

---

## **AGENDA**

- 1. Welcome**
- 2. Pledge of Allegiance**
- 3. Approval of Minutes/Attendance Report for February 8, 2022**
- 4. Action Items**
  - A. Measure M2 Annual Eligibility Review Subcommittee Recommendations for Fiscal Year 2020-2021 Expenditure Reports  
Douglas Anderson, Annual Eligibility Review Subcommittee
- 5. Presentation Items**
  - A. OC Streetcar Update  
Jim Beil, Executive Director, Capital Projects  
Tresa Oliveri, Community Relations Principal, Public Outreach
  - B. Measure M2 Performance Assessment  
Sjoberg Evashenk Consulting
  - C. Measure M2 Quarterly Progress Report (Q2 – FY21-22)  
Francesca Ching, Measure M Program Manager
- 6. OCTA Staff Updates** (5 Minutes)
  - A. Ordinance Compliance Matrix - Francesca Ching, Measure M Program Manager
  - B. Upcoming Annual Hearing Overview - Alice Rogan, Marketing and Public Outreach Director
  - C. Staff Liaison - Alice Rogan, Marketing and Public Outreach Director
- 7. Annual Eligibility Review Subcommittee Report**
- 8. Audit Subcommittee Report**
- 9. Environmental Oversight Committee Report**
- 10. Committee Member Reports**
- 11. Public Comments\***
- 12. Adjournment**

*The next meeting will be held on June 14, 2022 at 6pm*

### Agenda Descriptions

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.

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

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA 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.

---



# *Information Items*







**INFORMATION ITEMS**

<i>Staff Report Title</i>	<i>Board Meeting Date</i>
1. Capital Programs Division - Second Quarter Fiscal Year 2021-22 Capital Action Plan Performance Metrics	February 14, 2022
2. Interstate 405 Improvement Project Update	February 14, 2022
3. Environmental Mitigation Program Endowment Fund Investment Report for December 31, 2021	February 28, 2022
4. Revisions to the Measure M2 Eligibility Guidelines	March 14, 2022
5. Measure M2 Environmental Cleanup Program -Tier 1 Call for Projects	March 14, 2022
6. Countywide Signal Synchronization Plan Study	March 14, 2022
7. OC Streetcar Community Outreach and Public Engagement	March 14, 2022
8. Orange County Local Transportation Authority Measure M2 Agreed-Upon Procedures Reports, Year Ended June 30, 2021	March 28, 2022
9. Update on Interstate 5 Improvement Project from San Diego County Line to Avenida Pico	March 28, 2022
10. Update on Interstate 5 Widening Project Between State Route 73 and El Toro Road	March 28, 2022

---



**Measure M Taxpayer Oversight Committee**  
**Teleconference Site**  
**Orange County Transportation Authority**  
**550 S. Main Street, Orange CA, Room 07**  
**February 8, 2022 @ 5:00 p.m.**

**MEETING MINUTES**

**Committee Members Present:**

Frank Davies, Orange County Auditor-Controller, Chair  
Douglas P. Gillen, First District Representative  
Andrew Ramirez, First District Representative  
Harry Sloan, Second District Representative  
Joseph McCarthy, Third District Representative  
Tuan Nguyen, Third District Representative, Co-Chair  
Ajay Khetani, Fourth District Representative  
Douglas Anderson, Fifth District Representative  
Shannon O'Toole, Fifth District Representative

**Committee Members Absent:**

Mark Kizzar, Second District Representative  
Michael Pascual, Fourth District Representative

**Orange County Transportation Authority Staff Present:**

Jim Beil, Executive Director, Capital Programs  
Christina Byrne, Public Outreach Department Manager  
Francesca Ching, Measure M Program Manager  
Allison Imler, Community Relations Specialist  
Sean Murdock, Finance and Administration Director  
Alice Rogan, Director, Marketing & Public Outreach

**1. Welcome**

Chair Frank Davies welcomed everyone to the Orange County Transportation Authority (OCTA) Taxpayer Oversight Committee (TOC) meeting.

Chair Frank Davies asked the clerk to read any public comments. Alice Rogan, TOC staff liaison, said there were no prior public comments. Alice read through the teleconference protocols, took a roll call of members, and found the TOC to have quorum.

**2. Pledge of Allegiance**

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



### **3. Approval of Minutes/Attendance Report for October 12, 2022**

Chair Frank Davies asked if there are any corrections to the Minutes/Attendance Report for October 12, 2022.

*A motion was made by Joseph McCarthy, seconded by Ajay Khetani, and carried unanimously to approve the October 12, 2022, TOC Minutes and Attendance Report.*

### **4. Public Comments**

Alice Rogan opened the meeting to live comments from the public. There were no live comments.

### **5. Action Items**

#### **A. M2 Quarterly Revenue and Expenditure Reports (December 2021)**

Sean Murdock presented the M2 Quarterly Revenue and Expenditure Reports ending December 2021. He started with an update on M2 sales tax collections. He said the collections have been strong during this quarter. Sean talked about the “true-up” payments. He said in November OCTA received the “true-up” payment for the fiscal year ending in September. This payment was up 30% from the same quarter in the prior fiscal year. Sean said in the next few weeks OCTA will receive the “true-up” payment for February which will include the “true-up” payment for the second quarter ending in December. He said it is hard to imagine that a 30% increase will continue through the entire year, but it should be interesting to see where OCTA will be mid-way through the fiscal year. Sean then talked about the M2 expenditures. OCTA spent approximately \$106 million on M2 Freeway Projects during the quarter with \$100 million spent on the I-405 Project and the I-5 Project. He said \$14 million was spent on Streets & Roads Projects. He said in the Transit Mode, OCTA spent \$110 million with much of this going to support Metrolink service.

*A motion was made by Douglas Anderson, seconded by Douglas Gillen, and carried unanimously to affirm the receipt and review of the M2 Quarterly Revenue and Expenditure Reports (December 2021).*

#### Committee Member Comments:

There were no committee member comments.

#### Public Comments:

There were no public comments.



## **6. Presentation Items**

### **A. OC Streetcar**

Jim Beil presented an update on the OC Streetcar Project. He provided background on the project. Jim discussed where rail is already embedded in the street and information about the traffic signal prioritization. He also talked about how the system connects to Harbor Blvd., one of the busiest fixed-route bus service routes. Jim said the construction is nearly 63% complete and he provided information on work being done in each segment. He also talked about the vehicle production with the first vehicle anticipated to be received by OCTA in approximately April. Next, he talked about the project challenges and impacts. Jim provided an update on the proposed project budget and schedule. Currently, the project is anticipated to start revenue service in March 2024. The total cost of the project is \$509.54 million (including contingency funds).. Jim also provided information about the public outreach for the OC Streetcar. He said there have been several intersections closed in Santa Ana as OCTA continues work in the area. The closure has affected many business and government agencies and OCTA staff has been working hard to notify everyone about the closures. Staff continues outreach in the community including the Eat, Shop, Play Program, and meetings with the Downtown Business Associations. <The full presentation is available on OCTA.net.>

### Committee Member Comments:

Harry Sloan commented that many of the unexpected challenges occurred in the Pacific Electric Right-of-Way (PEROW). He asked if as many challenges are anticipated on Bristol. Jim Beil said the biggest challenge on the street side was the undocumented utilities in the ground of the 150-year-old streets in the City of Santa Ana. Jim talked about the different ways they looked at the ground to determine if there are unknown underground utilities. He said OCTA has learned that having the contractor do advanced slot trenching has been the best way to determine how to anticipate these issues in advance. Jim said Bristol has had many construction projects over the years, so OCTA does not anticipate running into these kinds of problems. He said the same with Harbor Boulevard. Jim said OCTA learned a lot of lessons and now OCTA knows what advance work needs to be done.

Douglas Gillen asked if the March 2024 is the revenue service date. Jim Beil said March 2024 is the anticipated revenue service date. He said six to nine months prior OCTA will enter the testing and commissioning phase. Jim said the Maintenance and Storage Facility (MSF) has had some slippage in the schedule due to some design changes and omissions that were found.



Shannon O'Toole asked if Phase 2 and Phase 3 Environmental Reports were required. Jim Beil said yes, they were required. He said there was a testing plan developed for the PEROW. He said we have found that it was very spotty – spots of lead, arsenic and hydrocarbons were identified. He said the biggest impact came from the discovery of cultural resources including a native American burial site.

**B. Measure M2 2021 Update: Next 10 Delivery Plan**

Francesca Ching provided an overview of the 2021 M2 Next 10 Delivery Plan. She discussed the history and implementation of the delivery plans. She shared the major accomplishments of Measure M2 within the Freeway, Streets and Roads, Transit Components, as well as the Environmental Component. She also discussed the financial framework of Measure M2. Francesca summarized the Next 10 Plan deliverables within each component. She then shared that 14 freeway projects will be delivered in the Next 10 years along with nine other freeway projects in the construction phase. Francesca discussed the Measure M2 program cash flow. She talked about the potential risks mainly with funding and regulatory issues. Francesca said the key takeaways are the recovery of Measure M2 revenue, inflationary increases, continued investment in all modes, and deliverable promises. She said OCTA will be distributing the updated Next 10 Plan to local jurisdictions and stakeholders, continue work with transportation partners and continue to monitor risks associated with the changing environment. <The full presentation is available on OCTA.net.>

**Committee Member Comments:**

Shannon O'Toole said this a great plan and the projects are well defined and on track. She asked if OCTA receives federal funds if there is a list of projects OCTA would like to get done or expand. Francesca Ching said OCTA's main objective is to get the projects done that have been promised. She said in some cases if federal funds become available, OCTA would apply for those funds.

Douglas Gillen asked for more information on the Local Transit Circulators. Francesca said the Community-Based Transit Circulators – Project V are in the M2 Program. This program allows cities to develop and design projects that fit into their communities. OCTA has had four calls for projects and awarded 35 projects through the program. This program has been affected by the pandemic and ridership has declined. Douglas asked what cities use this program for. Francesca talked about how beach communities use this program for trolley services along the coast.



C. Measure M2 Quarterly Progress Report (Q1 – FY21-22)

Francesca Ching presented the Measure M2 Quarterly Progress Report for the period of July 2021-September 2021. She provided an overview of the Measure M2 Quarterly Report. She then provided highlights within each component of Measure M2. Francesca talked about the Project Management Office activities including monitoring of risks/challenges, ordinance compliance and the Triennial Performance Assessment. <The full presentation is available on OCTA.net.>

Committee Member Comments:

Shannon O'Toole asked about the senior and disabled programs. Francesca Ching said Project U is comprised of three programs. This program consists of the Senior Mobility Program, Senior Non-Emergency Medical Transportation Program and the Fare Stabilization Program. She said 1% of the net M2 revenues is allocated to the Senior Mobility Program which allows participating cities to design senior transportation that fits their community. She said 1% of the net M2 revenues is allocated to the Senior Non-Emergency Medical Transportation Program which is run by the County of Orange Office on Aging. And then, 1.47% of the net M2 revenues is allocated to the Fare Stabilization Program which stabilizes fares for seniors and those with disabilities.

Public Comments:

There were no public comments.

**9. OCTA Staff Updates**

- A. Measure M Performance Assessment - Francesca Ching said as required, a Triannual Performance Assessment is being conducted by an independent consultant to provide insight into OCTA's performance and implementation of the M2 Plan. This assessment covers Fiscal Year 2019–2021. This effort started in July 2021 and is currently being finalized. The final report will be presented at the next TOC meeting.

Committee Member Comments:

There were no committee reports.

- B. Staff Liaison Update – Alice Rogan said OCTA continues to monitor any mandates or changes due to Covid and will keep the committee updated. She said the Grand Jurors Association of Orange County is about to kick-off the new member recruitment process for those whose terms is expiring. OCTA encourages any member whose term is expiring to resubmit an application. She asked committee members to please encourage qualifying members of the public to submit an application.



**8. Annual Eligibility Review Subcommittee Report**

Douglas Anderson said there is nothing new to report. He said OCTA staff is working to set up the next meeting of this subcommittee for the end of March.

**9. Audit Subcommittee Report**

Chair Frank Davies said the subcommittee met prior to this meeting. The committee received a presentation from the independent external auditors on the results of the financial statement audit for the fiscal year ending June 2021, reports on the Agreed-Upon Procedures performed on the M2 Status Report, and the Appropriations GAN Limit. He said based on the review of these reports the subcommittee believes that OCTA is proceeding in accordance with the M2 Ordinance. Chair Davies said the subcommittee also heard a presentation on the M2 Revenue and Expenditure Report and a status report on the M2 Triennial Performance Assessment. He said at the next meeting the subcommittee will review the results of the selected cities audits relating to the Local Fair Share and Senior Mobility Program and hear a presentation on the compliance matrix.

