Los Alamitos	\$ <u>182,250</u> \$ 162,506
Mission Viejo	\$ <u>2,864,895</u> \$ 2,538,900
Newport Beach	\$ <u>12,547,102</u> \$ 10,871,763
Orange	\$ <u>3,392,885</u> \$ 2,917,858
Placentia	\$ <u>770,006</u> \$ 660,496
Rancho Santa Margarita	\$ <u>428,337</u> \$ 390,747
San Clemente	\$ <u>1,316,842</u> \$ 1,135,209
San Juan Capistrano	\$ <u>492,518</u> \$ 422,472
Santa Ana	\$ <u>9,040,904</u> \$ 7,755,107
Seal Beach	\$ <u>642,598</u> \$ 551,208
Stanton	\$ <u>285,869</u> \$ 245,213
Tustin	\$ <u>1,697,045</u> \$ 1,455,691
Villa Park	\$ <u>360,429</u> \$ 321,697
Westminster	\$ <u>1,805,546</u> \$ 1,548,761
Yorba Linda	\$ <u>2,608,191</u> \$ 2,279,688
Annual Total Orange County	\$ <u>98,626,539</u> \$ 85,972,319

2.7 Mitigation Fee Program (MFP)

The MFP is a locally established fee program, which assesses fees used to mitigate effects of new development on transportation infrastructure. Appropriate mitigation measures, including payment of fees, construction of improvements, or any combination thereof, will be determined through an established and documented process by each jurisdiction.

Each eligible jurisdiction must assess traffic impacts of new development and require new development to pay a fair share of necessary transportation improvements attributable to the new development. To ~~insure~~ensure eligibility, each jurisdiction must have a clearly defined mitigation fee program.

Submittal Frequency: Odd years - Next MFP submittal is due by ~~June 3028, 202119~~.⁴

City Council/Board of Supervisors approval: Required (Appendix E)

Verification Method: The eligibility submittal should include a copy of the nexus study improvement list, a current fee schedule or the process methodology, and the City Council/Board of Supervisors resolution approving the MFP. Where mitigation measures, including fair share contributions and construction of direct impact improvements are used in lieu of an AB1600 compliant Nexus Study fee program, each jurisdiction shall provide a council resolution adopting the mitigation policy.

At such time that a jurisdiction updates their mitigation program and/or nexus study, they must submit their updated program and revised fee schedule or process methodology for the following review cycle. In addition, ~~an~~ MFP resolution must be submitted biennially to reaffirm that council concurs with the existing MFP. It is the local jurisdiction's responsibility to ensure fee programs and mitigation measures are updated periodically and meet the infrastructure needs of their community.

2.8 No Supplanting of Developer Commitments

Eligible jurisdictions must ensure that M2 funding will not be used to supplant existing or future development funding commitments for transportation projects. Development must be required to continue paying their fair share for new transportation improvements that are necessary because of the new traffic their project(s) create.

- Development must continue to pay their fair share for needed infrastructure improvements and transportation projects
- Net revenues must not supplant development funding or contributions which have been previously committed to transportation projects through payment of fees in a defined program, fair share contribution, Community Facilities District (CFD) financing, or other dedicated contribution to a specific transportation improvement

Submittal Frequency: Annual - Next submittal is due by June 28, ~~202019~~.

City Council/Board of Supervisors approval: Not Required

Verification Method: Each jurisdiction must document within the Eligibility Checklist (Appendix D) that there has been no supplanting of developer commitments for transportation projects as outlined in the Ordinance. Appendix D is available for download at <https://www.octa.net/OCGoM2Eligibility>.

⁴ Jurisdictions must submit their updated program and revised fee schedule or process methodology when the jurisdiction updates their mitigation program and/or nexus study on an even year. Annual cost adjustments should be reported but do not constitute an "update" on the Eligibility Checklist (Appendix D).

2.9 Pavement Management Plan (PMP)

A PMP⁵ is a plan to manage the preservation, rehabilitation, and maintenance of paved roads by analyzing pavement life cycles, assessing overall system performance costs, and determining alternative strategies and costs necessary to improve paved roads. MicroPaver or StreetSaver will be used for countywide consistency. The software must be consistent with ASTM Standard D6433-11.

Each jurisdiction must biennially adopt and update a PMP consistent with the specific requirements outlined in the Ordinance, and issue, using a common format (Appendix F) approved by OCTA, a report regarding the status of road pavement conditions and implementation of the PMP including, but not limited to, the following elements:

- The current status of pavement roads
- A seven-year plan for road maintenance and rehabilitation, including projects, funding, and unfunded backlog of pavement needs
- Projected pavement conditions resulting from improvements
- Alternative strategies and estimated costs to improve road pavement conditions

The Countywide PMP Guidelines have been prepared by OCTA to assist local jurisdictions with the PMP submittal. Local jurisdictions should refer to the guidelines for additional PMP submittal criteria. The Countywide PMP Guidelines can be downloaded from OCTA's Eligibility webpage: <https://www.octa.net/OCGoM2Eligibility>.

Submittal Frequency: ~~Biennial-Every two years~~ — 14 local jurisdictions submit PMP updates in odd years (i.e. June ~~3028~~, 2021~~19~~) and 21 local jurisdictions submit PMP updates in even years (i.e. June 30, 2020). Refer to Exhibit 3 to determine the local jurisdiction's required PMP submittal schedule.

City Council/Board of Supervisors approval: Required (Appendix E)

Verification Method: To establish eligibility, each jurisdiction must complete and submit the adopted PMP Submittal Template (Appendix F). The adoption must be approved by the City Council/Board of Supervisors as a staff report recommendation or through a resolution. A sample resolution is provided in Appendix E. The PMP certification form included in the template must be signed by the Public Works Director or City Engineer. These appendices are available for download at <https://www.octa.net/OCGoM2Eligibility>.

The Executive Summary should include a brief overview of their PMP highlighting issues that have developed between review cycles and provide additional information regarding the projects funded through the program. At a minimum, the Executive Summary should include Pavement Condition Index (PCI) reports, Projected PCI, and Alternative Funding Levels.

⁵ RCP includes an incentive for successful PMP implementation. A local match reduction of ten percent (10%) is provided for competitive grant applications submitted through the Regional Capacity Program (Project O) if the jurisdiction either has measurable improvement of paved road conditions during the previous reporting period as determined through the countywide pavement management rating standards, or has road pavement conditions during the previous reporting period which are within the highest twenty percent (20%) of the scale for road pavement conditions in conformance with the Ordinance, defined as a PCI of 75 or higher, otherwise defined as "good condition".

Exhibit 3: Submittal Schedule for Periodic Components

Local Jurisdiction	Updated PMP	CMP	MPAH Consistency	MFP ⁶	Project Final Reports	LSSP
Aliso Viejo	Even Year	Odd Years (Next submittal is due by June 3028 , 2021 19)	Odd Years (Next submittal is due by June 3028 , 2021 19)	Odd Years (Next submittal is due by June 3028 , 2021 19)	Within 6 months of project completion	Every 3 years (Next submittal is due June 30, 2020)
Anaheim	Odd Year					
Brea	Odd Year					
Buena Park	Even Year					
Costa Mesa	Even Year					
County of Orange	Odd Year					
Cypress	Odd Year					
Dana Point	Odd Year					
Fountain Valley	Even Year					
Fullerton	Even Year					
Garden Grove	Even Year					
Huntington Beach	Even Year					
Irvine	Odd Year					
La Habra	Odd Year					
La Palma	Even Year					
Laguna Beach	Even Year					
Laguna Hills	Even Year					
Laguna Niguel	Even Year					
Laguna Woods	Even Year					
Lake Forest	Odd Year					
Los Alamitos	Odd Year					
Mission Viejo	Even Year					
Newport Beach	Odd Year					
Orange	Even Year					
Placentia	Even Year					
Rancho Santa Margarita	Even Year					
San Clemente	Odd Year					
San Juan Capistrano	Odd Year					
Santa Ana	Even Year					
Seal Beach	Even Year					
Stanton	Odd Year					
Tustin	Odd Year					
Villa Park	Even Year					
Westminster	Even Year					
Yorba Linda	Even Year					

⁶ Jurisdictions must submit their updated program and revised fee schedule or process methodology when the jurisdiction updates their mitigation program and/or nexus study regardless of allocated submittal schedule.

2.10 Project Final Report

Each jurisdiction must provide OCTA a Project Final Report within six months following completion of a project funded with Net Revenues. Final report formats follow the template used by the CTFP. The CTFP Guidelines define the term "project phase completion" as the date all final third-party contractor invoices have been paid and any pending litigation has been adjudicated either for the engineering phase or for the right-of-way phase, and all liens/claims have been settled for the construction phase. The date of project phase completion will begin the 180-day requirement for the submission of a project final report as required by the Ordinance.

City Council/Board of Supervisors approval: Not Required

Verification Method: To establish eligibility, a jurisdiction must submit a copy of the CTFP Project Final Report for each project utilizing Net Revenues. Each Final Report must be individually submitted to OCTA within six months of the completion of a project funded by Net Revenues, regardless of the eligibility review cycle. For the purposes of reporting non-project work (indirect and/or overhead, maintenance, repair, and other non-project related costs) funded by LFS funds, the annual Expenditure Report shall satisfy reporting requirements. If LFS funds are used for capital projects, the local jurisdiction shall also include a list of those funds and/or other M2 funds in the Project Final Report.

2.11 Time Limit for Use of Net Revenues

The timely expenditure of funds is a policy which must be adopted by each local jurisdiction to ensure Net Revenues are expended and accounted for within 3 years. The local jurisdiction must certify that the receipt and use of all M2 funds received will adhere to the time limits for use as outlined in the Ordinance.

Competitive Programs

- Jurisdictions must agree that Net Revenues for RCP projects and/or RTSSP projects shall be ~~expended or~~ encumbered by the end of the fiscal year for which Net Revenues are programmed. Agencies can request a delay through the Semi-Annual Review. Refer to the CTFP Guidelines for additional information regarding ~~expenditure encumbrance~~ deadlines and ~~extension delay~~ requests.
- Local agencies are generally required to expend funds within 36 months from the date of encumbrance for CTFP projects. Agencies can request timely use of funds extensions through the Semi-Annual Review. Refer to the CTFP Guidelines for additional information regarding expenditure deadlines and extension requests.

Local Fair Share (LFS)

- Net Revenues received by local jurisdictions through the LFS program shall be expended or encumbered within three years. An extension may be granted but is limited to a total of five years from the date of receipt of funds. OCTA uses the check date as the date of receipt of funds. Requests for extension must be submitted as part of the semi-annual review process prior to the end of the third year from the date of receipt of funds. Requests for extension must include a plan of expenditure.
- Expired funds including interest earned and related revenues must be returned to OCTA. These funds shall be returned for redistribution within the same source program.
- Use of LFS revenues for bonding (including debt service) shall be limited to 25% of the jurisdiction's annual LFS revenues. Bonding or loan must clearly support work that is

otherwise eligible for LFS funds. The Board may consider an exception to the percentage limitation policy on a case-by-case basis.

Interest Derived from Net Revenues

- Interest from any M2 competitive funding program and LFS must be held in separate accounts.
- Local M2 interest proceeds must be spent by the local jurisdiction on transportation activities consistent with LFS eligible transportation activities.
- Interest revenues must be expended within 3 years of receipt.
- Interest may be accumulated for substantive projects where necessary, with prior OCTA approval, provided that the account balance does not exceed aggregate LFS payments received in the preceding three (3) years of reporting period.
- All interest accumulated at the conclusion of M2 is to be expended within three years of the program sunset date (March 31, 2041).

Submittal Frequency: Annual-- Next submittal is due by June ~~3028~~, ~~202019~~.

City Council/Board of Supervisors approval: Required if an extension is requested.

Verification Method: Each jurisdiction must document within the Eligibility Checklist (Appendix D) confirmation that the jurisdiction complies with the timely use of Net Revenues throughout the year as outlined in the Ordinance. Net Revenue and Interest balances are reported on the annual Expenditure Report.

2.12 Traffic Forums

Traffic Forums are working group sessions that include local jurisdictions and OCTA. Traffic forums provide a venue for local jurisdictions to discuss general traffic and transportation issues, traffic circulation between participating jurisdictions, the coordination of specific projects, and the overall RTSSP. Each jurisdiction must participate in Traffic Forums on an annual basis to ensure eligibility.

Submittal Frequency: Annual-- Next submittal is due by June ~~3028~~, ~~202019~~.

City Council/Board of Supervisors approval: Not Required

Verification Method: Each jurisdiction must document within the Eligibility Checklist (Appendix D) evidence of its annual participation in a Traffic Forum.

2.13 Transit/Non-motorized Transportation in General Plan

As part of the eligible jurisdiction's land use section of the General Plan, the jurisdiction must consider land use planning strategies that accommodate transit and non-motorized transportation. Multi-modal options are vital to a comprehensive transportation network. General Plans should include policies and language that demonstrate a thoughtful approach toward land use planning that encourages and facilitates mobility options.

Submittal Frequency: Annual— - Next submittal is due by June 30~~28~~, 20~~20~~19.

City Council/Board of Supervisors approval: Not Required

Verification Method: Each jurisdiction must document within the Eligibility Checklist (Appendix D) that it considers, as part of the land use section of the General Plan, land use planning strategies that accommodate transit and non-motorized transportation. A letter outlining the approach to land use planning strategies or policies that accommodate transit and non-motorized transportation should be provided with supporting General Plan excerpts. Policy summaries that directly tie land use planning to alternative modes are required.

These may include:

- Pedestrian friendly neighborhoods
- Transit Oriented Development (TOD)
- Transportation Demand Management (TDM) programs
- Mixed-use development

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Chapter 3 - Eligibility Determination

3.1 Submittal Review Process

The Eligibility submittal process has two distinct phases.

First Phase

In the first phase, local jurisdictions submit the eligibility checklist, CIP, MOE Certification and land use planning strategies considered in the General Plan on an annual basis. In addition, the PMP, CMP, MFP, and adoption of the Circulation Element for MPAH consistency are due on a biennial basis. The LSSP is due every three years. The periodic submittal schedule of the eligibility requirements is included in Exhibit 3. The applicable eligibility components for a given year must be submitted to OCTA by June 30 (except the ~~expenditure report~~ Expenditure Report).

To assist in the initiation of the eligibility process, OCTA hosts eligibility workshops attended by local jurisdictions to prepare for the June 30 submittals date. The workshops outline any changes and provide instructions as to the requirements of the current fiscal year's eligibility. Eligibility package development begins for most local jurisdictions in April and concludes with submittal to OCTA by the June 30 deadline each year.

Second Phase

The second phase includes the submittal of the Expenditure Report, which is due six months following the end of the local jurisdiction's fiscal year per the Ordinance. All local jurisdictions must submit their ~~expenditure report~~ Expenditure Reports annually by December 31. OCTA staff typically holds a workshop in July/August to go over the eligibility requirements for submitting an ~~expenditure report~~ Expenditure Report that is compliant with the Ordinance. The OCTA Finance department reviews ~~expenditure report~~ Expenditure Reports. However, OCTA receipt and review of Expenditure Reports does not constitute or confirm OCTA's acceptance or approval of the reporting provided in the Expenditure report itself, which is ultimately subject to audit review.

3.2 Approval Process

Annual eligibility determinations are based upon satisfactory submittal of the required documentation of eligibility outlined in the Ordinance and further described in Chapter 2 of these guidelines. OCTA and/or its representatives perform an administrative review of the data to determine eligibility compliance for M2 funds. Once all eligibility submittals have been received ~~as satisfactory and complete~~, the applicable submittals must be prepared for review and confirmation that the process has been followed by the Taxpayer Oversight Committee (TOC).

TOC

M2 established the TOC to provide an enhanced level of accountability for expenditure of Net Revenues under the Ordinance. The TOC is an independent citizens' committee established for overseeing compliance with the Ordinance and ensuring that safeguards are in place to protect the integrity of the overall program. TOC responsibilities include:

- Approval of any amendment to the Ordinance proposed by OCTA which changes the funding categories, programs or discrete projects identified for improvements in the Funding Plan.
- Receive and rReview ~~of~~ select documentation establishing annual eligibility by ~~a~~ jurisdictions including ~~a jurisdiction's~~ the CMP, MFP, Expenditure Report, LSSP, and PMP.
- Verification that the OCTA is proceeding in accordance with the M2 Plan and is meeting the performance standards outlined in the Ordinance.

The TOC designates the Annual Eligibility Review (AER) subcommittee to first receive and review ~~five of the thirteen~~ the required eligibility ~~requirements components listed in the Ordinance including~~. The AER subcommittee reviews the ~~CMP, MFP, Expenditure Report, LSSP, and PMP~~ for each local jurisdiction on an annual basis. The AER subcommittee confirms it has completed ~~the eligibility determination~~ its eligibility -process annually to the TOC.

In addition, OCTA staff will review items that do not directly require TOC ~~approval~~ review and confirm ~~compliance~~ acceptance. After TOC and OCTA's review of all eligibility requirements, OCTA staff will prepare eligibility recommendations for the OCTA Board of Directors (Board). The OCTA Regional Planning and Highways Committee reviews the item prior to being considered by the full Board. The Board will make a final determination as to whether or not a local jurisdiction remains eligible for M2 funding on an annual basis.

Chapter 4 – Failure to Meet Eligibility Requirements

4.1 Non-Compliance Consequences

M2 extends a legacy of successful public funding investment in transportation throughout Orange County. The eligibility process includes a review of required compliance components to ensure that programs and funding guidelines are met as defined by Ordinance. The State Controller’s “Guidelines Relating to Gas Tax Expenditures for Cities and Counties”, provides useful information regarding the use of revenues for streets and roads purposes, consistent with Article XIX of the State Constitution. These guidelines are used by OCTA to determine eligibility for MOE expenditures. In addition, other non-Article XIX transportation expenditures may be eligible for certain M2 programs. Local agencies should contact OCTA’s M2 Program Management Office for specific questions on eligible and ineligible expenditures.~~Article XIX of the California Constitution, provides guidance regarding the use of tax revenues for transportation purposes, and provides a useful definition of eligible transportation planning/implementation activities, especially with respect to meeting MOE eligibility requirements⁷.~~

OCTA routinely conducts an audit of local jurisdictions’ annual eligibility materials and financial records. Full cooperation is expected to complete the process in a timely manner. Failure to adhere to eligibility compliance components may result in Board action to suspend M2 funds until satisfactory compliance is achieved. For example, failure to meet MOE or other M2 requirements could result in suspension of all M2 formula and competitive grant payments and may prevent approval of awards until specific deficiencies are corrected.

The M2 Ordinance also includes provisions related to misspent M2 funds. For the purposes of this section, “misspent” means misappropriation of public funds, pursuant to state law. If the Board determines that a local jurisdiction has misspent M2 funds, then those funds must be fully re-paid, and the Board may deem that jurisdiction ineligible to receive M2 funds for a period of five (5) years.~~OCTA routinely conducts an audit of local jurisdictions’ annual eligibility materials, and financial records, and LFS expenditures. Full cooperation is expected required in order to complete the process in a timely manner and not jeopardize potential M2 eligibility. A finding of non-compliance may be made if either of the following conditions exists and/or occur:~~

- ~~• Use of M2 funding for non-transportation or non-eligible activities, or~~
- ~~• Failure to meet eligibility requirements~~

~~If a determination is made that a local jurisdiction has misspent⁸ M2 funds those funds must be fully repaid and the jurisdiction may be deemed ineligible to receive Net Revenues for a period of five (5) years. A finding of ineligibility is determined by the Board. Failure to adhere to eligibility compliance components may result in suspension of funds until satisfactory compliance is achieved.~~

4.2 ~~Appeals Process~~Board Process Related to Ineligibility

Eligibility review and determination is a multi-step process, which relies upon an objective review of information by OCTA staff. Actions related to ineligibility are made by the Board.~~with a final~~

⁷~~It should be noted that for the LFS program, the Article XIX definition has been expanded to include other transportation purposes generally to include in the following, so long as there is a continued direct nexus to the transportation system. OCTA staff is available to advise local agencies on the interpretation of whether or not an expenditure is eligible under the LFS program.~~

⁸~~Misspent shall be defined as the following: NEED DEFINITION from AUDIT/LEGAL~~

determination made by the Board. An appeal of findings may be presented to the Board as part of the required Board hearing to determine a local jurisdiction as ineligible.

4.3 Re-establishing MPAH Eligibility

If a Circulation Element is found to be inconsistent with the MPAH and a local jurisdiction is determined ineligible for M2 funds, the local jurisdiction may re-establish eligibility by requesting to undertake a cooperative study with OCTA. The study will be designed to do the following:

- Ascertain the regional transportation system needs
- Make provisions to meet those needs in the local jurisdiction's General Plan
- Re-establish consistency with the MPAH

Any changes to a local jurisdiction's General Plan or the MPAH shall be mutually acceptable to the jurisdiction and OCTA. Until such a study has been completed and an agreement reached on the proposed amendment, the jurisdiction shall be ineligible to apply for and/or receive M2 competitive funds.

~~THIS CHAPTER IS UNDER REVIEW BY STAFF AND RECOMMENDED CHANGES TO LANGUAGE WILL BE PROVIDED TO THE BOARD IN THE SUMMER OF 2019.~~

4.4-3 For Additional Information

The Eligibility Guidelines have been developed to assist local jurisdictions located throughout Orange County to understand and continue to implement all eligibility requirements to receive M2 funding. The Guidelines provide general summary information regarding all eligibility requirements as well as a comprehensive summary of all responsibilities and actions for which a local jurisdiction must follow to continue their eligibility.

Please contact the following OCTA staff when seeking additional information or clarification regarding any of the Eligibility Guidelines:

Kelsey Imler

Associate Transportation Funding Analyst

(714) 560-5397

kimler@octa.net

Or

Joe Alcock

Section Manager

(714) 560-5372

JAlcock@octa.net

Appendices:

Appendix A: Ordinance

The Ordinance can be found on the Eligibility Website:
<https://www.octa.net/OCGoM2Eligibility>

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Appendix B: Eligibility for New Cities

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Eligibility for New Cities

Eligibility for Fair Share Funds - New Cities

At the time of incorporation, a new city may adopt current practices previously established by the County of Orange, which have already established eligibility under ~~the~~ current M2. As new cities mature, they will adopt their own general plan and growth strategies.

To provide for this transition period, the OCTA Board of Directors (Board) has previously adopted the following new city eligibility process for Fair Share funds:

- A new city may, at its discretion, adopt the approved PMP of the predecessor governing body as its own, providing these policies are fully enforced.
- Prior to incorporation, the proposed new city must work with OCTA and the Local Agency Formation Commission (LAFCO) to identify the variables used in the LFS funds calculation (population, taxable sales, and MPAH mileage). Preliminary data must be identified prior to the date of incorporation.
- The new city will begin accruing LFS funds as of the date of incorporation.
- OCTA will reserve the accrued funds for the new city, pending the determination of eligibility by the Board within one year of the date of incorporation.
- For the new city to receive the reserved accrued funds, OCTA must receive all necessary elements of the eligibility package, complete the necessary review and approval of the package, and the Board must determine the new city eligible to receive M2 funds within one year of the date of incorporation. OCTA recommends the city submit its eligibility package within six months of incorporation to allow sufficient time for OCTA review and approval processes.
- Upon determination of eligibility by the Board, the new city will receive its first LFS payment including the reserved accrued funds, on the first regular payment cycle following the eligibility determination.
- The first LFS payment will be adjusted to reflect final calculation (population, taxable sales, and MPAH miles) as determined through the new city eligibility process.
- In the event a new city is determined to be ineligible to receive LFS funds by the Board, the reserved accrued funds and interest on the funds, shall be distributed to the eligible local jurisdictions on a pro-rata basis, until such time that the new city attains eligibility.
- Such new city will begin to accrue funds as of the first day of the first regular accrual period following its determination of eligibility by the Board and receive its first LFS payment on the corresponding regular payment cycle.

Eligibility for Competitive Funds-New Cities

In addition to the new city eligibility process for LFS funds, the Board has adopted the following process for eligibility for competitive funds:

- A new city may apply for competitive funding upon the date of incorporation, however, may not be awarded competitive funding until the new city has been determined eligible to receive LFS funds by Board, as described above.
- A new city must include an adopted PMP that is consistent with countywide pavement condition assessment standards (Arterial Highway Rehabilitation Program), a General Plan Circulation Element consistent with the MPAH, and a City Council resolution attesting that no unilateral reduction in lanes have been made on any MPAH arterials in its eligibility package for review and approval by the Board.

- Applications for competitive funding by new cities will be considered until such time in the process of the competitive funding program that projects are ranked for award. If the new city has not been determined eligible by the Board by the time projects are ranked for award, any application by the new city for competitive funding will be withdrawn from further consideration. OCTA staff will work with the new city to revise the schedule specific to its time of incorporation in relation to the current competitive funding program process.

New Cities – MOE

M2 requires the development of a method to apply the MOE to new cities without five years of streets and roads data, including cities incorporated during the thirty years the tax is in effect. New cities unable to meet this requirement may use the appeals process to establish a benchmark number that more accurately reflects network needs. A phase-in period of two years has been established for new cities to achieve the approved MOE expenditure requirement.

The approved method uses the following formula to calculate the MOE for new cities:

$$\frac{\text{Total MOE benchmark for the county}}{\text{Total county population}} = \text{Per capita expenditure}$$

$$\text{Per capita expenditure X city population} = \text{MOE benchmark for the city}$$

Appeals Process

New cities may appeal the formula benchmark determination above where there is a dispute regarding the city population. OCTA shall use the most recent Census or figures from the State of California Department of Finance. Appeals will be submitted first to the TAC and then to the Board for final determination.

Appendix C: Congestion Management Program Checklist

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APPENDIX C

Congestion Management Program (CMP)

Jurisdiction: _____

CMP Monitoring Checklist: Level of Service (LOS)					
CMP Checklist		YES	NO	N/A	
1.	Check "Yes" if either of the following apply: <ul style="list-style-type: none"> There are no CMP intersections in your jurisdiction. Factoring out statutorily-exempt activities¹, all CMP intersections within your jurisdiction are operating at LOS E (or the baseline level, if worse than E) or better. 	<input type="checkbox"/>	<input type="checkbox"/>		
NOTE: ONLY THOSE AGENCIES THAT CHECKED "NO" FOR QUESTION 1 NEED TO ANSWER THE REMAINING QUESTIONS.					
2.	If any, please list those intersections that are not operating at the CMP LOS standards. <ul style="list-style-type: none"> _____ _____ _____ 			<input type="checkbox"/>	
3.	Will deficient intersections, if any, be improved by mitigation measures to be implemented in the next 18 months or improvements programmed in the first year of any recent funding program (i.e. local jurisdiction CIP, Measure M CIP)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	a. If not, has a deficiency plan been developed for each intersection that will be operating below the CMP LOS standards?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Additional Comments:					

¹The following activities are statutorily-exempt from deficiency determinations: interregional travel, traffic generated by the provision of low and very low income housing, construction rehabilitation or maintenance of facilities that impact the system, freeway ramp metering, traffic signal coordination by the state or multi-jurisdictional agencies, traffic generated by high-density residential development within 1/4 mile of a fixed-rail passenger station, traffic generated by mixed-use residential development within 1/4 mile of a fixed-rail passenger station.



APPENDIX C

Congestion Management Program (CMP)

CMP Monitoring Checklist: Deficiency Plans				
CMP Checklist		YES	NO	N/A
1.	Check "Yes" if either of the following apply: <ul style="list-style-type: none"> There are no CMP intersections in your jurisdiction. Factoring out statutorily-exempt activities², all CMP Highway System (CMPHS) intersections within your jurisdiction are operating at LOS E (or the baseline level, if worse than E) or better. 	<input type="checkbox"/>	<input type="checkbox"/>	
NOTE: ONLY THOSE AGENCIES THAT CHECKED "NO" FOR QUESTION 1 NEED TO ANSWER THE REMAINING QUESTIONS.				
2.	If any, please list those intersections that are not operating at the CMP LOS standards. <ul style="list-style-type: none"> _____ _____ _____ 			<input type="checkbox"/>
3.	Are there improvements to bring these intersections to the CMP LOS standard scheduled for completion during the next 18 months or programmed in the first year of the CIP?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NOTE: ONLY THOSE AGENCIES THAT CHECKED "NO" FOR QUESTION 3 NEED TO ANSWER THE REMAINING QUESTIONS.				
4.	Has a deficiency plan or a schedule for preparing a deficiency plan been submitted to OCTA?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Does the deficiency plan fulfill the following statutory requirements? :			
	a. Include an analysis of the causes of the deficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	b. Include a list of improvements necessary to maintain minimum LOS standards on the CMPHS and the estimated costs of the improvements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	c. Include a list of improvements, programs, or actions and estimates of their costs, which will improve LOS on the CMPHS and improve air quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	i. Do the improvements, programs, or actions meet the criteria established by South Coast Air Quality Management District (SCAQMD) (see the CMP Preparation Manual)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

²The following activities are statutorily-exempt from deficiency determinations: interregional travel, traffic generated by the provision of low and very low income housing, construction rehabilitation or maintenance of facilities that impact the system, freeway ramp metering, traffic signal coordination by the state or multi-jurisdictional agencies, traffic generated by high-density residential development within 1/4 mile of a fixed-rail passenger station, traffic generated by mixed-use residential development within 1/4 mile of a fixed-rail passenger station.



APPENDIX C

Congestion Management Program (CMP)

CMP Monitoring Checklist: Land Use Coordination					
CMP Checklist		YES	NO	N/A	
1.	Have you maintained the CMP traffic impact analysis (TIA) process you selected for the previous CMP?	<input type="checkbox"/>	<input type="checkbox"/>		
	a. If not, have you submitted the revised TIA approach and methodology to OCTA for review and approval?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2.	Did any development projects require a CMP TIA during this CMP cycle? ³	<input type="checkbox"/>	<input type="checkbox"/>		
NOTE: ONLY THOSE AGENCIES THAT CHECKED "YES" FOR QUESTION 2 NEED TO ANSWER THE REMAINING QUESTIONS.					
3.	If so, how many?	_____			
4.	Please list any CMPHS links & intersections that were projected to not meet the CMP LOS standards (indicate whether any are outside of your jurisdiction). • _____ • _____ • _____				<input type="checkbox"/>
	a. Were mitigation measures and costs identified for each and included in your seven-year CIP?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	b. If any impacted links & intersections were outside your jurisdiction, did your jurisdiction coordinate with other jurisdictions to develop a mitigation strategy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5.	If a local traffic model was/will be used, did you follow the data and modeling consistency requirements as described in the CMP Preparation Manual (available online at http://www.octa.net/pdf/cmppremanual.pdf)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Additional Comments:					

³Exemptions include: any development generating less than 2,400 daily trips, any development generating less than 1,600 daily trips (if it directly accesses a CMP highway), final tract and parcel maps, issuance of building permits, issuance of certificate of use and occupancy, and minor modifications to approved developments where the location and intensity of project uses have been approved through previous and separate local government actions prior to January 1, 1992.