**10. Environmental Oversight Committee (EOC) Report**

Ajay Khetani said the EOC met and received updates on the environmental mitigation programs, quarterly endowment fund investment report, a restoration project update, and status of the hike and equestrian events. He said last November OCTA funded the UCI Restoration Project which was officially signed-off by the state and federal Wildlife Agencies. This was the fourth OCTA restoration project to meet its success criteria. He said the EOC also received an update on impacts to the native habitat that occurred on both the Pacific Horizon Preserve and the Silverado Chaparral Preserve due to utility work being done by Southern California Edison (SCE). OCTA is working with SCE to rectify the impacts to this habitat by SCE. Ajay said the next hike will take place on February 19, 2022, at the Wren View Preserve and the next equestrian ride take place on March 20, 2022, at the Trabuco Rose Preserve. He said he plans to attend the hike on February 19.

**12. Committee Member Reports**

There were no committee member reports.

**13. Adjournment**

Chair Frank Davies adjourned the meeting. He thanked staff for presentations and coordinating the meeting.

The next meeting will be held on April 12, 2022, at 5pm. Staff will let everyone know if this meeting will be in-person.



# Taxpayer Oversight Committee

## Fiscal Year 2021-2022

### Attendance Record

X = Present

E = Excused Absence

\* = Absence Pending Approval

U = Unexcused Absence

-- = Resigned

Meeting Date	July	10-Aug.	Sept.	12-Oct.	Nov.	CANCELLED 14-Dec.	Jan.	8-Feb.	March	12-Apr.	May	14-Jun.
Douglas P. Gillen		X		X				X				
Andrew Ramirez		X		X				X				
Harry Sloan		X		X				X				
Mark Kizzar		X		X				E				
Joseph McCarthy		X		X				X				
Tuan Nguyen		X		X				X				
Michael Pascual		X		X				E				
Ajay Khetani		X		X				X				
Shannon O'Toole		X		X				X				
Douglas Anderson		X		X				X				
Frank Davies		X		X				X				

### Absences Pending Approval

Meeting Date

Name

Reason



# *Action Items*









***April 12, 2022***

**To:** Taxpayer Oversight Committee

**From:** Orange County Transportation Authority Staff

**Subject:** Measure M2 Annual Eligibility Review Subcommittee  
Recommendations for Fiscal Year 2020-21 Expenditure Reports

***Overview***

The Measure M2 Ordinance requires that all local jurisdictions annually satisfy eligibility requirements in order to receive Measure M2 net revenues. The Annual Eligibility Review Subcommittee has convened and completed its review process for fiscal year 2020-21 M2 Expenditure Reports.

***Recommendation***

Affirm that the Taxpayer Oversight Committee has received and completed the review of fiscal year 2020-21 M2 Expenditure Reports from all 35 Orange County local jurisdictions.

***Background***

According to the Measure M2 (M2) Ordinance, the Taxpayer Oversight Committee (TOC) is responsible for receiving and reviewing several components of each local jurisdiction's 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 was most recently submitted were fiscal year (FY) 2020-21 M2 Expenditure Reports.

Consistent with M2 Eligibility Guidelines, local jurisdictions are required to submit M2 annual expenditure reports within six months of the close of the FY. For all local jurisdictions, the reports were due and were submitted on or before December 31, 2021. 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. Consistent with the M2 Ordinance, the TOC established the Annual Eligibility Review (AER) Subcommittee to receive and review TOC eligibility components, including annual M2 Expenditure Reports, on behalf of the TOC.



***Discussion***

At the March 31, 2022 AER subcommittee meeting, which was conducted virtually, Orange County Transportation Authority (OCTA) staff provided a detailed overview of its technical review of all 35 Orange County local jurisdiction's M2 Expenditure Reports (Attachment A). It should be noted that while all jurisdictions met the MOE requirement, this cycle three local jurisdictions satisfied the MOE requirements through the modified benchmark approach approved by the OCTA Board of Directors in response to the financial impacts of the coronavirus pandemic. AER subcommittee members were provided with digital copies of the complete report for each local jurisdiction. The AER Subcommittee was then given the opportunity to ask clarifying questions. After discussion of AER subcommittee member questions, the AER Subcommittee affirmed that it received and reviewed the FY 2020-21 Expenditure Reports for all 35 Orange County local jurisdictions.

**Next Steps**

Once the TOC affirms its receipt and review of these eligibility materials, staff reports the completion of the FY 2020-21 M2 Expenditure Reports eligibility component to the OCTA Regional Planning and Highways Committee and Board of Directors for consideration of a finding that all 35 Orange County local jurisdictions are eligible to continue receiving net M2 revenues.

***Summary***

The AER Subcommittee is reporting to the TOC that it has received and reviewed the FY 2020-21 M2 Expenditure Reports in order to advance the current component of the eligibility process to the Board of Directors.

***Attachment***

A.      Measure M2 Eligibility Review Summary of FY 2020-21 Expenditure Reports



**Measure M2 Eligibility Review Summary  
of FY 2020-21 Expenditure Reports**

Local Jurisdiction	Expenditure Report Received by Deadline	Resolution Received by Deadline	MOE Benchmark Met <sup>1</sup>	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 <sup>2</sup>	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

<sup>1</sup> Due to the financial impacts of the COVID-19 pandemic, the MOE requirement was modified by the Orange County Transportation Authority's Board of Directors, for FY 2020-21. Local jurisdictions can meet either 1) the traditional MOE benchmark dollar amount; or 2) an MOE target that is based on the percentage of the MOE benchmark value of GFRs.

<sup>2</sup> 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. As such, 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 funding sources.



# *Presentation Items*










**April 4, 2022**

**To:** Executive Committee

**From:** Darrell E. Johnson, Chief Executive Officer 

**Subject:** Measure M2 Performance Assessment Report

### **Overview**

On November 7, 2006, Orange County voters approved the Renewed Measure M2 Transportation Investment Plan, now referred to as Measure M2. Ordinance No. 3 implements Measure M2 and requires specific safeguards and requirements that are to be followed. Included is a requirement for a performance assessment to be conducted every three years to evaluate the efficiency, effectiveness, economy, and program results of the Orange County Transportation Authority in delivering Measure M2. The fifth performance assessment, covering the period of July 1, 2018 through June 30, 2021, has been completed and a report on the findings is presented.

### **Recommendations**

- A. Receive and file as an information item.
- B. Direct staff to implement the action plan outlined in the response to the findings and to report back to the Board of Directors on progress towards implementation in the Measure M2 quarterly reports.

### **Background**

On November 7, 2006, Orange County voters, by nearly 70 percent, approved the Renewed Measure M Transportation Investment Plan (Plan) for the Measure M2 (M2) one half-cent sales tax for transportation improvements. Ordinance No. 3 (M2 Ordinance) implements M2 and requires specific safeguards and requirements that are to be followed.

The M2 Ordinance states: "A performance assessment shall be conducted at least once every three years to evaluate the efficiency, effectiveness, economy and program results of the Authority in satisfying the provisions and requirements of the Investment Summary of the Plan, the Plan and the ordinance. A copy of the performance assessment shall be provided to the (Taxpayer Oversight) Committee."



In 2008, the Orange County Transportation Authority's (OCTA) general counsel opined that the M2 Ordinance became effective the day after the election, November 7, 2006, thus starting the clock on the three-year review period. Four performance assessments have been completed and presented to the Board of Directors (Board).

	Month/Year Completed	Period Covering
1.	October 2010	November 8, 2006 through June 30, 2009
2.	March 2013	July 1, 2009 through June 30, 2012
3.	May 2016	July 1, 2012 through June 30, 2015
4.	February 2019	July 1, 2015 through June 30, 2018

All four assessments' conclusions to date were positive overall and included a set of recommendations that were addressed in a timely manner.

### ***Discussion***

Consultant services were sought to conduct the fifth performance assessment covering the period from July 1, 2018 through June 30, 2021. Following OCTA's procurement policies, the contract was awarded to Sjoberg Evashenk in May 2021. The key objectives of the assessment are to evaluate the status of findings from the prior performance assessment and the effectiveness of changes implemented, assess the performance of OCTA on the efficient delivery of M2 projects and programs, and identify and evaluate any potential barriers to success, including opportunities for process improvements. In addition, five main areas of focus were identified for the assessment:

- Project delivery,
- Program management/responsiveness,
- Compliance,
- Fiscal responsibility, and
- Transparency and accountability.

Work on the fifth performance assessment covering fiscal year (FY) 2018-19 through FY 2020-21 has concluded. The consultant's report is included as Attachment A. The prior assessment for the FY 2015-16 through FY 2017-18 period identified eight recommendations for OCTA to address as appropriate. The consultant reviewed OCTA's response and action to each recommendation and determined that OCTA adequately addressed each recommendation in a timely manner.



The FY 2018-19 through FY 2020-21 performance assessment commends OCTA's commitment to the effective and efficient management and delivery of the Plan. It is important to note that review period includes the coronavirus (COVID-19) pandemic and captures its impacts to M2 throughout the report. The following areas are highlighted as it relates to OCTA's activities during the three-year period.

#### **Program Goals Have Been Met Thus Far**

The M2 Ordinance specifies six overarching M2 goals. OCTA's purpose and directive is to complete and deliver the projects and programs as identified in the M2 Plan. The review found that OCTA has continued to make significant progress towards the M2 goals.

#### **OCTA Demonstrated Strong Program Management**

The review concludes that OCTA has developed and implemented strong program management practices to ensure delivery of the program and safeguarding of the sales tax expenditures.

#### **A Third of the Way Through the M2 Life Cycle, Substantial Progress Has Been Made Across All Program Areas**

With ten years behind us, the consultant assessed OCTA's progress and concluded that OCTA is either where it should be or has accomplished more than what would be assumed in the ten-year period across all M2 Program areas.

#### **OCTA's Processes Ensure Compliance with the M2 Ordinance**

The consultant found OCTA to be in compliance with all areas and further found that OCTA's adherence to promises made to the voters permeated through all levels of the organization from the executive team to new hires. Additionally, to proactively address COVID-19 impacts, the Board approved M2 Ordinance amendments and temporary guideline exceptions to allow local jurisdictions flexibility while maintaining compliance.

#### **Sound Fiscal Practices Have Allowed OCTA to Mitigate Impacts of COVID-19 Pandemic; However, Rising Costs Remain a Risk**

Managing M2 funds with sound fiscal practices, including efficiently leveraging state and federal dollars, is critical to successful delivery of M2. COVID-19 also affected the construction market, as unemployment numbers, material costs, and building permits greatly fluctuated during this review period. Overall, OCTA was found to employ a careful and conservative approach when planning and programming funds.



OCTA continues to contract with the Orange County Business Council to provide insight into market conditions key indicators. This report is updated biannually and takes into consideration material costs, labor costs, and general economic conditions and trends. The latest forecast presented to the Board in October 2021 identifies a potential that from 2022 through 2024, OCTA may experience a high inflation cost environment. To protect against potential cost increases in the M2 Freeway Program, the Board-adopted 2021 Next 10 Delivery Plan includes an allowance for economic uncertainties in 2022, 2023, and 2024.

#### OCTA is Transparent and Accountable to the Public

The report finds that OCTA is highly focused on transparency in its outreach, actions, decisions, and information communicated to the Board, Taxpayer Oversight Committee (TOC), stakeholders, and the general public, as well as accountability with the promises made in the Plan.

As part of the report, the consultant has four recommendations for enhancements related to the execution of the elements outlined in the scope of work.

- OCTA plans to transfer the long-term management of the seven conservation properties to external caretakers; OCTA should identify when to begin engagement efforts.
- Several improvements to cybersecurity have been implemented since the last assessment; however, additional opportunities remain. A process should be developed for staff role-based access changes, and ensure that program managers and supervisors understand access protocols and expectations.
- Additionally, contractors with OCTA email addresses and network access should be required to take and pass internal OCTA security training.
- When surveying the public, OCTA should consider adding questions to gain additional insight on the public's awareness of M2 in the context of transportation and infrastructure improvements.

There were no major recommendations that suggest there should be a change in the direction of OCTA's actions.

Attachment B outlines the consultant's recommendations along with staff's response/proposed action plan. These recommendations will be addressed and updates on the progress of implementing the action plan will be provided in the M2 quarterly reports.



The TOC Audit Subcommittee received a presentation of the draft report, and the TOC will be presented with the final report at their April 12, 2022 meeting.

**Summary**

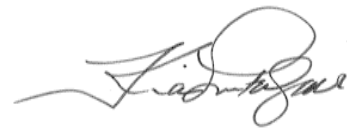
The Measure M2 Performance Assessment covering the period July 1, 2018 through June 30, 2021, as required by Ordinance No. 3, has recently been completed. While there were no significant findings, recommendations for enhancements were made. The report, along with a summary of the recommendations and responses/action plan, is presented to the Board of Directors for review.

**Attachments**

- A. Orange County Transportation Authority, July 1, 2018 to June 30, 2021 M2 Performance Assessment
- B. July 2018 - June 2021, M2 Performance Assessment Recommendations and Action Plan

**Prepared by:**

Francesca Ching  
Section Manager,  
Measure M2 Program Management Office  
(714) 560-5625

**Approved by:**

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



# **Orange County Transportation Authority**

---

July 1, 2018 to June 30, 2021 M2 Performance  
Assessment



**February 2022**





## Table of Contents

---

At-A-Glance Executive Summary .....	2
Introduction and Background .....	4
Scope and Methodology .....	6
Chapter 1: Program Goals Have Been Met Thus Far .....	10
Chapter 2: OCTA Demonstrated Strong Program Management.....	27
Chapter 3: A Third of the Way Through the M2 Life Cycle, Substantial Progress Has Been Made Across All Program Areas.....	39
Chapter 4: OCTA's Processes Ensure Compliance with M2 Ordinance .....	48
Chapter 5: Sound Fiscal Practices Has Allowed OCTA to Mitigate Impacts of COVID-19 Pandemic; However, Rising Costs Remain a Risk .....	58
Chapter 6: OCTA is Transparent and Accountable to the Public.....	80
Appendix A: Universe of M2 Projects .....	90



## At-A-Glance Executive Summary

Sjoberg Evashenk Consulting, Inc. (Sjoberg Evashenk) was contracted by the Orange County Transportation Authority (OCTA) to conduct the fifth Measure M2 (M2) performance assessment for the three-year period covering July 1, 2018 through June 30, 2021 to evaluate efficiency, effectiveness, economy, and program results of OCTA in meeting Ordinance No. 3 (M2 Ordinance) requirements. Key review results are summarized below and review recommendations are highlighted on the next page.



FISCAL YEARS 2018-19 — 2020-21

### KEY REVIEW RESULTS



#### Program Goals and Delivery

- OCTA continued to make progress towards six M2 goals. After ten years of sales tax collection, OCTA has demonstrated significant progress across all program areas



#### Program Management

- OCTA's M2 Project Management Office employed strong practices with clearly defined roles and functions throughout the agency.
- OCTA closely monitored and reported the impacts of the global pandemic on M2 delivery. Where possible, OCTA proactively took action to make adjustments within the limits of the M2 Ordinance.
- Administrative costs were closely monitored to ensure compliance with the M2 Ordinance.



#### Cyber Security

- OCTA established an information security framework with many of the necessary controls in place to protect the M2 program from cyber threats and continued to improve its existing policies and procedures throughout the assessment period.
- A formal process to review and remove access rights for staff role changes has not been established, increasing the risk of information being accessed inappropriately.
- A decentralized approach to monitor contractor cyber security training, that allows contractors to self-certify completion of external training and relies on individual project managers to monitor contractor's compliance with OCTA-provided security policy, creates a potential gap in security controls and increases the risk that contractor security training requirements are not met.



#### Compliance, Transparency, and Accountability

- OCTA established a robust, well-organized system to track compliance with the M2 Ordinance.
- OCTA conducted extensive formal eligibility determinations of local jurisdictions with technical due diligence protocols performed on an annual basis that questioned, discussed, collaborated, and documented reasonableness and adherence to the M2 Ordinance's goals. OCTA also followed solid grant award and management practices to ensure that M2 funds were awarded for purposes that would help achieve the M2 goals.
- When compared against other transportation and transit agencies, OCTA employed the most communication and outreach methods, with more consistency across mediums.
- OCTA continued to garner a generally positive public perception with Attitudinal and Awareness Survey participants familiar with OCTA. However, the percent of survey respondents that had heard of OC Go increased marginally (just over one percent) between the 2018 and 2021 surveys, despite enhanced outreach efforts.
- The M2 Taxpayer Oversight Committee continued to function as envisioned in the Ordinance and fulfilled its responsibilities over the review period.



#### Finance

- OCTA continued to utilize sound fiscal practices, as well as adopt new practices meant to ensure financial security in the face of an ever-changing economic environment and shifting transportation funding priorities.





#### **Program Goals and Delivery**

- In conjunction with the 2015 framework, identify when to beginning efforts to engage with potential external caretakers for long-term management of the seven conservation properties.



#### **Cyber Security**

- Develop a process for role-based access changes and ensure that program managers and supervisors understand access protocols and expectations. The Information Systems (IS) team should continue to work with Human Resources to develop a better notification system for determining when staff access should be altered due to staff role changes.
- Require contractors with OCTA email addresses and network access to take and pass internal OCTA security training as a contract condition.



#### **Compliance, Transparency, Accountability**

- Rephrase the survey question, or add an additional question, concerning Orange County residents' awareness of OC Go, such that the question provides an OC Go frame of reference in the context of transportation and infrastructure improvements made possible by OC Go, rather than basing residents' awareness solely off of awareness of OC Go in the context of the voter-approved, half-cent sales tax.



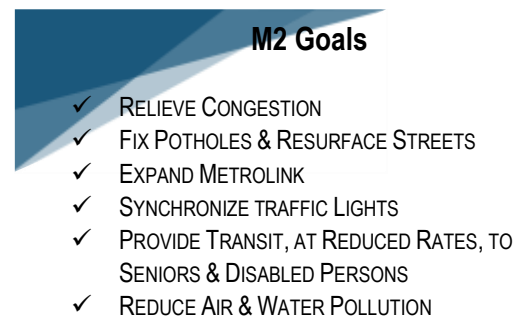
## Introduction and Background

---

In November 2006, Orange County voters passed a 30-year extension of the Measure M half-cent sales tax. The Renewed Measure M (M2) is governed by Ordinance No. 3 (M2 Ordinance) and continues local transportation investments from 2011 through 2041. These funds are designated for use towards congestion relief, improved accessibility, and reduced pollution through various freeway, roadway, transit, and environmental projects called for in the Renewed Measure M Transportation Investment Plan (Transportation Investment Plan). The Orange County Transportation Authority (OCTA), in its capacity as the Regional Transportation Planning Agency and administrator of the sales tax, is responsible for administering M2 programs and projects in coordination with the California Department of Transportation (Caltrans) and several local partner agencies.

Specifically, the ballot promised to relieve congestion on the Interstate 5 (I-5), Interstate 405 (I-405), State Route 22 (SR-22), State Route 55 (SR-55), State Route 57 (SR-57), and State Route 91 (SR-91) freeways, fix potholes and resurface local streets, expand Metrolink rail service, provide additional transit options and transit services at reduced rates to seniors and persons disabilities, synchronize traffic lights, reduce air and water pollution, and protect local beaches from oil runoff from roadways.

As shown in Exhibit 1, 24 specific projects and programs were outlined for completion over the 30-year timeframe of M2. These project and programs were initially estimated to amount \$11.9 billion in 2005 dollars.<sup>1</sup> Except for specific highway capital construction projects identified, many of the M2 projects or programs are scalable to available funds—meaning the Transportation Investment Plan can be delivered as promised, based on the available revenue, while still meeting commitments to voters. One other exception is related to Project U-Fare Stabilization Program where M2 is to provide fare discounts for seniors and persons with disabilities “in an amount equal to the percentage of partial funding of fares” as of the effective date of the M2 Ordinance.



Official Ballot General Election Orange County,  
November 2006

---

<sup>1</sup> The 2021 sales tax revenue forecast estimate is \$13.2 billion (year of collection dollars) over the life of the program.



## EXHIBIT 1. MEASURE M2 PROJECTS

(A) Santa Ana Freeway (I-5) Improvements between Costa Mesa Freeway (SR-55) and "Orange Crush" Area (SR-57)	(B) Santa Ana Freeway (I-5) Improvements from the Costa Mesa Freeway (SR-55) to El Toro "Y" Area	(C) San Diego Freeway (I-5) Improvements South of the El Toro "Y"	(D) Santa Ana Freeway/San Diego Freeway (I-5) Local Interchange Upgrades	(E) Garden Grove Freeway (SR-22) Access Improvements
(F) Costa Mesa Freeway (SR-55) Improvements	(G) Orange Freeway (SR-57) Improvements	(H) Riverside Freeway (SR-91) Improvements from the Santa Ana Freeway (I-5) to the Orange Freeway (SR-57)	(I) Riverside Freeway (SR-91) Improvements from Orange Freeway (SR-57) to the Costa Mesa Freeway (SR-55) Interchange Area	(J) Riverside Freeway (SR-91) Improvements from Costa Mesa Freeway (SR-55) to the Orange/Riverside County Line
(K) San Diego Freeway (I-405) Improvements between the I-605 Freeway in Los Alamitos Area and Costa Mesa Freeway (SR-55)	(L) San Diego Freeway (I-405) Improvements between Costa Mesa Freeway (SR-55) and Santa Ana Freeway (I-5)	(M) I-605 Freeway Access Improvements	(A-M) Freeway Environmental Mitigation	(N) Freeway Service Patrol
(O) Regional Capacity Program	(P) Regional Traffic Signal Synchronization Program	(Q) Local Fair Share Program	(R) High Frequency Metrolink Service	(S) Transit Extension to Metrolink
(T) Convert Metrolink Station(s) to Regional Gateway that Connect Orange County with High-Speed Rail System	(U) Expand Mobility Choices to Seniors and Persons with Disabilities	(V) Community Based Transit/Circulators	(W) Safe Transit Stops	(X) Environmental Cleanup

Source: Renewed Measure M Transportation Investment Plan.

Legend: ■ Freeways ■ Streets & Roads ■ Transit ■ Environmental Cleanup

The M2 Ordinance also included taxpayer safeguards through annual independent audits and taxpayer reports, ongoing monitoring and spending reviews by the Taxpayer Oversight Committee, regular quarterly project progress reports, triennial performance assessments, and a comprehensive review of M2 every ten years.



## Scope and Methodology

---

As a taxpayer safeguard in the M2 Ordinance, OCTA must undergo a performance assessment once every three years to evaluate efficiency, effectiveness, economy, and program results of OCTA in satisfying the provisions and requirements of the M2 Ordinance. Four performance assessments have been completed to date covering program activities since fiscal year (FY) 2006-07. This report provides results of the fifth performance assessment for the three-year period covering July 1, 2018 through June 30, 2021, except where we needed to obtain contextual or underlying support data from periods prior to July 1, 2018 or more recent information to fully analyze program activities or practices.

### Scope

Sjoberg Evashenk was contracted by OCTA to examine OCTA's performance on a range of activities surrounding the planning, management, and delivery of M2 Program components to ensure necessary tools and practices were in place to successfully implement the plan over its remaining life. This included, but was not limited to, a review of OCTA's:

- Effectiveness and efficiency in developing and implementing the M2 projects and programs;
- Approach to program management with regard to addressing prior assessment findings, interdivisional coordination, progress reporting mechanisms, function and functionality of the M2 Program Management Office (PMO), and security over cyber-attacks;
- Practices to ensure compliance with monitoring and reporting on M2 Ordinance provisions;
- Fiscal responsibilities when funding local grants and reporting on expenditures in addition to established practices surrounding long-term financial and investment decisions given anticipated revenue shortfalls; and
- Transparency and accountability in informing the public and decision-makers on M2 matters, public involvement when planning for M2 projects, and functionality of safeguards such as the Taxpayer Oversight Committee.

### Objectives

The primary objectives identified for this performance assessment were as follows:

1. Evaluate the status of findings from the fourth performance assessment and the effectiveness of the changes implemented;
2. Assess the performance of the agency on the efficient delivery of M2 projects and programs; and
3. Identify and evaluate any potential barriers to success and opportunities for process improvements.

### Methodology

To fulfill these objectives, we conducted a series of detailed tasks involving data mining and analysis, documentary examinations, peer comparisons, source data verification, and interviews. This included, but was not limited to, a review of OCTA's:



- Effectiveness and efficiency in developing and implementing the M2 projects and programs;
- Approach to program management with regard to addressing prior assessment findings, interdivisional coordination, progress reporting mechanisms, function and functionality of the M2 PMO, and security over cyber-attacks;
- Practices to ensure compliance with monitoring and reporting on M2 Ordinance provisions.
- Fiscal responsibilities when funding local grants, reporting on expenditures, and establishing practices surrounding long-term financial and investment decisions given anticipated revenue shortfalls; and
- Transparency and accountability in informing the public and decision-makers on M2 matters, public involvement when planning for M2 projects, and functioning and functionality of taxpayer safeguards such as the Taxpayer Oversight Committee.

To assess OCTA's effectiveness and efficiency in developing and implementing M2 projects and programs, we performed the following:

- Reviewed various delivery plans including the Early Action Plan, M2020 Plan, Updated Next 10 Delivery Plan, Capital Project Selection Guiding Principles, the M2 Ordinance and Transportation Investment Plan, as well as other underlying documents to gain an understanding of the full complement of programs, projects, and promises made.
- Assessed the status of the M2 programs and projects as of June 30, 2021 using M2 progress reports such as the M2 Quarterly Reports, M2 website, capital project documents, PMO tracking files, and other available budget and cost data.
- For a sample of projects, verified scope for completed projects aligned with intent of the M2 Ordinance by reconciling the improvement made to the recommendations from the final Program Environmental Impact Report that served as the guiding document in developing the M2 Ordinance.
- Compiled a universe of M2 programs and capital projects (see Appendix A) to compare budgets to actuals for both costs and schedules, as well as to identify the current status of projects.
- Reviewed program and construction management procedures for elements found in leading practices as determined by the Project Management Institute's Construction Extension to the Project Management Body of Knowledge Guide, Construction Management Association's Construction Management Standards of Practice, Federal Highway Administration guidance, and Caltrans Local Assistance Manual.
- Tested a sample of M2 contract files for compliance with OCTA procurement guidelines as established in its Contracts Administration and Materials Management manual.
- Reviewed successes and challenges with the environmental mitigation program.