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Appendix D: Eligibility Checklist

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APPENDIX D

Eligibility Checklist

Jurisdiction:	
----------------------	--

Capital Improvement Program (CIP)		YES	NO
1.	Did you submit your draft or adopted Measure M2 (M2) seven-year CIP to OCTA by June 30?	<input type="checkbox"/>	<input type="checkbox"/>
	a. Did you utilize the required OCTA CIP database?	<input type="checkbox"/>	<input type="checkbox"/>
	b. Have you included projects required to demonstrate compliance with signal synchronization, pavement maintenance and environmental clean-up commitments?	<input type="checkbox"/>	<input type="checkbox"/>
	c. Are there any non-transportation related projects included in your M2 CIP?	<input type="checkbox"/>	<input type="checkbox"/>
	d. Did you include all projects that are partially, fully, or potentially funded by M2 Net Revenues?	<input type="checkbox"/>	<input type="checkbox"/>
	e. The City Council/Board of Supervisors approval date* to adopt the final 7-Year CIP is: _____		
	*Must be prior to July 31		
Maintenance of Effort (MOE)		YES	NO
2.	Did you submit the MOE certification form (Appendix I) to OCTA by June 30?	<input type="checkbox"/>	<input type="checkbox"/>
	a. Did you provide supporting budget documentation?	<input type="checkbox"/>	<input type="checkbox"/>
	b. Has the MOE Reporting form been signed by the Finance Director or appropriate designee?	<input type="checkbox"/>	<input type="checkbox"/>
Pavement Management Program Plan (PMP)		YES	N/A
3.	Are you required to submit a PMP update to OCTA for this eligibility cycle? If you are not required to submit a PMP update, check N/A. Refer to Exhibit 3 for PMP submittal schedule.	<input type="checkbox"/>	<input type="checkbox"/>
	a. If yes, did you use the current PMP Submittal Template (Appendix F)?	<input type="checkbox"/>	<input type="checkbox"/>
	b. If yes, is the adopted PMP consistent with the OCTA Countywide Pavement Management Program Plan ?	<input type="checkbox"/>	<input type="checkbox"/>
4.	If you answered " no N/A " to question 3, did you submit a PMP Update to OCTA through the previous eligibility cycle by June 30?	<input type="checkbox"/>	<input type="checkbox"/>
Resolution of Master Plan of Arterial Highways (MPAH) Consistency		YES	NO
5.	Did you submit a resolution demonstrating consistency with the MPAH?	<input type="checkbox"/>	<input type="checkbox"/>
	a. Have you enclosed a figure representing your most current circulation element?	<input type="checkbox"/>	<input type="checkbox"/>
6.	If the requirement is not due as part of the current cycle, has there been an update to the circulation element since the last report period? If yes, include a copy of the latest circulation element.	<input type="checkbox"/>	<input type="checkbox"/>
Local Signal Synchronization Plan (LSSP)		YES	N/A
7.	Did you adopt and submit an update to the LSSP as part of the current cycle?	<input type="checkbox"/>	<input type="checkbox"/>
	a. Is your LSSP consistent with the Regional Traffic Signal Synchronization Master Plan?	<input type="checkbox"/>	<input type="checkbox"/>



APPENDIX D

Eligibility Checklist

Time Limits for Use of Net Revenues		YES	NO
8.	Has your jurisdiction complied with the three-year time limit for the use of Net Revenues over the last year per the requirements outlined in the Ordinance?	<input type="checkbox"/>	<input type="checkbox"/>
	a. If no, has a time extension been requested through the semi-annual review process for funds subject to expiration?	<input type="checkbox"/>	<input type="checkbox"/>
Supplanting of Developer Commitments		YES	NO
9.	Has your jurisdiction ensured they have not supplanted developer commitments for transportation projects and funding with M2 funds?	<input type="checkbox"/>	<input type="checkbox"/>
Mitigation Fee Program (MFP)		YES	NO
10.	Does your jurisdiction currently have a defined development impact MFP in place?	<input type="checkbox"/>	<input type="checkbox"/>
11.	Has an update to the MFP occurred since the last reporting period?	<input type="checkbox"/>	<input type="checkbox"/>
12.	If yes to 11, has your jurisdiction submitted a copy of the current MFP or City Council/Board of Supervisors approved policy?	<input type="checkbox"/>	<input type="checkbox"/>
	a. Have you included a copy of your current impact fee schedule; or	<input type="checkbox"/>	<input type="checkbox"/>
	b. Have you provided OCTA with a copy of your mitigation fee nexus study; or	<input type="checkbox"/>	<input type="checkbox"/>
	c. Have you provided OCTA with a copy of your City Council/Board of Supervisors resolution approving the MFP?	<input type="checkbox"/>	<input type="checkbox"/>
Planning Strategies		YES	NO
13.	Does your jurisdiction consider as part of its General Plan, land use planning strategies that accommodate transit and non-motorized transportation?	<input type="checkbox"/>	<input type="checkbox"/>
14.	Have you provided a letter identifying land use planning strategies that accommodate transit and non-motorized transportation consideration in the General Plan?	<input type="checkbox"/>	<input type="checkbox"/>
Traffic Forums		YES	NO
15.	Did representatives of your jurisdiction participate in the regional traffic forum(s)?	<input type="checkbox"/>	<input type="checkbox"/>
	a. If you answered yes, provide date s of attendance: _____		
Congestion Management Program (CMP)		YES	NO
16.	Has your jurisdiction completed the required CMP checklist? (Appendix C)	<input type="checkbox"/>	<input type="checkbox"/>

Name (Print)

Signature

Date

Appendix E: ~~Sample~~ Resolutions

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**[SAMPLE RESOLUTION FOR MPAH CIRCULATION ELEMENT CONSISTENCY AND
MITIGATION FEE PROGRAMS]**

~~A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF _____
_____ CONCERNING THE STATUS AND UPDATE OF THE CIRCULATION ELEMENT, AND
MITIGATION FEE PROGRAM FOR THE MEASURE M (M2) PROGRAM~~

~~_____ WHEREAS, the City/County of _____ desires to maintain and
improve the streets within its jurisdiction, including those arterials contained in the Master Plan of
Arterial Highways (MPAH) and~~

~~_____ WHEREAS, the City/County of _____ had endorsed a definition of
and process for, determining consistency of the City's/County's Traffic Circulation Plan with the MPAH,
and~~

~~_____ WHEREAS, the City/County has adopted a General Plan Circulation Element which does not
preclude implementation of the MPAH within its jurisdiction, and~~

~~_____ WHEREAS, the City/County is required to adopt a resolution biennially informing the Orange
County Transportation Authority (OCTA) that the City/County's Circulation Element is in conformance
with the MPAH and whether any changes to any arterial highways of said Circulation Element have been
adopted by the City/County during Fiscal Years (FY) 2017-18 and FY 2018-19, and~~

~~_____ WHEREAS, the City/County is required to send biennially to the OCTA all recommended changes
to the City/County Circulation Element and the MPAH for the purposes of re-qualifying for participation
in the Comprehensive Transportation Funding Programs;~~

~~_____ WHEREAS, the City/County is required to adopt a resolution biennially certifying that the
City/County has an existing Mitigation Fee Program that assesses traffic impacts of new development
and requires new development to pay a fair share of necessary transportation improvements
attributable to the new development; and~~

~~_____ NOW, THEREFORE, BE IT RESOLVED that the City Council/Board of Supervisors for the
City/County of _____, does hereby inform OCTA that:~~

- ~~a) The arterial highway portion of the City/County Circulation Element of the
_____ City/County is in conformance with the MPAH.~~
- ~~b) The City/County attests that no unilateral reduction in through lanes has been made
on any MPAH arterials during FY 2017-18 and FY 2018-19.~~
- ~~c) The City/County reaffirms that Council concurs with the existing Mitigation Fee Program.~~

~~PASSED, APPROVED AND ADOPTED THIS [Insert Day] day of [Insert Month], [Insert Year].~~

[RESOLUTION FOR LOCAL SIGNAL SYNCHRONIZATION PLAN UPDATE]

A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF _____ CONCERNING THE UPDATE OF THE LOCAL SIGNAL SYNCHRONIZATION PLAN FOR THE MEASURE M (M2) PROGRAM.

WHEREAS, the Orange County Transportation Authority has developed the Regional Traffic Signal Synchronization Master Plan to identify traffic signal synchronization street routes and traffic signals within and across jurisdictional boundaries, and defines the means of implementing the Regional Traffic Signal Synchronization Program; and

WHEREAS, the Regional Traffic Signal Synchronization Program requires that local agencies adopt a Local Signal Synchronization Plan consistent with the Regional Traffic Signal Synchronization Master Plan as a key component of local agencies' efforts to synchronizing traffic signals across local agencies' boundaries; and

WHEREAS, the Local Signal Synchronization Plan must be updated by June 30, 2020 to continue to be eligible to receive Net Revenues as part of Measure M2;

NOW, THEREFORE, BE IT RESOLVED that the City Council/Board of Supervisors for the City/County of _____, does hereby inform OCTA that:

- a) The City/County adopts and maintains a Local Signal Synchronization Plan which includes goals that are consistent with those outlined as part of the Regional Signal Synchronization Master Plan, including signal synchronization across jurisdictions.
- b) The Local Signal Synchronization Plan identifies traffic signal synchronization street routes, including all elements of the Regional Signal Synchronization Network located within the City/County.
- c) The Local Signal Synchronization Plan includes the traffic signal inventory for all traffic signal synchronization street routes.
- d) The Local Signal Synchronization Plan includes a three-year plan showing capital, operations, and maintenance of signal synchronization along the traffic signal synchronization street routes and traffic signals.
- e) The Local Signal Synchronization Plan includes an update on the status and performance of traffic signal synchronization activities.
- f) The Local Signal Synchronization Plan includes a discussion on the review and revision, as may be necessary, on the timing of traffic signals on the traffic signal synchronization street routes.

PASSED, APPROVED AND ADOPTED THIS [Insert Day] day of [Insert Month], [Insert Year].

[~~SAMPLE~~ RESOLUTION FOR PAVEMENT MANAGEMENT PLAN ADOPTION]

A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF _____ CONCERNING THE STATUS AND UPDATE OF THE PAVEMENT MANAGEMENT PLAN FOR THE MEASURE M2 (M2) PROGRAM

WHEREAS, the local jurisdiction is required to meet eligibility requirements and submit eligibility verification packages to Orange County Transportation Authority (OCTA) in order to remain eligible to receive M2 funds.

WHEREAS, the local jurisdiction is required to adopt and update a Pavement Management Plan (PMP), using the required format, regarding the status of road pavement conditions and implementation of the PMP on a biennial basis; and

WHEREAS, the local jurisdiction is required to provide a plan that manages the preservation, rehabilitation, and maintenance of paved roads by analyzing pavement life cycles, assessing overall system performance costs, and determining alternative strategies and costs necessary to improve paved roads.

NOW, THEREFORE, BE IT RESOLVED that the City Council/Board of Supervisors for the City/County of _____ does hereby inform OCTA that:

- a) The PMP is in conformance with the PMP Submittal Template provided in the Countywide Pavement Management Plan Guidelines.
- b) The City/County hereby adopts a PMP and has provided an updated PMP report, using the required format, to OCTA.
- c) The Public Works Director, City Engineer or designee is authorized to sign the PMP certification form.

PASSED, APPROVED, AND ADOPTED THIS [Insert Day] day of [Insert Month], [Insert Year].

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Appendix F: PMP Submittal Template



Agency

Pavement Management Plan

Prepared by: [Author Name]

Submitted to OCTA: [Date]



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I. Pavement Management Plan Certification

The City/County of Type Here certifies that it has a Pavement Management Plan in conformance with the criteria stated in the Orange County Transportation Authority Ordinance No. 3. This ordinance requires that a Pavement Management Plan be in place and maintained to qualify for allocation of revenues generated from renewed Measure M2.

The plan was developed by Type here* using Type here, a pavement management system, conforming to American Society of Testing and Materials (ASTM) Standard D6433, and contains, at a minimum, the following elements:

- Inventory of MPAH and local routes reviewed and updated biennially. The last update of the inventory was completed on Month, Year for Arterial (MPAH) streets and Month, Month for local streets.
• Assessment of pavement condition for all routes in the system, updated biennially. The last field review of pavement condition was completed on Month, Year.
• Percentage of all sections of pavement needing:
o Preventative Maintenance: Type here%
o Rehabilitation: Type here%
o Reconstruction: Type here%
• Budget needs for Preventative Maintenance, Rehabilitation, and/or Reconstruction of deficient sections of pavement for:
o Current biennial period \$Type here
o Following biennial period \$Type here
• Funds budgeted or available for Preventative Maintenance, Rehabilitation, and/or Reconstruction:
o Current biennial period \$Type here
o Following biennial period \$Type here
• Backlog by year of unfunded pavement rehabilitation, restoration, and reconstruction needs.
• The Pavement Management Plan is consistent with countywide pavement condition assessment standards as described in the OCTA Countywide Pavement Management Plan Guidelines adopted by the OCTA Board of Directors.

*An electronic copy of the Pavement Management Plan (with Micro Paver or StreetSaver compatible files) has been, or will be, submitted with the certification statement.

A copy of this certification is being provided to the Orange County Transportation Authority.

Submitted by:

Click here to enter text.
Name (Print)

Click here to enter text.
Jurisdiction

Signed

Click here to enter a date.
Date

Click here to enter text.
Title (Public Works Director and/or City Engineer)



II. Executive Summary

Click here to enter text.



III. Background (Optional)

Click here to enter text.



IV. Current Pavement Conditions (PCI)

Current Network PCI	Current MPAH PCI	Current Local PCI
Click here to enter	Click here to enter	Click here to enter

V. Projected Pavement Conditions (PCI)

Should be by projected PCI by year under existing or expected funding levels for next seven fiscal years (“Today” is before June 30, 2020).

Fiscal Year	Current Funding	Entire Network PCI	MPAH	Local
Today	Click here to enter			
2020-21 2018-19	Click here to enter			
2021-22 2019-20	Click here to enter			
2022-23 2020-21	Click here to enter			
2023-24 2021-22	Click here to enter			
2024-25 2022-23	Click here to enter			
2025-26 2023-24	Click here to enter			
2026-27 2024-25	Click here to enter			



VI. Alternative Funding Levels

Maintain Existing Average Network PCI

Fiscal Year	Maintain Funding	Entire Network PCI	MPAH	Local
Today	Click here to enter			
2020-21 2018-19	Click here to enter			
2021-22 2019-20	Click here to enter			
2022-23 2020-21	Click here to enter			
2023-24 2021-22	Click here to enter			
2024-25 2022-23	Click here to enter			
2025-26 2023-24	Click here to enter			
2026-27 2024-25	Click here to enter			

Improve Average Network PCI

Fiscal Year	Current Funding	Entire Network PCI	MPAH	Local
Today	Click here to enter			
2020-21 2018-19	Click here to enter			
2021-22 2019-20	Click here to enter			
2022-23 2020-21	Click here to enter			
2023-24 2021-22	Click here to enter			
2024-25 2022-23	Click here to enter			
2025-26 2023-24	Click here to enter			
2026-27 2024-25	Click here to enter			



VII. Current and Projected Backlog by Year of Pavement Maintenance Needs

Fiscal Year	Current Funding Backlog	Maintain PCI Backlog	Increase PCI Backlog
Current	Click here to enter	Click here to enter	Click here to enter
2020-21 2018-19	Click here to enter	Click here to enter	Click here to enter
2021-22 2019-20	Click here to enter	Click here to enter	Click here to enter
2022-23 2020-21	Click here to enter	Click here to enter	Click here to enter
2023-24 2021-22	Click here to enter	Click here to enter	Click here to enter
2024-25 2022-23	Click here to enter	Click here to enter	Click here to enter
2025-26 2023-24	Click here to enter	Click here to enter	Click here to enter
2026-27 2024-25	Click here to enter	Click here to enter	Click here to enter

VIII. Centerline Mileage

Entire Pavement Network	MPAH	Local Roads
Click here to enter	Click here to enter	Click here to enter



IX. Percentage of Network in Each of Five Condition Categories Based on Centerline Miles

Condition Category	PCI Range	Network	Percent Area of Total Pavement	Area of Pavement (sf)	Percent Centerline Mileage of Network	Centerline Mileage of Network
Very Good	86-100	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter
Good	75-85	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter
Fair	60-74	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter
Poor	41-59	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter
Very Poor	0-40	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter



X. Reduction in Local Match

A local agency match reduction of 10% of the eligible cost for projects submitted for consideration of funding through the Comprehensive Transportation Funding Programs (CTFP) call for projects is available if the local agency either:

- a. Shows measurable improvement of paved road conditions during the previous reporting period defined as an overall weighted (by area) average system improvement of one Pavement Condition Index (PCI) point with no reduction in the overall weighted (by area) average PCI in the Master Plan of Arterial Highways (MPAH) or local street categories;

or

- b. Have road pavement conditions during the previous reporting period, within the highest 20% of the scale for road pavement conditions in conformance with OCTA Ordinance No. 3, defined as a PCI of 75 or higher, otherwise defined as in “good condition”.

If applicable, please use the space below to justify the local agency’s eligibility for a reduction in Local Match based on the statement above.

[Click here to enter text.](#)



XI. Appendix A – Seven-Year Road Maintenance and Rehabilitation Plan Based on Current or Expected Funding Level

The seven-year plan for road maintenance and rehabilitation should be based on current and projected budget. Street sections selected for treatment should be identified here. Specific data to be submitted should follow the format below:

MPAH								
Street Name	Limits of Work		Length of Segment	Width of Segment	Pavement Area	Type of Treatment	Cost of Treatment	Year of Treatment
	From	To						

LOCAL								
Street Name	Limits of Work		Length of Segment	Width of Segment	Pavement Area	Type of Treatment	Cost of Treatment	Year of Treatment
	From	To						

Please attach the seven-year road maintenance and rehabilitation plan, following the above template, after this sheet. The plan should be labeled Appendix A.



XII. Appendix B – Complete Listing of Current Street Conditions

A complete listing of current pavement conditions should be included in this report. Specific data to be submitted should follow the format below:

MPAH						
Street Name	From	To	Width of Segment	Area	Current PCI	Most Recent Inspection Date

LOCAL						
Street Name	From	To	Width of Segment	Area	Current PCI	Most Recent Inspection Date

Please attach the complete street listing, following the above template, after this sheet. The pages should be labeled Appendix B.



XIII. Appendix C – Quality Assurance/Quality Control Plan

Introduction

When performing data collection in any field, the need for quality control is paramount as it is essential for accurate planning, analysis and design. This is particularly true for collecting pavement distress data for a pavement management system.

The Quality Assurance/Quality Control (QA/QC) Plan establishes minimum quality standards for performance and procedures for updates of the pavement management system.

If applicable, utilize the space below to include information on the agency’s QA/QC policies:

[Click here to enter text.](#)

Objectives

This document constitutes a formal QA/QC Plan for the City/County. It was prepared on Select date and last revised on Select date.

Specifically, it is intended for the Year Applicable Pavement Management Plan Update. The focus is on the collection of network-level pavement distress data (defined by National Cooperative Highway Research Program (NCHRP) Synthesis 401 Quality Management of Pavement Data Collection, as “Network-level data collection involves collection of large quantities of pavement condition data, which is often converted to individual condition indices or aggregated into composite condition indices.”)

This document also addresses the QA/QC plan requirements of the Orange County Transportation Authority (OCTA)’s “Countywide Pavement Management Plan Guidelines” (section 2.4), originally adopted in May 2010.

Structure of QA/QC Plan

The following components are addressed in this QA/QC Plan:

- Condition survey procedures used
- Accuracy required for data collection
- Inspector qualifications and experience
- Safety



Condition Survey Procedures

The governing document in performing condition surveys for the Enter agency name is ASTM D6433 “Standard Practice for Roads and Parking Lots Pavement Condition Index (PCI) Surveys.” Both asphalt concrete (AC) and Portland cement concrete (PCC) pavements are included in this protocol. The following distresses are collected for each pavement type.

Asphalt Concrete AC Pavements

1. Alligator (fatigue) cracking
2. Bleeding
3. Block cracking
4. Bumps and sags
5. Corrugation
6. Depression
7. Edge cracking
8. Joint reflection cracking
9. Lane/Shoulder drop off
10. Longitudinal & Transverse cracking
11. Patching and utility cut patching
12. Polished aggregate
13. Potholes
14. Railroad crossing
15. Rutting
16. Shoving
17. Slippage cracking
18. Swell
19. Weathering
20. Raveling

Portland Cement Concrete (Jointed)

1. Blowup/buckling
2. Corner breaks
3. Divided slab
4. Durability (“D”) cracking
5. Faulting
6. Joint seal damage
7. Lane/shoulder drop off
8. Linear cracking
9. Patching (large) and utility cuts
10. Patching (small)
11. Polished aggregate
12. Popouts
13. Pumping
14. Punchout
15. Railroad crossing
16. Scaling, map cracking and crazing
17. Shrinkage cracks
18. Spalling (corner)
19. Spalling (joint)

Any exceptions to the above procedures are discussed before any surveys are performed. These are documented in the paragraphs below.

[Note to agency: these are usually related to distresses or situations that are not covered in the manuals. Examples include roller check marks or edge cracking on streets with no curbs and gutters. Others include the raveling of surface seals or the use of open-graded asphalt concrete mixes where the surface appears to have large voids present. Any modifications must be documented and included in this document. Photos are extremely helpful.]

All surveys are performed as Indicate type of surveys – walking, windshield, semi-automated etc. surveys, and a minimum 10% sampling rate is utilized. Field crews are typically composed of Click here to enter field crew information (Typically a one-person crew on residential streets and some collectors, and up to two-person crews for major arterials, depending on traffic volumes and speeds. Edit as appropriate). The safety of field personnel is paramount in all instances.

The sample unit selected must be representative of the entire pavement section. This assumes that the section is homogenous; if it is not homogeneous, then the section must be split according to the criteria agreed upon by the agency. Typically, the criteria used are:

- Pavement condition
- Construction age, if known
- Maintenance history, if known
- Traffic volumes (or functional classification as a surrogate)
- Surface types (e.g. asphalt concrete or Portland cement concrete)
- Geometric elements (e.g. widths)

Any modifications to the section inventory data are documented in the pavement management report. A sample unit must be between $2,500 \pm 1,000$ square feet in conformance with ASTM D6433 protocols. Typical sample unit dimensions are 100 feet long by the width of the street. Streets that are wider than 40 feet wide will have shorter lengths (generally 50 feet) or if they are divided by a raised median, separate sample units will be taken in each direction.

Any pavement areas that are not representative of the section will be noted and surveyed as an additional sample unit.

Accuracy Required for Data Collection

The accuracy required for data collection has two components, both of which are further described in the following paragraphs.

- Re-inspections
- PCI comparisons with past surveys

Random and Systematic Re-Inspections

Random Re-inspections

Random re-inspections will include a representative selection across the following categories:

- Functional classes (i.e. MPAH, locals);
- Surface types (e.g. asphalt concrete or Portland cement concrete);
- Pavement conditions (e.g. good, fair, poor);
- Inspectors;
- Geographical areas, if applicable.

Systematic Re-inspections

For systematic re-inspections, this could be due to noticed trends such as specific treatment types (e.g. open-graded mixes), a specific inspector or geographical area. In such cases, more than 5% will be re-inspected.



Acceptability Criteria

At the time of re-inspection, the actual distresses will be re-inspected and verified, and any corrections made, if necessary. Distress types and severities must be the same and re-measured quantities within $\pm 10\%$ of the original measured quantity.

If corrections are required on more than 10% of the re-inspected sample unit, then an additional 5% will be re-inspected. This will continue until more than 95% of the re-inspected sections meet the acceptability criteria.

PCI Comparison with Past Surveys

As another level of quality control, the new PCIs are compared with the previous PCIs. If they differ by more than ± 10 PCI points, these sections are automatically flagged for further investigation.

If PCI Increases 10 points

The section is investigated to see if a maintenance and rehabilitation event has occurred since the last survey, but has not been recorded. Typically, it may include activities such as:

- Crack sealing activities – changes medium or high severity cracking to low severity
- Patching activities – alligator cracking that has been removed and patched, so that the resultant PCI is increased.
- Surface seals
- Overlay
- Others

Therefore, an up to date maintenance and rehabilitation history file in the pavement management database is desirable, both for historical accuracy as well as to provide additional quality control.

If PCI decreases 10 points

The section is checked to see if the average deterioration rate (usually 3 to 4 points per year) is exceeded. If the drop in PCI is within range of what is acceptable, no further action is required. If the drop is more than the acceptable range, a re-inspection will be performed. The default performance curves in the pavement management software form the basis for what is acceptable.



Inspector’s Qualifications and Experience

The Enter agency here inspectors have attended formal training on pavement condition distress surveys. This training was conducted prior to performing any work using the ASTM D6433 protocols, consistent with OCTA’s requirements.

Inspector Name	Date of ASTM D6433 Training	Training Conducted By:
Click here to enter	Click here to enter	Click here to enter
Click here to enter	Click here to enter	Click here to enter

Resumes of the technicians utilized on this project are included as an attachment.

Safety Procedures

The Enter agency here administers a health and safety program in compliance with the Cal Occupational Safety and Health Administration (OSHA) Title VIII, Section 3203. The program is documented in Enter document name here.

Generally, the safety procedures include (Edit as applicable to agency):

- Inspectors to wear a Class 2 or 3 safety vest at all times;
- Flashing beacon on all vehicles utilized for surveys; and
- Stopped vehicles to be parked at locations away from moving traffic (e.g. nearby parking, shoulders, etc.).
- Enter safety protocol here.

On streets where there is a high volume of traffic or high speeds, additional measures may be necessary, such as:

- Surveys to occur during off-peak periods or on weekends;
- Additional inspector to watch out for traffic; and
- Traffic flaggers in extreme cases.

Attachment – Appendix C: Resumes of Field Inspectors

---End of QA/QC Plan---



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XIV. Appendix D – Pavement Management Data Files

The Pavement Management data files shall be submitted to OCTA in spreadsheet format. This must include the following information:

- Street name and limits for all public streets
- Street identifiers (Branch ID, Section ID)
- Direction (if applicable)
- Beginning and ending of each section
- Length, widths, and true areas
- Functional Classification (MPAH, Local)
- Number of travel lanes
- PCI and date of inspection
- Type of recommended treatment
- Cost of recommended treatment

The Pavement Management data files are attached here ~~as-on~~ a CD/flash drive, or included as Appendix D.



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XV. Appendix E – GIS Maps – Current Conditions (Optional)

If included, attach and label Appendix E.

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Appendix G: M2 Expenditure Report Template, Instructions & Resolution

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Measure M2 Expenditure Report Template

Schedule 1: Summary Statement of Beginning and Ending Balances

Lines 1 – 12: Balances at Beginning of Fiscal Year

Report all fund balances and interest intended for transportation purposes at the beginning of the fiscal year. These balances should be classified by funding source as illustrated in the table below. To provide for continuity of reporting, the beginning balances of any restricted funds must agree with the ending balances of such funds as shown in the prior year's report.

Project	Description
A-M	Freeway Environmental Mitigation Projects
O	Regional Capacity Program (RCP)
P	Regional Traffic Signal Synchronization Program (RTSSP)
Q	Local Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Environmental Cleanup Program (Water Quality)
Other	Please provide description for other categories

Line 13: Balances at Beginning of Fiscal Year - TOTAL

Sum of Lines 1 – 12 in the "Amount" and "Interest" columns

Line 14: Monies Made Available During Fiscal Year

Report total available monies (revenues) from Schedule 2, Line 13 in the "Amount" and "Interest" columns

Line 15: Total Monies Available

Sum of Lines 13 - 14 in the "Amount" and "Interest" columns

Line 16: Expenditures During Fiscal Year

Report total available monies (revenues) from Schedule 2, Line 26 in the "Amount" and "Interest" columns

Lines 17 - 28: Balances at End of Fiscal Year

Report by funding source all fund balances and interest for transportation purposes at the end of the fiscal year. To provide for continuity of reporting, the beginning balances of the fund sources in next year's report must agree with the ending balances of such funds as shown in this year's report (or otherwise reconciled).

**M2 Expenditure Report
Fiscal Year Ended June 30, 20____
Beginning and Ending Balances**

Description	Line No.	Amount	Interest
Balances at Beginning of Fiscal Year			
A-M Freeway Environmental Mitigation Projects	1		
O Regional Capacity Program (RCP)	2		
P Regional Traffic Signal Synchronization Program (RTSSP)	3		
Q Local Fair Share	4		
R High Frequency Metrolink Service	5		
S Transit Extensions to Metrolink	6		
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7		
U Senior Mobility Program or Senior Non-Emergency Medical Program	8		
V Community Based Transit/Circulators	9		
W Safe Transit Stops	10		
X Environmental Cleanup Program (Water Quality)	11		
Other*	12		
Balances at Beginning of the Fiscal Year (Sum Lines 1 to 12)	13		
Monies Made Available During Fiscal Year	14		
Total Monies Available (Sum Lines 13 & 14)	15		
Expenditures During Fiscal Year	16		
Balances at End of Fiscal Year			
A-M Freeway Environmental Mitigation Projects	17		
O Regional Capacity Program (RCP)	18		
P Regional Traffic Signal Synchronization Program (RTSSP)	19		
Q Local Fair Share	20		
R High Frequency Metrolink Service	21		
S Transit Extensions to Metrolink	22		
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	23		
U Senior Mobility Program or Senior Non-Emergency Medical Program	24		
V Community Based Transit/Circulators	25		
W Safe Transit Stops	26		
X Environmental Cleanup Program (Water Quality)	27		
Other*	28		

* Please provide a specific description

Measure M2 Expenditure Report

Schedule 2: Summary Statement of Sources and Uses

Lines 1 - 12: Report the Following Revenue Sources and Interest on the Appropriate Line

Project	Description
A-M	Freeway Environmental Mitigation Projects
O	Regional Capacity Program (RCP)
P	Regional Traffic Signal Synchronization Program (RTSSP)
Q	Local Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Environmental Cleanup Program (Water Quality)
Other	Please provide description for other categories

Line 13: Total Revenues

Sum of Lines 1 - 12 (should match Total in Schedule 1, Line 14 in the "Amount" and "Interest" columns)

Lines 14 - 25: Report the Following Expenditures on the Appropriate Line

Project	Description
A-M	Freeway Environmental Mitigation Projects
O	Regional Capacity Program (RCP)
P	Regional Traffic Signal Synchronization Program (RTSSP)
Q	Local Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Environmental Cleanup Program (Water Quality)
Other	Please provide description for other categories

Line 26: Total Expenditures

Sum of Lines 14 - 25 (Should match Total in Schedule 1, Line 16 in the "Amount" and "Interest" columns)

Line 27: Total Balance

Subtract Line 26 from Line 13 in the "Amount" and "Interest" columns

M2 Expenditure Report
Fiscal Year Ended June 30, 20____
Sources and Uses

	Description	Line No.	Amount	Interest
	Revenues:			
A-M	Freeway Environmental Mitigation Projects	1		
O	Regional Capacity Program (RCP)	2		
P	Regional Traffic Signal Synchronization Program (RTSSP)	3		
Q	Local Fair Share	4		
R	High Frequency Metrolink Service	5		
S	Transit Extensions to Metrolink	6		
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7		
U	Senior Mobility Program or Senior Non-Emergency Medical Program	8		
V	Community Based Transit/Circulators	9		
W	Safe Transit Stops	10		
X	Environmental Cleanup Program (Water Quality)	11		
	Other*	12		
	TOTAL REVENUES: (Sum Lines 1 to 12)	13	\$	\$
	Expenditures:			
A-M	Freeway Environmental Mitigation Projects	14		
O	Regional Capacity Program	15		
P	Regional Traffic Signal Synchronization Program	16		
Q	Local Fair Share	17		
R	High Frequency Metrolink Service	18		
S	Transit Extensions to Metrolink	19		
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	20		
U	Senior Mobility Program or Senior Non-Emergency Medical Program	21		
V	Community Based Transit/Circulators	22		
W	Safe Transit Stops	23		
X	Environmental Cleanup Program (Water Quality)	24		
	Other*	25		
	TOTAL EXPENDITURES: (Sum Lines 14 to 25)	26	\$	\$
	TOTAL BALANCE (Subtract line 26 from 13)	27	\$	\$

* Please provide a specific description

Measure M2 Expenditure Report Template Instructions

Schedule 3: Summary Statement of Detailed Use of Funds

Line 1: Indirect and/or Overhead

This line covers local agency costs that cannot be readily identified to a specific project. The costs listed in this line item represent an equitable share of expenditures for activities not directly allocated to right-of-way, construction, or other categories. Allocations must be based on a reasonable, documented methodology.

This includes, but is not limited to:

Payroll	General accounting/finance
Personnel	Departmental accounts/finance
Purchasing/Procurement	Facilities
Advertising	Data processing
Legal costs	Top management
General government	Bids

Lines 2 - 7: Construction

Construction expenditures include the following:

- Projects developing new streets, bridges, lighting facilities, storm drains, etc., in locations that formerly had no such facilities, or projects departing to such an extent from existing alignment and grade that no material salvage value is realized from the old facilities.
- Additions and betterments to the street system and its rights-of-way, including grade separations and urban extensions.
- Any work that materially increases the service life of the original project.
- Resurfacing to a thickness greater than one inch.
- Resurfacing to a thickness less than one inch if the project has been certified by a lead agency as construction.
- Construction of traffic islands and other traffic safety devices.
- Transit facilities including, but not limited to, bus stops, shelters, and maintenance facilities.
- Streetscape including original landscaping, tree planting, and similar work.
- Acquisition and installation of street lighting facilities, traffic signals, and/or street signs (only when such signs are installed in connection with developing new streets).
- Planning, environmental, or design related to construction.
- Salaries and expenses of employees in connection with construction (direct costs).

Line 8: Total Construction

Sum of Lines 2 - 7

Line 9: Right-of-Way Acquisition

Right-of-way expenditures include the following:

- The acquisition of land or interest for use as a right-of-way in connection with the city's street system; the amount reported should include the cost of acquisition of any improvements situated on the real property at the date of its acquisition by the city.
- The cost of removing, demolishing, moving, resetting, and altering buildings or other structures that obstruct the right-of-way.
- The court costs of condemnation proceedings.

- Title searches and reports.
- Salaries and expenses of employees and right-of-way agents in connection with the acquisition of rights-of-way (direct costs).
- Severance damage to property sustained due to the city's street projects.
- All other costs of acquiring rights-of-way free and clear of all physical obstructions and legal encumbrances.

Line 10: Total Construction and Right-of-Way

Sum of Lines 8-9

Line 11 - 15: Maintenance / Operations

Maintenance expenditures include the following:

- The preservation and keeping of rights-of-way, street structures, and facilities in the safe and usable condition, to which they have been improved or constructed, but not reconstruction or other improvements.
- General utility services such as roadside planting, tree trimming, street cleaning, snow removal, and general weed control.
- Repairs or other work necessitated by damage to street structures or facilities resulting from storms, slides, settlements, or other causes unless it has been determined by the city engineer that such work is properly classified as construction.
- Maintenance of traffic signal equipment, coordination and timing on the city streets, as well as the city's share of such expenditures covering traffic signals situated at intersections of city streets and state highways within the incorporated area of the city.
- Salaries and expenses of employees in connection with maintenance and/or operations (direct costs).

Line 16: Total Maintenance

Sum of Lines 11 - 15

Line 17: Other

Please provide description for other categories. For example: transit, Senior Mobility Program, water quality, transit operations such as vehicle leases and other related operating expenses, etc. This category is not applicable to the MOE column as MOE expenditures would fall into the categories listed above.

Line 18: Grand Totals

Sum of Lines 1, 10, 16, and 17

Line 19: Finance Director Confirmation

Finance Director initials to confirm understanding of MOE.

City/County of: _____

Schedule 3

**M2 Expenditure Report
Fiscal Year Ended June 30, 20____
Streets and Roads Detailed Use of Funds**

Type of Expenditure	Line Item	MOE ²	Developer / Impact Fee ⁺	O	O Interest	P	P Interest	Q	Q Interest	X	X Interest	Other M2 ²³	Other M2 Interest	Other*	TOTAL
Indirect and/or Overhead	1														\$
Construction & Right-of-Way															
New Street Construction	2														\$
Street Reconstruction	3														\$
Signals, Safety Devices, & Street Lights	4														\$
Pedestrian Ways & Bike paths	5														\$
Storm Drains	6														\$
Storm Damage	7														\$
Total Construction¹	8														\$
Right of Way Acquisition	9														\$
Total Construction & Right-of-Way	10														\$
Maintenance															
Patching	11														\$
Overlay & Sealing	12														\$
Street Lights & Traffic Signals	13														\$
Storm Damage	14														\$
Other Street Purpose Maintenance	15														\$
Total Maintenance¹	16														\$
Other	17														\$
GRAND TOTALS (Sum Lines 1, 10, 16, 17)	18	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Finance Director Confirmation	19	<p><u>Any California State Constitution Article XIX streets and road eligible expenditure may be "counted" in local jurisdictions' calculation of MOE if the activity is supported (funded) by a local jurisdictions' discretionary funds (e.g. general fund). The California State Controller also provides useful information on Article XIX and the Streets and Highways Code eligible expenditures in its "Guidelines Relating to Gas Tax Expenditures for Cities and Counties". I have reviewed and am aware of these guidelines and their applicability in calculating and reporting on Maintenance of Effort expenditures.</u></p> <p>Finance Director initial: _____</p>													

¹ Includes direct charges for staff time

+ Transportation related only

^{2,3} Other M2 includes A-M, R, S, T, U, V, and W

* Please provide a specific description

Measure M2 Expenditure Report Template Instructions

Schedule 4: Summary Statement of Local Fair Share Project List

List the project titles and brief description (maximum of two sentences) for all projects that utilized any portion of Measure M2 (M2) Local Fair Share funding. Please include the total amount of **M2 Local Fair Share** funds only that were expended.

City/County of: _____

Signature Page

**M2 Expenditure Report
Fiscal Year Ended June 30, 20____**

I hereby certify that:

All the information attached herein and included in schedules 1 through 4 is true and accurate to the best of my knowledge;

~~I certify that the~~The interest earned on Net Revenues allocated pursuant to the Ordinance shall be expended only for those purposes for which the Net Revenues were allocated; ~~and all the information attached herein is true and accurate to the best of my knowledge;~~

The City/County of _____ is aware of the State Controller's "Guidelines Relating to Gas Tax Expenditures for Cities and Counties", which is a guide for determining MOE Expenditures for M2 Eligibility purposes;

The City/County's Expenditure Report is in compliance with direction provided in the State Controller's "Guidelines Relating to Gas Tax Expenditures for Cities and Counties;" and

The City/County of _____ has expended in this fiscal year an amount of local discretionary funds for streets and roads purposes at least equal to the level of its maintenance of effort requirement;

Director of Finance (Print Name)

Date

Signature

[EXPENDITURE REPORT RESOLUTION]

A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF _____ CONCERNING THE MEASURE M2 (M2) EXPENDITURE REPORT FOR THE CITY/COUNTY OF _____.

WHEREAS, local jurisdictions are required to meet eligibility requirements and submit eligibility verification packages to ~~the~~ Orange County Transportation Authority (OCTA) in order to remain eligible to receive M2 funds~~;~~; ~~and~~

WHEREAS, local jurisdictions are required to adopt an annual M2 Expenditure Report as part ~~of~~ one of the eligibility requirements~~;~~; ~~and~~

WHEREAS, local jurisdictions are required to account for Net Revenues, developer/traffic impact fees, and funds expended by the local jurisdiction in the M2 Expenditure Report that satisfy the Maintenance of Effort requirements; and

WHEREAS, the M2 Expenditure Report shall include all Net Revenue fund balances, interest earned and expenditures identified by type and program or project; and

WHEREAS, the M2 Expenditure Report must be adopted and submitted to the OCTA each year within six months of the end of the local jurisdiction’s fiscal year to be eligible to receive Net Revenues as part of M2.

NOW, THEREFORE, BE IT RESOLVED that the City Council/Board of Supervisors for the City/County of _____ does hereby inform OCTA that:

- a) The M2 Expenditure Report is in conformance with the template provided in the Measure M2 Eligibility Guidelines and accounts for Net Revenues including interest earned, expenditures during the fiscal year~~.~~, and balances at the end of fiscal year.
- b) The M2 Expenditure Report is hereby adopted by the City/County of _____.
- c) The City/County of _____ Finance Director is hereby authorized to sign and submit the M2 Expenditure Report to OCTA for the fiscal year ending _____.

PASSED, APPROVED, AND ADOPTED THIS [Insert Day] day of [Insert Month], [Insert Year].

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Appendix H: Arterial Highway Mileage Change Report

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APPENDIX H

Arterial Highway Mileage Change Report

Jurisdiction:	Choose an item.
----------------------	-----------------

Check here if there are no changes to report

Street Name	Date Added	Date Deleted	From	To	8-Lane Centerline Miles	6-Lane Centerline Miles	4-Lane Centerline Miles	Total Centerline Miles
Subtotals:								

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Appendix I: Maintenance of Effort Reporting Form

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APPENDIX I

Maintenance of Effort (MOE) Reporting Form

Jurisdiction: _____

Type of GENERAL FUND Transportation Expenditures:

Please attach supporting budget documentation for each line item listed below.

MAINTENANCE	Total Expenditure
Subtotal Maintenance	\$

CONSTRUCTION	Total Expenditure
Subtotal Construction	\$

INDIRECT /OTHER	Total Expenditure
Subtotal Indirect /Other	\$

Total General Fund Transportation Expenditures	\$
(Less Total MOE Exclusions ¹)	\$
MOE Expenditures	\$
MOE Benchmark Requirement	\$
(Shortfall)/Surplus	\$

Certification:

I hereby certify that:

The City/County of _____ is aware of the State Controller's "Guidelines Relating to Gas Tax Expenditures for Cities and Counties", which is a guide for determining MOE Expenditures for M2 Eligibility purposes;

The City/County of _____'s MOE Reporting Form is in compliance with direction provided in the State Controller's "Guidelines Relating to Gas Tax Expenditures for Cities and Counties;" and

The City/County of _____ certifies that it has included in its budget for Fiscal Year 2020-21 an amount of local discretionary funds for streets and roads purposes consistent with Fiscal Year 2020-21 Maintenance of Efforts requirements. has budgeted and will meet the Maintenance of Effort (MOE) requirement for Fiscal Year _____, 2020/21.

Finance Director Signature

Finance Director
(Print Name)

Date

¹Funding sources include Measure M, federal, state, redevelopment, and bond financing.

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Appendix J: Acronyms

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APPENDIX J

Acronyms

Acronym	Description
AHRP	Arterial Highway Rehabilitation Program
CCI	Construction Cost Index
CFD	Community Facilities District
CIP	Capital Improvement Program
CMP	Congestion Management Program
CTFP	Comprehensive Transportation Funding Programs
ECP	Environmental Cleanup Program (Project X)
LAFCO	Local Agency Formation Commission
LOS	Level of Service
LSSP	Local Signal Synchronization Plan
MOE	Maintenance of Effort
MPAH	Master Plan of Arterial Highways
OCTA	Orange County Transportation Authority
OCTC	Orange County Transportation Commission
PCI	Pavement Condition Index
PMP	Pavement Management Plan
RCP	Regional Capacity Program (Project O)
RTSSMP	Regional Traffic Signal Synchronization Master Plan (Project P)
SCAQMD	South Coast Air Quality Management District
TAC	Technical Advisory Committee
TDM	Traffic Demand Management
TOC	Taxpayer Oversight Committee
TOD	Transit Oriented Development
TSC	Technical Steering Committee

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MOE Benchmark by Local Agency

Column	A	B	C	D
Agency	Current MOE Benchmark	MOE Adjustment*	Amount Increased (A * B)	New MOE Benchmark (A + C)
Aliso Viejo	\$ 462,004	16.58%	\$ 76,600	\$ 538,604
Anaheim	\$ 10,058,292	16.58%	\$ 1,667,665	\$ 11,725,957
Brea	\$ 719,028	16.58%	\$ 119,215	\$ 838,243
Buena Park	\$ 3,743,072	12.38%	\$ 463,392	\$ 4,206,464
Costa Mesa	\$ 7,383,205	16.58%	\$ 1,224,135	\$ 8,607,340
County of Orange	\$ -	0.00%	\$ -	\$ -
Cypress	\$ 3,117,765	15.72%	\$ 490,113	\$ 3,607,878
Dana Point	\$ 1,313,011	15.01%	\$ 197,083	\$ 1,510,094
Fountain Valley	\$ 1,342,115	16.58%	\$ 222,523	\$ 1,564,638
Fullerton	\$ 3,785,870	16.58%	\$ 627,697	\$ 4,413,567
Garden Grove	\$ 3,378,344	16.58%	\$ 560,129	\$ 3,938,473
Huntington Beach	\$ 5,607,203	5.60%	\$ 314,003	\$ 5,921,206
Irvine	\$ 7,050,145	13.50%	\$ 951,770	\$ 8,001,915
La Habra	\$ 1,529,313	13.60%	\$ 207,987	\$ 1,737,300
La Palma	\$ 173,004	16.58%	\$ 28,684	\$ 201,688
Laguna Beach	\$ 1,549,454	16.58%	\$ 256,899	\$ 1,806,353
Laguna Hills	\$ 310,467	6.80%	\$ 21,112	\$ 331,579
Laguna Niguel	\$ 908,566	0.00%	\$ -	\$ 908,566
Laguna Woods	\$ 89,705	16.58%	\$ 14,873	\$ 104,578
Lake Forest	\$ 194,440	16.58%	\$ 32,238	\$ 226,678
Los Alamitos	\$ 162,506	12.15%	\$ 19,744	\$ 182,250
Mission Viejo	\$ 2,538,900	12.84%	\$ 325,995	\$ 2,864,895
Newport Beach	\$ 10,871,763	15.41%	\$ 1,675,339	\$ 12,547,102
Orange	\$ 2,917,858	16.28%	\$ 475,027	\$ 3,392,885
Placentia	\$ 660,496	16.58%	\$ 109,510	\$ 770,006
Rancho Santa Margarita	\$ 390,747	9.62%	\$ 37,590	\$ 428,337
San Clemente	\$ 1,135,209	16.00%	\$ 181,633	\$ 1,316,842
San Juan Capistrano	\$ 422,472	16.58%	\$ 70,046	\$ 492,518
Santa Ana	\$ 7,755,107	16.58%	\$ 1,285,797	\$ 9,040,904
Seal Beach	\$ 551,208	16.58%	\$ 91,390	\$ 642,598
Stanton	\$ 245,213	16.58%	\$ 40,656	\$ 285,869
Tustin	\$ 1,455,691	16.58%	\$ 241,354	\$ 1,697,045
Villa Park**	\$ 321,697	12.04%	\$ 38,732	\$ 360,429
Westminster	\$ 1,548,761	16.58%	\$ 256,785	\$ 1,805,546
Yorba Linda	\$ 2,279,688	14.41%	\$ 328,503	\$ 2,608,191

* The MOE benchmark adjustment is based on the percent change in CCI for the immediately preceding three-year period. The adjustment cannot exceed the percent change in the jurisdiction's GFR over the same period of time. If there is negative growth in the jurisdiction's GFR, the local agencies will have a zero percent MOE adjustment. The 2016 CCI is 140.75, and the 2019 CCI is 164.09. The CCI percent change is 16.58 percent.

** Final CAFR has not been adopted/released. The Trial Balance has been used to calculate the estimated benchmark. Adjustment may be required.

MOE - Maintenance of effort
 FY - Fiscal year
 CCI - Construction cost index
 GFR - General fund revenue
 CAFR - Comprehensive Annual Financial Report
 N/A - Not Applicable



GUIDELINES FOR THE PREPARATION OF
**LOCAL SIGNAL
SYNCHRONIZATION
PLANS**
2020

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Chapter 1. Overview

On November 6, 1990, voters in Orange County approved a ½-cent sales tax for transportation improvements known as Measure M. This sales tax includes funding for streets and roads available to eligible local agencies through both a formula distribution and a competitive process. On November 6, 2006, voters approved Measure M2 to continue the ½-cent sales tax for thirty years, beginning in 2011. Project P, the Regional Traffic Signal Synchronization Program (RTSSP), was included as part of Measure M2.

The RTSSP is comprised of a 750-mile regional signal synchronization network with approximately 2,000 signals. The goals of the program are to improve the flow of traffic on Orange County streets and roads by implementing multi-agency signal synchronization. Local agencies and Caltrans are encouraged to work cooperatively with the Orange County Transportation Authority (OCTA) to synchronize traffic signals throughout Orange County on a corridor basis to improve travel time and reduce stops. Local agencies will maintain local control and responsibility for signals within their jurisdiction. Any changes to traffic signals, signal timing equipment, or related signal policies (including transit signal priority, transit preemption, or emergency vehicle preemption) are at the full discretion of the responsible local agency.

1.1. Measure M2 Eligibility Requirements

1.1.1. Local Signal Synchronization Plan Initial Adoption

Eligibility requirements included in Measure M2 specify that each local jurisdiction must adopt a local signal synchronization plan (LSSP). For eligibility purposes, each local jurisdiction initially adopted a LSSP in 2010 that included the following components:

- Signal synchronization goals
- Traffic signal synchronization street routes
- Traffic signal inventory
- Three-year capital, operations, and maintenance plan

1.1.2. Local Signal Synchronization Plan Update

Subsequent to the adoption of each 2010 LSSP, the local agencies must maintain and update their respective LSSP for the duration of Measure M2 to remain eligible for funding. In addition to refreshing the section 1.1.1 elements included in the adopted LSSP with current information, the update shall include information on the following:

- Review and revise signal timing, as may be necessary, along traffic signal synchronization street routes and traffic signals based on the signal synchronization assessment.
- Report on the status and performance of signal synchronization activities along the traffic signal synchronization street routes and traffic signals. Jurisdictions may use related efforts that are included as part of the RTSSP Master Plan (Appendix A) to the extent appropriate to fulfill this reporting requirement. In addition, performance results from Project P corridor projects completed since the last update may be included.

For eligibility purposes, this means that a local agency must update an adopted plan by June 30, 2017, concurrent with the annual eligibility cycle and every three years thereafter. For a plan update, city council adoption is required.

The following table outlines the LSSP eligibility requirements and completion dates for the first seven years of Measure M2. Additionally, the table identifies the fiscal years for which the eligibility requirement applies.

Local Signal Synchronization Plan Eligibility Requirement and Completion Date	Applicable Fiscal Years (FY)
<i>Initial Adoption</i> Completed: December 31, 2010	Part of FY 2010-11 as well as all of FY 2011-12 through FY 2013-14
<i>3-Year Update</i> Completed: June 30, 2014	FY 2014-15 through FY 2016-17
<i>3-Year Update</i> Completion Date: June 30, 2017	FY 2017-18 through FY 2019-20
<i>3-Year Update</i> Completion Date: June 30, 2020	FY 2020-21 through FY 2022-23

1.2. Local Match Reduction

By implementing, maintaining, and operating an LSSP in conformance with the RTSSP Master Plan, a local agency benefits through a local match reduction of 10 percent of eligible costs as part of the Regional Capacity Program (Project O) competitive grant program.

1.3. Purpose and Objectives of LSSP

LSSPs provide a tool to succinctly report local agency plans, goals and objectives regarding signal operations. Budgetary needs and system performance metrics are included to help communicate overall system operations and investment effectiveness. Submittal of these plans as part of the M2 Eligibility process enables OCTA verification of consistency with the RTSSP Master Plan.

This manual provides guidelines and procedures necessary for Orange County agencies to develop and maintain their LSSP in conformance with the criteria stated in the Measure M2 Ordinance No. 3. The guidelines outline the components of the LSSP and the required documents to fulfill the signal synchronization portion of the Measure M2 eligibility process, including a "Consistency Review Checklist" in Appendix B.

Chapter 2. Local Signal Synchronization Plan Guidelines

The LSSP guidelines are discussed under the following categories:

- Signal synchronization goals
- Traffic signal synchronization street routes
- Traffic signal inventory
- Three-year capital, operations, and maintenance plan
- Signal synchronization timing review, revision, and assessment

2.1. Signal Synchronization Goals

The Measure M2 RTSSP is envisioned as a multi-agency, corridor-based approach that optimizes the performance of traffic signals based on existing traffic patterns. The approach acknowledges local agency responsibility and control of signal timing, and works with those agencies to develop acceptable synchronization timing. Concurrence with these broad goals shall be provided. Information on how traffic signals and street routes may be coordinated across jurisdictional boundaries shall be described.

The LSSP should provide sufficient information to describe the role of existing and planned synchronized signals and coordinated corridors within the city ensuring an efficient and effective transportation circulation system. Supporting information including compatible traffic signal timing technical parameters and communication with other agencies may be included. Additional information including existing traffic patterns and time periods when synchronization is implemented (peak periods, midday, and weekends) may be expanded upon as necessary.

2.2. Traffic Signal Synchronization Street Routes

At minimum, all street routes included in the RTSSP located within the local agency boundaries must be identified by the LSSP, regardless of implementation status, ownership and operating responsibility. Reductions below that level will result in the LSSP being inconsistent with the RTSSP Master Plan and therefore not meet M2 eligibility requirements. Local agencies have the option to include additional streets not part of the Master Plan. This information will be useful for cities and OCTA to coordinate future projects with neighboring jurisdictions and aid in development of funding strategies. OCTA will provide maps with the Master Plan of Arterial Highways (MPAH) network identified for each local agency to facilitate this process.

2.3. Traffic Signal Inventory

Traffic signals that are part of the local agency signal synchronization routes identified in section 2.2 shall be inventoried in the LSSP, regardless of ownership and operating responsibility. The inventory is designed to help improve information flow to enhance signal coordination between agencies. Along with the signal inventory, cycle length information by time period shall be provided. Maintenance responsibility for shared signals should be indicated. Equipment status may be included to identify signals that meet current technology requirements, as well as those planned for upgrade and, as a result, are candidates for replacement when feasible.

2.4. Three-year Capital, Operations, and Maintenance Plan

Implementing, maintaining and updating signal synchronization includes initial and periodic capital equipment investment and periodic timing plan updates. The LSSP identifies specific goals, routes and equipment required to ensure network operability with maximum traffic management efficiency. A planning level budget estimate shall be presented reflecting expenditures required to fully implement near term (three year) and long-term (beyond three years) synchronization program. These scenarios should be presented without regard to available funds (unconstrained scenario). The 3-year budget estimate shall be provided by fiscal year and separated into capital, operations, and maintenance elements. This unconstrained scenario should be presented with candidate signal synchronization projects for planning purposes. These projects may be submitted as part of future Project P calls for projects.

A separate three-year budget estimate based upon available funding (constrained scenario) using resources the local agency will commit to signal synchronization efforts shall also be provided. Anticipated monies not yet awarded as part of competitive Project P should not be included in this constrained plan. This budget estimate shall be provided by fiscal year and separated into capital, operations, and maintenance elements.

The following definitions are provided to help meet the intent of the three-year plan. Capital should include traffic signal infrastructure (e.g., detection and traffic controllers) and communication infrastructure (e.g., Ethernet and software for system traffic control) improvements necessary to achieve signal synchronization. Operations should consist of the development, on-going review/monitoring, and fine-tuning of synchronized signal timing. Finally, maintenance should comprise of the upkeep of traffic signal and communication infrastructure related to signal synchronization. Routine signal maintenance such as replacing signal heads, bulbs, and poles should not be included. The inclusion of other costs not listed here shall be at the discretion of the local agency.

2.5. Signal Synchronization Timing Review, Revision, and Assessment

This section shall show the status of required signal synchronization timing reviews along the agency's identified signal synchronization routes. Timing revisions should be noted; if additional information such as a "before and after study" is available, it should be provided. Qualitative descriptions of the review process may also be provided if desired. In addition, specific details may be provided on the signal timing revisions such as cycle length changes.

A signal synchronization assessment shall be provided by each local agency. This assessment will report on the performance of synchronization activities along the signal synchronization street routes and traffic signals. The assessment shall be prepared based on overall performance criteria that may include average speeds, green lights to red lights, and stops per mile. Jurisdictions may collect assessment data themselves or use the assessment information collected by OCTA.

Chapter 3. Agency Submittals

This chapter summarizes for submittal purposes the information required to fulfill the LSSP requirements. This information has been described more fully previously in this document. As a summary, local agencies must submit the following to OCTA:

- Local Signal Synchronization Plan which includes the following:
 - Signal synchronization goals
 - Concurrence with the goals: corridor-based, multi-agency, existing traffic patterns, and local traffic signal timing and operation responsibility
 - Traffic signal synchronization street routes
 - Regional signal synchronization network from the Regional Traffic Signal Synchronization Master Plan
 - Relationship to Master Plan of Arterial Highways
 - Additional local streets, if desired
 - Traffic signal inventory for traffic signal synchronization street routes
 - Traffic signals
 - Cycle length data by time period
 - Three-year plan showing capital, operations, and maintenance costs
 - Unconstrained scenario with candidate projects
 - Constrained scenario
 - Signal synchronization review, revision, and assessment
 - Note timing reviews and updates underway and those completed since the 2014 LSSP Update
 - Identify revisions
 - Provide performance assessment
- Local Signal Synchronization Plan Consistency Review Checklist (Appendix B)

Appendices

- A. Regional Traffic Signal Synchronization Master Plan
- B. Local Signal Synchronization Plan Consistency Review Checklist

Appendix A: Regional Traffic Signal Synchronization Master Plan

Appendix A: Regional Traffic Signal Synchronization Master Plan

Introduction

The Regional Traffic Signal Synchronization Program is comprised of a 750-mile regional signal synchronization network with about 2,000 signals. The goals of the program are to improve the flow of traffic on Orange County streets and roads by implementing multi-agency signal synchronization. Local agencies and Caltrans are encouraged to work cooperatively with the Orange County Transportation Authority (OCTA) to synchronize traffic signals throughout Orange County on a corridor basis to improve travel time and reduce stops. Local agencies will maintain local control and responsibility for signals within their jurisdiction and control. Any changes to traffic signals, signal timing equipment, or related signal policies (including transit signal priority, transit preemption, or emergency vehicle preemption) are at the full discretion of the responsible local agency.

Regional Traffic Signal Synchronization Master Plan Components

To ensure that this program is successful, this Regional Traffic Signal Synchronization Master Plan has been developed through local agency discussions, Board of Director guidance and Measure M2 requirements. The Regional Traffic Signal Synchronization Program is composed of the following:

1. Regional signal synchronization network
2. Priority corridors for accelerated signal synchronization
3. Traffic forums
4. Model agreements (presenting roles and responsibilities)
5. Signal synchronization regional assessment

In defining these five elements of the Regional Traffic Signal Synchronization Master Plan, the foundation is set for funding and implementing the competitive Regional Traffic Signal Synchronization Program. The program focuses on higher volume priority corridors for an accelerated signal synchronization effort. It incorporates traffic forums to help implement and maintain signal synchronization along corridors. Model agreements define the roles and responsibilities for local agencies and OCTA resulting in competitively funded projects that successfully meet the goals of the Regional Traffic Signal Synchronization Program.

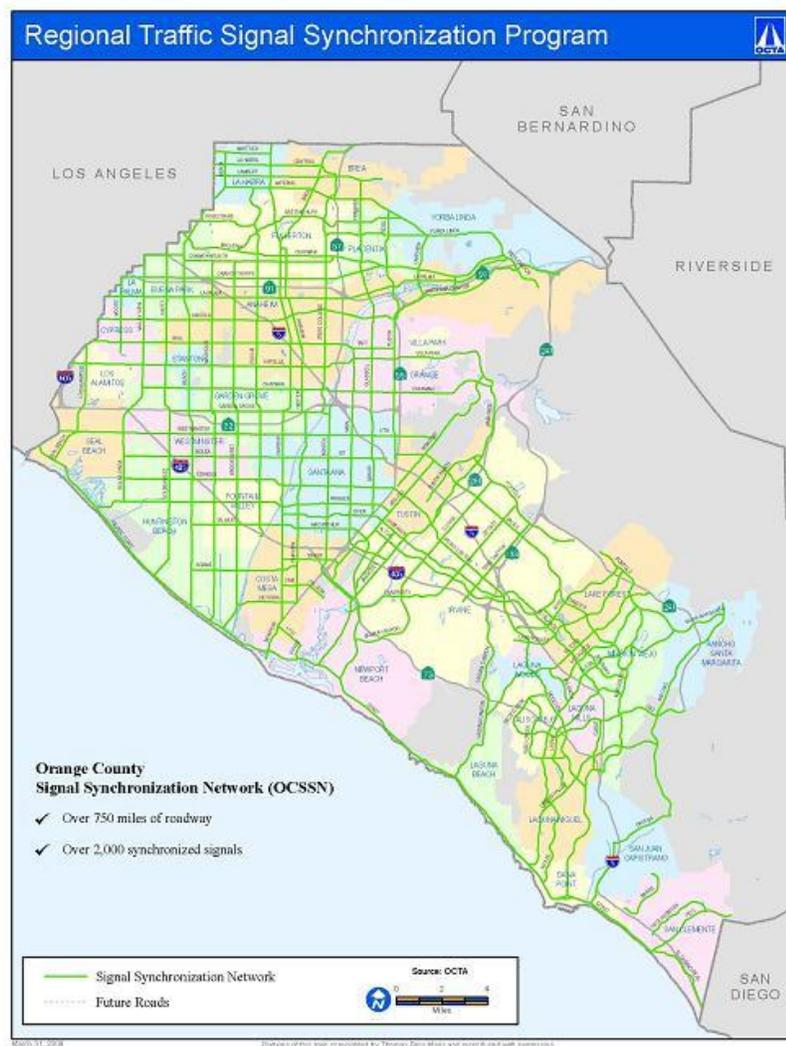
Finally, to ensure compliance with the M2 Ordinance and the promises made to voters to benefit the public from this effort, OCTA will include an element for accountability purposes that will occur through a signal synchronization regional assessment prepared by OCTA every three years. This effort will evaluate performance of the regional signal synchronization network, and identify areas for future improvement. Each of these elements is further discussed below.

Regional Signal Synchronization Network

The regional signal synchronization network (see below) was defined in the Measure M2 Ordinance No. 3. It is a 750-mile network consisting of approximately 2000 signalized intersections. It is a subset of the Master Plan of Arterial Highways. The Regional Traffic Signal Synchronization Master Plan is designated as an element of the Master Plan of Arterial Highways. Specifically, Measure M2 Ordinance No. 3 includes the following definition of the Master Plan of Arterial Highways:

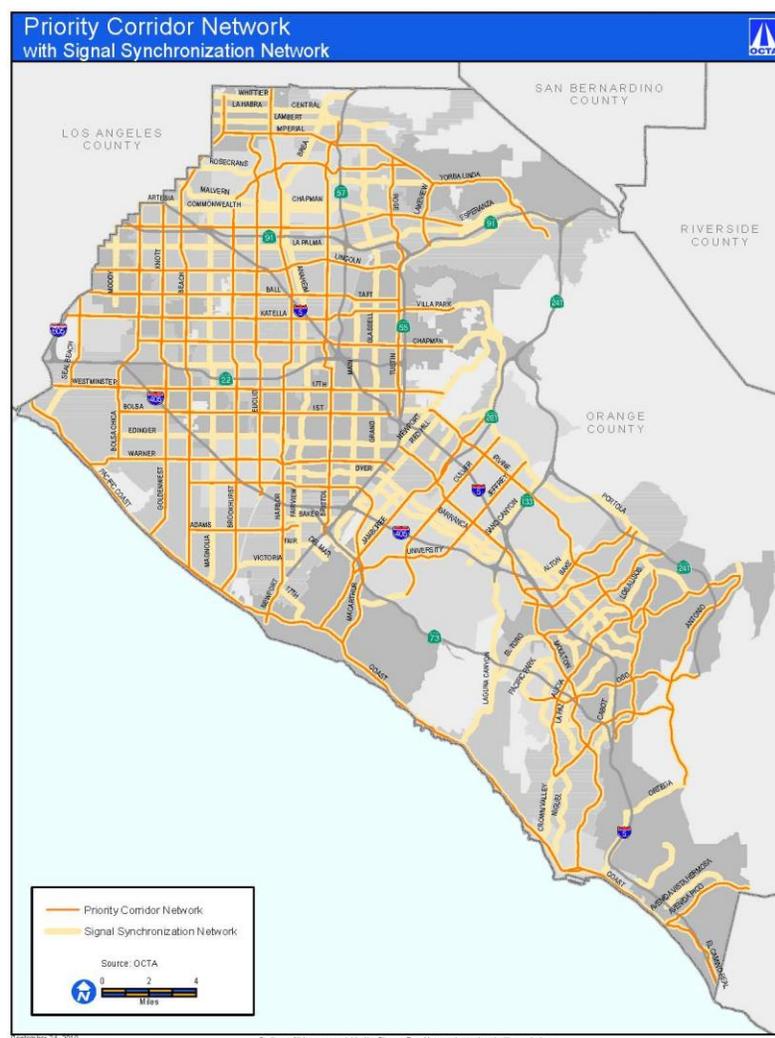
“A countywide transportation plan administered by the Authority defining the ultimate number of through lanes for arterial streets, and designating the traffic signal synchronization street routes in Orange County.”