To understand OCTA's approach to program management, we:

- Reviewed OCTA's M2 PMO charter.



- Reviewed all prior performance assessments reports to determine the current status of prior recommendations, whether findings were adequately addressed, or if there were any carryover items or follow-ups needed.
- Assessed OCTA's processes for calculating and monitoring administrative costs to ensure limits complied with the M2 Ordinance.
- Reviewed OCTA's cyber security policies, procedures, and protocols, and determined whether those aligned with industry standards established by the United States Department of Commerce National Institute of Standards and Technology, United States Department of Transportation Cybersecurity, California Office of Information Security, Information Systems Audit and Control Association, among others.

To evaluate practices in place to ensure compliance with M2 monitoring and reporting provisions, we:

- Identified all compliance areas required by the M2 Ordinance and reviewed OCTA's Ordinance Compliance Tracking Matrix for completeness.
- Assessed compliance with M2 local eligibility guidelines, including testing a sample of eligibility reviews conducted on local city and county jurisdictions to ensure that each required eligibility compliance category was reviewed, eligibility guidelines were followed, and focused questions were asked and resolved by the local jurisdictions.
- Assessed grant practices, including testing a sample of approved grants to determine if selection process was robust and had supporting documentation, such as scoring sheets, technical reviews, and overall adherence to grant purpose and proposed project.
- Verified capital project schedule and cost data presented to the public reconciled with and across internal reports.

To evaluate fiscal responsibilities, we:

- Assessed OCTA's management of sales tax revenues with regard to revenue projection methodologies, leveraging of funds, debt financing, investment practices, and cash flow planning.
- Determined whether fiscal practices in place allow for the delivery of the entire program within the M2 prescribed timeframe. This included a review of safeguards put in place to mitigate for impacts of future projected revenue shortfalls.

To review OCTA's public transparency and accountability, involvement of the public when planning for M2 projects, and the functioning of the Taxpayer Oversight Committee, we:

- Reviewed outreach tools employed and content provided to inform the public about M2 programs and projects. Summarized and assessed surveys of public awareness and attitude towards M2 looking for trends and compared OCTA practices to similar entities.
- Determined whether the Taxpayer Oversight Committee functions as intended by the M2 Ordinance by reviewing meeting minutes for items discussed or issues raised.



- Compared the Taxpayer Oversight Committee to similar entities in terms of selection process, structure, and expertise.

Finally, we also met with OCTA executives, managers, staff, and consultants over areas related to planning, finance/administration, internal audits, capital programs, and external affairs on multiple occasions to understand, assess, and vet practices employed implementing the M2 Program. Additional M2 Program stakeholders were interviewed to garner views and perspective, including representatives from the M2 Program Consultant for the Highway Program, Southern California Association of Governments, Auto Club of SoCal, Rancho Mission Viejo, Orange County Business Council – Infrastructure Committee, Citizen Advisory Committee, Environmental Oversight Committee, M2 Environmental Cleanup Committee, Orange County Taxpayer Association, Taxpayer Oversight Committee, Technical Advisory Committee, and Caltrans.



## Chapter 1: Program Goals Have Been Met Thus Far

Over the three-year period reviewed, OCTA continued to make progress towards meeting the six goals identified in the M2 Ordinance, including:

- ✓ Relieve congestion on the I-5, I-405, SR-22, SR-55, SR-57 and SR-91 freeways;
- ✓ Fix potholes and resurface streets;
- ✓ Expand Metrolink rail and connect it to local communities;
- ✓ Provide transit services, at reduced rates, for seniors and disabled persons;
- ✓ Synchronize traffic lights in every community; and
- ✓ Reduce air and water pollution, and protect local beaches by cleaning up oil runoff from roadways.

Further, OCTA continued to focus on delivering the projects listed in the Renewed Measure M Transportation Investment Plan under the premise that those efforts would address the Ordinance purpose and goal. For instance, in reviewing congestion levels in Orange County over the assessment period, we noted that while overall congestion slightly increased from 2018 to 2019 before declining in the first half of 2020, an area with an M2 funded transportation improvement actually showed less congestion. Specifically, our review of the three project segments spanning from San Diego Interstate 5 (I-5): Avenida Pico to San Juan Creek Road that are part of Project "C" and "D"—I-5 Improvements South of the El Toro "Y" and I-5 Local Interchange Upgrades—found that congestion over the nearly six-mile freeway span declined from 2013 to 2019.<sup>2</sup> Other goals of the M2 Ordinance have also been met including maintaining improvements made to highway and roadway pavement conditions, and synchronizing more than 3,000 traffic signals.

### M2 Goals have Mostly Been Met Thus Far

Specific M2 Ordinance language set forth funding of six overarching programs or goals to relieve traffic congestion, through highway improvements, street resurfacing and traffic light synchronization, transit options, and environmental activities. As summarized in Exhibit 2 and described in the subsequent sections of this chapter, we find that these M2 goals have mostly been met thus far.

**EXHIBIT 2. STATUS TOWARD MEETING M2 GOALS THROUGH JUNE 30, 2021**

#	M2 Ordinance Goal	Measure	Results Thus Far
1	Relieve Congestion on I-5, I-405, SR-22, SR-55, SR-57, and SR-91	<ul style="list-style-type: none"><li>• Commute Time</li><li>• Hours of Delay</li></ul>	<ul style="list-style-type: none"><li>• Congestion increased slightly from 2018 to 2019, and sharply declined in the first half of 2020.</li><li>• Vehicle miles traveled (VMT) declined from 2019 to 2021.<sup>3</sup></li><li>• Delay was less on the I-5 projects reviewed.</li></ul>

<sup>2</sup> Vehicle Hours of Delay or travel time delay is a measure of additional time driven on a roadway relative to the amount of time it would have taken at "free-flow" speeds (60 mph).

<sup>3</sup> VMT is a widely-known industry measure of the number of miles traveled by all vehicles in a region over a specific time period. It is determined by either actual odometer readings or by estimated modeling calculations.



#	M2 Ordinance Goal	Measure	Results Thus Far
2	Fix Potholes & Resurface Streets	<ul style="list-style-type: none"> <li>Pavement Condition Index</li> </ul>	<ul style="list-style-type: none"> <li>Improvements in Pavement Condition Index (PCI) noted in 2016 have remained at 79 in 2020.</li> <li>Orange County continues to have the best pavement condition in the State.</li> </ul>
3	Expand Metrolink Rail & Connect with Local Communities	<ul style="list-style-type: none"> <li>Projects Completed</li> </ul>	<ul style="list-style-type: none"> <li>11 of 13 identified Metrolink rail expansion capital projects to accommodate future increased service frequency were completed which include 50 at-grade rail crossing safety enhancements.</li> <li>In March and November 2020, three lines servicing Orange County reduced service by 24% from 54 to 41 weekday trains due to pandemic initiated stay-at-home orders and its effects on ridership.</li> <li>OC Streetcar construction began in November 2018.</li> <li>\$52 million awarded to 35 projects and 10 planning studies for local community-based transit circulators.</li> </ul>
4	Provide Reduced Cost Transit Services to Seniors and Persons with Disabilities	<ul style="list-style-type: none"> <li>Number of Issued Passes</li> <li>Number of Boardings</li> <li>Funding Provided</li> </ul>	<ul style="list-style-type: none"> <li>\$26.5 million and 2.5 million boardings provided under the Senior Mobility Program. Due to COVID-19, several jurisdictions modified or suspended service.</li> <li>\$28.6 million and 1.38 million boardings provided to the County of Orange to supplement existing Senior Non-Emergency Medical Transportation Program services.</li> <li>\$36 million and 123 million boardings provided to stabilize fares and provide fare discounts to seniors and persons with disabilities.</li> </ul>
5	Synchronize Traffic Lights	<ul style="list-style-type: none"> <li>Number of Lights Synced</li> </ul>	<ul style="list-style-type: none"> <li>3,108 traffic lights synchronized.</li> </ul>
6	Reduce Air and Water Pollution and Protect Local Beaches through Cleanup of Roadway Oil Runoff	<ul style="list-style-type: none"> <li>Better Air Quality and Less Water Pollution</li> </ul>	<ul style="list-style-type: none"> <li>45 million gallons of trash removed</li> <li>1,300 acres preserved as open space</li> <li>350 acres restored</li> </ul>

Source: Generated from OCTA Quarterly Progress Reports and OC Go Website.

It is important to note that while performance results have proven to be promising thus far, M2 is a program that will span 30 years. As such, performance results over a three-year assessment period represent a snapshot of where the program is at a particular time and may not be truly indicative of performance results over the life of the program. Further, there are several forces that constantly affect transportation demand and performance outcomes as described in the following section.

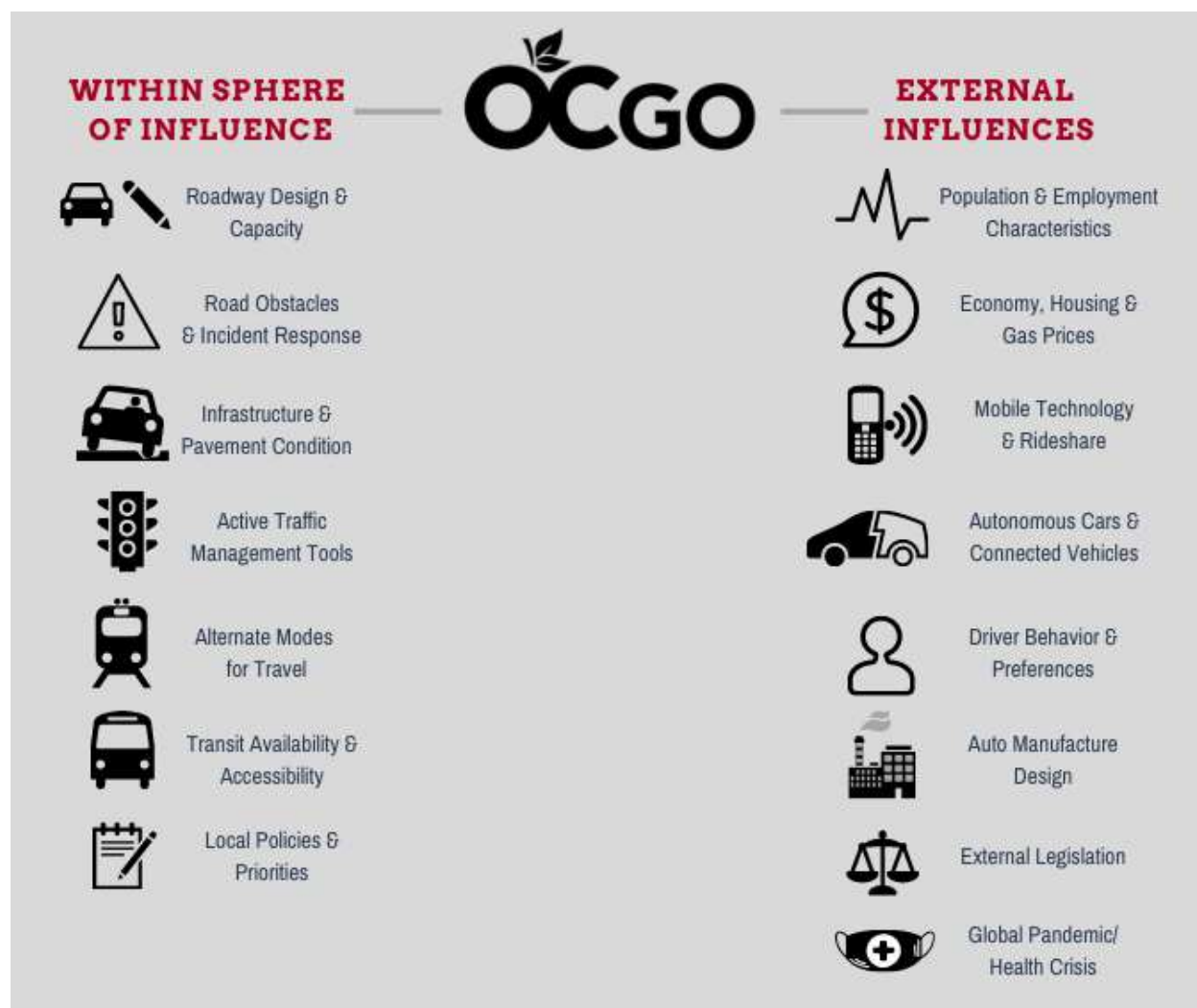
### **A Combination of Internal and External Forces Continue to Impact Goals and Outcomes**

OCTA developed a variety of tools and mechanisms to report its progress in meeting the goals and objectives identified in the M2 Ordinance, such as quarterly and annual M2 progress reports and on the OC Go website. While OCTA has made much progress in its delivery of the projects and programs promised to voters, over the review period of FY 2018-19 thru FY2020-21, there were several factors outside of OCTA's sphere of influence that impacted both project and program delivery. In Exhibit 3, we provide a list of factors that are both within OCTA's sphere of influence and external factors that OCTA has no control over.