OCTA has a well-defined process for changes to the Master Plan of Arterial. A procedure for updating the 750-mile signal network will be defined in the future and included in the Guidelines for the Master Plan of Arterial Highways. This would allow documentation and approval of changes to the regional signal synchronization network.



Priority Corridors for Signal Synchronization

Focusing a significant portion of Project P resources to a core set of priority corridors is a main component of the Regional Traffic Signal Synchronization Master Plan. This focused effort will result in a high level of performance along key corridors given the limited resources that are part of the Regional Traffic Signal Synchronization Program. These priority corridors were developed in consultation with and the assistance of the local agencies. They are based on the significance of each route, the traffic volumes, and geographic traffic patterns.



Under this focused effort, signalized intersections along each corridor will be upgraded to provide state of the practice intersection control and associated communications. Optimized timing plans will be developed and implemented along each corridor, aiding movement of the existing traffic patterns. This approach is considered essential to producing an optimized system as early as possible.

The map provides the locations of approximately 36 priority corridors identified along the regional signal synchronization network. These priority corridors reflect key locations for signal synchronization along the signal network. As the Regional Traffic Signal Synchronization Master Plan is implemented through Project P funds, changes to the priority corridors may be made based on results of the regional assessment subject to OCTA's Board of Directors approval.

Priority corridors ensure implementation of optimized signal timing in a systematic manner. These priority corridors will allow the Regional Traffic Signal Synchronization Program to quickly and continually meet its stated purpose of improving the flow of traffic by developing and implementing signal synchronization that cross jurisdictional boundaries. Most importantly, a priority corridor strategy will facilitate consistent operating speeds along key corridors and provide a good level of public perception.

Traffic Forums

Project P is a competitive program designed to implement signal synchronization across multiple jurisdictions. Traffic forums will facilitate the completion of traffic signal synchronization projects. Traffic forums will be working group sessions that include local agencies, the California Department of Transportation (Caltrans), and OCTA. The interaction between cities, Caltrans, and OCTA will help coordinate multiple signal synchronization projects funded through the Regional Traffic Signal Synchronization Program. It will also provide a venue to project participants to express and address concerns.

Model Agreements

The Regional Traffic Signal Synchronization Master Plan includes model agreement terms that set expectations for roles and responsibilities for the implementation of signal synchronization on a project basis. These agreements would be executed following award of Project P funds through a competitive process. It is anticipated that multiple agreements would be developed based on the number of projects funded as part of Project P. A more detailed version of the agreement will be developed and include all local agencies that are identified in the competitive application as well as OCTA.

The model agreement terms help guide the respective roles and responsibilities for the lead agencies, participating agencies, and OCTA. Two versions of the proposed agreements are presented. Option 1 allows the local agencies to implement the synchronized corridors using Project P and local funds while Option 2 authorizes OCTA to implement the synchronized corridors on behalf of the local agencies. The default is Option 1, and local agencies will be required to formally request Option 2.

Signal Synchronization Regional Assessment

To keep the public informed of ongoing signal synchronization efforts, OCTA will prepare a signal synchronization regional assessment every three years. This effort will evaluate status performance of synchronization across agencies along the signal network and identify segments for improvement. An assessment will be prepared based on overall performance for each corridor in the Regional Traffic Signal Synchronization Master Plan; and that assessment will be described using average speed, stops per mile, and the ratio of green signals to red signals. The regional assessment will be [presented to the OCTA Board of Directors](#), provided

to the local agencies, and ~~posted on the internet for review and comment by the public.~~ Results may be used in calls for projects for Project P ~~and changes to the priority corridors.~~

Summary

Measure M2 Ordinance No. 3 requires that OCTA develop a Regional Traffic Signal Synchronization Master Plan for cross-jurisdictional traffic signal synchronization. Combined with input from local agencies and OCTA's Board of Directors, the Regional Traffic Signal Synchronization Program is described by the following five components:

1. Regional signal synchronization network – provides the basis for signal synchronization
2. Priority corridors – identifies key corridors for accelerated signal synchronization
3. Traffic forums – working group sessions to facilitate continued signal synchronization
4. Model agreements – define roles and responsibilities for signal synchronization
5. Signal synchronization regional assessment – provides triennial evaluation of regional signal synchronization

These five elements of the Regional Traffic Signal Synchronization Program define the process implementing the competitive Regional Traffic Signal Synchronization Program.

Exhibits

- A. Local Agency Lead Model Agreement Terms – Option 1
- B. OCTA Lead Model Agreement Terms – Option 2

Exhibit A: Local Agency Lead Model Agreement Terms - Option 1**RESPONSIBILITIES OF THE ORANGE COUNTY TRANSPORTATION AUTHORITY:**

The Orange County Transportation Authority agrees to the following responsibilities for the project:

- To provide Project P funds for the project and designated to the lead agency
- To perform outreach activities for the project to communicate major project milestones and results
- To provide oversight in order to maintain inter-jurisdictional traffic signal operational integrity between existing and new projects and operations
- To provide project audits for allowable expenditures and exceptions

RESPONSIBILITIES OF DESIGNATED LEAD AGENCY:

Lead agency agrees to the following responsibilities for implementation and funding for the project:

- To manage, procure, and implement the project consistent with the agreed scope of work, schedule, and key milestones
- To interface with the Orange County Transportation Authority and coordinate outreach for the project
- To collect manual intersection movement and automated machine traffic counts.
- To develop new timing plans optimized for signal synchronization
- To provide updated timing plans and traffic count data to the Orange County Transportation Authority and agencies
- To prepare "before" and "after" studies for the project. These studies shall be provided to the agencies and the Orange County Transportation Authority for comment
- To provide the Orange County Transportation Authority with a Project Final Report for the project as required by Measure M2 Ordinance No. 3, Section (B)(III)(9), and further described in Measure M2 Eligibility Guidelines separately prepared and adopted by the Orange County Transportation Authority

RESPONSIBILITIES OF ALL PROJECT AGENCIES:

ALL project agencies agree to the following responsibilities for implementation and funding of the project:

- Provide a technical representative from each agency to meet and participate as a member of the project team
- To designate the lead agency for the project for receipt of Project P funds and related matching funds
- To authorize the lead agency to manage, procure, and implement all aspects of the project

- To provide local match or in-kind services for the project in accordance with the 20 percent requirement as identified in the scope of work
- To provide lead agency and the Orange County Transportation Authority all current intersection, local field master, and/or central control system timing plans and related data upon request
- To provide plans, specifications, and estimates to the Orange County Transportation Authority and lead agency or its representative upon request
- To give project related signal and telecommunications equipment a high maintenance priority
- To take reasonable steps to keep signal control systems, inter-tie, detection systems and related equipment in proper working order
- To maintain and repair their own signal control systems inter-tie, detection systems and related equipment located within each of their respective jurisdiction
- To provide all plan check, permit, and construction inspection functions for facilities within their ownership or control
- To provide on-site support, if needed, for timing plan changes and the construction and/or installation of traffic control elements as specified in the scope of work
- To authorize an agency traffic engineer or other designee to make changes or adjustments to the signal timing plans, when required
- To perform the changes required at central or field control locations and/or intersection controller assemblies

Exhibit B: The Orange County Transportation Authority Lead Model Agreement Terms - Option 2

RESPONSIBILITIES OF THE ORANGE COUNTY TRANSPORTATION AUTHORITY:

The Orange County Transportation Authority agrees to the following responsibilities for the project:

- To manage, procure, and implement the project consistent with the agreed budget, scope of work, schedule, and key milestones
- To provide Project P funds for the project
- To interface with the agencies and coordinate outreach for the project
- To collect manual intersection movement and automated machine traffic counts
- To develop new timing plans optimized for signal synchronization
- To provide new timing plans and turning movements to the agencies
- To prepare "before" and "after" studies for the project. These studies shall be provided to the agencies for comment
- To perform outreach activities for the project to communicate major project milestones and results
- To provide project oversight in order to maintain inter-jurisdictional traffic signal operational integrity between existing/legacy and new projects and operations
- To provide project audits for allowable expenditures and exceptions
- To prepare a Project Final Report for each project as required by Measure M2 Ordinance No. 3, Section (B)(III)(9), and further described in Measure M2 Eligibility Guidelines separately prepared and adopted by OCTA

RESPONSIBILITIES OF AGENCIES:

Agencies agree to the following responsibilities for implementation and funding of project:

- Provide a technical representative from each agency to meet and participate as a member of the project team
- To designate OCTA as lead agency for the project for receipt of Project P funds and related matching funds
- To provide local match or in-kind services for the project in accordance with the 20 percent requirement as identified in the scope of work
- To authorize OCTA to manage, procure, and implement all aspects of the project
- To provide OCTA all current intersection, local field master, and/or central control system timing plans and related data upon request
- To give project related signal and telecommunications equipment a high maintenance priority
- To take reasonable steps to keep signal control systems, inter-tie, detection systems and related equipment in proper working

- To provide all plan check, permit, and construction inspection functions for facilities within their ownership or control
- To maintain and repair their own signal control systems inter-tie, detection systems and related equipment located within each of their respective jurisdiction
- To provide on-site support, if needed, for timing plan changes and the construction and/or installation of traffic control elements as specified in the project scope of work
- To authorize an agency traffic engineer or other designee to make changes or adjustments to the signal timing plans, when required
- To perform the changes required at central or field control locations and/or intersection controller assemblies

Appendix B: Local Signal Synchronization Plan Consistency Review Checklist

Appendix B: Local Signal Synchronization Plan Consistency Review Checklist

The Local Agency Name: _____ Date: _____

Local agencies must submit a copy of the updated Local Signal Synchronization Plan, a completed checklist, and any supporting documentation. Complete the table below.

Local Agency Statement	Page #s in LSSP	Provided or N/A
1. Signal synchronization goals of the agency are consistent with those outlined as part of the Regional Traffic Signal Synchronization Master Plan. Include information on how the traffic signal synchronization street routes and traffic signals may be coordinated with traffic signals on the street routes in adjoining jurisdictions.		
2. Traffic signal synchronization street routes are identified, including all corridors along the regional signal synchronization network located within the local agency.		
3. Traffic signal inventory for all traffic signal synchronization street routes.		
4. Three-year plan separately showing costs, available funding, and phasing for capital, operations, and maintenance of signal synchronization along the traffic signal synchronization street routes and traffic signals.		
5. Signal synchronization review, revision, and assessment of synchronization activities along the traffic signal synchronization street routes and traffic signals.		

I certify that the above statements are true to the best of my knowledge.

Name (Print)

Signature

Date

Countywide Pavement Management Plan Guidelines

April 2020





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APPENDICES

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Chapter 1 – Introduction

On November 6, 1990, the voters in Orange County approved a ½-cent sales tax for transportation improvements known as Measure M. This sales tax includes funding for streets and roads that is available to local agencies through both a formula distribution and a competitive process. On November 6, 2006, voters approved a renewal of Measure M to continue the ½-cent sales tax for thirty years, beginning in 2011.

Background

The primary goal of these guidelines is to ensure consistent field data collection and reporting procedures so that countywide funding allocations can be based on agency comparable pavement conditions.

Given that all agencies are using uniform data collection procedures, OCTA can answer typical questions such as:

- What is the average countywide condition of local streets and roads? For individual streets? For Arterial Highways?
- Which streets have a higher priority and need to be funded first?
- How much does it cost to bring them up to an acceptable condition?
- How much will it cost to maintain them in an acceptable condition over the next seven years or more?
- What are the impacts on pavement condition at the existing funding levels?

Training is provided, periodically, by OCTA to maintain consistency in data collection procedures and assist local agencies in the use of pavement management software.

The key is to ensure a reliable, consistent, and uniform approach to data collection.



Eligibility Requirements

One of the eligibility requirements included in Measure M2 (M2) specifies that each local jurisdiction must adopt and update a Pavement Management Plan (PMP) every two years. All agencies must use a common format as part of the countywide pavement management effort conforming to American Society for Testing and Materials (ASTM) Standard D6433. In 2010, the Orange County Transportation Authority (OCTA) adopted MicroPaver as the countywide standard PMP software and all agencies participating in M2 were required to adopt this software for consistency in reporting pavement management conditions. In 2011, all local agencies submitted PMPs that were in conformance with the requirements in the PMP Guidelines. Local agencies may now also utilize StreetSaver, since it is in conformance with ASTM Standard D6433. The PMP must include:

- The current status of road pavement conditions;
- A seven-year plan for road maintenance and rehabilitation (including projects, funding, and any unfunded backlog of pavement needs);
- The projected pavement condition resulting from the maintenance and rehabilitation plan; and
- Alternative strategies and costs necessary to improve road pavement conditions.

Local Match Reduction

In addition to the above requirements, a local agency match reduction of 10% of the eligible cost for projects submitted for consideration of funding through the Comprehensive Transportation Funding Programs (CTFP) call for projects is available if the local jurisdiction either:

- a. Shows measurable improvement of paved road conditions during the previous reporting period defined as an overall weighted (by area) average system improvement of one Pavement Condition Index (PCI) point with no reduction in the overall weighted (by area) average PCI in the Master Plan of Arterial Highways (MPAH) or local street categories;

or

- b. Road pavement conditions during the previous reporting period within the highest 20% of the scale for road pavement conditions in conformance with OCTA Ordinance No. 3, defined as a PCI of 75 or higher, otherwise defined as in "good condition".



Chapter 2 – Pavement Management Plan Guidelines

These guidelines and procedures are necessary for Orange County agencies to implement and update their PMPs with respect to conducting condition surveys. This is required to certify conformance with the criteria stated in OCTA’s Ordinance No. 3. This ordinance requires that a PMP be in place and maintained to qualify for an allocation of net revenues generated from M2. A copy of Ordinance No. 3 is available from OCTA. PMP Certification is part of the submittal required for each agency (see Appendix A).

The pavement management guidelines are discussed under the following categories:

1. Condition Survey Protocols
2. Inspection Frequency
3. Countywide Assessment Standards
4. Quality Assurance/Quality Control (QA/QC) Plan
5. Re-inspections
6. Prequalification/Calibration of Inspectors
7. Pavement Management Software Training
8. Pavement Management Data Files

Condition Survey Protocols

In 1998, OCTA adopted condition survey protocols that required the collection of certain surface distresses as a minimum for both asphalt concrete and Portland cement concrete pavements. These distresses were common to the variety of pavement management systems then in use by Orange County local agencies. Based on the usage of a common county-wide software, it is now possible to include all of the distresses in ASTM Standard D6433 “Standard Practice for Roads and Parking Lots Pavement Condition Index Surveys” in these Guidelines. These surface distresses are as follows:

Asphalt Concrete (AC)

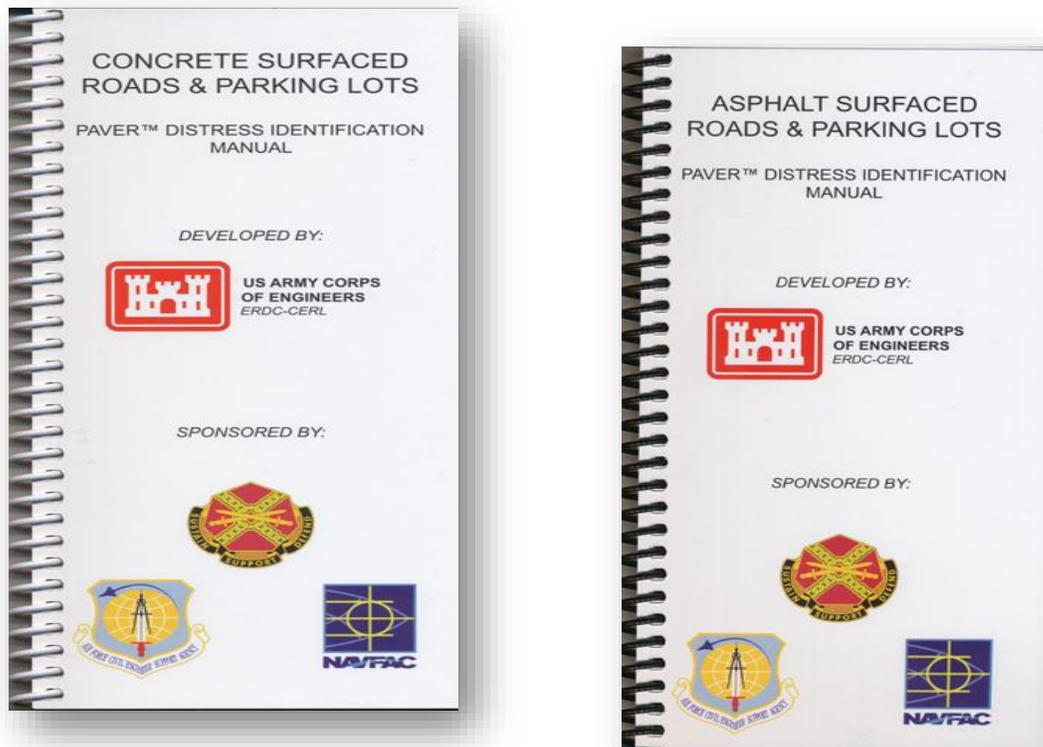
1. Alligator or Fatigue Cracking
2. Bleeding
3. Block Cracking
4. Bumps and Sags
5. Corrugation
6. Depression
7. Edge Cracking
8. Joint Reflection Cracking
9. Lane/ Shoulder Drop-off
10. Longitudinal Cracking
11. Patching and Utility Cut Patching
12. Polished Aggregate
13. Potholes
14. Railroad Crossing
15. Rutting
16. Shoving
17. Slippage Cracking
18. Swell
19. Raveling
20. Weathering (Surface Wear)

Portland Cement Concrete (PCC)

1. Blowup/ Buckling
2. Corner Break
3. Divided Slab
4. Durability (“D”) Cracking
5. Faulting
6. Joint Seal Damage
7. Lane/ Shoulder Drop-Off
8. Linear Cracking
9. Patching, Large And Utility Cuts
10. Patching, Small
11. Polished Aggregate
12. Popouts
13. Pumping
14. Punchout
15. Railroad Crossing
16. Scaling
17. Shrinkage Cracks
18. Spalling, Corner
19. Spalling, Joint

The distress definitions, severity levels, and measurement methods are based on criteria described in Pavement Management for Airports, Roads and Parking Lots¹. This reference has been formalized as ASTM Standard D6433². ASTM's copyright does not allow for electronic distribution or copying of this standard. However, a link to purchase the standard is included in the footnote. OCTA's guidelines follow ASTM D6433, with a few minor exceptions.

In addition, field manuals are available from the American Public Works Association (APWA)^{3,4}. The field manuals include photographs of distress types and detailed descriptions and definitions, and are intended for the field inspector. All personnel involved with inspection or performing condition surveys must have read and understood these manuals.



Note that both ASTM D6433 and these field manuals contain 20 distresses and 19 distresses for AC and PCC pavements, respectively. These distresses are now required for data collection.

OCTA allows windshield, walking, and calibrated automated surveys. It is recommended that windshield surveys be supplemented with walking surveys.

¹ Shahin, M.Y. *Pavement Management for Airports, Roads and Parking Lots*, Chapman & Hall, 1994.

² ASTM D6433 – *Standard Practice for Roads and Parking Lots Pavement Condition Index Surveys*. A copy may be purchased at <http://www.astm.org/Standards/D6433.htm>.

³ *Paver Distress Identification Manual: Asphalt-Surfaced Roads and Parking Lots*, U.S. Army Corps of Engineers, Construction Engineering Research Laboratories, June 2009. To purchase, go to www.apwa.net.

⁴ *Paver Concrete Distress Identification Manual: Concrete Surfaced Roads and Parking Lots*, U.S. Army Corps of Engineers, Construction Engineering Research Laboratories, June 2009. To purchase go to www.apwa.net.

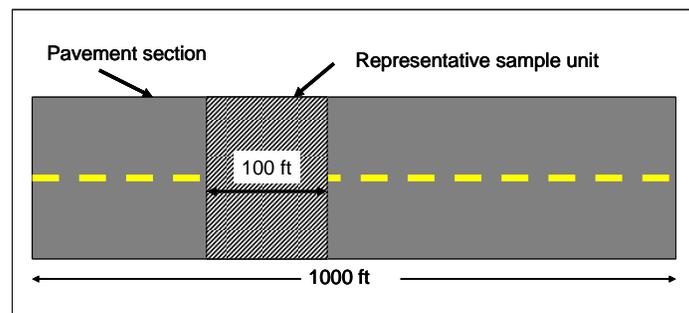
In a windshield survey, the inspector travels in a vehicle at slow speeds (5 to 10 mph) and observes the pavement condition from within the vehicle. The entire length of the pavement section is driven and observed. A driver is required for safety reasons, with the inspector/recorder in the passenger side of the vehicle. The inspector should have a list of street sections to be surveyed and a planned route.

The entire pavement section is surveyed, and the distress data are estimated and recorded. In situations where the distresses need closer examination, or where there are difficulties in observation, the inspector should stop the vehicle and walk the pavement section to verify the distresses observed from the vehicle.

All field data collection procedures should conform to the local agency's safety practices and should be included in the QA/QC Plan (see Appendix A).

When walking surveys are used, the following procedure should be followed:

1. Each pavement section must be inspected using sample units. Individual sample units should be representative of the pavement section conditions and may be marked or identified to allow easy location for quality control purposes. Paint marks along the edge or sketches with locations connected to physical pavement features are acceptable. The figure below illustrates the definition of a pavement section and a representative sample unit.



2. The area of AC sample units should be 2500 ± 1500 square feet, and for PCC sample units, this should be 20 ± 8 slabs. The total inspected area or slabs for a pavement section must be at least 10% of the total pavement section area or slabs. This is an exception to the procedure described in ASTM D6433.

For example, a pavement section 950 feet long and 32 feet wide must have at least one sample unit (typically 100 feet long x 32 feet wide = 3200 sf). Longer sections will require multiple sample units.

3. Additional sample units are to be inspected only when non-representative distresses are observed. Typically, these will be distresses that are localized in nature and not representative of the entire pavement section e.g. high severity alligator cracking found near bus pads, rutting in intersections, distresses due to landscape watering/ponding etc.
4. Conduct the distress inspection by walking on the pavement shoulder or sidewalk adjacent to the sample unit being surveyed, measuring the quantity of each severity level of every distress type present, and recording the data. Each distress must correspond in type and severity to that described in the Paver Distress Identification Manuals.



5. A copy of the recorded distress data should be provided on a weekly basis to the responsible agency personnel for quality assurance.

It should be noted that windshield surveys, while reasonably fast and inexpensive, do have shortcomings. Chief among these are that low severity distresses are difficult to identify in this procedure, and consequently, the PCI may be significantly higher than it ought to be. A pavement may therefore be selected for a slurry seal when a thin overlay is more appropriate or for a thin overlay when a thick overlay is more appropriate. This may result in treatments that are not cost-effective.

When certain pavements are a high priority (usually those with high traffic volumes or other distinctive features) for a local agency, walking surveys are preferred to ensure that all pertinent distresses are captured, although windshield surveys are the minimum standard. For residential or local streets, windshield surveys are acceptable.

When automated or semi-automated surveys are used, the following procedure should be followed.

The Local Agency should:

- Establish a series of test sites
- Determine the distress data on those sites using a walking survey
- Compare the data from the automated equipment with the walking survey data.

It is desirable for the PCI values from the automated survey to be within plus or minus 5 PCI points of the values obtained from the walking survey. However, plus or minus 10 PCI points is generally considered acceptable. Any site with a difference greater than 10 PCI points should be carefully rechecked to determine the cause for the discrepancy. The agency must then make a judgement whether the automated data is acceptable.

OCTA's role is limited to the evaluation of the distress data submitted by the agencies and does not include a verification or evaluation of the automated equipment or procedure used by the agency submitting the automated survey.

Inspection Frequency

All streets identified on the MPAH must be surveyed at least once every two years. All local streets must be surveyed at least once every six years. This is a requirement of OCTA's PMP certification program.



Countywide Assessment Standards

In 1998, OCTA adopted the countywide pavement condition assessment standards for treatments as shown in Table 2.1.

Table 2.1 Pavement Condition Assessment Standards

Pavement Quality	PCI Thresholds	Funded Treatment
Very Good	86-100	None
Good	75-85	Surface seal*
Fair	60-74	Thin overlay
Poor	41-59	Thick overlay
Very Poor	0-40	Reconstruction

* Not eligible for CTFP competitive funding program

Note that Table 2.1 does NOT preclude other treatments that a local agency may choose to select or use. Indeed, there have been many new pavement technologies and techniques introduced since 1998 that a local agency should consider for preventive maintenance, and which may be funded under the M2 Fair Share program. **The treatments in Table 2.1 are intended to identify the types of treatments that OCTA will fund under the competitive grant program only.**

Quality Assurance/Quality Control (QA/QC) Plan

A QA/QC plan must be prepared by all agencies. The purpose of the QA/QC plan is to ensure that all procedures used to collect distress data comply with OCTA’s guidelines and result in the delivery of a quality data product. The QA/QC plan should also provide for corrective actions when deficiencies are encountered. As a minimum, the following components must be included:

- a. Description of condition survey procedures (distress types, severities) or reference to the relevant documents in Chapter 3. All procedures, changes or modifications should be well documented in the QA/QC plan so that future updates will be consistent. In particular, unique situations are especially important and their documentation should be included.
- b. How data will be collected (windshield, walking, automated or combination of methods).
- c. Accuracy required for data collection.
- d. Description of how data will be checked for accuracy by agency e.g. re-inspections.
- e. Schedule for when data will be submitted to local agency staff.
- f. Experience of inspectors including past training on condition surveys or calibration procedures.
- g. Field data collection safety procedures.

Any findings that may compromise data integrity and consistency should be discussed and



corrected. Examples of these include differences in survey methods from the last update (e.g. changing from windshield to walking surveys), collecting additional distress types and unique situations that may not lend themselves to existing condition survey procedures (e.g. gap-graded mixes, edge cracking with unpaved shoulders).

Prior to performing any work, local jurisdictions must review the QA/QC plan with inspection personnel.

A copy of the QA/QC plan must be submitted to OCTA together with the PMP certification.

Re-inspections

As part of any QA/QC process, it is essential to re-inspect portions of the network with different personnel than those performing the condition surveys. Re-inspections should be performed within one month of the original date of collection as pavement data will change with time, and during the winter, may change very rapidly.

The data to be re-inspected should include distress types, severities and quantities collected during the survey. At least 5% of the pavement sections should be re-inspected.

The selected sections for re-inspections should be representative of the local agency's network. This should include sections from:

- All functional classifications (i.e. MPAH and residential/local)
- All surface types (i.e. AC and PCC)
- Entire range of pavement conditions (i.e. good, fair, poor)
- All significant changes in PCI (i.e. sections with more than ± 10 PCI points a year with no plausible explanations should be targeted for re-inspections)
- All inspectors
- Different geographical areas

Acceptability Criteria

In general, inspectors should identify distress types accurately 95% of the time. Linear measurements should be considered accurate when they are within $\pm 10\%$ if re-measured, and area measurements should be considered accurate when they are within $\pm 20\%$ if re-measured.

For the data to be acceptable, 90% of the re-inspected sections must be within ± 10 PCI points.

If the results of the re-inspections do not meet the above criteria, all inspections should be immediately halted and any differences should be identified and discussed. Corrective actions should be taken immediately. The local jurisdiction should then perform re-inspections of an additional 5% of the pavement sections.



Prequalification/Calibration of Inspectors

Prequalification or calibration of inspectors ensures that proper procedures are followed and that the results obtained are within acceptable variability ranges. This will be implemented by OCTA staff.

Briefly, the procedures to prequalify or calibrate inspectors are as follows:

- a. OCTA will select approximately 20 pavement sections to be used as control or test sites. Collectively, the control sites should exhibit common distress types and levels of severity that will be encountered in the pavement network and should be across all functional classes, pavement age, surface type, pavement condition and distresses.
- b. Inspect the sections manually (walking survey) using at least two different experienced inspectors and the established survey protocols (Appendix A and ASTM D6433), including any modifications. This will establish the baseline PCI for each control section.
- c. The candidate inspectors should then survey the same pavement sections within one month of the control surveys established in Step (b). The data for the sections should be collected and submitted to OCTA as soon as they are completed.
- d. OCTA will calculate the PCIs based on the survey data collected by inspectors.
- e. Compare the control PCI data with survey results by candidate inspectors. Identify the differences and areas of variability.

Acceptability Criteria

The criteria for acceptability are:

- a. $nRMSE \leq 1.4$ where:

$$nRMSE = \sqrt{\frac{\sum_{i=1}^n \left(\frac{RPCI_i - BPCI_i}{SD_{PCI}} \right)^2}{n}}$$

Where:

nRMSE = Normalized root mean square error or deviation

RPCI_i = Reported PCI for control section i

BPCI_i = Baseline PCI for control section i

n = Number of control sections

and

$$SD_{PCI} = \frac{100 - 3(5.29 - BPCI)}{3.65.29}$$

- b. Inspectors that obtain nRMSE values higher than 1.4 will be allowed to re-inspect and re-submit PCI values for three control sections. OCTA will indicate the three control sections where the inspectors showed the highest deviations from the baseline survey. Re-inspections are allowed only once. The normalized root mean square error (nRMSE) will be recalculated and the criteria described at point (a) applied.
- c. All inspections must be performed independently by each inspector.



- d. Inspectors will be individually prequalified
- e. At least one inspector of a consultant firm or local agency staff must be prequalified for a submitted Pavement Management Plan to be considered compliant with these Guidelines.

Pavement Management Software Training

Local agencies may utilize either MicroPAVER or StreetSaver® software for their PMPs, as long as they conform to ASTM D6433 and these guidelines. At least one representative of the local jurisdiction must be familiar with the PMP software utilized, and have attended one training class. In the case of MicroPAVER, training classes are conducted regularly. The American Public Works Association (APWA) conducts “hands-on” MicroPAVER training classes for a fee, at least once a year (see www.apwa.net for more information). Web-based training programs on specific modules are also available for a fee and broadcast schedules are periodically posted on the APWA website.

The Metropolitan Transportation Commission (MTC) provides free training classes on their StreetSaver® software program as well as field condition surveys. Typically, two field training classes are conducted annually; one in Northern California and one in Southern California (see www.mtcpms.org for more information). There are enough similarities between StreetSaver’s and MicroPAVER’s condition surveys that this training class will benefit any inspector new to the process.