External factors include challenges related to a global pandemic/health crisis, natural disasters, population changes, employment levels, the economy, and driver preferences.

**EXHIBIT 3. INTERNAL AND EXTERNAL FORCES IMPACTING M2**



During the period of review, there was an unprecedented global pandemic outbreak that began in early 2020 and continued through 2021, referred to as the coronavirus (COVID-19) pandemic. As a result of the pandemic, California's governor issued orders, that included requirements for non-essential workers to stay home. As a result, OCTA, like others, had to adapt and change the way it conducted business, including its approach to public outreach, virtual Board of Directors (Board) and committee meetings, and remote access to OCTA systems and tools for OCTA staff and project partners. The impacts of the pandemic reached beyond general operations, impacting both OCTA's and local agencies' implementation of projects and programs. As discussed throughout this report, the pandemic impacted project schedules and costs due to the availability of labor resources and materials, some projects and services were cancelled or delayed by local agencies, and transit ridership significantly declined resulting in service reductions and revisions.

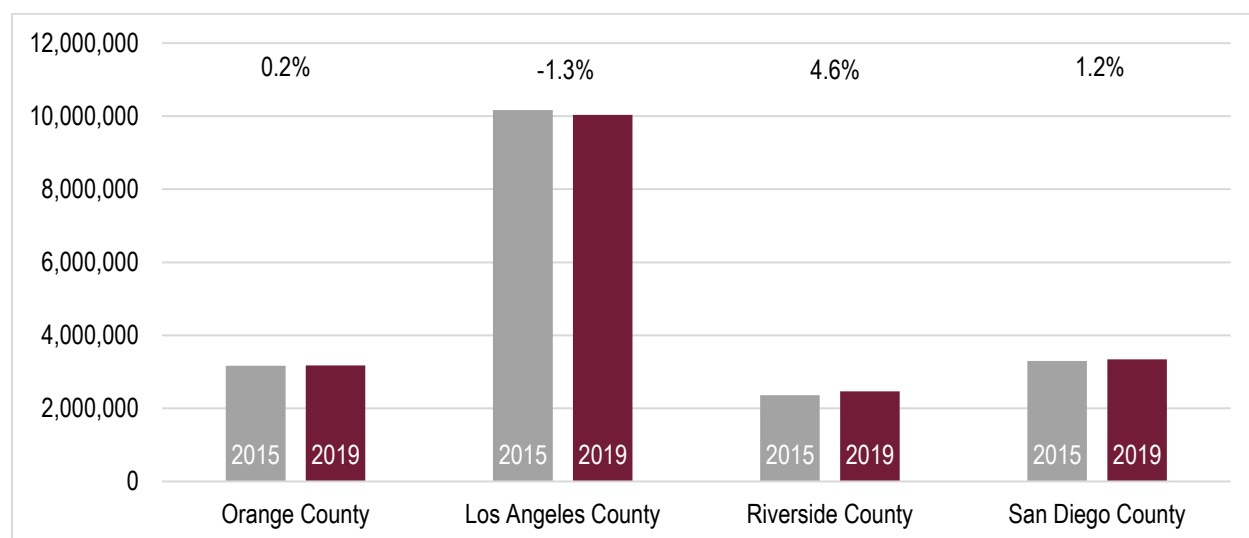


Additionally, the availability of outside information and reports, such as population and congestion reports, that are used to assess performance in the following sections of this report, were not always available for the entire period of review. As a result, in the following sections performance is assessed based on the latest information available. In instances where there was either limited or no data for 2020 and/or 2021, or data reflected irregular performance, we compared data over a five-year period from 2015 to 2019.

## Orange County's Population Has Remained Fairly Stable and Traffic Demand Declined

Two significant external forces on a region's transportation performance are population and traffic demand on the roadways. According to the US census's one-year estimates, Orange County's population of approximately 3.2 million for calendar year 2019 has been fairly stable since 2015, as shown in Exhibit 4.<sup>4</sup>

**EXHIBIT 4. ESTIMATED POPULATION CHANGE IN CALIFORNIA COMPARISON COUNTIES, CALENDAR YEAR 2015 TO 2019**



Source: US Bureau's Population Estimates.

In terms of traffic demand on roadways, a common industry measure is vehicles miles of travel or VMT. Specifically, VMT measures the total miles driven by all of the vehicles over a freeway segment during a specified time period.<sup>5</sup> When population grows, there could be more potential drivers in the region that would tend to increase VMT and often lead to more congestion.

While OCTA's Regional Transportation Modeling section indicated that the VMT in Orange County increased approximately one percent, from 2016 to 2019, over the period reviewed traffic demand decreased between FYs 2018-19 and 2020-21 from 13.5 billion in FY 2018-19 to 11.6 billion in FY 2020-21—a decrease of approximately 14 percent, as shown in Exhibit 5. This decline can likely be attributed to the impacts of the COVID-19 pandemic and statewide stay-at-home orders that were in place in 2020 and 2021. In addition, it is important to note that while information reported from Caltrans Performance

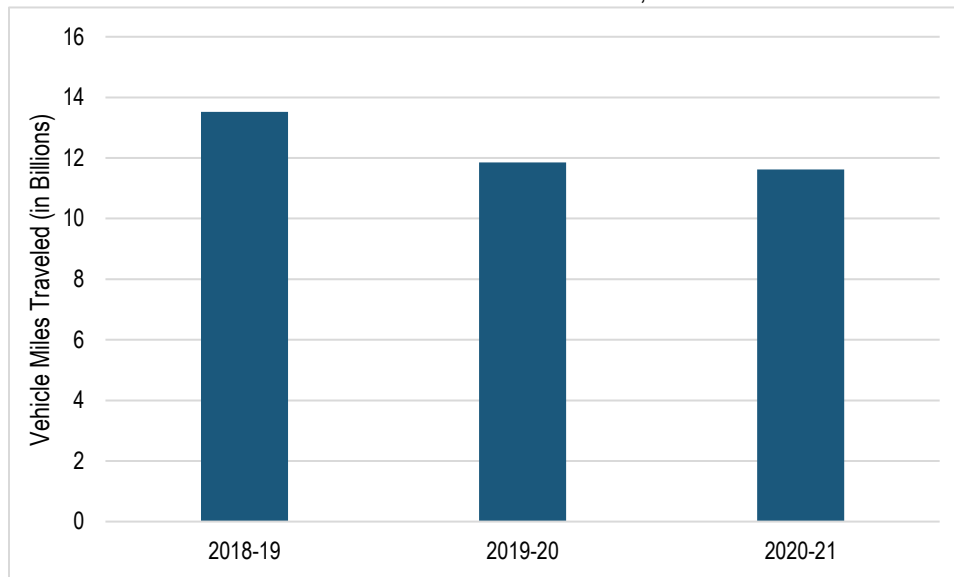
<sup>4</sup> The most recent population data available was through 2019.

<sup>5</sup> Caltrans calculates the VMT for the state highways system through detectors by collecting data in individual travel lanes. Detectors report flow, occupancy, and/or speed. This data is captured by FY.



Measurement System (PeMS) is the best available information for VMT over the review period, the accuracy of the information reported is impacted by the number and health of lane points used to gather information. According to OCTA, there have been some issues with PeMS data due to limited maintenance and construction disabling a number of detector locations. During the review period, PeMS reported a data quality score of 75 percent.

**EXHIBIT 5. CHANGE IN ANNUAL VMT FOR ORANGE COUNTY, FY 2018-19 TO FY 2020-21**



Source: Caltrans PeMS.

## **M2 Projects Had Positive Impact on Congestion**

As stated in the M2 Ordinance, one of the measures key goals was to “relieve congestion on the I-5, I-405, SR-22, SR-55, SR-57, and the SR-91.” To determine whether that goal has been met thus far, we reviewed a combination of annual hours of delay, average daily traffic per lane, and average monthly urban freeway speeds from the Orange County Mobility Indicators 2020 report. As discussed, in the following sections the annual hours of delay slightly increased from 2018 to 2019, then sharply declined in the first half of 2020, when the California Governor issued stay at home orders in response to the COVID-19 pandemic. In addition, we found that the average daily vehicle flow per lane decreased after M2 improvements were made, particularly where a new lane was added, which effectively spread vehicles across more lanes. Lower vehicle flow rates per lane are typically associated with higher speeds and less congestion. Average monthly freeway speeds generally stayed the same, despite downward trends statewide. Finally, improvements in congestion were noted over three M2 project freeway segments completed in 2018 that spanned from I-5: Avenida Pico to San Juan Creek Road.

### **Although Annual Hours of Delay in Orange County Slightly Increased From 2018 to 2019, Other Indicators of Congestion Show Improvement**

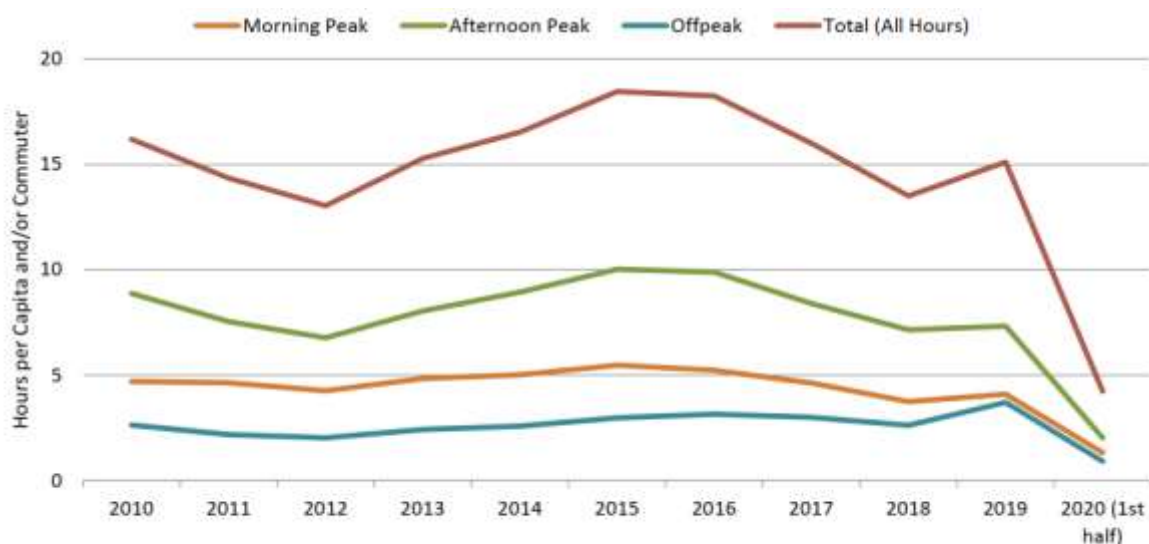
The Orange County Mobility Indicators 2020 report describes how vehicle flow was used to measure the change in daily vehicle volume at nine points on the Orange County freeway before and after M2-funded improvements were made. Data reflects average daily traffic per lane on Tuesdays, Wednesdays and



Thursdays in the month of October in the years shown in general purpose lanes and managed lanes (HOV and toll express lanes). Points within each M2 project area were selected by the reliability of detector data. Data reflecting real-time observations of less than 50 percent were omitted from the charts; data reflecting 50-75 percent real-time observations were included if the data were consistent with years posting 75 percent or more real-time observations.<sup>6</sup> Overall, among the nine points measured, most show that the average daily vehicle flow per lane decreased after M2 improvements were made, particularly where a new lane was added.

In addition, another metric to assess congestion is the annual hours of delay. As shown in Exhibit 6, annual hours of delay at speeds of less than 60 miles per hour on freeways in Orange County varied from year-to-year. In 2019, the average Orange County traveler experienced an estimated 15.1 hours in freeway traffic congestion, up from 2018 when the average annual delay was 13.5 hours. The hours of delay were reduced to an unprecedented 4.2 hours in the first half of 2020.

**EXHIBIT 6. ANNUAL HOURS OF DELAY PER CAPITA OR PER COMMUTER AT SPEEDS LESS THAN 60 MILES PER HOUR ON FREEWAYS IN ORANGE COUNTY: CALENDAR YEARS 2010-2020 (1<sup>ST</sup> HALF)**



Note: Data for peak hours reflect annual hours of delay per commuter at speeds less than 60 miles per hour on freeways in Orange County. Data for off-peak hours are per capita. Counts of commuters in 2019 and 2020 are projected estimates based on historical trends and change in vehicle miles traveled; consequently, morning and afternoon peak estimates of delay per commuter should be interpreted with caution.

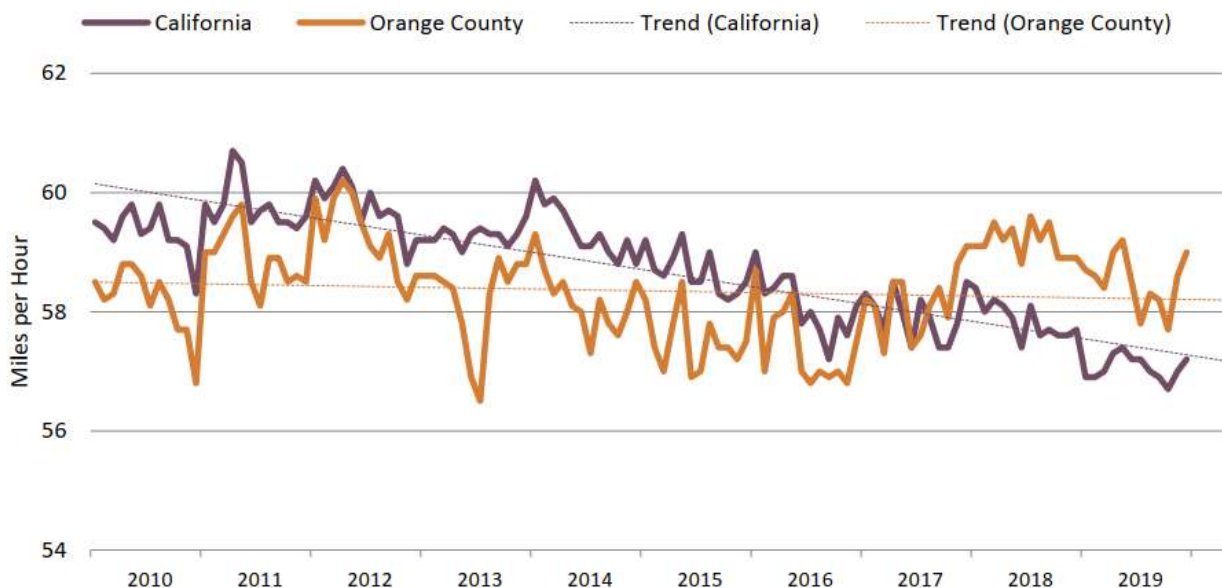
Source: Orange County Mobility Indicators 2020.

Additionally, average monthly freeway speeds can be used as an indicator of congestion. As shown in Exhibit 7, prior to 2020 the average monthly Orange County freeway speeds were variable with no obvious trend over the ten-year period reviewed by OCTA. In the last five years, average speeds were slightly faster in 2018 and 2019 (59 miles per hour) than the three years prior (58 miles per hour). Comparatively, overall speeds in California have steadily decreased.

<sup>6</sup> The percent observed for any given period refers to the percentage of results that were recorded (observed) by the detector in the roadway vs. estimated (imputed) when the detector was not functioning. The point selected may not represent the flow rate for the entire segment; factors such as on- and off-ramps add or remove traffic along a given segment.



**EXHIBIT 7. AVERAGE MONTHLY URBAN FREEWAY SPEEDS: ORANGE COUNTY AND CALIFORNIA, CALENDAR YEARS 2010-2019**

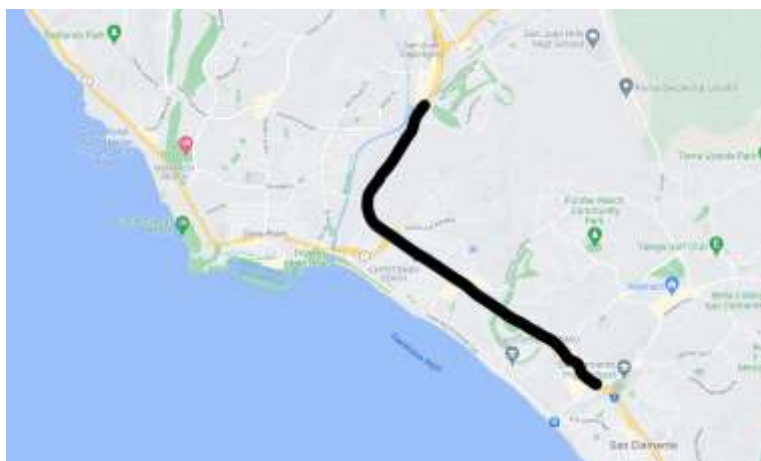


Source: Orange County Mobility Indicators 2020.

### Vehicle Hours of Delay Decreased on I-5 Projects

While countywide statistics can give context to factors impacting a region, measuring outcomes of transportation projects generally need to be at a more focused level. For example, according to the M2 Early Action Plan, the proposed benefits of Project "C"—I-5 Improvements South of the El Toro "Y"—were to increase freeway capacity and reduce congestion. Three segments of this project were completed as of 2018 that spanned from I-5: Avenida Pico to San Juan Creek Road.

**EXHIBIT 8. MAP OF PROJECT C – I-5: AVENIDA PICO TO SAN JUAN CREEK ROAD FREEWAY IMPROVEMENT**

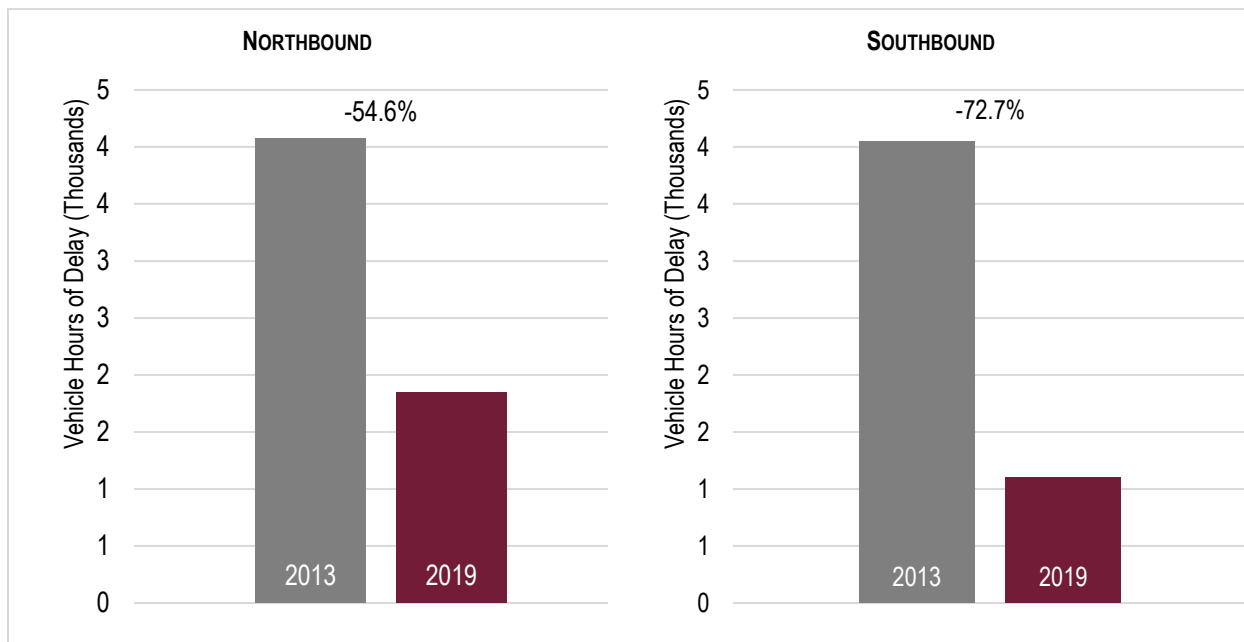


The projects included nearly six-miles of new high occupancy vehicle (HOV) lanes going in both directions. Delay data from Caltrans PeMS was available for the year before construction started in 2014 and was compared to the congestion data from the year after all three segments were open to traffic in 2018. As



shown in Exhibit 9, there was a decrease in vehicle hours of delay over the three segments in 2019 compared to 2013.

**EXHIBIT 9.** CHANGE IN VEHICLE HOURS OF DELAY ON PROJECT C CORRIDOR—NORTH AND SOUTH BOUND I-5 BETWEEN AVENIDA PICO AND SAN JUAN CREEK ROAD, DURING PEAK PM HOURS (3:00PM–8:00PM)<sup>7</sup>



Source: Generated from Caltrans PeMS.

## Pavement Condition Generally Stayed the Same Over the Assessment Period

Another project goal delineated in the M2 Ordinance was to “fix potholes and resurface streets.” While we describe accomplishments related to projects commissioned to fixing potholes and resurfacing streets in Chapter 2, we also assessed overall pavement condition that allows safe and free-flow travel to help address congestion. We found that both highway pavement and local road conditions have improved.

Pavement condition can be assessed by a variety of methods. Two standardized methods include the International Roughness Index (IRI) and the Pavement Condition Index (PCI). The IRI is measured by a modified vehicle that is equipped with sensors and computers to automatically collect and analyze the road condition as the driver travels the roadway. The IRI is a measure of the “roughness” of ride quality, or in simpler terms, a measure of how bumpy the road is. Another method of assessing pavement condition is with the PCI. PCI was initially developed by the U.S. Army Corps of Engineers and is calculated from a visual survey—which may be aided by video capture from a modified vehicle—of pavement distress with a score ranging from 0 (failed) to 100 (perfect). Points are deducted from the 100-point total for distress such as cracking, rutting, and other distortions.

<sup>7</sup> Data from PeMS is available on the corridor level, specifically, travel time delay. Travel time delay is a measure of additional time driven on a roadway relative to the amount of time it would have taken at “free-flow” speeds (non-congested conditions). Caltrans allows the user to set the free-flow” for the system to perform the delay calculations. In the Exhibit 9 comparisons, 60mph was used as the free-speed.

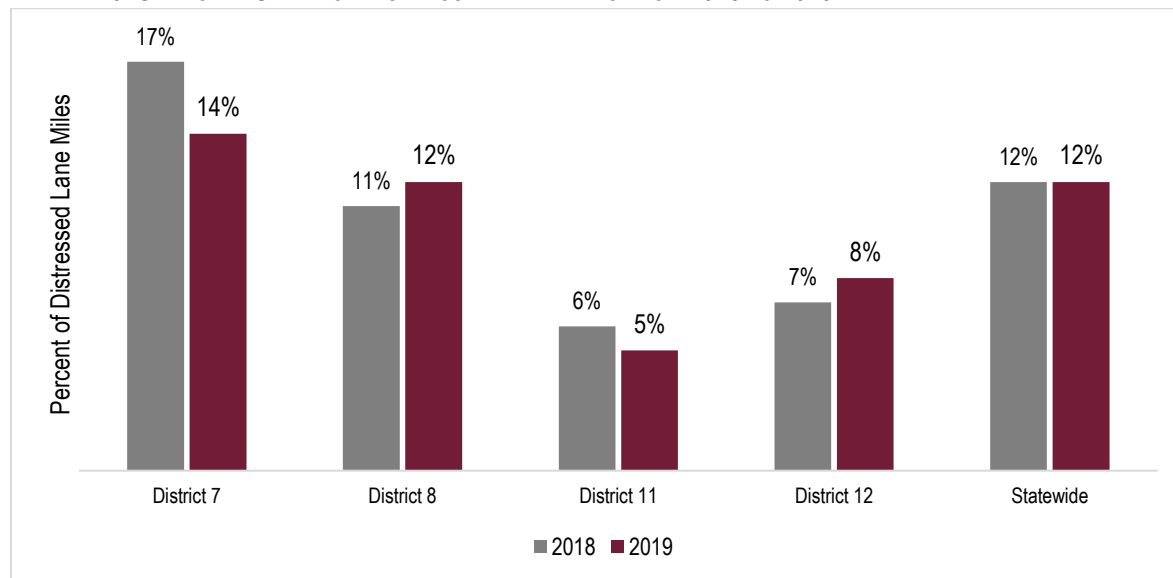


For highway pavement condition, Caltrans conducts an automated pavement condition survey to collect pavement data. For roadways, local entities use PCI to report results to the Metropolitan Transportation Commission as part of an annual Local Streets & Roads Needs Assessment.

### Highway Pavement Condition Has Improved Since 2013, Although There Was a Slight Decline From 2018 to 2019

While the percent of distressed highway lane miles at the statewide level has remained constant from 2018 to 2019, Caltrans District 12, which includes only Orange County, slightly declined with an increase from seven percent of distressed lane miles in 2018 to eight percent in 2019—lower than the statewide average as shown in Exhibit 10. When compared to other nearby Caltrans Districts, only Caltrans District 11 reported a lower percent of distressed highway lanes than Caltrans District 12.