OCTA offers limited software and field training focusing on those items to be included in the biennial PMP submittals. This training is sufficient to satisfy the training requirement of these Guidelines.

Pavement Management Data Files

The Pavement Management data files shall be submitted to OCTA in spreadsheet format. This must include the following information:

- Street name and limits for all public streets
- Street identifiers (Branch ID, Section ID)
- Direction (if applicable)
- Beginning and ending of each section
- Length, widths and true areas
- Functional Classification (MPAH, local)
- Number of travel lanes
- PCI and date of inspection
- Type of recommended treatment
- Cost of recommended treatment

Public alleys formally accepted as part of the local agency’s street system may be included in the PMP submittal at the local agency’s option. Public parking lots and private streets shall not be included in this submittal.



Chapter 3 – Agency Submittals

Local agencies must submit to OCTA the following as part of the biennial certification:

1. PMP Agency Submittal Template (See Appendix A)
2. PMP certification (see Page A-5)
3. QA/QC plan (see Pages A-15 – A-19)
4. Pavement management data files in a form useable by OCTA (see Page 2-8)
5. PMP “hard copies” which include the following:
 - a. Average (weighted by area) PCI as of June 30 of the submittal year for:
 - i. Entire pavement network
 - ii. MPAH roadways
 - iii. Local streets
 - b. Projected PCI under existing funding levels, by year, over the next seven years for:
 - i. Entire pavement network
 - ii. MPAH roadways
 - iii. Local streets
 - c. Seven-year plan for road maintenance and rehabilitation based on current and projected budget, identifying street sections selected for treatment. Specific data to be submitted are:
 - i. Street name
 - ii. Limits of work
 - iii. Lengths, widths
 - iv. Pavement areas
 1. Each street
 2. Total area for local streets
 3. Total area for MPAH roadways
 4. Total area for entire public streets network
 - v. Functional classification (i.e. MPAH or local street)
 - vi. PCI and most recent date of inspection
 - vii. Type of treatment
 - viii. Cost of treatment
 - ix. Year of treatment
 - d. Alternative funding levels required to:
 - i. Maintain existing average network PCI
 - ii. To improve average network PCI
 - e. Backlog by year of unfunded pavement rehabilitation, restoration, and reconstruction needs.
 - f. Centerline mileage for MPAH, local streets, and total network.
 - g. Percentage of total network in each of the five condition categories based on centerline miles.
6. In order to be eligible for the local match reduction of 10%, the local jurisdiction must either:
 - a. Show measurable improvement of paved road conditions during the previous reporting period defined as an overall weighted (by area) average system improvement of one PCI point with no reduction in the overall weighted (by area) average PCI in the MPAH or local street categories;

or
 - b. Have road pavement conditions for the overall network during the previous reporting period within the highest 20% of the scale for road pavement conditions in conformance with OCTA Ordinance No. 3, defined as a PCI of 75 or higher.



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Appendix A – Pavement Management Plan Submittal Template

The following template shall be used to submit the required Pavement Management Plan to OCTA. The Word document is available for download at octa.net/OCGoM2Eligibility.



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Agency

Pavement Management Plan

Prepared by: [Author Name]

Submitted to OCTA: [Date]



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I. Pavement Management Plan Certification

The City/County of Type Here certifies that it has a Pavement Management Plan in conformance with the criteria stated in the Orange County Transportation Authority Ordinance No. 3. This ordinance requires that a Pavement Management Plan be in place and maintained to qualify for allocation of revenues generated from renewed Measure M2.

The plan was developed by Type here* using Type here, a pavement management system, conforming to American Society of Testing and Materials (ASTM) Standard D6433, and contains, at a minimum, the following elements:

- Inventory of MPAH and local routes reviewed and updated biennially. The last update of the inventory was completed on Month, Year for Arterial (MPAH) streets and Month, Month for local streets.
• Assessment of pavement condition for all routes in the system, updated biennially. The last field review of pavement condition was completed on Month, Year.
• Percentage of all sections of pavement needing:
o Preventative Maintenance: Type here%
o Rehabilitation: Type here%
o Reconstruction: Type here%
• Budget needs for Preventative Maintenance, Rehabilitation, and/or Reconstruction of deficient sections of pavement for:
o Current biennial period \$Type here
o Following biennial period \$Type here
• Funds budgeted or available for Preventative Maintenance, Rehabilitation, and/or Reconstruction:
o Current biennial period \$Type here
o Following biennial period \$Type here
• Backlog by year of unfunded pavement rehabilitation, restoration, and reconstruction needs.
• The Pavement Management Plan is consistent with countywide pavement condition assessment standards as described in the OCTA Countywide Pavement Management Plan Guidelines adopted by the OCTA Board of Directors.

*An electronic copy of the Pavement Management Plan (with Micro Paver or StreetSaver compatible files) has been, or will be, submitted with the certification statement.

A copy of this certification is being provided to the Orange County Transportation Authority.

Submitted by:

Click here to enter text.
Name (Print)

Click here to enter text.
Jurisdiction

Signed

Click here to enter a date.
Date

Click here to enter text.
Title (Public Works Director and/or City Engineer)



II. Executive Summary

Click here to enter text.



III. Background (Optional)

Click here to enter text.



IV. Current Pavement Conditions (PCI)

Current Network PCI	Current MPAH PCI	Current Local PCI
Click here to enter	Click here to enter	Click here to enter

V. Projected Pavement Conditions (PCI)

Should be by projected PCI by year under existing or expected funding levels for next seven fiscal years (“Today” is before June 30, 2020).

Fiscal Year	Current Funding	Entire Network PCI	MPAH	Local
Today	Click here to enter			
2020-21 <u>2018-19</u>	Click here to enter			
2021-22 <u>2019-20</u>	Click here to enter			
2022-23 <u>2020-21</u>	Click here to enter			
2023-24 <u>2021-22</u>	Click here to enter			
2024-25 <u>2022-23</u>	Click here to enter			
2025-26 <u>2023-24</u>	Click here to enter			
2026-27 <u>2024-25</u>	Click here to enter			



VI. Alternative Funding Levels

Maintain Existing Average Network PCI

Fiscal Year	Maintain Funding	Entire Network PCI	MPAH	Local
Today	Click here to enter			
2020-21 2018-19	Click here to enter			
2021-22 2019-20	Click here to enter			
2022-23 2020-21	Click here to enter			
2023-24 2021-22	Click here to enter			
2024-25 2022-23	Click here to enter			
2025-26 2023-24	Click here to enter			
2026-27 2024-25	Click here to enter			

Improve Average Network PCI

Fiscal Year	Current Funding	Entire Network PCI	MPAH	Local
Today	Click here to enter			
2020-21 2018-19	Click here to enter			
2021-22 2019-20	Click here to enter			
2022-23 2020-21	Click here to enter			
2023-24 2021-22	Click here to enter			
2024-25 2022-23	Click here to enter			
2025-26 2023-24	Click here to enter			
2026-27 2024-25	Click here to enter			



VII. Current and Projected Backlog by Year of Pavement Maintenance Needs

Fiscal Year	Current Funding Backlog	Maintain PCI Backlog	Increase PCI Backlog
Current	Click here to enter	Click here to enter	Click here to enter
2020-21 2018-19	Click here to enter	Click here to enter	Click here to enter
2021-22 2019-20	Click here to enter	Click here to enter	Click here to enter
2022-23 2020-21	Click here to enter	Click here to enter	Click here to enter
2023-24 2021-22	Click here to enter	Click here to enter	Click here to enter
2024-25 2022-23	Click here to enter	Click here to enter	Click here to enter
2025-26 2023-24	Click here to enter	Click here to enter	Click here to enter
2026-27 2024-25	Click here to enter	Click here to enter	Click here to enter

VIII. Centerline Mileage

Entire Pavement Network	MPAH	Local Roads
Click here to enter	Click here to enter	Click here to enter



IX. Percentage of Network in Each of Five Condition Categories Based on Centerline Miles

Condition Category	PCI Range	Network	Percent Area of Total Pavement	Area of Pavement (sf)	Percent Centerline Mileage of Network	Centerline Mileage of Network
Very Good	86-100	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter
Good	75-85	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter
Fair	60-74	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter
Poor	41-59	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter
Very Poor	0-40	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter



X. Reduction in Local Match

A local agency match reduction of 10% of the eligible cost for projects submitted for consideration of funding through the Comprehensive Transportation Funding Programs (CTFP) call for projects is available if the local agency either:

- a. Shows measurable improvement of paved road conditions during the previous reporting period defined as an overall weighted (by area) average system improvement of one Pavement Condition Index (PCI) point with no reduction in the overall weighted (by area) average PCI in the Master Plan of Arterial Highways (MPAH) or local street categories;

or

- b. Have road pavement conditions during the previous reporting period, within the highest 20% of the scale for road pavement conditions in conformance with OCTA Ordinance No. 3, defined as a PCI of 75 or higher, otherwise defined as in “good condition”.

If applicable, please use the space below to justify the local agency’s eligibility for a reduction in Local Match based on the statement above.

[Click here to enter text.](#)



XI. Appendix A – Seven-Year Road Maintenance and Rehabilitation Plan Based on Current or Expected Funding Level

The seven-year plan for road maintenance and rehabilitation should be based on current and projected budget. Street sections selected for treatment should be identified here. Specific data to be submitted should follow the format below:

MPAH								
Street Name	Limits of Work		Length of Segment	Width of Segment	Pavement Area	Type of Treatment	Cost of Treatment	Year of Treatment
	From	To						

LOCAL								
Street Name	Limits of Work		Length of Segment	Width of Segment	Pavement Area	Type of Treatment	Cost of Treatment	Year of Treatment
	From	To						

Please attach the seven-year road maintenance and rehabilitation plan, following the above template, after this sheet. The plan should be labeled Appendix A.



XII. Appendix B – Complete Listing of Current Street Conditions

A complete listing of current pavement conditions should be included in this report. Specific data to be submitted should follow the format below:

MPAH						
Street Name	From	To	Width of Segment	Area	Current PCI	Most Recent Inspection Date

LOCAL						
Street Name	From	To	Width of Segment	Area	Current PCI	Most Recent Inspection Date

Please attach the complete street listing, following the above template, after this sheet. The pages should be labeled Appendix B.



XIII. Appendix C – Quality Assurance/Quality Control Plan

Introduction

When performing data collection in any field, the need for quality control is paramount as it is essential for accurate planning, analysis and design. This is particularly true for collecting pavement distress data for a pavement management system.

The Quality Assurance/Quality Control (QA/QC) Plan establishes minimum quality standards for performance and procedures for updates of the pavement management system.

If applicable, utilize the space below to include information on the agency’s QA/QC policies:

[Click here to enter text.](#)

Objectives

This document constitutes a formal QA/QC Plan for the City/County. It was prepared on Select date and last revised on Select date.

Specifically, it is intended for the Year Applicable Pavement Management Plan Update. The focus is on the collection of network-level pavement distress data (defined by National Cooperative Highway Research Program (NCHRP) Synthesis 401 Quality Management of Pavement Data Collection, as “Network-level data collection involves collection of large quantities of pavement condition data, which is often converted to individual condition indices or aggregated into composite condition indices.”)

This document also addresses the QA/QC plan requirements of the Orange County Transportation Authority (OCTA)’s “Countywide Pavement Management Plan Guidelines” (section 2.4), originally adopted in May 2010.

Structure of QA/QC Plan

The following components are addressed in this QA/QC Plan:

- Condition survey procedures used
- Accuracy required for data collection
- Inspector qualifications and experience
- Safety



Condition Survey Procedures

The governing document in performing condition surveys for the Enter agency name is ASTM D6433 “Standard Practice for Roads and Parking Lots Pavement Condition Index (PCI) Surveys.” Both asphalt concrete (AC) and Portland cement concrete (PCC) pavements are included in this protocol. The following distresses are collected for each pavement type.

Asphalt Concrete AC Pavements

1. Alligator (fatigue) cracking
2. Bleeding
3. Block cracking
4. Bumps and sags
5. Corrugation
6. Depression
7. Edge cracking
8. Joint reflection cracking
9. Lane/Shoulder drop off
10. Longitudinal & Transverse cracking
11. Patching and utility cut patching
12. Polished aggregate
13. Potholes
14. Railroad crossing
15. Rutting
16. Shoving
17. Slippage cracking
18. Swell
19. Weathering
20. Raveling

Portland Cement Concrete (Jointed)

1. Blowup/buckling
2. Corner breaks
3. Divided slab
4. Durability (“D”) cracking
5. Faulting
6. Joint seal damage
7. Lane/shoulder drop off
8. Linear cracking
9. Patching (large) and utility cuts
10. Patching (small)
11. Polished aggregate
12. Popouts
13. Pumping
14. Punchout
15. Railroad crossing
16. Scaling, map cracking and crazing
17. Shrinkage cracks
18. Spalling (corner)
19. Spalling (joint)

Any exceptions to the above procedures are discussed before any surveys are performed. These are documented in the paragraphs below.

[Note to agency: these are usually related to distresses or situations that are not covered in the manuals. Examples include roller check marks or edge cracking on streets with no curbs and gutters. Others include the raveling of surface seals or the use of open-graded asphalt concrete mixes where the surface appears to have large voids present. Any modifications must be documented and included in this document. Photos are extremely helpful.]

All surveys are performed as Indicate type of surveys – walking, windshield, semi-automated etc. surveys, and a minimum 10% sampling rate is utilized. Field crews are typically composed of Click here to enter field crew information (Typically a one-person crew on residential streets and some collectors, and up to two-person crews for major arterials, depending on traffic volumes and speeds. Edit as appropriate). The safety of field personnel is paramount in all instances.

The sample unit selected must be representative of the entire pavement section. This assumes that the section is homogenous; if it is not homogeneous, then the section must be split according to the criteria agreed upon by the agency. Typically, the criteria used are:

- Pavement condition
- Construction age, if known
- Maintenance history, if known
- Traffic volumes (or functional classification as a surrogate)
- Surface types (e.g. asphalt concrete or Portland cement concrete)
- Geometric elements (e.g. widths)

Any modifications to the section inventory data are documented in the pavement management report. A sample unit must be between $2,500 \pm 1,000$ square feet in conformance with ASTM D6433 protocols. Typical sample unit dimensions are 100 feet long by the width of the street. Streets that are wider than 40 feet wide will have shorter lengths (generally 50 feet) or if they are divided by a raised median, separate sample units will be taken in each direction.

Any pavement areas that are not representative of the section will be noted and surveyed as an additional sample unit.

Accuracy Required for Data Collection

The accuracy required for data collection has two components, both of which are further described in the following paragraphs.

- Re-inspections
- PCI comparisons with past surveys

Random and Systematic Re-Inspections

Random Re-inspections

Random re-inspections will include a representative selection across the following categories:

- Functional classes (i.e. MPAH, locals);
- Surface types (e.g. asphalt concrete or Portland cement concrete);
- Pavement conditions (e.g. good, fair, poor);
- Inspectors;
- Geographical areas, if applicable.

Systematic Re-inspections

For systematic re-inspections, this could be due to noticed trends such as specific treatment types (e.g. open-graded mixes), a specific inspector or geographical area. In such cases, more than 5% will be re-inspected.



Acceptability Criteria

At the time of re-inspection, the actual distresses will be re-inspected and verified, and any corrections made, if necessary. Distress types and severities must be the same and re-measured quantities within $\pm 10\%$ of the original measured quantity.

If corrections are required on more than 10% of the re-inspected sample unit, then an additional 5% will be re-inspected. This will continue until more than 95% of the re-inspected sections meet the acceptability criteria.

PCI Comparison with Past Surveys

As another level of quality control, the new PCIs are compared with the previous PCIs. If they differ by more than ± 10 PCI points, these sections are automatically flagged for further investigation.

If PCI Increases 10 points

The section is investigated to see if a maintenance and rehabilitation event has occurred since the last survey, but has not been recorded. Typically, it may include activities such as:

- Crack sealing activities – changes medium or high severity cracking to low severity
- Patching activities – alligator cracking that has been removed and patched, so that the resultant PCI is increased.
- Surface seals
- Overlay
- Others

Therefore, an up to date maintenance and rehabilitation history file in the pavement management database is desirable, both for historical accuracy as well as to provide additional quality control.

If PCI decreases 10 points

The section is checked to see if the average deterioration rate (usually 3 to 4 points per year) is exceeded. If the drop in PCI is within range of what is acceptable, no further action is required. If the drop is more than the acceptable range, a re-inspection will be performed. The default performance curves in the pavement management software form the basis for what is acceptable.



Inspector’s Qualifications and Experience

The Enter agency here inspectors have attended formal training on pavement condition distress surveys. This training was conducted prior to performing any work using the ASTM D6433 protocols, consistent with OCTA’s requirements.

Inspector Name	Date of ASTM D6433 Training	Training Conducted By:
Click here to enter	Click here to enter	Click here to enter
Click here to enter	Click here to enter	Click here to enter

Resumes of the technicians utilized on this project are included as an attachment.

Safety Procedures

The Enter agency here administers a health and safety program in compliance with the Cal Occupational Safety and Health Administration (OSHA) Title VIII, Section 3203. The program is documented in Enter document name here.

Generally, the safety procedures include (Edit as applicable to agency):

- Inspectors to wear a Class 2 or 3 safety vest at all times;
- Flashing beacon on all vehicles utilized for surveys; and
- Stopped vehicles to be parked at locations away from moving traffic (e.g. nearby parking, shoulders, etc.).
- Enter safety protocol here.

On streets where there is a high volume of traffic or high speeds, additional measures may be necessary, such as:

- Surveys to occur during off-peak periods or on weekends;
- Additional inspector to watch out for traffic; and
- Traffic flaggers in extreme cases.

Attachment – Appendix C: Resumes of Field Inspectors

---End of QA/QC Plan---



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XIV. Appendix D – Pavement Management Data Files

The Pavement Management data files shall be submitted to OCTA in spreadsheet format. This must include the following information:

- Street name and limits for all public streets
- Street identifiers (Branch ID, Section ID)
- Direction (if applicable)
- Beginning and ending of each section
- Length, widths, and true areas
- Functional Classification (MPAH, Local)
- Number of travel lanes
- PCI and date of inspection
- Type of recommended treatment
- Cost of recommended treatment

The Pavement Management data files are attached here ~~as-on~~ a CD/flash drive, or included as Appendix D.



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XV. Appendix E – GIS Maps – Current Conditions (Optional)

If included, attach and label Appendix E.



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Appendix B – Prequalified Pavement Inspection Consultants and Local Agencies

~~March 23, 2016 – Expires June 30, 2018~~

- | | |
|--|----------------------------------|
| 1. Bucknam Infrastructure Group | 6. GIE |
| 2. City of Cypress | 7. NCE |
| 3. Civil Source, Inc. | 8. Onward Engineering |
| 4. Dynatest | 9. City of Orange |
| 5. Fugro | |

~~April 21, 2017 – Expires June 30, 2019~~

- | | |
|--|--|
| 1. Adhara Systems, Inc. <ul style="list-style-type: none">• Jeff Vu• William Duong | 5. IMS <ul style="list-style-type: none">• Alan Sadowsky• David Butler |
| 2. Fugro Roadware, Inc. (Automated) <ul style="list-style-type: none">• Shi Chang• Thomas Burchett | 6. Marker Geospatial (Automated) <ul style="list-style-type: none">• John Zimmer• Ken Huisaran |
| 3. GMU <ul style="list-style-type: none">• Armando Roa• Ashley Varni | 7. NCE <ul style="list-style-type: none">• David Na• Jacob Rajnowski |
| 4. Harris & Associates <ul style="list-style-type: none">• Marissa Baclig• Mike DeVila• Paul Muse• Vijay Pulijal | 8. Twining <ul style="list-style-type: none">• Adrian Moreno• Amir Ghavjbazoo• David Hanna Ford• Paul Soltis |
| | 9. Vanderhawk <ul style="list-style-type: none">• Mat Huff |

February 15, 2018 – Expires June 30, 2020

1. Bucknam Infrastructure Group
2. Dynatest

April 24, 2019 – Expires June 30, 2021

- | | |
|--|--|
| 1. <u>GMU</u> <ul style="list-style-type: none">• <u>Greg Bucknam</u>• <u>Lucie Anderson</u>• <u>Rosali Chavez</u> | 3. <u>IMS</u> <ul style="list-style-type: none">• <u>David Butler</u> |
| 2. <u>Bucknam Infrastructure Group</u> <ul style="list-style-type: none">• <u>Shaun Ross</u> | 4. <u>NCE</u> <ul style="list-style-type: none">• <u>Franc Escobedo</u>• <u>Joseph Deleon</u> |



- Kevin Dao

- Narut Leehacharoenkul

February 7, 2020 – Expires June 30, 2022

1. Dynatest/ARA

- Phil Donovan, Automated
- Kenneth Flack, Automated
- Jung Moon, Automated
- Sara Pournoman, Automated
- Leah Ramirez, Automated
- Sebastian Ramos, Automated

2. Harris

- Paul Muse, Manual
- Vijay Pulijal, Manual

3. Bucknam Infrastructure Group

- Aaron Cohodas, Manual
- Joshua Logsdon, Manual
- Cade Bucknam, Manual

4. Kimley Horn

- Timothy Miller, Manual

5. NCE

- Marvin Mann, Manual
- Katrina Cai, Manual Survey
- Jake Rajnowski, Manual

6. Fugro

- Michael Tavares, Manual
- Dona Daniels, Automated

7. IMS

- David Bratton, Automated

8. GMU

- Ali Zalghout, Manual

9. Marker

- John Zimmer, Automated/Manual
- Ken Huisman, Manual

* Firms prequalified at least one representative in both cycles
(x) Number of inspectors prequalified



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Appendix C – Recommendations for Pavement Inspectors

Since 2011, OCTA has completed prequalification studies which involved more than 30 inspectors and over 60 different pavement control sections. From one prequalification cycle to the next, OCTA made an effort to streamline and improve the process by learning from the observations made during each prequalification cycle. Following are recommendations for inspectors interested in participating in the prequalification program:

General

- Inspectors should have in their possession the latest edition of the Paver pocket guides for easy reference to distress definitions and severity levels during field surveys.
- It is important to accurately measure crack width in order to correctly identify the severity of distress.
- It is strongly advised that inspectors have a second person watch for traffic while they are conducting the surveys. Visually approximating quantities of distress and severities will most certainly result in inaccurate estimates of the PCI.

PCC Pavements

- There are a limited number of concrete pavements in Orange County. The majority of these pavements are old and in some instances the slabs are more than 50 feet long. According to ASTM D6433, slabs longer than 9m (29.5 feet) must be divided into imaginary joints that are considered to be in perfect condition.
- Missing joint seal on concrete pavement is recorded as high severity joint seal damage for the entire length of joints affected. Most PCC pavements in the county completely lack joint sealant.
- When surveying a PCC section, it is very important to make sketch of the slabs being evaluated. Without the sketch, it will be very difficult to correctly count and report distress.

Asphalt Concrete Pavements

- Several types of distress may occur in the same area. With few exceptions, all types of distress have to be recorded: e.g. raveling and alligator cracking.
- Measurements of rutting require the use of a straight edge of minimum 6 feet length. Repeated measurements are required to correctly identify the areas of rutting and severity levels. This type of measurement requires the help of a second person to watch for traffic. Remember that OCTA does not provide traffic control.

Surface Treatments

- ASTM D6433 does not include distresses specific to surface treatment such as slurry seals or chip seals. Inspectors should use their best judgment to evaluate the condition of the original asphalt concrete surface underneath the surface treatment.



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COMMITTEE TRANSMITTAL

April 13, 2020

To: Members of the Board of Directors
From: Laurena Weinert,  Clerk of the Board
Subject: Measure M2 Eligibility for the City of Stanton

Regional Planning and Highways Committee Meeting of April 6, 2020

Present: Directors Bartlett, Chaffee, Delgleize, Muller, M. Murphy, and R. Murphy
Absent: Director Pulido

Committee Vote

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Committee Recommendations

- A. Approve the City of Stanton as eligible to receive Measure M2 net revenues.
- B. Direct staff to reinstate payments to the City of Stanton for Measure M2 net revenues, which were held during its period of ineligibility (less fiscal year 2018-19 audit costs).



April 6, 2020

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

A handwritten signature in blue ink, appearing to read "Darrell Johnson", is placed over the "From:" line of the memo.

Subject: Measure M2 Eligibility for the City of Stanton

Overview

In 2019, the Orange County Transportation Authority conducted an audit of the City of Stanton's Measure M2-related expenditures for fiscal year 2017-18. The audit concluded that the City of Stanton had not invested sufficient discretionary funds on streets and roads purposes to meet Measure M2 maintenance of effort requirements. As a result, the Orange County Transportation Authority Board of Directors found the City of Stanton ineligible to receive Measure M2 net revenues. An audit of the City of Stanton's Measure M2-related expenditures for fiscal year 2018-19 has now been satisfactorily completed, and the Orange County Transportation Authority Board of Directors is being asked to consider reinstating the City of Stanton's Measure M2 eligibility status, based on the audit results.

Recommendations

- A. Approve the City of Stanton as eligible to receive Measure M2 net revenues.
- B. Direct staff to reinitiate payments to the City of Stanton for Measure M2 net revenues, which were held during its period of ineligibility (less fiscal year 2018-19 audit costs).

Background

In May 2017, the City of Stanton (City) provided required Measure M2 (M2) maintenance of effort (MOE) certification to the Orange County Transportation Authority (OCTA) as part of its M2 eligibility verification package submittal. The certification stated that the City had budgeted sufficient expenditures for fiscal year (FY) 2017-18, consistent with the following M2 requirement:

“The Authority shall not allocate any net revenues to any jurisdiction for any fiscal year until that jurisdiction has certified to the Authority that it has included in its budget for that fiscal year an amount of local discretionary funds for streets and roads purposes, at least equal to the level of its maintenance of effort requirement.”

Per M2 MOE requirements, the City was required to spend \$245,213 using discretionary revenues toward streets and roads-related costs. According to the expenditure report that was submitted, the City spent \$246,244. However, an OCTA audit determined that several of the expenditures included did not qualify as satisfying MOE requirements (i.e., streets and roads purposes). After deducting these non-transportation expenditures, the City did not meet its MOE requirement for FY 2017-18 and, consistent with M2 Ordinance requirements, the OCTA Board of Directors (Board) found the City ineligible to receive M2 net revenues. As part of that action, the OCTA Board also specified that the following actions be completed by OCTA staff in order to implement its finding of ineligibility.

- Suspend payments to the City of M2 net revenues;
- Deduct FY 2018-19 audit costs from any future M2 payments to the City;
- Increase the City’s MOE requirement for FY 2018-19 by the amount of expenditures that were not met as identified in the FY 2017-18 audit; and
- Execute a settlement agreement with the City to correct and remedy the issues identified by OCTA’s audit of the City.

Discussion

Throughout fall 2019 and early 2020, OCTA worked with City staff to implement and address these actions. The OCTA Internal Auditor conducted a second audit of the City’s M2 MOE-related expenditures for FY 2018-19 in order to verify that its original findings had been addressed and remedied. This audit found that the City had met its FY 2018-19 MOE requirement (which included additional MOE expenditures to make up for the shortfall identified in OCTA’s original FY 2017-18 audit). These findings were presented to OCTA’s Finance and Administration Committee on March 11, 2020 and Board on March 23, 2020.

Other Eligibility Requirements

M2 includes 13 eligibility requirements that all 35 local agencies are required to comply with in order to receive M2 net revenues and agencies must submit these required documents by June 30. The City submitted all required M2 eligibility verification documents prior to June 30, 2019.

These documents were received, reviewed, and vetted by OCTA staff, the Taxpayer Oversight Committee's (TOC) Annual Eligibility Review Subcommittee, and the full TOC. In December, M2 eligibility findings for FY 2018-19 were advanced to the OCTA Regional Planning and Highways Committee and Board for consideration and approval. However, due to the City's ongoing ineligibility issue, the Board elected to only receive and file the City's M2 eligibility verification documents until the resolution of the prior years' MOE shortcomings had been remedied.

Now that an audit of the City's M2 MOE-related expenditures for FY 2018-19 has been completed and OCTA's Internal Auditor has found that the City met its FY 2018-19 MOE requirement, it is recommended that the City now be found eligible to again receive M2 net revenues and that M2 funds that were being held be released back to the City (less FY 2018-19 audit costs). These actions, if approved by the Board, would conclude the City's period of M2 ineligibility and would also place the City back on an eligibility review cycle consistent with all other eligible Orange County local agencies.

Summary

An audit of the City's M2 MOE-related expenditures for FY 2018-19 has been conducted by OCTA's Internal Auditor. Based upon findings from this audit, the City is recommended to be reinstated as eligible to receive M2 net revenues and M2 funds (which were held during the City's ineligibility period and are now recommended for release back to the City). If approved by the Board, these actions would conclude the City's period of M2 ineligibility and place the City back on an eligibility cycle consistent with other eligible local agencies.

Attachment

None.

Prepared by:

Joseph Alcock
Section Manager, M2 Local Programs
(714) 560-5372

Approved by:

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



COMMITTEE TRANSMITTAL

April 13, 2020

To: Members of the Board of Directors
From: Laurena Weinert,  Clerk of the Board
Subject: Measure M2 Eligibility for the City of Santa Ana

Regional Planning and Highways Committee Meeting of April 6, 2020

Present: Directors Bartlett, Chaffee, Delgleize, Muller, M. Murphy, and R. Murphy
Absent: Director Pulido

Committee Vote

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Committee Recommendations

- A. Approve the City of Santa Ana as eligible to receive Measure M2 net revenues.
- B. Direct staff to reinitiate payments to the City of Santa Ana for Measure M2 net revenues, which were held during its period of ineligibility (less fiscal year 2018-19 audit costs).



April 6, 2020

To: Regional Planning and Highways Committee
From: Darrell E. Johnson, Chief Executive Officer 
Subject: Measure M2 Eligibility for the City of Santa Ana

Overview

In 2019, the Orange County Transportation Authority conducted an audit of the City of Santa Ana's Measure M2-related expenditures for fiscal year 2017-18. The audit concluded that the City of Santa Ana had not invested sufficient discretionary funds on streets and roads purposes to meet Measure M2 maintenance of effort requirements. As a result, the Orange County Transportation Authority Board of Directors found the City of Santa Ana ineligible to receive Measure M2 net revenues. An audit of the City of Santa Ana's Measure M2-related expenditures for fiscal year 2018-19 has now been completed, and the Orange County Transportation Authority Board of Directors is being asked to consider reinstating the City of Santa Ana's Measure M2 eligibility status, based on the audit results.

Recommendations

- A. Approve the City of Santa Ana as eligible to receive Measure M2 net revenues.
- B. Direct staff to reinitiate payments to the City of Santa Ana for Measure M2 net revenues, which were held during its period of ineligibility (less fiscal year 2018-19 audit costs).

Background

In June 2017, the City of Santa Ana (City) provided required Measure M2 (M2) maintenance of effort (MOE) certification to the Orange County Transportation Authority (OCTA) as part of its M2 eligibility verification package submittal. The certification stated that the City had budgeted sufficient expenditures for fiscal year (FY) 2017-18, consistent with the following M2 requirement:

“The Authority shall not allocate any net revenues to any jurisdiction for any fiscal year until that jurisdiction has certified to the Authority that it has included in its budget for that fiscal year an amount of local discretionary funds for streets and roads purposes, at least equal to the level of its maintenance of effort requirement.”

Per M2 MOE requirements, the City was required to spend \$7,755,107 using discretionary revenues toward streets and roads-related costs. According to the expenditure report that was submitted, the City spent \$8,207,411. However, an OCTA audit could not verify the City’s indirect cost methodology for ten transactions, totaling \$715,626, in order to confirm that those costs were eligible M2 MOE expenditures.

The City, in its response to the audit, agreed that it could not produce its original allocation methodology that was being applied and indicated that it would engage a third party to implement updated internal service charges. After deducting these unverifiable expenditures, the City did not meet its M2 MOE requirement for FY 2017-18 and, consistent with M2 Ordinance requirements, the OCTA Board of Directors (Board) found the City ineligible to receive M2 net revenues. As part of that action, the OCTA Board also specified that the following actions be completed by OCTA staff in order to implement its finding of ineligibility.

- Suspend payments to the City of M2 net revenues;
- Deduct FY 2018-19 audit costs from any future M2 payments to the City;
- Increase the City’s MOE requirement for FY 2018-19 by the amount that the City fell short in meeting the required MOE for FY 2017-18, as identified in the FY 2017-18 audit; and
- Execute a settlement agreement with the City to correct and remedy the issues identified by OCTA’s audit of the City.

Discussion

Throughout fall 2019 and early 2020, OCTA worked with City staff to implement and address these actions. The OCTA Internal Auditor conducted an audit of the City’s M2 MOE-related expenditures for FY 2018-19 in order to verify that its original findings had been addressed and remedied. This audit found that the City had met its FY 2018-19 MOE requirement (which included additional MOE expenditures to make up for the shortfall identified in OCTA’s original FY 2017-18 audit). These findings were presented to the Finance and Administration Committee on March 11, 2020 and Board on March 23, 2020. The settlement agreement includes a requirement for audit of FY 19-2020 as well, which will be completed in early 2021.

Other Eligibility Requirements

M2 includes 13 eligibility requirements that all 35 local agencies are required to comply with in order to receive M2 net revenues and agencies must submit these required documents by June 30. The City submitted all required M2 eligibility verification documents prior to June 30, 2019.

These documents were received, reviewed, and vetted by OCTA staff, the Taxpayer Oversight Committee's (TOC) Annual Eligibility Review Subcommittee, and the full TOC. In December, M2 eligibility findings for FY 2018-19 were advanced to the OCTA Regional Planning and Highways Committee and Board for consideration and approval. However, due to the City's ongoing ineligibility issue, the Board elected to only receive and file the City's M2 eligibility verification documents until the resolution of the prior year's MOE shortcomings had been remedied.

Now that an audit of the City's M2 MOE-related expenditures for FY 2018-19 has been completed and OCTA's Internal Auditor has found that the City met its FY 2018-19 MOE requirement, it is recommended that the City now be found eligible to again receive M2 net revenues and that M2 funds that were being held be released back to the City (less FY 2018-19 audit costs). These actions, if approved by the Board, would conclude the City's period of M2 ineligibility and would also place the City back on an eligibility review cycle consistent with all other eligible Orange County local agencies.

Summary

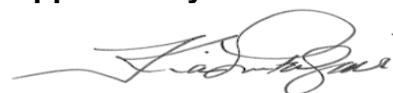
An audit of the City's M2 MOE-related expenditures for FY 2018-19 has been conducted by OCTA's Internal Auditor. Based upon findings from this audit, the City is recommended to be reinstated as eligible to receive M2 net revenues and M2 funds (which were held during the City's ineligibility period and are now recommended for release back to the City). If approved by the Board, these actions would conclude the City's period of M2 ineligibility and place the City back on an eligibility cycle consistent with other eligible local agencies.

Attachment

None.

Prepared by:

Joseph Alcock
Section Manager, M2 Local Programs
(714) 560-5372

Approved by:

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



COMMITTEE TRANSMITTAL

April 27, 2020

To: Members of the Board of Directors
From: Laurena Weinert, Clerk of the Board
Subject: Orange County Local Transportation Authority Measure M2 Agreed-Upon Procedures Reports, Year Ended June 30, 2019

Finance and Administration Committee Meeting of April 22, 2020

Present: Directors Do, Hennessey, Hernandez, Jones, Muller, R. Murphy, and Steel
Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 7-0 by the Members present.

Committee Recommendations

- A. Direct staff to monitor implementation of corrective actions proposed by the cities.
- B. Direct staff to review observations and develop recommendations, as appropriate, for Board of Directors' consideration related to the City of Anaheim's compliance with the Measure M2 Ordinance and Eligibility Guidelines.



April 22, 2020

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, 2019

Overview

Crowe LLP, an independent accounting firm, has applied agreed-upon procedures related to Measure M2 Local Fair Share funds provided to nine cities and the County of Orange, and Senior Mobility Program funds provided to five cities, for the fiscal year ended June 30, 2019. Local Fair Share program reports include observations of ineligible maintenance of effort expenditures, misreporting of indirect cost charges, and misreporting of fund balance. Senior Mobility Program reports include observations relating to late submission of monthly reports, lack of evidence of competitive procurement of third-party vendors, missing contract provisions, and inadequate tracking of ineligible trips.

Recommendations

- A. Direct staff to monitor implementation of corrective actions proposed by the cities.
- B. Direct staff to review observations and develop recommendations, as appropriate, for Board of Directors' consideration related to the City of Anaheim's compliance with the Measure M2 Ordinance and Eligibility Guidelines.

Background

Annually, the Audit Subcommittee (Subcommittee) of the Taxpayers 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, 2019,

the Subcommittee selected nine cities and the County of Orange 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 required to maintain a minimum level of local street and road expenditures to conform to a defined maintenance of effort (MOE) requirement. Cities are required to submit copies of their Seven-Year Capital Improvement Plan, 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, 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 (OCLTA), to outline requirements of the program and to describe services to be provided. 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.

Agreed-Upon Procedures: LFS Program Funds

The auditors examined the cities of Anaheim, Dana Point, Garden Grove, Huntington Beach, La Habra, Mission Viejo, San Clemente, Seal Beach, and Westminster. The auditors also examined the County of Orange. No observations resulted from the audits of the City of Garden Grove or the County of Orange.

At two cities, the auditors identified expenditures that were not properly classified as MOE expenditures. The City of San Clemente continued to meet the minimum MOE requirement after removal of the ineligible amounts. However, after removal of ineligible amounts for the City of Anaheim (Anaheim), the city no longer met the minimum MOE requirement. Anaheim staff responded that they believed the expenditures, which are allowable costs against LFS, would also qualify as MOE. However, guidelines require MOE expenditures comply with California State Constitution Article XIX street and road expenditures, while LFS expenditures may be used for other transportation needs. In addition, Anaheim noted that they recorded allowable MOE expenditures, sufficient to meet their MOE requirement, against LFS.

In total, four cities misreported the amount of indirect costs on their expenditure report, and four cities misreported their LFS fund balance on their expenditure report.

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

Agreed-Upon Procedures: SMP Funds

The auditors examined the cities of Dana Point, Fountain Valley, La Habra, San Clemente, and Tustin. No observations resulted from the audit of the City of San Clemente.

Late submission of required reports was identified at three cities, and two cities lacked documentation to evidence that their transportation service provider was competitively procured. Service provider contracts at those two cities also lacked a required provision to ensure wheelchair accessibility. One city also provides transportation services to persons under age 60 but did not have an adequate process in place to ensure costs related to these ineligible trips were not funded by SMP.

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

Summary

The auditors have completed AUP related to M2 LFS and SMP funds provided to twelve cities for the FY ended June 30, 2019.

Attachments

- A. Summary of Results of Agreed-Upon Procedures Audits Orange County Local Transportation Authority Measure M2 Local Fair Share for the Year Ended June 30, 2019
- B. Orange County Local Transportation Authority Measure M2 Local Fair Share Agreed-Upon Procedures Reports Year Ended June 30, 2019
- C. Summary of Results of Agreed-Upon Procedures Audits Orange County Local Transportation Authority Measure M2 Senior Mobility Program for the Year Ended June 30, 2019
- D. Orange County Local Transportation Authority Measure M2 Senior Mobility Program Agreed-Upon Procedures Reports Year Ended June 30, 2019

Prepared by:



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

SUMMARY OF RESULTS OF AGREED-UPON PROCEDURES AUDITS
Orange County Local Transportation Authority
Measure M2 Local Fair Share for the Year Ended June 30, 2019

City	Result	City Management Response
Anaheim	Testing of maintenance of effort (MOE) expenditures identified thirteen expenditures related to Anaheim Regional Transportation Intermodal Center (ARTIC) operations, totalling \$2,468,620, that were not properly classified as street and road expenditures.	Local Fair Share (LFS) funds were used for the land, construction, and some operating costs of ARTIC. Management believed that ARTIC operating costs were eligible for MOE. In fiscal year (FY) 2019, LFS funds were used to pay for approximately \$2 million in MOE-eligible, street and road expenditures. As such, the City of Anaheim (Anaheim) did meet the MOE requirement and is requesting that OCTA allow Anaheim to restate these expenditures. Alternatively, Anaheim has an additional \$2 million in eligible expenditures that were not reported.
Dana Point	The City of Dana Point (Dana Point) reported a LFS fund balance of \$718,967 on its expenditure report; the actual fund balance was \$717,853, a difference of \$1,114. The prior audit of Dana Point, for FY 2018, also noted a variance in the reported fund balance.	The difference represents an expenditure that was processed prior to closing the books for FY 2019, but was not deducted from the fund balance reported on the expenditure report. A revised expenditure report will be submitted.
Garden Grove	No exceptions were noted.	
Huntington Beach	The City of Huntington Beach (Huntington Beach) reported a fund balance of \$1,819,187 on its expenditure report; the actual fund balance was \$1,788,766, a difference of \$30,421.	Huntington Beach will review its closing and financial reporting process and implement procedures to ensure these variances do not occur in future reports.
	Huntington Beach reported \$1,065,100 in indirect salary charges to the LFS fund as direct costs on its expenditure report, rather than indirect costs.	Huntington Beach will review its closing and financial reporting process and implement procedures to ensure that LFS expenditures are correctly classified in future reports.
La Habra	Testing of MOE expenditures identified thirteen expenditures totalling \$1,951 that were not properly classified as street and road expenditures. However, after removing the amounts from total MOE expenditures, the City of La Habra (La Habra) continued to meet the MOE requirement. The prior audit of La Habra for FY 2018, also identified two expenditures that were not properly classified.	Staff will ensure that these ineligible expenditures are excluded from future reporting.
	La Habra reported \$113,357 in indirect salary charges to the LFS fund as direct costs on its expenditure report, rather than indirect costs. The prior audit of La Habra for FY 2018 also identified indirect costs that were not properly reported.	La Habra will ensure these expenditures are properly reported in the future.
Mission Viejo	Testing of MOE expenditures identified six expenditures totalling \$589, that were not properly classified as street and road expenditures. However, after removing the amounts from total MOE expenditures, the City of Mission Viejo (Mission Viejo) continued to meet the MOE requirement.	In the future, Mission Viejo will remove expenditures that are not in accordance with Gas Tax Guidelines from MOE.
	Mission Viejo reported a fund balance of \$874,713 on its expenditure report; the actual fund balance was \$934,676, a difference of \$59,963.	Mission Viejo has identified and corrected the discrepancies.
San Clemente	Testing of MOE expenditures identified two expenditures totalling \$429,089, that were not properly classified as street and road expenditures. However, after removing the amounts from total MOE expenditures, the City of San Clemente (San Clemente) continued to meet the MOE requirement.	San Clemente mistakenly included these expenditures against MOE, and is considering actions to better identify and remove ineligible costs.

SUMMARY OF RESULTS OF AGREED-UPON PROCEDURES AUDITS
Orange County Local Transportation Authority
Measure M2 Local Fair Share for the Year Ended June 30, 2019

City	Result	City Management Response
Seal Beach	The City of Seal Beach (Seal Beach) reported \$9,566 in MOE direct salary charges as indirect costs on its expenditure report. In addition, one expenditure of \$991 was not properly classified as an MOE indirect cost. However, after removing the amount, Seal Beach continued to meet the MOE requirement.	Seal Beach will ensure that indirect charges are properly reported in the future.
	Seal Beach reported a fund balance of \$1,545,089 on its expenditure report; the actual fund balance was \$841,764, a difference of \$703,325.	Seal Beach will ensure that all expenses will be taken into account in the future when reporting ending fund balance.
Westminster	The City of Westminster (Westminster) reported \$120,911 in MOE indirect salary charges as direct costs on its expenditure report, rather than indirect costs.	Westminster will move Public Works Administration salaries to the indirect cost line in the future.
County of Orange	No exceptions were noted.	

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY
MEASURE M2 LOCAL FAIR SHARE
AGREED-UPON PROCEDURES REPORTS
Year Ended June 30, 2019**

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 LOCAL FAIR SHARE

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2019

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, 2019. Please refer to the individual divider tab for our report on each Agency.

City of Anaheim

City of Dana Point

City of Garden Grove

City of Huntington Beach

City of La Habra

City of Mission Viejo

City of San Clemente

City of Seal Beach

City of Westminster

Orange County

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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of Anaheim's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2019. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. Obtain the OCLTA Maintenance of Effort (MOE) Calculation Report and identify the required minimum amount to be spent on MOE expenditures by the City.

Findings: The City was required to spend \$10,058,292 in MOE expenditures during the fiscal year ended June 30, 2019. No exceptions were found as a result of this procedure.

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

Findings: MOE expenditures were tracked and identified in the general ledger by fund and unit. The General Fund (Fund 101) and various units were used to distinguish MOE eligible expenditures from other types of General Fund expenditures. No exceptions were found as a result of this procedure.

3. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2019 and determine whether the City met the minimum MOE requirement. Agree the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2019 were \$11,048,172 (see Schedule A), which exceeded the requirement. We agreed the total expenditures of \$11,048,172 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)

4. Select a sample of MOE expenditures from the City's general ledger expenditure detail. Describe the percentage of total expenditures selected. 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 40 MOE expenditures totaling \$3,593,794, which represented approximately 33% of total MOE expenditures for the fiscal year ended June 30, 2019. We identified 13 expenditures relating to transfers to the Anaheim Regional Transportation Intermodal Center (ARTIC), totaling \$2,468,620 that were not properly classified as local street and road expenditures, nor were they allowable per the Ordinance. After removing the unallowable amounts from total MOE expenditures, the City's MOE expenditures totaled was \$8,579,552, which is \$1,478,740 lower than the minimum MOE requirement of \$10,058,292. No other exceptions were found as a result of this procedure.

5. Identify whether or not indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the 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, 2019. We agreed \$988,735 of indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$140,264 representing 14% 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 allocated management salaries for the Public Works department and quarterly information system connectivity. Upon inspecting the supporting documentation for the samples selected, we determined that the expenditures were properly classified as MOE indirect costs and were allowable per the Ordinance and percentages allocated to MOE were justifiable. No exceptions were found as a result of this procedure.

6. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Local Fair Share Fund as of June 30, 2019, agree to the balance as listed on the City'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 \$7,859,130 for the past three fiscal years ended June 30, 2017, 2018 and 2019. We agreed the fund balance of \$295,758 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.

7. Describe which fund the City 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, 2019. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: All expenditures relating to Measure M2 Local Fair Share monies were tracked in Fund 271 – Fair share. Fund 271 Measure M2 – Fair share was established exclusively for OCTA M2 – Fair share projects. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2019 were \$2,351,685 (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.

8. Obtain the City's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the City'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 City's general ledger expenditure detail. Describe the percentage of total expenditures selected. 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 City's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: Compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. Measure M2 Local Fair Share expenditures selected totaled \$1,962,245, representing approximately 83% of total Measure M2 Local Fair Share expenditures of \$2,351,685 for the fiscal year ended June 30, 2019. 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.

9. Identify whether or not 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 for inspection. 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, 2019. We agreed \$140,426 as indirect cost per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 30 charges for inspection with a total amount of \$75,838 representing 54% of the total Local Fair Share indirect costs. We recomputed the selected indirect costs charges using City's allocation methodology and identified no exceptions. The indirect costs inspected included allocated management salaries for involvement in Local Fair Share projects. Upon inspecting the supporting documentation for the samples selected, we determined that the expenditures were properly classified as Local Fair Share indirect costs and are allowable per the Ordinance and percentages allocated to Local Fair Share were justifiable. No exceptions were found as a result of this procedure.

10. Inspect the amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited and the methodology is reasonable. Agree the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 4). Explain any differences.

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

(Continued)

This agreed-upon procedures engagement was conducted 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, 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.

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 the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.



Crowe LLP

Costa Mesa, California
April 1, 2020

CITY OF ANAHEIM, CALIFORNIA
 SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
 Year ended June 30, 2019
 (Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead – Schedule 3, line 1	\$ 988,735
Construction & Right-of-Way	
Signals, Safety Devices, & Street Lights	884,972
Maintenance	
Street Lights & Traffic Signals	3,960,275
Other Street Purpose Maintenance	2,745,570
ARTIC Operations	<u>2,468,620</u>
Total MOE Expenditures	\$ 11,048,172
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Capital Project Administration	\$ 140,426
General Agency Coordination	42,755
ARTIC	138,927
Blue Gum St & Miraloma Pavement Rehab	72,515
Lincoln Ave Pavement Rehab (State College to Sunkist)	376,188
Orangewood Ave Pavement Rehab (Haster to Lewis)	8,933
La Palma & Magnolia Pavement Rehab	92,138
Orangewood Ave Pavement Rehab (Harbor to Haster)	24,249
Orange Ave Pavement Rehab (Western to Dale)	471,784
Weir Canyon Road Pavement Rehab (Serrano-Parkglen)	25,313
Euclid St Pavement Rehab (GlenOak to 91 Freeway)	58,933
Lincoln & Rio Vista Pavement Rehab	467,126
Arterial Slurry Group 2	252,275
La Palma Pavement Rehab (East to Acacia)	94,035
State College Pavement Rehab (Kimberly to City Limits)	2,140
Central Anaheim Pavement Rehab at County Limits	14,244
Euclid Pavement Rehab (Orangewood to Broadway)	1,699
Orangethorpe Pavement Rehab (Lakeview to Imperial)	7,108
LA Palma Pavement Rehab (Lakeview to Imperial)	6,731
Broadway Pavement Rehab (Gilbert to Greenwich)	<u>54,166</u>
Total Measure M2 Local Fair Share Expenditures	<u>\$ 2,351,685</u>
Total MOE and Measure M2 Local Fair Share Expenditures	\$ 13,399,857

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

City of Anaheim
DEPARTMENT OF PUBLIC WORKS

Exhibit 1



March 26, 2020

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Anaheim as of and for the fiscal year ended June 30, 2019.

Procedure #4

Select a sample of MOE expenditures from the City'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 40 MOE expenditures totaling \$3,593,794, which represented approximately 33% of total MOE expenditures for the fiscal year ended June 30, 2019. We identified 13 expenditures relating to transfers to the Anaheim Regional Transportation Intermodal Center (ARTIC), totaling \$2,468,620 that were not properly classified as local street and road expenditures, nor were they allowable per the Ordinance. After removing the unallowable amounts from total MOE expenditures, the City's MOE expenditures totaled \$8,579,552, which is \$1,478,740 lower than the minimum MOE requirement of \$10,058,292. No other exceptions were found as a result of this procedure.

City's Response:

ARTIC is a joint project of regional significance involving OCTA and the City of Anaheim (Anaheim). Fair Share funds were used for the project land, construction and some operating costs. Anaheim counted a portion of the ARTIC operating cost towards the MOE requirement in the belief that this transportation purpose was an eligible MOE expense. In FY 2019, Anaheim also used Fairshare to pay for approximately \$2 million in MOE eligible street reconstruction expenditures, but could just have easily used the General Fund to pay these expenditures.

Each jurisdiction is required to maintain a minimum level of local streets and roads expenditures to conform to the MOE requirement and what is important is that Anaheim did meet this requirement.

On Schedule 3 of the M2 Expenditure Report for the FY June 30, 2019, Anaheim reported in Column Q (Fairshare) \$2,029,577 of Street Reconstruction expense. Anaheim also reported in the MOE column, \$2,468,620 of expense for ARTIC operating (as stated in the finding). If Anaheim is permitted to restate these expenditures by changing the column so that the Street Reconstruction expenditures are reported in the MOE column and an equal amount of ARTIC expenditures are reported in Column Q (Fairshare), then Anaheim is demonstrating that the MOE has been met. This minor change would not impact the total expenditures by fund but would clarify the types of expenditures by fund.

In addition, Anaheim has \$2 million in MOE eligible expenditures that were not reported on the MOE reporting form but, if allowed, Anaheim would update the expenditure report to show these expenditures.



Rudy Emami, Director of Public Works



Deborah Moreno, Finance Director/City Treasurer



Chris Zapata, City Manager

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

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), on the City of Dana Point's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2019. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. Obtain the OCLTA Maintenance of Effort (MOE) Calculation Report and identify the required minimum amount to be spent on MOE expenditures by the City.

Findings: The City was required to spend \$1,313,011 in MOE expenditures during the fiscal year ended June 30, 2019. No exceptions were found as a result of this procedure.

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

Findings: The MOE expenditures were tracked in the City's general ledger by fund and various program codes. The City recorded its MOE expenditures in its General Fund (01) under the Street Maintenance (2350), Street Sweeping (2490), and Storm Drains (2510) program codes. The City also used Capital Projects Fund (11) under the Slurry Seal (3110) and Arterial Roadways-Pavement Preservation (3110) program codes. No exceptions were found as a result of this procedure.

3. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2019 and determine whether the City met the minimum MOE requirement. Agree the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2019 were \$6,030,795 (see Schedule A), which exceeded the requirement. We agreed the total expenditures of \$6,030,795 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)

4. Select a sample of MOE expenditures from the City'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 MOE expenditures totaling \$4,311,401, which represented approximately 72% of total MOE expenditures for the fiscal year ended June 30, 2019. No exceptions were found as a result of this procedure.

5. Identify whether or not indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the 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, 2019. No exceptions were found as a result of this procedure.

6. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Local Fair Share Fund as of June 30, 2019, agree to the balance as listed on the City'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 \$1,717,175 for the past three fiscal years ended June 30, 2017, 2018 and 2019. City of Dana Point reported Local Fair Share fund balance of \$718,967 as of June 30, 2019 on the Expenditure Report (Schedule 1, Line 20); however, from inspecting the general ledger detail, the fund balance amount was \$717,853, a difference of \$1,114. We determined funds were expended within three years of receipt, without any exception. No other exceptions were found as a result of this procedure.

7. Describe which fund the City 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, 2019. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: We inspected the general ledger detail of the total Local Fair Share expenditures of \$0 to the amounts reflected on the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4) of \$0. No exceptions were found as a result of this procedure.

8. Obtain the City's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the City'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 City'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 City's Seven- Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: Since the City did not have any expenditures during the year for Local Fair Share projects, we did not select a sample of Measure M2 Local Fair Share expenditures. We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP. No exceptions were found as a result of this procedure.

9. Identify whether or not 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 for inspection. 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, 2019. No exceptions were found as a result of this procedure.

10. Inspect the 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 City's Expenditure Report (Schedule 2, line 4). Explain any differences.

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

This agreed-upon procedures engagement was conducted 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, 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.

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 the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.


Crowe LLP

Costa Mesa, California
April 1, 2020

CITY OF DANA POINT, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2019
(Unaudited)

SCHEDULE A

Maintenance of Effort (MOE) Expenditures:

Maintenance	
Overlay and sealing	\$ 4,283,304
Street lights and traffic signals	109,907
Other street purpose maintenance	<u>1,637,584</u>
Total maintenance	6,030,795

Total MOE Expenditures \$ 6,030,795

Measure M2 Local Fair Share Expenditures (Schedule 4):

Total Measure M2 Local Fair Share Expenditures -

Total MOE and Measure M2 Local Fair Share Expenditures \$ 6,030,795

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



March 16, 2020

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 Dana Point as of and for the fiscal year ended June 30, 2019.

Procedure #6

Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Local Fair Share Fund as of June 30, 2019, agree to the balance as listed on the City'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 \$1,717,175 for the past three fiscal years ended June 30, 2017, 2018 and 2019. City of Dana Point reported Local Fair Share fund balance of \$718,967 as of June 30, 2019 on the Expenditure Report (Schedule 1, Line 20); however, from inspecting the general ledger detail, the fund balance amount was \$717,853, a difference of \$1,114. We determined funds were expended within three years of receipt, without any exception. No other exceptions were found as a result of this procedure.

City's Response:

The City processed a transfer of \$1,114 to cover eligible expenditures prior to closing the books at June 30, 2019. That eligible use of funds was not reflected on the Expenditure Report. The City agrees and has amended its reconciliation and review procedures for the M2 Expenditure Report. A revised Expenditure Report will be submitted to OCTA.



A handwritten signature in blue ink, appearing to read "Mark Denny", is written above a horizontal line.

Mark Denny, City Manager

A handwritten signature in blue ink, appearing to read "Michael Killebrew", is written above a horizontal line.

Michael Killebrew, Director of Finance

A handwritten signature in blue ink, appearing to read "Matt Sinacori", is written above a horizontal line.

Matt Sinacori, Director of Public Works & Engineering

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

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), on the City of Garden Grove's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2019. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. Obtain the OCLTA Maintenance of Effort (MOE) Calculation Report and identify the required minimum amount to be spent on MOE expenditures by the City.

Findings: The City was required to spend \$3,378,344 in MOE expenditures during the fiscal year ended June 30, 2019. No exceptions were found as a result of this procedure.

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

Findings: MOE expenditures were tracked in general ledger by fund and packages. The City recorded its MOE expenditures in its General Fund (111) and by various packages (cost centers). No exceptions were found as a result of this procedure.

3. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2019 and determine whether the City met the minimum MOE requirement. Agree the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2019 were \$5,389,909 (see Schedule A), which exceeded the minimum MOE requirement. We agreed the total expenditures of \$5,389,909 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)

4. Select a sample of MOE expenditures from the City'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 40 MOE expenditures for inspection totaling \$2,045,827, which represented approximately 38% of total MOE expenditures for the fiscal year ended June 30, 2019. No exceptions were found as a result of this procedure.

5. Identify whether or not indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the 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, 2019. We agreed \$1,233,538 of indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$705,830 representing 57% of the total indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and did not identify any exceptions. The indirect costs inspected included allocated vehicle maintenance, personnel, and information system charges. Upon inspecting the supporting documentation for the samples selected, we determined that the expenditures were properly classified as MOE indirect costs and were allowable per the Ordinance and percentages allocated to MOE were justifiable. No exceptions were found as a result of this procedure.

6. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Local Fair Share Fund as of June 30, 2019, agree to the balance as listed on the City'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 \$7,577,028 for the past three fiscal years ended June 30, 2017, 2018 and 2019. We reconciled the fund balance of \$1,547,170 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.

7. Describe which fund the City 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, 2019. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The Local Fair Share expenditures were tracked in general ledger by fund. The City recorded its Local Fair Share expenditures in its General Fund (111). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2019 were \$3,169,265 (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)

8. Obtain the City's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the City'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 City'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 City's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected 20 Measure M2 Local Fair Share expenditures for inspection totaling \$3,166,374, representing approximately 99% of total Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2019. 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.

9. Identify whether or not 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 for inspection. 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, 2019. No exceptions were found as a result of this procedure.

10. Inspect the 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 City's Expenditure Report (Schedule 2, line 4). Explain any differences.

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

This agreed-upon procedures engagement was conducted 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, 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.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.



Crowe LLP

Costa Mesa, California
April 1, 2020

CITY OF GARDEN GROVE, CALIFORNIA
 SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
 Year ended June 30, 2019
 (Unaudited)

SCHEDULE A

Maintenance of effort (MOE) Expenditures:	
Indirect and/ or overhead – Schedule 3, line 1	\$ 1,233,538
Maintenance	
Overlay and sealing	874,451
Street lights and traffic signals	146,089
Other street purpose maintenance	<u>3,135,831</u>
Total MOE Expenditures	\$ 5,389,909
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Ahpalt Mnt/ Overlay	20,567
9th/ GG Blvd/ Lft Trn	50,003
Magnlia/ Orngwd L TR	28,909
Ped Signl Head Hsip	15,568
Chapman Coordinatn	316,773
Westmnstr Coordinatn	45,184
Lewis Recnstr	646
Euclid Rehab	231,987
Brookhurst Rehab	12,741
Fairviw Slurry Seal	68,353
Euc Reh (Lamp-Chap)	5,100
19/20 Cdbg Local St	410
Magnolia St Reconst	204
Chapman Rehab	2,021,087
GG Rehab-Bkhrst-NLS	72,922
Euclid (Hzrd-Wstmst)	278,709
Wstmstr Rehab-Match	<u>102</u>
Total Measure M2 Local Fair Share Expenditures	\$ 3,169,265
Total MOE and Measure M2 Local Fair Share Expenditures	<u>\$ 8,559,174</u>

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

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF HUNTINGTON 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), on the City of Huntington 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, 2019. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. Obtain the OCLTA Maintenance of Effort (MOE) Calculation Report and identify the required minimum amount to be spent on MOE expenditures by the City.

Findings: The City was required to spend \$5,607,203 in MOE expenditures during the fiscal year ended June 30, 2019. No exceptions were found as a result of this procedure.

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

Findings: MOE expenditures were tracked and identified in the general ledger by fund and unit. The City's MOE expenditures were recorded in the General Fund (100), Infrastructure Fund (314), and various units. No exceptions were found as a result of this procedure.

3. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2019 and determine whether the City met the minimum MOE requirement. Agree the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2019 were \$12,805,164 (see Schedule A), which exceeded the minimum MOE requirement. We agreed the total expenditures of \$12,805,164 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)

4. Select a sample of MOE expenditures from the City'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 40 MOE expenditures totaling \$4,055,575, which represented approximately 32% of total MOE expenditures for the fiscal year ended June 30, 2019. No exceptions were found as a result of this procedure.

5. Identify whether or not indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the 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, 2019. We agreed \$738,368 in indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$402,332 representing 54% of the total indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs inspected included allocated personnel charges. Upon inspecting the supporting documentation for the samples selected, we determined that the expenditures were properly classified as MOE indirect costs and were allowable per the Ordinance and percentages allocated to MOE were justifiable. No exceptions were found as a result of this procedure.

6. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Local Fair Share Fund as of June 30, 2019, agree to the balance as listed on the City'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 \$9,155,187 for the past three fiscal years ended June 30, 2017, 2018 and 2019. We compared the fund balance of \$1,788,766 from the general ledger to the fund balance reported in the City's Expenditure Report (Schedule 1, line 20) of \$1,819,187, identifying a difference of \$30,421. We determined funds were expended within three years of receipt. No other exceptions were found as a result of this procedure.

7. Describe which fund the City 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, 2019. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: Expenditures relating to Measure M2 Local Fair Share were recorded in the General Fund (100) and Infrastructure Fund (314). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2019 were \$4,938,457 (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)

8. Obtain the City's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the City'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 City'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 City's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected 15 Measure M2 Local Fair Share expenditures for inspection totaling \$1,498,176, representing approximately 30% of total Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2019. 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.

9. Identify whether or not 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 for inspection. 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, the City did not classify Local Fair Share indirect costs correctly. The City had recorded expenditures totaling \$1,065,100 for allocated salaries as direct charges rather than indirect charges. We selected 4 employees' salaries for inspection with a total amount of \$425,751 representing 40% of the total Local Fair Share indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs inspected included allocated senior civil engineers' salaries for the Public Works department. Upon inspecting the supporting documentation for the samples selected, we determined that the Local Fair Share indirect costs were allowable per the Ordinance and percentages allocated to Local Fair Share were justifiable. No other exceptions were found as a result of this procedure.

10. Inspect the 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 City's Expenditure Report (Schedule 2, line 4), explaining any differences.

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

This agreed-upon procedures engagement was conducted 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, 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.

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.

(Continued)

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.