**EXHIBIT 10.** CHANGE IN SHARE OF DISTRESSED LANE MILES FROM 2018 TO 2019



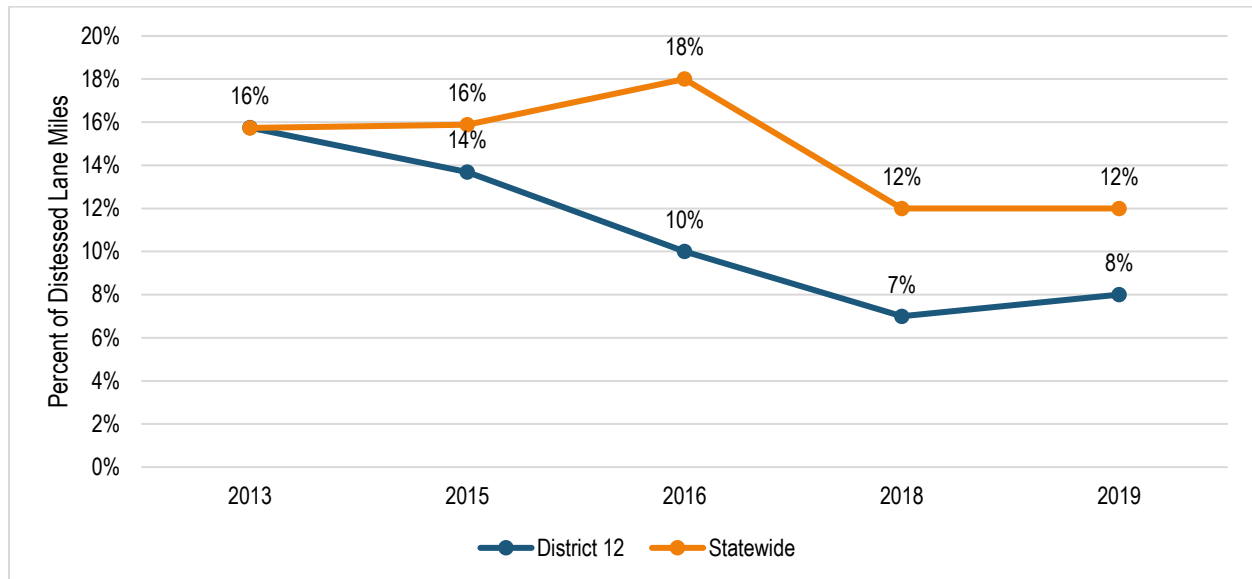
Source: Caltrans State of the Pavement reports, 2018 & 2019.

Note: District 7 (Los Angeles and Ventura counties), District 8 (Riverside and San Bernardino counties), District 11 (San Diego and Imperial counties) and District 12 (Orange County).

Although Caltrans District 12 showed a slight increase in the percent of distressed highway lane miles from 2018 to 2019, there have been notable improvements since 2013, with the percent of distressed highway lane miles declining from 16 percent in 2013 to eight percent in 2019—a greater improvement than the statewide average, as shown in Exhibit 11.



**EXHIBIT 11. CHANGE IN SHARE OF DISTRESSED LANE MILES IN CALTRANS DISTRICT 12 COMPARED TO STATEWIDE, 2013 TO 2019**

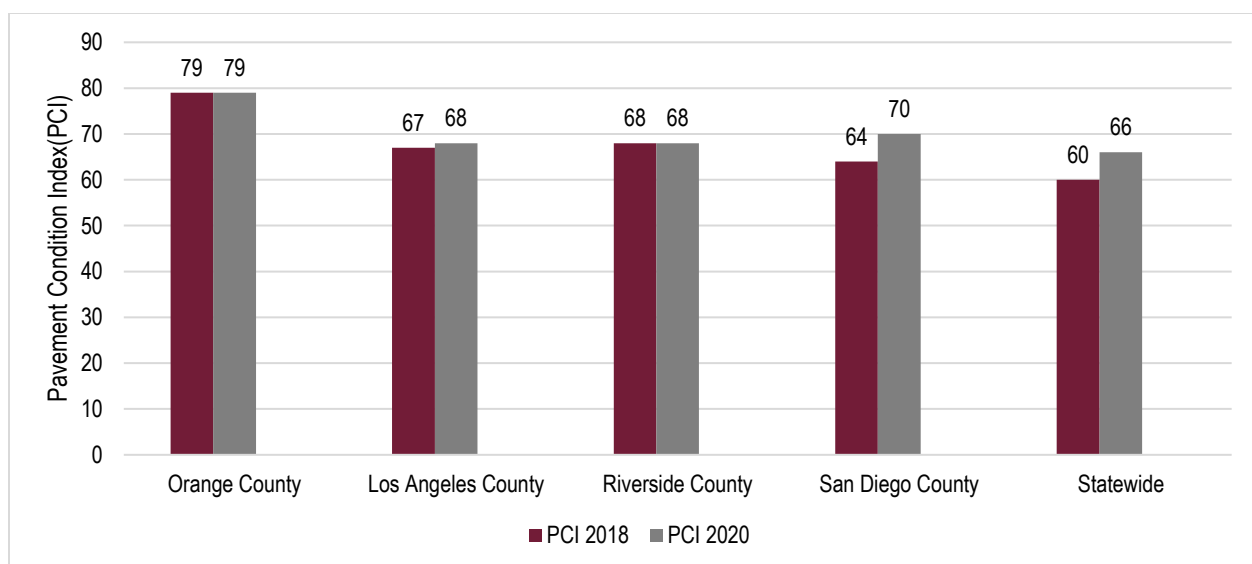


Source: Caltrans State of the Pavement reports, 2018 & 2019.

### Local Streets and Roads Condition Has Improved since 2014 and Remained Constant Since Last Review

Pavement condition for local streets and roads have been reported on by the Metropolitan Transportation Commission in its California Local Streets & Roads Needs Assessment through a survey to California's 58 counties, 482 cities, and 48 Regional Transportation Planning Agencies. The survey demonstrated that Orange County PCI remained steady from 2018 to 2020, and better than the statewide average and surrounding peers, as shown in Exhibit 12.

**EXHIBIT 12. CHANGE IN PAVEMENT CONDITION INDEX BY COMPARISON COUNTIES**

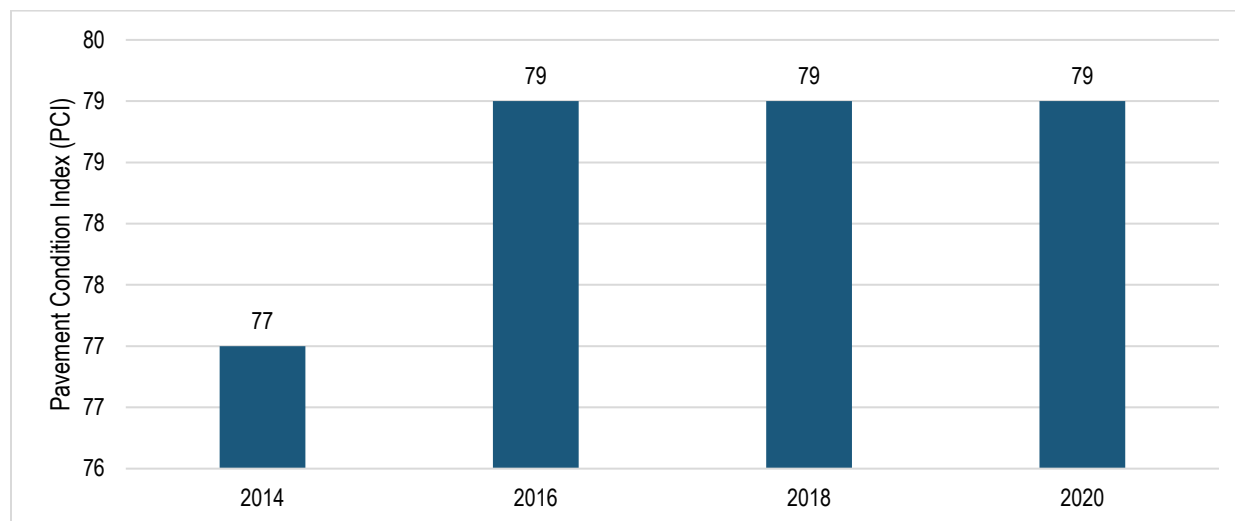


Source: California Statewide Local Streets and Roads Needs Assessment.



Further, as shown in Exhibit 13, after initial improvements from 2014 to 2016, which led to a PCI increase from 77 to 79, overall pavement condition improvements for Orange County have remained steady.

**EXHIBIT 13. ORANGE COUNTY CHANGE IN PAVEMENT CONDITION INDEX, 2014-2020**



Source: California Statewide Local Streets and Roads Needs Assessment.

## Transit Performance Continued to Show Progress Towards Goals

Twenty-five percent of funding from M2 is directed toward Metrolink operations, extending the reach of Metrolink services, expanding mobility choices for senior citizens and persons with disabilities, developing localized transit services, and improving passenger amenities at the busiest transit stops. These transit projects are guided by principles of value, safety, convenience, and reliability. Goals include utilizing the existing operational commuter rail system and rail stations in order to further develop a coordinated regional transportation system providing congestion relief, cost effectiveness and connectivity.

To date, OCTA has completed 11 Metrolink grade crossing, safety, and station projects under Projects R and S. Both the Anaheim Canyon Metrolink Station and Placentia Metrolink Station projects completed the design phase, with the Anaheim Canyon Station project beginning construction in May 2021. Construction for the Placentia Metrolink Station is pending advertisement due to delays with the BNSF Railway Company (BNSF) agreement. Additionally, Project T was designed to expand Metrolink services and connect with local communities. This included the completion of the Anaheim Regional Transportation Center (ARTIC) project, a multi-modal transit center serving existing rail and bus as well as future high-speed trains that was opened in December 2014.<sup>8</sup>

Further, an additional goal of the M2 Ordinance is to provide reduced-cost transit services to seniors and persons with disabilities through Project U, and includes the Senior Mobility Program, Senior Non-

<sup>8</sup> On December 14, 2015, the M2 Ordinance was amended to authorize additional funding from Project T to be “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.”



Emergency Medical Transportation Program, and Fare Stabilization Program. Since inception, more than \$91.7 million in Project U funding has been provided under M2.<sup>9</sup>

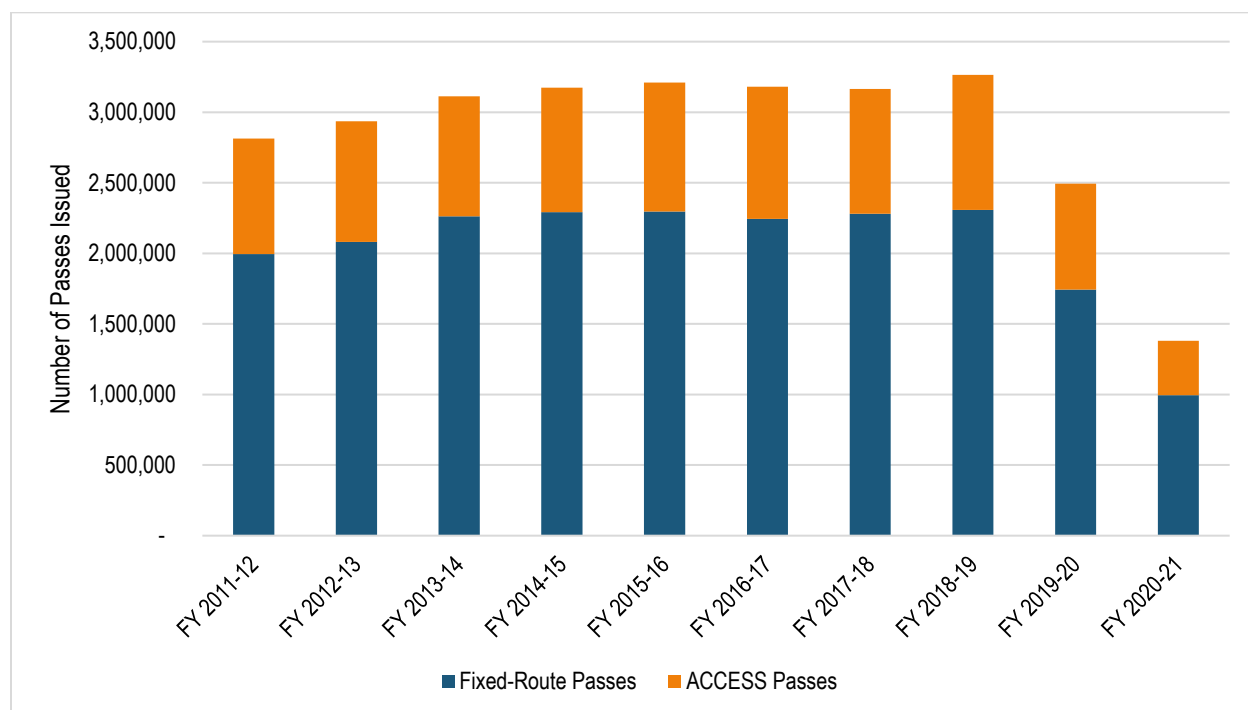
- **Senior Mobility Program:** This program provides one percent of net M2 revenues to eligible local jurisdictions to provide transit services that best meet the needs of seniors living in their community. In October 2020, the Board approved a temporary exception to Senior Mobility Program guidelines allowing OCTA to hold allocations for such suspended services “until the State lifts the State of Emergency or the agency resumes transportation services, whichever occurs first.” Since inception, OCTA has provided more than \$26.5 million of M2 revenues and provided nearly 2.5 million boardings under the Senior Mobility Program. This included transportation to medical appointments and community centers, as well as providing access to shopping and nutrition programs.
- **Senior Non-Emergency Medical Transportation Program:** This program is operated by the County of Orange Office on Aging and provides one percent of net M2 revenues to supplement existing countywide Senior Non-Emergency Medical Transportation services. As of June 30, 2021, two of the 32 participating cities still had temporarily suspended services due to COVID-19. Under the Senior Non-Emergency Medical Transportation Program, OCTA provides funding to the County of Orange Office on Aging to supplement existing non-medical senior transportation services. Since inception, approximately \$28.6 million has been allocated to support 1.38 million boardings for the Senior Non-Emergency Medical Transportation Program.
- **Fare Stabilization Program:** This program uses M2 revenue to lower the cost of transit for seniors and persons with disabilities by discounting fares in an amount equal to the percentage of partial fare funding of fares as of the effective date of the M2 Ordinance. As of June 30, 2021, OCTA has allocated nearly \$36.6 million and nearly 124 million program-related boardings have been provided. The Fare Stabilization program experienced a significant decline in issued passes during the COVID-19 pandemic. Similar to nationwide trends in transit, statewide stay at home orders have had a large impact on the number of OCTA transit passes issued. While the number of reduced fare senior passes slightly increased from FYs 2017-18 to 2018-19, from 2.28 million to 2.31 million, the number of reduced fare passes issued significantly declined to 1.74 million during FY 2019-20. This trend extended into FY 2020-21, with the number of fixed-route reduced senior fare passes declining to 961,162, a 43 percent decline from the prior FY. Likewise, ACCESS passes for persons with disabilities displayed a similar pattern of slight increases between FYs 2017-18 and 2018-19, and a decline in FYs 2019-20 and 2020-21. In FY 2020-21, the number of ACCESS passes issued significantly declined with only 385,053 ACCESS passes issued, nearly half as the many as the prior year.