Crowe LLP

Crowe LLP

Costa Mesa, California
April 1 2020

CITY OF HUNTINGTON BEACH, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2019
(Unaudited)

	SCHEDULE A
Maintenance of effort (MOE) Expenditures:	
Indirect and/ or overhead	\$ 738,368
Construction and right-of-way	
Street reconstruction	2,682,416
Signals, safety devices, and street sights	<u>617,106</u>
Total construction and right-of way	3,299,522
Maintenance	
Patching	1,969,482
Street lights and traffic signals	1,592,839
Other street purpose maintenance	<u>4,949,841</u>
Total maintenance	8,512,162
Other	<u>255,112</u>
Total MOE Expenditures	\$ 12,805,164
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Indirect and/ or overhead	1,065,100
Arterial Rehabilitation 16-17	3,368
Arterial Rehabilitation 17-18	1,627,500
Arterial Rehabilitation 18-19	1,377,982
Atlanta Avenue widening	500,000
General maintenance public works	<u>364,507</u>
Total Measure M2 Local Fair Share Expenditures	\$ <u>4,938,457</u>
Total MOE and Measure M2 Local Fair Share Expenditures	\$ <u>17,743,619</u>

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



CITY OF HUNTINGTON BEACH

Finance Department

March 11, 2020

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 Huntington Beach as of and for the fiscal year ended June 30, 2019.

Procedure #6

Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Local Fair Share Fund as of June 30, 2019, agree to the balance as listed on the City's Expenditure Report (Schedule 1, line 20), and determine whether funds were expended within three years of receipt, explaining any differences.

Findings: The City received \$9,155,187.52 for the past three fiscal years ended June 30, 2017, 2018 and 2019. We compared the fund balance of \$1,788,766 from the general ledger to the fund balance reported in the City's Expenditure Report (Schedule 1, line 20) of \$1,819,187, identifying a difference of \$30,421. We determined funds were expended within three years of receipt. No other exceptions were found as a result of this procedure.

City's Response:

The difference of \$30,421 was carried forward from prior fiscal years. The City will review its current closing and financial reporting processes and implement procedures to ensure these variances do not occur in future reports.

Procedure #9

Identify whether or not 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 for inspection. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$0 as Indirect Cost for LFS for the fiscal year ended June 30, 2019. However, after inspecting the general ledger expenditure detail and discussion with the City's accounting personnel, we identified \$1,065,100 of charges for allocated salaries that should have been reported as indirect charges. Upon selection of the four employees' salaries for inspection with a total amount of \$425,751 representing 40% of the total LFS indirect costs, we recomputed the selected indirect costs charges using the City's allocation methodology and identified no exceptions. The indirect costs inspected included allocated Senior Civil Engineers' and Contract Administrator's salaries for the Public Works department. Upon inspecting the supporting documentation for the samples selected, we determined that the LFS indirect costs were allowable per the Ordinance and percentages allocated to LFS were justifiable. No other exceptions were found as a result of this procedure.

City's Response:

The City will review its financial reporting processes and implement procedures to ensure that Local Fair Share expenditures are correctly classified in future reports.



Dahle Bulosan, Acting Chief Financial Officer



Tom Herbel, Acting Public Works Director

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

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), on the City of La Habra's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2019. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. Obtain the OCLTA Maintenance of Effort (MOE) Calculation Report and identify the required minimum amount to be spent on MOE expenditures by the City.

Findings: The City was required to spend \$1,529,313 in MOE expenditures during the fiscal year ended June 30, 2019. No exceptions were found as a result of this procedure.

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

Findings: The MOE expenditures were tracked in the City's general ledger by fund and various object codes. The City recorded its MOE expenditures in its General Fund (113) under Engineering (152101), Traffic Management (1522301), Street Maintenance (17311), and Storm Drain (174101) object codes. Various categories were also used to track the expenditures. No exceptions were found as a result of this procedure.

3. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2019 and determine whether the City met the minimum MOE requirement. Agree the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2019 were \$2,011,124 (see Schedule A), which exceeded the requirement. We agreed the total expenditures of \$2,011,124 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)

4. Select a sample of MOE expenditures from the City'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 40 MOE expenditures totaling \$248,127, which represented approximately 13% of total MOE expenditures (and 17% of total *required* MOE expenditures) for the fiscal year ended June 30, 2019. We identified 13 expenditures, totaling \$1,951 that were not allowable per the Ordinance. However, after removing the amounts from total MOE expenditures, the City continued to meet the minimum MOE requirement. No other exceptions were found as a result of this procedure.

5. Identify whether or not indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the 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, 2019. We agreed \$592,537 in indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$83,106 representing 14% of the total indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs inspected included allocated vehicle maintenance and fuel and information services charges. Upon inspecting the supporting documentation for the samples selected, we determined that the expenditures were properly classified as MOE indirect costs and were allowable per the Ordinance and percentages allocated to MOE were justifiable. No exceptions were found as a result of this procedure.

6. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Local Fair Share Fund as of June 30, 2019, agree to the balance as listed on the City'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 \$2,694,697 for the past three fiscal years ended June 30, 2017, 2018 and 2019. We agreed the fund balance of \$2,167,540 to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No other exceptions were found as a result of this procedure.

7. Describe which fund the City 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, 2019. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The expenditures relating to Measure M2 Local Fair Share monies were tracked in the City's general ledger by fund and program. The City recorded its expenditures relating to Measure M2 Local Fair Share monies in Measure M2-Fairshare Fund (138) and various programs. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2019 were \$645,858 (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)

8. Obtain the City's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the City'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 City'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 City's Seven- Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected 20 Measure M2 Local Fair Share expenditures for inspection totaling \$547,386, representing approximately 85% of total Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2019. 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.

9. Identify whether or not 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 for inspection. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspecting the Expenditure Report (Schedule 3, line 1), the City reported \$0 as Indirect Cost for Local Fair Share for the fiscal year ended June 30, 2019. However, after inspecting the general ledger expenditure detail and discussion with the City's accounting personnel, we identified \$113,357 of charges for allocated salaries that should have been reported as indirect charges. Upon selection of the two employees' salaries for inspection with a total amount of \$113,357 representing 100% of the total Local Fair Share indirect costs, we recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs inspected included allocated senior civil engineers' salaries for the Public Works department. Upon inspecting the supporting documentation for the samples selected, we determined that the Local Fair Share indirect costs were allowable per the Ordinance and percentages allocated to Local Fair Share were justifiable. No other exceptions were found as a result of this procedure.

10. Inspect the 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 City's Expenditure Report (Schedule 2, line 4). Explain any differences.

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

This agreed-upon procedures engagement was conducted 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, 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.

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.

(Continued)

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.

Crowe LLP

Crowe LLP

Costa Mesa, California
April 1 2020

CITY OF LA HABRA, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2019
(Unaudited)

SCHEDULE A

Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or overhead	\$ 592,537
Maintenance	
Street lights and traffic signals	791,293
Storm damages	51,755
Other street purpose maintenance	<u>575,539</u>
Total maintenance	1,418,587
Total MOE Expenditures	\$ 2,011,124
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Lambert Road rehabilitation 2017-18	1,143
Alley improvement 2017-18	6,523
Residential street rehabilitation 2016-18	275,615
Alley improvement 2017-18	148,119
Environmental cleanup 2017-18	43,272
La Habra Boulevard pavement rehabilitation project	31,769
Residential street rehabilitation/slurry 2018-19	20,000
Union Pacific Railroad crossing improvement at Cypress	6,060
Measure M2 Fairshare administration	<u>113,357</u>
Total Measure M2 Local Fair Share Expenditures	\$ 645,858
Total Measure M2 MOE and Local Fair Share Expenditures	<u>\$ 2,656,982</u>

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



City of La Habra

"A Caring Community"

FINANCE DEPARTMENT

110 E. La Habra Boulevard
Post Office Box 785
La Habra, CA 90633-0785
Office: (562) 383-4050
Fax: (562) 383-4478

March 16, 2020

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 La Habra as of and for the fiscal year ended June 30, 2019.

Procedure #4

Select a sample of MOE expenditures from the City'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 40 MOE expenditures, which represented approximately 13% of total MOE expenditures (and 17% of total *required* MOE expenditures) for the fiscal year ended June 30, 2019. We identified 13 expenditures, totaling \$1,951 that were not allowable per the Ordinance. However, after removing the amounts from total MOE expenditures, the City continued to meet the minimum MOE requirement. No other exceptions were found as a result of this procedure.

City's Response:

The MOE expenditure findings listed above have been brought to our attention and explained why they are not allowable per the Ordinance. Staff will ensure that expenditures within these categories will be excluded from future reporting.

Procedure #9

Identify whether or not 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 for inspection. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$0 as Indirect Cost for LFS for the fiscal year ended June 30, 2019. However, after inspecting the general ledger expenditure detail and discussion with the City's accounting personnel, we identified \$113,357 of charges for allocated salaries that should have been reported as indirect charges. Upon selection of the two employees' salaries for inspection with a total amount of \$113,357 representing 100% of the total LFS indirect costs, we recomputed the selected indirect costs charges using the City's allocation methodology and identified no exceptions. The indirect costs inspected included allocated Senior Civil Engineers' salaries for the Public Works department. Upon inspecting the supporting documentation for the samples selected, we determined that the LFS indirect costs were allowable per the Ordinance and percentages allocated to LFS were justifiable. No other exceptions were found as a result of this procedure.

City's Response:

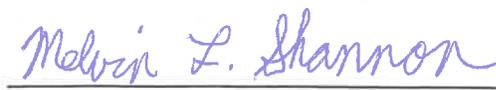
The duties performed by the City's Public Works Senior Civil Engineer and later by the Principal Engineer were deemed to be administrative indirect costs which were allowable per the Ordinance and not direct costs. These charges have no effect on the total expenditures but the City acknowledges that they were reported on the wrong line item. The City will ensure that these charges are reported as such on future reports.



James D. Sadro
City Manager



Elias Saykall
Director of Public Works



Melvin L. Shannon
Director of Finance

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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of Mission Viejo's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2019. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. Obtain the OCLTA Maintenance of Effort (MOE) Calculation Report and identify the required minimum amount to be spent on MOE expenditures by the City.

Findings: The City was required to spend \$2,538,900 in MOE expenditures during the fiscal year ended June 30, 2019. No exceptions were found as a result of this procedure.

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

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

3. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2019 and determine whether the City met the minimum MOE requirement. Agree the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2019 were \$4,549,955 (see Schedule A), which exceeded the minimum MOE requirement. We agreed the total expenditures of \$4,549,955 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)

4. Select a sample of MOE expenditures from the City's general ledger expenditure detail. Describe the percentage of total expenditures selected. 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 40 MOE expenditures totaling \$2,151,099, which represented approximately 47% of the total MOE expenditures for the fiscal year ended June 30, 2019. We identified six expenditures, totaling \$589 that were not allowable per the Ordinance. However, after removing the amounts from total MOE expenditures, the City continued to meet the minimum MOE requirement. No other exceptions were found as a result of this procedure.

5. Identify whether or not indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the 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, 2019. We agreed \$1,147,033 in indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$752,347 representing 66% of the total indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs inspected included allocated utilities charges. Upon inspecting the supporting documentation for the samples selected, we determined that the expenditures were properly classified as MOE indirect costs and were allowable per the Ordinance and percentages allocated to MOE were justifiable. No exceptions were found as a result of this procedure.

6. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Local Fair Share Fund as of June 30, 2019, agree to the balance as listed on the City'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 \$4,769,169 for the past three fiscal years ended June 30, 2017, 2018 and 2019. We compared the fund balance of \$934,676 from the general ledger to the fund balance reported in the City's Expenditure Report (Schedule 1, line 20) of \$874,713, noting a difference of \$59,963. We determined funds were expended within three years of receipt. No other exceptions were found as a result of this procedure.

7. Describe which fund the City 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, 2019. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The City recorded its expenditures relating to Measure M2 Local Fair Share monies in General Fund (101) and Measure M2 Fund (267). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2019 were \$1,443,319 (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.

8. Obtain the City's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the City'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 City's general ledger expenditure detail. Describe the percentage of total expenditures selected. 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 City'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. M2 Local Fair Share expenditures selected totaled \$1,269,396 representing approximately 88% of total Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2019. 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.

9. Identify whether or not 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 for inspection. 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, 2019. We agreed \$29,238 in indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$25,111 representing 86% of the total indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs inspected included allocated personnel charges. Upon inspecting the supporting documentation for the samples selected, we determined that the expenditures were properly classified as Local Fair Share indirect costs and were allowable per the Ordinance and percentages allocated to Local Fair Share were justifiable. No exceptions were found as a result of this procedure.

10. Inspect the 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 City's Expenditure Report (Schedule 2, line 4). Explain any differences.

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

This agreed-upon procedures engagement was conducted 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, 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.

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 the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.

Crowe LLP

Crowe LLP

Costa Mesa, California

April 1, 2020

CITY OF MISSION VIEJO, CALIFORNIA
 SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
 Year ended June 30, 2019
 (Unaudited)

SCHEDULE A

Maintenance of effort (MOE) Expenditures:	
Indirect and/ or overhead – Schedule 3, line 1	\$ 1,147,033
Maintenance	
Patching	1,961,033
Street lights and traffic signals	932,111
Other street purpose maintenance	<u>509,778</u>
Total MOE Expenditures	\$ 4,549,955
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Measure M2 street related (541267-6599)	
Maintenance- other street purpose maintenance	30,000
Alicia/Marguerite intersection (CIP 17232)	
street reconstruction	74,919
Santa Margarita Parkway/Marguerite intersection (CIP 17233)	
street reconstruction	34,940
TRAP- south of Crown Valley (CIP 18239)	
Maintenance- other street purpose maintenance	188,195
Los Alisos traffic signal synchronization project (19240)	
Administration	36
Arterial highway resurfacing and slurry (CIP 19837)	
Administration	4,091
Residential resurfacing (CIP 19838)	
Maintenance - overlay and sealing	1,244,287
Administration	25,111
Adjustments	
Reduce prior year expenditures for reimbursements received from other agencies	
Arterial highway resurfacing and slurry (CIP 19837)	
Maintenance - overlay and sealing	(53,925)
Residential resurfacing (CIP 19838)	
Maintenance - overlay and sealing	<u>(104,335)</u>
Total Measure M2 Local Fair Share Expenditures	\$ 1,443,319
Total MOE, and Measure M2 Local Fair Share Expenditures	<u>\$ 5,993,274</u>

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

(Continued)



City of Mission Viejo

Administrative Services Department

Brian Goodell
Mayor

Trish Kelley
Mayor Pro Tem

Wendy Bucknum
Council Member

Greg Raths
Council Member

Edward Sachs
Council Member

Exhibit 1

March 17, 2020

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 Mission Viejo as of and for the fiscal year ended June 30, 2019.

Procedure #4

Select a sample of MOE expenditures from the City's general ledger expenditure detail. Describe the percentage of total expenditures selected. 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 40 MOE expenditures totaling \$2,151,099, which represented approximately 47% of the total MOE expenditures for the fiscal year ended June 30, 2019. We identified six expenditures, totaling \$589 that were not allowable per the Ordinance. However, after removing the amounts from total MOE expenditures, the City continued to meet the minimum MOE requirement. No other exceptions were found as a result of this procedure.

City's Response:

The City has consistently reported the same MOE expenditures on the Measure M2 report as what is reported on the annual street report. However, in conjunction with OCTA, Crowe has advised that only MOE expenditures that are in accordance with gas tax guidelines should be included as MOE expenditures on the Measure M2 report. The City will review MOE expenditures and remove expenditures related to training and memberships/dues in the future. The City has continued to meet the MOE requirement and exceeded this requirement by \$2M for 18/19.



City of Mission Viejo

Administrative Services Department

Brian Goodell
Mayor

Trish Kelley
Mayor Pro Tem

Wendy Bucknum
Council Member

Greg Raths
Council Member

Edward Sachs
Council Member

Procedure #6

Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Local Fair Share Fund as of June 30, 2019, agree to the balance as listed on the City'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 \$4,769,169 for the past three fiscal years ended June 30, 2017, 2018 and 2019. We compared the fund balance of \$934,676 from the general ledger to the fund balance reported in the City's Expenditure Report (Schedule 1, line 20) of \$874,713, noting a difference of \$59,963. We determined funds were expended within three years of receipt. No other exceptions were found as a result of this procedure.

City's Response:

The City has identified the fund balance discrepancies and has come up with a corrective plan as follows: \$29,732.69 in final Measure M1 revenue received from OCTA in 2016 will be recorded on the M2 report by adjusting the fund balance per direction received from OCTA. An additional \$40.05 was also identified as a reclassification of personnel costs that did not include the project string on our general ledger and will be removed from the 19/20 report fund balance. The remaining \$30,270.57 was moved from the Regional Capacity Program to Fairshare on the M2 Report for 16/17 at OCTA's instruction, but never corrected on the City's general ledger. This has now been reclassified on the City's general ledger.

Signature: _____

Title: City Manager

Signature: _____

Title: Director of Public Works

Signature: _____

Title: Director of Finance

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

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), on the City of San Clemente's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2019. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. Obtain the OCLTA Maintenance of Effort (MOE) Calculation Report and identify the required minimum amount to be spent on MOE expenditures by the City.

Findings: The City was required to spend \$1,135,209 in MOE expenditures during the fiscal year ended June 30, 2019. No exceptions were found as a result of this procedure.

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

Findings: The MOE expenditures were tracked in the City's general ledger by fund and programs. The City recorded its MOE expenditures in its General Fund (001) and the following programs: Traffic Signals (611), Traffic Maintenance (612), Street Maintenance & Repair (614), Street Lighting (618), Major Street Maintenance (416), Public Works Admin (481), Overhead Charges (414), Traffic (413), and Street Engineering (415). No exceptions were found as a result of this procedure.

3. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2019 and determine whether the City met the minimum MOE requirement. Agree the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2019 were \$4,819,693 (see Schedule A), which exceeded the minimum MOE requirement. We agreed the total expenditures of \$4,819,693 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)

4. Select a sample of MOE expenditures from the City'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 MOE expenditures totaling \$3,155,739, which represented approximately 65% of total MOE expenditures for the fiscal year ended June 30, 2019. Per inspection of MOE expenditures, we identified two vendor payments for Lyft Inc. and Butterfli Technologies, Inc. totaling \$429,089 that were not allowable per the Ordinance. However, after removing the amount from total MOE expenditures, the City continued to meet the minimum MOE requirement. No other exceptions were found as a result of this procedure.

5. Identify whether or not indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the 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 the 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, 2019. We agreed \$1,215,413 in indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$152,900 representing 13% of the total indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs inspected included allocated personnel salaries. Upon inspecting the supporting documentation for the samples selected, we determined that the expenditures were properly classified as MOE indirect costs and were allowable per the Ordinance and percentages allocated to MOE were justifiable. No exceptions were found as a result of this procedure.

6. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Local Fair Share Fund as of June 30, 2019, agree to the balance as listed on the City'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 \$2,916,804 for the past three fiscal years ended June 30, 2017, 2018 and 2019. We reconciled the fund balance of \$1,062,205 from the general ledger detail to 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.

7. Describe which fund the City 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, 2019. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

(Continued)

Findings: The City used specific projects in the Street Improvement Fund (042) to track Measure M2 Local Fair Share expenditures. The projects for FY 2018-19 were as follows: 18327 (FY 2018 Street Improvement Projects), 27306 (As Needed Pavement Repairs), 17343 (South La Esperanza), 17345 (Via Cascadita), 16352 (Avenida Navarro), and 17341 Avenida Presidio. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2019 were \$1,411,504 (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.

8. Obtain the City's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the City'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 City'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 City's Seven- Year CIP and were 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 four Measure M2 Local Fair Share expenditures for inspection totaling \$1,384,664 representing approximately 98% of total Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2019. 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.

9. Identify whether or not 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 for inspection. 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, 2019. No exceptions were found as a result of this procedure.

10. Inspect the amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited and the methodology is reasonable. Agree the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 4). Explain any differences.

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

This agreed-upon procedures engagement was conducted 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, 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)

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 the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.



Crowe LLP

Costa Mesa, California
April 1, 2020

CITY OF SAN CLEMENTE, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2019
(Unaudited)

SCHEDULE A

Maintenance of Effort (MOE) Expenditures:	
Indirect and overhead	\$ 1,215,413
Street reconstruction	519,670
Maintenance	
Patching	376,830
Overlay and sealing	1,061,088
Street lights and traffic signals	<u>1,646,692</u>
Total maintenance	3,084,610
Total MOE Expenditures	\$ 4,819,693
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Street improvement projects	\$ 1,187,440
As needed pavement repairs	177,112
South La Esperanza	6,630
Via Cascadita	2,175
Avenida Navarro – Pico to Los Molinos	15,274
Avenida Presidio	<u>22,873</u>
Total Measure M2 Local Fair Share Expenditures	<u>\$ 1,411,504</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u>\$ 6,231,197</u>

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



March 5, 2020

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 San Clemente as of and for the fiscal year ended June 30, 2019.

Procedure #4

Select a sample of MOE expenditures from the City's general ledger expenditure detail and 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.
- 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 MOE expenditures totaling \$3,155,739, which represented approximately 65% of total MOE expenditures for the fiscal year ended June 30, 2019. Per inspection of MOE expenditures, we identified two vendor payments for Lyft Inc. and Butterfli Technologies, Inc. with total amount of \$429,089.09 that were not allowable per the ordinance. However, after removing the amount from total MOE expenditures, San Clemente continued to meet the minimum MOE requirement. No other exceptions were found as a result of this procedure.

City's response: The City's SCRides program costs were budgeted as a pilot program in the Traffic budget. The City mistakenly did not properly identify and remove those costs from the Maintenance of Effort reporting. The City is considering adding a separate program for transit related costs to breakout non-MOE eligible costs and better identify costs for reporting purposes.



Robert Dunek, City Manager



Erik Sund, Assistant City Manager/Director of
Administrative Services



Tom Bonigut, Public Works Director/ City Engineer

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), on 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, 2019. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. Obtain the OCLTA Maintenance of Effort (MOE) Calculation Report and identify the required minimum amount to be spent on MOE expenditures by the City.

Findings: The City was required to spend \$551,208 in MOE expenditures during the fiscal year ended June 30, 2019. No exceptions were found as a result of this procedure.

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

Findings: The MOE expenditures were tracked and identified in the general ledger by fund and object codes. The City of Seal Beach MOE expenditures were recorded in the General Fund (100) under object codes: Engineering (42), Storm Drains (43), Street Maintenance (44), and Landscape Maintenance (49). No exceptions were found as a result of this procedure.

3. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2019 and determine whether the City met the minimum MOE requirement. Agree the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2019 were \$1,321,124 (see Schedule A), which exceeded the minimum MOE requirement. We agreed the total expenditures of \$1,321,124 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)

4. Select a sample of MOE expenditures from the City'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 40 MOE expenditures totaling \$491,447, which represented approximately 37% of the total MOE expenditures for the fiscal year ended June 30, 2019. No exceptions were found as a result of this procedure.

5. Identify whether or not indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the 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, 2019. We agreed \$567,714 in indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection totaling \$107,287 representing 19% of the total indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs inspected included allocated management salaries, vehicle maintenance, project advertising, and information services charges. Upon inspecting the supporting documentation for the samples selected, we determined that one of the expenditures totaling \$9,566 should have been coded to direct cost; therefore, was not properly classified as MOE indirect costs, but it was allowable per the Ordinance. However, one other expenditure selected for testing totaling \$991 for a file cabinet was not allowable per the Ordinance. After removing the amount from total MOE expenditures, the City continued to meet the minimum MOE requirement. No other exceptions were found as a result of this procedure.

6. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Local Fair Share Fund as of June 30, 2019, agree to the balance as listed on the City'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 \$1,310,883 for the past three fiscal years ended June 30, 2017, 2018 and 2019. We compared the fund balance of \$841,764 from the general ledger to the fund balance reported in the City's Expenditure Report (Schedule 1, line 20) of \$1,545,089, identifying a difference of \$703,325. We determined funds were expended within three years of receipt. No other exceptions were found as a result of this procedure.

7. Describe which fund the City 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, 2019. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: Expenditures relating to Measure M2 Local Fair Share were recorded in the Project X-Fund (80). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2019 were \$187,793 (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)

8. Obtain the City's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the City'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 City'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 City'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. Measure M2 Local Fair Share expenditures selected totaled \$152,551 representing approximately 81% of total Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2019. 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.

9. Identify whether or not 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 for inspection. 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, 2019. No exceptions were found as a result of this procedure.

10. Inspect the 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 City's Expenditure Report (Schedule 2, line 4), explaining any differences.

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

This agreed-upon procedures engagement was conducted 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, 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.

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 the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.

Crowe LLP
Crowe LLP

Costa Mesa, California
April 1, 2020

CITY OF SEAL BEACH, CALIFORNIA
 SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
 Year ended June 30, 2019
 (Unaudited)

	SCHEDULE A
Maintenance of effort (MOE) Expenditures:	
Indirect and/ or overhead	\$ 567,714
Construction and right-of-way	
Pedestrian Ways & Bikepaths	3,863
Storm Drains	<u>112,963</u>
Total construction and right-of way	116,826
Maintenance	
Patching	22,496
Overlay & Sealing	500
Street lights and traffic signals	40,243
Storm Drainage	32,094
Other street purpose maintenance	<u>541,251</u>
Total maintenance	636,584
Total MOE Expenditures	\$ 1,321,124
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Westminster Avenue Median Improvement Project No. ST-1509	20,383
Local Street Resurfacing Program Project No. ST-1602	3,901
Local Street Resurfacing Program Project No. ST-1702	1,333
Annual Concrete Repair Program Project No. ST-1802	75,000
New Traffic Signal Battery Back Up Project No. ST-1808	81,996
Lampson Avenue ATP Bike Lane Grant Project No. ST-1811	3,846
Local Street Resurfacing Program Project No. ST-1902	<u>1,334</u>
Total Measure M2 Local Fair Share Expenditures	<u>\$ 187,793</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u>\$ 1,508,917</u>

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

March 27, 2020

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 Seal Beach as of and for the fiscal year ended June 30, 2019.

Procedure #5

Identify whether or not indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the 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, 2019. We agreed \$567,714 in indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection totaling \$107,287 representing 19% of the total indirect costs. We recomputed the selected indirect costs charges using the City's allocation methodology and identified no exceptions. The indirect costs inspected included allocated management salaries, vehicle maintenance, project advertising, and information services charges. Upon inspecting the supporting documentation for the samples selected, we determined that one of the expenditures totaling \$9,566 should have been coded to direct cost; therefore, was not properly classified as MOE indirect costs, but it was allowable per the Ordinance. However, one other expenditure selected for testing totaling \$991 for file cabinet was not allowable per the Ordinance. After removing the amount from total MOE expenditures, the City continued to meet the minimum MOE requirement. No other exceptions were found as a result of this procedure.

City's Response: The City concurs and will ensure that indirect charges are properly reported in the future

Procedure #6

Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Local Fair Share Fund as of June 30, 2019, agree to the balance as listed on the City's Expenditure Report (Schedule 1, line 20), and determine whether funds were expended within three years of receipt. Explain any differences.

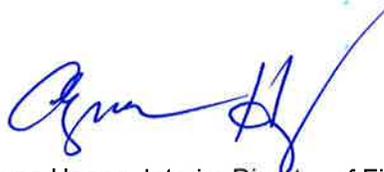
Findings: The City received \$1,310,883 for the past three fiscal years ended June 30, 2017, 2018 and 2019. We compared the fund balance of \$841,764 from the general ledger to the fund balance reported in the City's Expenditure Report (Schedule 1, line 20) of \$1,545,089, identifying a difference of \$703,325. We determined funds were expended within three years of receipt. No other exceptions were found as a result of this procedure.

City's Response: The City concurs and will ensure that the expenses will be taking into account in the future when reporting the ending fund balance.



Jill R. Ingram, City Manager

Name and Title of Responsible Party



Alayna Hoang, Interim Director of Finance

Name and Title of Responsible Party



Steve Myrter, Public Works 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), on 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, 2019. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. Obtain the OCLTA Maintenance of Effort (MOE) Calculation Report and identify the required minimum amount to be spent on MOE expenditures by the City.

Findings: The City was required to spend \$1,548,761 in MOE expenditures during the fiscal year ended June 30, 2019. No exceptions were found as a result of this procedure.

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

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

3. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2019 and determine whether the City met the minimum MOE requirement. Agree the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2019 were \$4,049,921 (see Schedule A), which exceeded the minimum MOE requirement. We agreed the total expenditures of \$4,049,921 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)

4. Select a sample of MOE expenditures from the City'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 40 MOE expenditures for inspection totaling \$1,366,202, which represented approximately 33% of total MOE expenditures for the fiscal year ended June 30, 2019. No exceptions were found as a result of this procedure.

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

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$686,773 in indirect costs for MOE for the fiscal year ended June 30, 2019. However, after inspecting the general ledger expenditure detail and discussion with the City's accounting personnel, we identified an additional \$120,911 in indirect charges for Public Works Administration allocated salaries. We selected 25 indirect costs for inspection with a total amount of \$538,728 representing 67% of the total MOE indirect costs, we recomputed the selected indirect costs charges using the City's allocation methodology and identified no exceptions. The indirect costs inspected included allocated personnel salaries, vehicle maintenance and fuel, and information services charges. Upon inspecting the supporting documentation for the samples selected, we determined that the MOE indirect costs were allowable per the Ordinance and percentages allocated to MOE were justifiable. No other exceptions were found as a result of this procedure.

6. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Local Fair Share Fund as of June 30, 2019, agree to the balance as listed on the City'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 \$4,406,532 for the past three fiscal years ended June 30, 2017, 2018 and 2019. We agreed the fund balance of \$1,550,764 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.

7. Describe which fund the City 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, 2019. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The City's Measure M2 Local Fair Share expenditures were recorded in Fund 211 and 400, Measure M Capital Projects (55026) and Measure M Admin (55027) object codes. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2019 were \$1,182,752 (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)

8. Obtain the City's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the City'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 City'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 City'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 four Measure M2 Local Fair Share expenditures for inspection totaling \$900,811 representing approximately 76% of total Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2019. 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.

9. Identify whether or not 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 for inspection. 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 Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2019. The City reported \$51,251 in indirect costs on the Expenditure Report. We selected 12 charges for inspection with a total amount of \$45,588 representing 89% of the total indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs inspected included allocated management salaries. Upon inspecting the supporting documentation for the samples selected, we determined that the expenditures were properly classified as Local Fair Share indirect costs and were allowable per the Ordinance and percentages allocated to Local Fair Share were justifiable. No exceptions were found as a result of this procedure.

10. Inspect the amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited and the methodology is reasonable. Agree the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 4). Explain any differences.

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

This agreed-upon procedures engagement was conducted 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, 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.

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.

(Continued)

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.


Crowe LLP

Costa Mesa, California
April 1, 2020

(Continued)

CITY OF WESTMINSTER, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2019
(Unaudited)

SCHEDULE A

Maintenance of Effort (MOE) Expenditures:	
Indirect and Overhead	\$ 807,684
Street Reconstruction	1,461,540
Maintenance	783,745
Direct Engineering Administrative Salaries	<u>996,952</u>
Total MOE Expenditures	\$ 4,049,921
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Indirect and Overhead	51,251
City-wide Street improvements	854,110
Debt Service and Administration	220,773
Electricity charges for the City traffic signals	<u>56,618</u>
Total Measure M2 Local Fair Share Expenditures	\$ <u>1,182,752</u>
Total MOE and Measure M2 Local Fair Share Expenditures	\$ <u>5,232,673</u>

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

(Continued)



City of Westminster

8200 Westminster Boulevard, Westminster, CA 92683 714.898.3311
www.westminster-ca.gov

March 16, 2020

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

TRI TA
Mayor

KIMBERLY HO
Vice Mayor

SERGIO CONTRERAS
Council Member

TAI DO
Council Member

CHI CHARLIE NGUYEN
Council Member

SHERRY JOHNSON
Interim City Manager

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 Westminster as of and for the fiscal year ended June 30, 2019.

Procedure #5

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

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$686,773 in indirect costs for MOE for the fiscal year ended June 30, 2019. However, after inspecting the general ledger expenditure detail and discussion with the City's accounting personnel, we identified an additional \$120,911 in indirect charges for Public Works Administration allocated salaries. We selected 25 indirect costs for inspection with a total amount of \$538,728 representing 67% of the total MOE indirect costs, we recomputed the selected indirect costs charges using the City's allocation methodology and identified no exceptions. The indirect costs inspected included allocated personnel salaries, vehicle maintenance and fuel, and information services charges. Upon inspecting the supporting documentation for the samples selected, we determined that the MOE indirect costs were allowable per the Ordinance and percentages allocated to MOE were justifiable. No other exceptions were found as a result of this procedure.

City's Response: The City will move Public Works Administration salaries to the indirect line on future reports.



Sherry Johnson, Interim City Manager



Marwan Youssef, Public Works Director



Erin Backs, Acting Finance Director

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
COUNTY 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), on the County of Orange's (County) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2019. The County's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. Obtain the OCLTA Maintenance of Effort (MOE) Calculation Report and identify the required minimum amount to be spent on MOE expenditures by the County.

Findings: The County did not have an MOE requirement for the fiscal year ended June 30, 2019. As a result, this procedure was not applicable.

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

Findings: The County did not have an MOE requirement for the fiscal year ended June 30, 2019. As a result, this procedure was not applicable.

3. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2019 and determine whether the County met the minimum MOE requirement. Agree the total MOE expenditures to the amount reported on the County's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The County did not have an MOE requirement for the fiscal year ended June 30, 2019. As a result, this procedure was not applicable.

(Continued)

4. Select a sample of MOE expenditures from the County's general ledger expenditure detail. Describe the percentage of total expenditures selected. 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: The County did not have an MOE requirement for the fiscal year ended June 30, 2019. As a result, this procedure was not applicable.

5. Identify whether or not 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 County did not have an MOE requirement for the fiscal year ended June 30, 2019. As a result, this procedure was not applicable.

6. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the County and calculate the amount the County received for the past three fiscal years. Obtain the fund balance of the County's Measure M2 Local Fair Share Fund as of June 30, 2019, agree to the balance as listed on the County's Expenditure Report (Schedule 1, line 20), and determine whether funds were expended within three years of receipt. Explain any differences.

Findings: The County received \$10,075,343 for the past three fiscal years ended June 30, 2017, 2018 and 2019. We reconciled the fund balance of \$0 as of June 30, 2019 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.

7. Describe which fund the County 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, 2019. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the County's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The County's Measure M2 Local Fair Share expenditures were recorded in Fund 115, OC Road Fund, under cost category 4, Services & Supplies. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2019 were \$3,596,067 (see Schedule A), which agreed to the County's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

8. Obtain the County's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the County'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 County's general ledger expenditure detail. Describe the percentage of total expenditures selected. 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 County's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

(Continued)

Findings: We compared the projects listed on the County's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected 25 Measure M2 Local Fair Share expenditures totaling \$1,938,497, representing approximately 54% of total Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2019. 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.

9. Identify whether or not 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 for inspection. 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 County's accounting personnel, no indirect costs were identified as Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2019. No exceptions were found as a result of this procedure.

10. Inspect the amount of interest allocated to the Measure M2 Local Fair Share Fund to determine whether the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the County's Expenditure Report (Schedule 2, line 4). Explain any differences.

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

This agreed-upon procedures engagement was conducted 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, 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.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers' Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.



Crowe LLP

Costa Mesa, California
April 1, 2020

COUNTY OF ORANGE, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2019
(Unaudited)

SCHEDULE A

Measure M2 Local Fair Share Expenditures (Schedule 4)	
Pavement Management (Overlay/Sealing Various Sites)	\$ 21,424
Pavement Management & Other Maintenance (Various Sites)	<u>3,574,643</u>
Total Measure M2 Local Fair Share Expenditures	<u>\$ 3,596,067</u>

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

SUMMARY OF RESULTS OF AGREED-UPON PROCEDURES AUDITS
Orange County Local Transportation Authority
Measure M2 Senior Mobility Program for the Year Ended June 30, 2019

City	Result	City Management Response
Dana Point	The City of Dana Point (Dana Point) contracts with Age Well Senior Services (Age Well) for its Senior Mobility Program (SMP) transportation. Dana Point staff asserted that Age Well was selected through a competitive process in 2013; however, there was no documentation to evidence this. Further, while Age Well indicates that wheelchair accessible vehicles are available, the contract with Age Well does not include the required language related to availability of accessible vehicles. The prior audit of Dana Point for fiscal year (FY) 2018 identified the same conditions.	Dana Point will conduct a competitive procurement of these services and include required language in the next contract. The current contract term is through June 30, 2021.
	One of the four monthly reports tested was not submitted within 30 days of month end, as required.	Dana Point has amended procedures to ensure monthly reports are submitted as required.
Fountain Valley	No exceptions were noted.	
La Habra	The City of La Habra (La Habra) indicated that services from Keolis Transit Services (Keolis) were procured through a piggyback of a City of Costa Mesa (Costa Mesa) procurement in June 2017; however, La Habra had not obtained evidence that the procurement was competitive, as required. In addition, the contract with Keolis does not include required language relating to provision of wheelchair accessible vehicles, as needed. This finding was observed in the audit of La Habra for FY 2018. It should be noted that the agreement with Keolis expires in April 2021, and includes two, one-year options.	Future contract awards will include written documentation to substantiate any discussion or analysis of the procurement and selection process. La Habra uses wheelchair-accessible vehicles and will ensure future contracts include the provision requiring these vehicles be available.
	One of the four monthly reports tested was not submitted within 30 days of month end, as required.	La Habra will set-up review procedures to ensure reports are submitted timely going forward.
San Clemente	No exceptions were noted.	
Tustin	The City of Tustin (Tustin) allows persons 55 years and older to participate in their senior transportation program. The Measure M2 (M2) Ordinance and SMP Guidelines require participants to be aged 60 or older. Tustin did not have an adequate process in place to ensure that costs related to ineligible trips are not funded by the SMP.	Tustin will implement controls to track trips separately for riders under and over the age of 60, to ensure that costs are segregated moving forward. It should be noted that for FY 2019, M2 funds paid for approximately 56 percent of total costs, and only one percent of participants are under the age of 60.
	Two of the four monthly reports tested were not submitted within 30 days of month end, as required.	Tustin has instituted measures to help prevent late submissions going forward.

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2019

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2019

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, 2019. Please refer to the individual divider tab for our report on each Agency.

City of Dana Point

City of Fountain Valley

City of La Habra

City of San Clemente

City of Tustin

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

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), on the City of Dana Point's (City) compliance with certain provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended June 30, 2019. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the City to 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 City 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, 2019. Agree the amount listed as expended on the City'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 object code. The City records its Senior Mobility Program expenditures in its Measure M Fund (04) under the Professional Services object code (2230). The City reported \$23,870 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 City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Senior Mobility Program as of June 30, 2019, agree to the balance as listed on the City'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, 2019, agree to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$152,718 for the past three fiscal years ended June 30, 2017, 2018 and 2019. We compared the fund balance of \$103,659 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$103,659; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$53,555 during the fiscal year ended June 30, 2019, 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 found as a result of this procedure.

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

Findings: We obtained the City's interest allocation methodology. Interest is allocated based on a weighted average of the City's earned interest rates and the fund's month-end balances during the fiscal year. The City reported \$829 of interest income for the year ended June 30, 2019, 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 City 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, 2019.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of match and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance. The total match expenditures amounted to \$9,752, which was approximately 40% of the total expenditures of \$23,870. No exceptions were identified as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the City'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 were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inspected Measure M2 Senior Mobility Program expenditures totaling \$23,870 representing 100% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2019. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for 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.

(Continued)

7. Inquire as to the procedures used by the City 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. If the driver's license/ID card does not show a current Dana Point address, a current utility bill is also required to verify residency. City staff reviews the application for completeness and verifies age and residency 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 or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, compare indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, line 1) Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected, and percentage of dollar amount inspected over total indirect costs per Schedule 3, Line 1. Inspect the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, Line 1), the City reported \$0 in indirect costs. Per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, no indirect costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2019. As a result, we did not select a sample of charges or inspect supporting documentation relating to the indirect costs. No exceptions were found as a result of this procedure.

9. Determine if the City contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether that the Contractor was selected using a competitive procurement process; and
 - 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 Age Well to provide senior transportation services under the Senior Mobility Program. The City contracted with Age Well in January 2013. The City did not have supporting evidence that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract through June 30, 2016, and the amended contract through June 30, 2021, we also did not find language requiring that wheelchair accessible vehicles be made available and used as needed.

10. Obtain the proof of insurance coverage for the City's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
 - 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 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 reports, and determine whether the reports were properly prepared and submitted within thirty (30) calendar days of month end.

Findings: We sampled four monthly summary reports (November 2018, December 2018, February 2019, and June 2019). Through inspection, we determined one of the four reports was not submitted within 30 days of month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Date Received</u>	<u>Days Late</u>
November 2018	1/4/19	4
December 2018	1/31/19	-
February 2019	3/31/19	-
June 2019	7/17/19	-

No other exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted 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, 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 Senior Mobility Program. 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.

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 the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be, and should not be, used by anyone other than those specified parties.



Crowe LLP

Costa Mesa, California
April 1, 2020

CITY OF DANA POINT, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2019
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Other Senior Mobility Project U	<u>\$ 23,870</u>
Total Measure M2 Senior Mobility Program Expenditures	<u>\$ 23,870</u>

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



February 28, 2020

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 Dana Point as of and for the fiscal year ended June 30, 2019.

Procedure #9

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

- a. Determine whether the 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 inspection of the general ledger expenditure detail and discussion with City personnel, the City contracted with Age Well to provide senior transportation services under the Senior Mobility Program. The City contracted with Age Well in January 2013. The City did not have supporting evidence that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract through June 30, 2016, and the amended contract through June 30, 2021, we also did not find language requiring that wheelchair accessible vehicles be made available and used as needed.

City's Response:

The City knows that Age Well only uses wheelchair accessible vehicles. However, the City agrees and will include specific language requiring the availability and use of wheelchair accessible vehicles in the next RFP process and subsequent contract. Although, the City did bid out the transportation contract in 2013, staff is unable to locate the documentation. The City will maintain documentation related to the competitive procurement process in the future.



Procedure #11

We obtained and sampled four monthly summary reports, and determined the reports were submitted within thirty (30) calendar days of month end.

Findings: We sampled four monthly summary reports (November 2018, December 2018, March 2019, and June 2019). Through inspection, we determined one of the four reports was not submitted timely within 30 days of month end to OCLTA. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Date Received</u>	<u>Days Late</u>
November 2018	1/4/19	4
December 2018	1/31/19	-
February 2019	3/31/19	-
June 2019	7/17/19	-

No other exceptions were found as a result of this procedure.

City's Response:

The City agrees with the finding that one of the monthly reports was received four (4) days after the required filing deadline. Staff has amended procedures to ensure that all reports are submitted within 30 days of month end.

Mark Denny, City Manager

Michael Killebrew, Director of Finance

Sherry Murphy, Recreation Manager

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), on the City of Fountain Valley's (City) compliance with certain provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended June 30, 2019. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the City to 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 City 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, 2019. Agree the amount listed as expended on the City's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures relating to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and sub-project. The City recorded its Senior Mobility Program expenditures in its General Fund (11) and Measure M2 Fund (25), various sub project codes, and object. The City reported \$159,310 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 City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Senior Mobility Program as of June 30, 2019, agree to the balance as listed on the City'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, 2019, agree to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$246,383 for the past three fiscal years ended June 30, 2017, 2018 and 2019. We compared the fund balance of \$12,243 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$12,243; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$86,401 during the fiscal year ended June 30, 2019, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

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

Findings: We obtained the City's interest allocation methodology. We identified interest income of \$1,668, which was calculated by multiplying the SMP average monthly cash balance of \$106,720 and the Measure M2 Fund interest rate of 1.5628%. The City reported \$1,667 of interest income for the year ended June 30, 2019 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. There is no net cost to the City to run the proposed senior transportation program. The City charged \$2 per fare for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. Determine that the City satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual- basis funding allocation) for fiscal year ended June 30, 2019.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of match and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance. Total match expenditures amounted to \$46,077, which was approximately 29% of the total expenditures of \$159,310. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the City'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 were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inspected Measure M2 Senior Mobility Program expenditures totaling \$114,388 representing 72% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2019. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for 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.

(Continued)

7. Inquire as to the procedures used by the City 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 Fountain Valley, and 60 years of age or older in accordance with 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 or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, compare indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected, and percentage of dollar amount inspected over total indirect costs per Schedule 3, line 1. Inspect the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, Line 1), the City reported \$0 in indirect costs. Per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, no indirect costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2019. As a result, we did not select a sample of charges or inspect supporting documentation relating to the indirect costs. No exceptions were found as a result of this procedure.

9. Determine if the City contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether the Contractor was selected using a competitive procurement process; and
 - 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 Yellow Cab to provide senior transportation services under the Senior Mobility Program. From inspecting the Yellow Cab 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 City's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
 - b. Determine if 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 reports, and determine the reports were properly prepared and submitted within thirty (30) calendar days of month end.

Findings: We sampled four monthly summary reports (November 2018, December 2018, February 2019, and June 2019). 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>Date Received</u>	<u>Days Late</u>
November 2018	12/19/18	-
December 2018	1/28/19	-
February 2019	3/26/19	-
June 2019	7/31/19	-

No exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted 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, 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 Senior Mobility Program. 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.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be, and should not be, used by anyone other than those specified parties.



Crowe LLP

Costa Mesa, California
April 1, 2020

CITY OF FOUNTAIN VALLEY, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2019
(Unaudited)

SCHEDULE A

Senior Mobility Program Expenditures:	
Other Senior Mobility Project U	<u>\$ 159,310</u>
Total Measure M2 Senior Mobility Program Expenditures	<u><u>\$ 159,310</u></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 LA HABRA

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), on the City of La Habra's (City) compliance with certain provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended June 30, 2019. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the City to 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 City 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, 2019. Agree the amount listed as expended on the City'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 various object codes. The City records its Senior Mobility Program expenditures in its Measure M Fund (134) and various object codes. The City reported \$61,382 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 City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Senior Mobility Program as of June 30, 2019, agree to the balance as listed on the City'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, 2019, agree to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$171,720 for the past three fiscal years ended June 30, 2017, 2018 and 2019. 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 \$61,382 during the fiscal year ended June 30, 2019, 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 found as a result of this procedure.

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

Findings: The City spent the total amount funded by OCLTA for their Senior Mobility Program. As such, no remaining fund balance was recorded and no interest revenue was allocated. We inquired of City personnel regarding fare collection methodologies. Fares are collected by Keolis Transit Services for the Senior Mobility Program. The revenues are tracked by monthly summary reports. No exceptions were found as a result of this procedure.

5. Determine that the City 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, 2019.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of match and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance. The total match expenditures amounted to \$15,501 which was approximately 25% of the total expenditures of \$61,382. No exceptions were identified as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the City'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 were exclusively for Senior Mobility Program and meet requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inspected Measure M2 Senior Mobility Program expenditures totaling \$61,382 representing 100% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2019. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for 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.

(Continued)

7. Inquire as to the procedures used by the City 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 photo identification for age and residence verification. City staff reviews the application for completeness and verifies age and residency in accordance with 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 or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, compare indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected, and percentage of dollar amount inspected over total indirect costs per Schedule 3, Line 1. Inspect the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, Line 1), the City reported \$0 in indirect costs. Per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, no indirect costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2019. As a result, we did not select a sample of charges or inspect supporting documentation relating to the indirect costs. No exceptions were found as a result of this procedure.

9. Determine if the City contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether that the Contractor was selected using a competitive procurement process; and
 - 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 Keolis Services in April 2018 to provide senior transportation services under the Senior Mobility Program. From inspection of the procurement supporting documentation, we found that the City did not conduct a competitive procurement. The City had relied on a competitive process conducted by the City of Costa Mesa in June 2017. Although the City's purchasing policy indicates that the City can utilize cooperative governmental purchasing contracts for a service which was established by another governmental agency's bid award, there was no written documentation to substantiate any discussions or analysis of the procurement selection process. In addition, per inspection of the original contract, we did not find the language requiring that wheelchair accessible vehicles be made available and used as needed, was included in the contract as required.

10. Obtain the proof of insurance coverage for the City's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
 - b. Determine if 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 reports, and determine whether the reports were properly prepared and submitted within thirty (30) calendar days of month end.

Findings: We sampled four monthly summary reports (November 2018, December 2018, February 2019, and June 2019). Through inspection, we determined one of the four reports was not submitted within 30 days of month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Date Received</u>	<u>Days Late</u>
November 2018	1/2/19	2
December 2018	1/23/19	-
February 2019	3/26/19	-
June 2019	7/24/19	-

No other exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted 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, 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 Senior Mobility Program. 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.

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 the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be, and should not be, used by anyone other than those specified parties.



Crowe LLP

Costa Mesa, California
April 1, 2020

CITY OF LA HABRA, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2019
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Other Senior Mobility Project U	<u>\$ 61,382</u>
Total Measure M2 Senior Mobility Program Expenditures	<u>\$ 61,382</u>

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



City of La Habra

"A Caring Community"

FINANCE DEPARTMENT

110 E. La Habra Boulevard
Post Office Box 785
La Habra, CA 90633-0785
Office: (562) 383-4050
Fax: (562) 383-4478

March 9, 2020

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 La Habra as of and for the fiscal year ended June 30, 2019.

Procedure #9

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

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

Findings: Based on inspection of the general ledger expenditure detail and discussion with City personnel, the City contracted with Keolis Services in April 2018 to provide senior transportation services under the Senior Mobility Program. From inspection of the procurement supporting documentation, we found that the City did not conduct a competitive procurement. The City had relied on a competitive process conducted by the City of Costa Mesa in June 2017. Although from inspecting the City's purchasing policy, the City could utilize cooperative governmental purchasing contracts for a service which was established by another governmental agency's success bid award, there was no written documentation to substantiate any discussions or analysis of the procurement selection process. In addition, per inspection of the original contract, we did not find the language requiring that wheelchair accessible vehicles be made available and used as needed, was included in the contract as required.

City's Response:

- a. The City attempted to meet the requirement to conduct a competitive procurement by "piggy-backing" on the City of Costa Mesa's successful bid award, which as stated above, was allowed by our purchasing policy. According to the City's La Habra Shuttle agenda report requesting authorization to execute an agreement with Keolis Transit Services, LLC, to operate the La Habra Shuttle, it stated that the City of Costa Mesa received two responses, one of which was deemed unresponsive to the RFP, therefore, Keolis was awarded the Costa Mesa contract. Staff reviewed

the Costa Mesa RFP and determined that their general scope of services were similar to La Habra's program requirements. Keolis was willing to honor the pricing that was quoted in the Costa Mesa agreement with the City of La Habra and was awarded the agreement. Future contract awards will include written documentation to substantiate any discussion or analysis of the procurement selection process.

- b. The City's contract agreement did not include language requiring that wheelchair accessible vehicles be made available and used as needed was purely an oversight. The City regularly uses two vehicles and has a third vehicle which is used as a backup. All three vehicles were donated by OCTLA and all three are wheelchair accessible vehicles. The City supplied a video of one of the buses with an operator demonstrating the wheelchair lift going up and down. Nevertheless, we will include the required language in future contracts.

Procedure #11

Obtain and sample four monthly summary reports, and determine whether the reports were properly prepared and submitted within thirty (30) calendar days of month end.

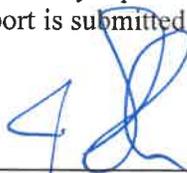
Findings: We sampled four monthly summary reports (November 2018, December 2018, February 2019, and June 2019). Through inspection, we determined one of the four reports was not submitted within 30 days of month end to OCLTA. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Date Received</u>	<u>Days Late</u>
November 2018	1/2/19	2
December 2018	1/23/19	-
February 2019	3/26/19	-
June 2019	7/24/19	-

No other exceptions were found as a result of this procedure.

City's Response:

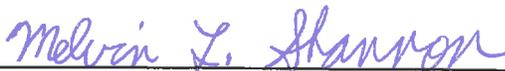
The City is aware that all summary reports should be submitted within 30 days of month end to OCLTA. We will set up additional review procedures to ensure all summary reports are submitted within 30 days of month end with particular emphasis that the November report is submitted before our Christmas and New Year's holiday recess.



James D. Sadro
City Manager



Kelly Fujio
Director of Community Services



Melvin L. Shannon
Director of Finance

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

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), on the City of San Clemente's (City) compliance with certain provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended June 30, 2019. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the City to 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 City 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, 2019. Agree the amount listed as expended on the City'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 object. The City recorded its Senior Mobility Program expenditures in its Gas Tax Fund (12) under OCTA Senior Center Trans object code. The City reported \$48,609 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 City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Senior Mobility Program as of June 30, 2019, agree to the balance as listed on the City'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, 2019, agree to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$223,392 for the past three fiscal years ended June 30, 2017, 2018 and 2019. We compared the fund balance of \$67,427 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$67,427; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$78,339 during the fiscal year ended June 30, 2019, to the general ledger detail and the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were found as a result of this procedure.

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

Findings: We obtained the City's interest allocation methodology. Interest is allocated based on the weighted average of the City's earned interest rates and the fund's month-end balances during the fiscal year. The City reported \$1,726 of interest income for the year ended June 30, 2019, which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). No exceptions were found as a result of this procedure.

5. Determine that the City 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, 2019.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of match and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance. The total match expenditures amounted to \$14,590, which was approximately 30% of the total expenditures of \$48,609. No exceptions were identified as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the City'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 if the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inspected Measure M2 Senior Mobility Program expenditures totaling \$48,609 representing 100% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2019. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for 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.

(Continued)

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

Findings: We inquired with the City of San Clemente as to the process for determining eligibility. The Public Works Management Analyst processes all applications sent to the City for participation in the program. To verify eligibility, the Public Works Management Analyst reviews the application before entering the information into the program roster. Applicants must have photo ID and proof that they are residents of San Clemente and that they are older than 60 in accordance with Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. If the applicant meets all the eligibility requirements, their application materials are entered onto the official program roster. Applicants must be on this verified/ approved roster before they can book rides through Yellow Cab for the Senior Mobility Program. The Public Works Management Analyst sends this roster to the Yellow Cab program liaison, who also verifies that the applicants were eligible before entering them in the Yellow Cab system for ride booking. No exceptions were identified as a result of this procedure.

8. Identify whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, compare indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected, and percentage of dollar amount inspected over total indirect costs per Schedule 3, line 1. Inspect the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, Line 1), the City reported \$0 in indirect costs. Per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, no indirect costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2019. As a result, we did not select a sample of charges or inspect supporting documentation relating to the indirect costs. No exceptions were found as a result of this procedure.

9. Determine if the City contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether that the Contractor was selected using a competitive procurement process; and
 - 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 Yellow Cab Inc. to provide senior transportation services under the Senior Mobility Program. From inspection of the procurement supporting documentation, we found that the City completed a competitive procurement process prior to contracting with Yellow Cab Inc. 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 in the contract as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the City's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
 - b. Determine if 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 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 reports, and determine whether the reports were properly prepared and submitted within thirty (30) calendar days of month end.

Findings: We sampled four monthly summary reports (November 2018, December 2018, February 2019, and June 2019). Through inspection, we determined all four reports were timely submitted within 30 days of month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Date Received</u>	<u>Days Late</u>
November 2018	12/10/18	-
December 2018	1/15/19	-
February 2019	3/26/19	-
June 2019	7/17/19	-

No exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted 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, 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 Senior Mobility Program. 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.

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 the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be, and should not be, used by anyone other than those specified parties.

Crowe LLP
Crowe LLP

Costa Mesa, California
April 1, 2020

CITY OF SAN CLEMENTE, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2019
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Other Senior Mobility Project U	<u>\$ 48,609</u>
Total Measure M2 Senior Mobility Program Expenditures	<u>\$ 48,609</u>

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

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

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), on the City of Tustin's (City) compliance with certain provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended June 30, 2019. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the City to 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 City 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, 2019. Agree the amount listed as expended on the City'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. The City recorded its Senior Mobility Program expenditures in its Measure M Fund (139). The City reported \$70,669 in program expenditures on the Expenditure Report (Schedule 2, Line 21 for Project U) which agreed to the Measure M fund expenditures of \$70,669, 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 City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Senior Mobility Program as of June 30, 2019, agree to the balance as listed on the City's Expenditure Report (Schedule 1, line 24), and determine whether funds were expended within three years of receipt. Explain any differences. For payments received during the fiscal year ended June 30, 2019, agree to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$184,091 for the past three fiscal years ended June 30, 2017, 2018 and 2019. We compared the fund balance of \$77,377 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$77,377; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$62,943 during the fiscal year ended June 30, 2019, 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 found as a result of this procedure.

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

Findings: We obtained the City's interest allocation methodology and identified that the interest income for the year of \$2,860 was calculated by multiplying the SMP average monthly cash balance and the Measure M2 Fund interest rate. The City reported \$2,860 of interest income for the year ended June 30, 2019 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. Fare collection is strictly a suggested donation and the fares are used to offset the cost of the program. No exceptions were found as a result of this procedure. No exceptions were found as a result of this procedure.

5. Determine that the City satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual- basis funding allocation) for fiscal year ended June 30, 2019.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of match and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance. The total match expenditures amounted to \$34,800 which was approximately 49% of the total expenditures of \$70,669. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the City'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 if the expenditures selected in (a) above are exclusively for Senior Mobility Program and meet the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inspected Measure M2 Senior Mobility Program expenditures totaling \$70,669 representing 100% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2019. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for 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.

(Continued)

7. Inquire as to the procedures used by the City 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. Per management, 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 identification card for age verification. However, the City allows persons 55 years and older to participate, while the Measure M2 Funding Policy Guidelines and the Ordinance require participants be aged 60 or older. We inquired as to the City's method for ensuring costs related to trips provided to ineligible persons (under 60 years of age) were not funded by the SMP; and the City did not have an adequate process for segregating costs for these trips. No other exceptions were found as a result of this procedure.

8. Identify whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, compare indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected, and percentage of dollar amount inspected over total indirect costs per Schedule 3, line 1. Inspect the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, Line 1), the City reported \$0 in indirect costs. Per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, no indirect costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2019. As a result, we did not select a sample of charges or inspect supporting documentation relating to indirect costs. No exceptions were found as a result of this procedure.

9. Determine if the City contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether the Contractor was selected using a competitive procurement process; and
 - 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 did not contract with a third-party provider. As a result, we did not perform the procedures listed above.

10. Obtain the proof of insurance coverage for the City's contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
 - b. Determine if the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: Based on inspection of the general ledger expenditure detail and discussion with City personnel, the City did not contract with a third-party provider. As a result, we did not perform the procedures listed above.

11. Obtain and sample four monthly summary reports, and determine whether the reports were properly prepared and submitted within thirty (30) calendar days of month end.

Findings: We sampled four monthly summary reports (November 2018, December 2018, February 2019, and June 2019). Two of the reports were not 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>Date Received</u>	<u>Days Late</u>
November 2018	1/10/18	10
December 2018	1/13/19	-
February 2019	4/4/19	4
June 2019	7/31/19	-

No other exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted 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, 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 Senior Mobility Program. 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.

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 the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be, and should not be, used by anyone other than those specified parties.



Crowe LLP

Costa Mesa, California
April 1, 2020

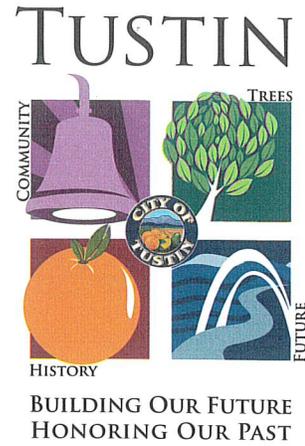
CITY OF TUSTIN, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2019
(Unaudited)

SCHEDULE A

Senior Mobility Program Expenditures:	
Other Senior Mobility Project U	\$ 70,669
Total Measure M2 Senior Mobility Program Expenditures	<u>\$ 70,669</u>

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

Parks and Recreation Services



April 1, 2020

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 Tustin as of and for the fiscal year ended June 30, 2019.

Procedure #7

Inquire as to the procedures used by the City 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. Per management, 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 identification card for age verification. However, the City allows persons 55 years and older to participate, while the Measure M2 Funding Policy Guidelines and the Ordinance require participants be aged 60 or older. We inquired as to the City's method for ensuring costs related to trips provided to ineligible persons (under 60 years of age) were not funded by the SMP; and the City did not have an adequate process for segregating costs for these trips. No other exceptions were found as a result of this procedure.

City's Response: The City of Tustin offers transportation services for individuals 55 years and older. Participants are required to pre-register in order to participate in the program. The City's registration system shows that there are currently 676 participants over the age of 60 and 7 participants under the age of 60, which correlates to approximately 99% of participants meeting the 60 years of age threshold established by the Measure M2 Funding Policy Guidelines. Historically, the City has not tracked the number of trips for those participants that are under the age of 60. However, the City will implement controls to track trips separately for riders under and over the age of 60 in order to ensure that costs are segregated moving forward. However, it should be noted that in Fiscal Year 2018/19, Measure M2 funds (including related interest income) paid for approximately 56% of the total cost of the senior transportation program. Therefore, we believe that Measure M2 funds have been used to pay for only eligible program costs.

Tustin Family & Youth Center
14722 Newport Ave., Tustin, CA 92780
T: (714) 573-3370 • F: (714) 734-9421

Tustin Area Senior Center
200 South "C" Street, Tustin, CA 92780
T: (714) 573-3340 • F: (714) 544-7334

Columbus Tustin Activity Center
17522 Beneta Way, Tustin, CA 92780
T: (714) 573-3009 • F: (714) 731-8247

T: (714) 573-3326 • F: (714) 838-4779

300 Centennial Way, Tustin, CA 92780-3715 • www.tustinca.org

Procedure #11

Obtain and sample four monthly summary reports, and determine whether the reports were properly prepared and submitted within thirty (30) calendar days of month end.

Findings: We sampled four monthly summary reports (November 2018, December 2018, February 2019, and June 2019). OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Date Received</u>	<u>Days Late</u>
November 2018	1/10/18	10
December 2018	1/13/19	-
February 2019	4/4/19	4
June 2019	7/31/19	-

Through inspection, we determined that two of four reports were not timely submitted in timely manner or within 30 days of month end to OCLTA.

City's Response:

The Tustin Area Senior Center Supervisor, the person coordinating all SMP reports, was out on maternity leave from August 2018 through December 2018 which resulted a short delay in submitting the November 2018 monthly summary report. Similarly, the delay in submitting the February 2019 monthly summary report was due to a subsequent backlog of the Senior Center Supervisor's workload. Measures have since been instituted to identify a backup full-time staff person that will coordinate SMP reports in the case of any future leaves.

DocuSigned by:
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Chad W. Clanton
Director, Parks and Recreation Department

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Jason Al-Imam
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Jason Al-Imam
Director, Finance

DocuSigned by:
Matthew S. West
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Matthew S. West
City Manager