---

<sup>9</sup> “Payments 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.”



#### EXHIBIT 14. FARE STABILIZATION PROGRAM FIXED ROUTE AND ACCESS PASSES ISSUED



Source: Summary of Fare Stabilization Data Q4 FY 2020-21.

OCTA recognizes that the need for such programs will continue to grow increase in conjunction with projected growth in the population of older Americans. In efforts to meet this demand, OCTA is continuing their support of senior mobility programs and working to develop and promote supplementary services outside of existing paratransit options.

Under Project V, OCTA has held four calls for projects (calls), which awarded 35 projects and ten planning studies totaling approximately \$52 million. As of June 30, 2021, 12 projects are currently active, nine have been cancelled (primarily due to low ridership due to the impact of the COVID-19 pandemic), 11 are currently suspended (or not initiated) due to COVID-19, and three have been completed.

In an effort to improve passenger safety at the busiest transit stops across Orange County, OCTA implemented Project W. Utilizing competitive grants, Project W has provided funding for passenger amenities at the 100 busiest transit stops. This included efforts to ease transfers between bus lines and provide passenger amenities such as improved shelters, lighting, ticketing machines, and arrival timetables. As of June 30, 2021, OCTA reported that 43 bus stop improvements were completed, 69 improvements were in various stages of implementation, and 10 improvements had been cancelled by the awarded agency. In total, the Board has approved \$3.1 million for advancements to passenger safety at bus stops.

### More Traffic Lights Have Been Synchronized Than Expected

To maximize efficiency of the street system, the M2 Ordinance set aside funding for a coordinated countywide traffic signal synchronization program. It is expected that, once completed, this program will increase street capacity and reduce delay by over six million hours annually at more than 2,000 signalized



intersections. With one-third of the M2 Program completed, OCTA has now implemented signal synchronization at 3,108 intersections with 89 projects completed.

According to the June 7, 2021 Regional Traffic Signal Synchronization Program update, travel time improvement had stayed consistent from 2017 to 2020, at 13 percent, while the average speed improvements identified in 2017, slightly declined from 15 percent to 14 percent in 2020. Stop improvements noted in 2017, were also marginally reduced from 31 percent to 29 percent in 2020. While the COVID-19 pandemic reduced the number of drivers on the roads, the travel time collection for all completed projects took place prior to the March 2020 Executive Stay-at-Home Order, and was thus not a contributing factor. By decreasing the number of vehicle stops, smoothing the flow of traffic, and reducing the amount of vehicle acceleration and deceleration over the three-year project cycle, OCTA estimates that the improvements noted would result in an estimated 919 million pounds of greenhouse gas savings over the project life cycle.

### **Environmental Mitigation Program Currently Focused on Building Endowment Fund**

The M2 Ordinance sets aside five percent of M2 freeway revenues to mitigate the biological resources impacts of construction activities on the environment. The M2 Freeway Environmental Mitigation Program (EMP) activities include land acquisition, restoration, and land management. When the M2 Ordinance was established, it was estimated that EMP funding would total approximately \$243.5 million through the life of M2 (revised to \$238 million in 2021). The program is overseen by OCTA's Environmental Oversight Committee (EOC) that meets quarterly and is comprised of 12 members, including two OCTA Board representatives, Caltrans, state and federal resource agencies, United States Army Corps of Engineers, non-governmental environmental organizations, the public and a Taxpayer Oversight Committee representative.

From program inception through June 30, 2021, a total of \$48.4 million has been expended on each of the program's three main activities:<sup>10</sup>

- Conservation Property Acquisitions—\$35.4 million to purchase seven properties (Preserves) totaling 1,300 acres. Costs include conservation property acquisitions & support, which includes property appraisals, environmental site assessment, right-of-way consultant, property taxes, start-up costs, and interim land management.
- Habitat Restoration Projects—\$10.4 million for 12 habitat restoration projects totaling approximately 350 acres and US Forest Service Dam Removal.
- Conservation Plan—\$2.6 million for conservation plan development.

Another \$14.4 million has been set aside to establish an endowment fund for future management of the seven properties. The total principal needed for the endowment is estimated to be \$34.5 million, with deposits made over a ten to twelve-year period. Note that endowment deposits started in February of 2017 and, as of June 30, 2021, the balance of the endowment fund was at \$19.2 million.

---

<sup>10</sup> An additional \$7.1 million (approximate) expended on program miscellaneous costs associated with the EMP.



During our review period, July 1, 2018 to June 30, 2021, the primary focus was continuing to build the endowment, which \$8.63 million was deposited in the fund. An additional \$3.31 million was expended during the period on the following program activities:<sup>11</sup>

- Conservation Property Acquisitions—\$1.71 million related to ongoing costs associated with interim management of the seven properties, including patrol services to mitigate trespassing and other illegal activities; property maintenance including fuel modification, weed abatement, and access road maintenance work; biological resources monitoring; land surveying; and general environmental support services associated with the Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP) implementation
- Habitat Restoration—\$1.59 million related to payments to multiple habitat restoration project sponsors that cover various activities, such as weed removal, biological monitoring, installing container plants and irrigation lines, seeding, and removing historic dams to facilitate aquatic species passage.
- \$10,000 for conservation plan development including environmental document.

OCTA faced challenges presented by three significant fires that occurred between October and December 2020 and impacted Orange County. While none of the preserves were affected, two of the three fires impacted multiple habitat restoration projects, sponsored by OCTA; these restoration projects were within close proximity to several of the Preserves. OCTA is working with restoration project sponsors and Wildlife Agencies to determine how best to facilitate the recovery process. The OCTA M2 NCCP/HCP required that OCTA begin developing fire management plans for the Preserves in 2018. Each Preserve is required to have its own management plan, which provides guidelines for decision-making at all states including fire prevention and suppression activities. The plans were started in 2018 as required and were originally anticipated to be completed in 2020. However, due to delays associated with Southern California Edison easement confirmation (has since been confirmed), changes with staffing with the California Department of Fish and Wildlife, and spring 2021 biological data being included in the fire management plans, the completion date was pushed to 2022. According to OCTA, the delay will have no material impact with complying with the NCCP/HCP.

### **OCTA Expects EMP Endowment to be Fully Funded by 2028**

In 2016, the Board approved an approximate 12-year plan to set aside approximately \$2.9 million annually to reach the \$46.2 million endowment goal with expectations that it will be fully funded by 2028.<sup>12</sup> As of June 30, 2021, the endowment balance was \$19.2 million, which consists of \$14.4 million from five principal deposits plus \$4.8 million in investment earnings. After the endowment is funded, OCTA plans to transfer the management of the Preserves to third-party land management entities. As OCTA is well into building the endowment fund, OCTA should identify when to begin engaging with potential external long-term caretakers for the Preserves.

---

<sup>11</sup> An additional \$1.53 million (approximate) expended on administrative costs associated with the EMP.

<sup>12</sup> Includes \$34.5 million in deposits plus anticipated \$11.7 million in investment returns.



Also, once the endowment is fully funded, OCTA estimates that a significant amount of the EMP allocation could remain and Board direction would be needed at that time to determine the appropriate use of the funds consistent with the M2 Ordinance. Once the existing obligations are fulfilled, such as funding the endowment and repaying bond interest, OCTA will establish overall priorities and spending recommendations for the remaining anticipated funding available. Note that in 2015, the Board approved a long-term funding strategy, developed by the Environmental Oversight Committee, to establish a framework for future expenditures. The framework both defined overall priorities and provided a timetable for future spending recommendations.

## **Environmental Cleanup Program Continues to Demonstrate Successes, Yet, Some Grant Funding Not Used During Review Period**

The M2 Ordinance sets aside two percent of gross M2 revenues to improve water quality and comply with the Clean Water Act, such as removing trash and debris. When the M2 Ordinance was established, it was estimated that the M2 Project “X” - Environmental Cleanup Program (ECP) funding would total approximately \$237.2 million through the life of M2 (revised to \$227.3 million in 2021). Funds are allocated to projects and programs that assist Orange County cities, the County of Orange and special districts via competitive grants. OCTA’s Environmental Cleanup Allocation Committee makes competitive funding recommendations and is comprised of 14 members, which includes experts in the field from local environmental groups, universities, Caltrans and local city and county agencies.

The ECP involves two types of grants: Tier 1 grants are designed to mitigate more visible forms of pollutants, such as litter and debris on roadways and catch basins, while Tier 2 grants are more regional, capital-intensive projects, such as construct wetlands or detention basins to mitigate pollutants. In total, \$55.3 million in environmental cleanup project funding has been awarded through Tier 1 and Tier 2 grants through June 30, 2021, of which OCTA has issued \$41 million in grant payments.<sup>13</sup>

- Tier 1—From program inception through June 30, 2021, there have been eleven rounds of funding totaling \$27.4 million for 189 projects and OCTA expended \$19.6 million. During the review period July 1, 2018 to June 30, 2021, 35 grants were awarded, associated with \$7.3 million in allocated funds. Reported results of the Tier 1 grant indicate over 45 million gallons trash have been captured since the inception of the program.
- Tier 2—From program inception through June 30, 2021, there have been two rounds of funding totaling \$27.9 million for 22 projects and OCTA expended \$21.3 million. OCTA estimates 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.

Due to lack of local jurisdiction interest and qualified projects, there were no Tier 2 calls during the review period July 1, 2018 and June 30, 2021. OCTA’s 2020 Next 10 Delivery Plan suggests that the cash flow could support a \$8-10 million call for Tier 2 projects during FY 2021-22. OCTA staff is

---

<sup>13</sup> An additional \$5 million (approximate) expended on administrative costs associated with the ECP.



sending out questionnaires to ascertain whether cities have any Tier 2-related projects that would qualify for funding; however, it does not appear that many have capital intensive projects planned.

## **Recommendation**

To enhance its environmental mitigation planning practices, OCTA should consider identifying:

1. When to begin efforts to engage with potential external caretakers for long-term management of the seven conservation properties in conjunction with the 2015 framework.



## Chapter 2: OCTA Demonstrated Strong Program Management

When Orange County voters approved the M2 program in 2006, OCTA was tasked with administering a nearly \$11.9 billion program over a 30-year period. To ensure the programs and projects promised in the M2 Ordinance were delivered, OCTA developed strong program management practices and implemented a PMO to oversee M2 implementation. In addition, OCTA has developed clearly defined roles and responsibilities for all divisions that work with the PMO to deliver M2 projects and programs. OCTA has also established a strong tone at the top, where issues and challenges that arose over the course of the review were openly discussed and staff collaborated to identify ways to best mitigate potential associated risks and address concerns. Further, OCTA proactively addressed and implemented prior review recommendations.

### OCTA's PMO Continues to Employ Strong Practices

In 2006, the OCTA Board created the PMO to oversee the implementation of promised transportation improvements. "While other organizational units within OCTA carry out the Transportation Investment Plan's individual projects and programs, the PMO monitors and as appropriate, analyzes, assesses, facilitates, coordinates, and reports on M2 activities and progress." Operating under five goals related to compliance, effective management, fiscal responsibility, transparency, and taxpayer safeguards, the PMO formally defined eleven functional responsibilities with regard to management of the program and importance of public trust as shown in Exhibit 15.

**EXHIBIT 15.** PMO FUNCTIONAL RESPONSIBILITIES

PMO Goal	Functional Responsibilities
<b>Compliance &amp; Consistency</b>	1. Ensure projects, programs, and taxpayer safeguards are developed and delivered according to processes and procedures included in the Ordinance.
	2. Coordinate development of delivery plans to ensure delivery of all projects and programs included in M2.
	3. Monitor completion of activities related to implementation of M2.
<b>Management</b>	4. Ensure projects, programs, and taxpayer safeguards are developed and delivered according to processes and procedures included in the Ordinance.
	5. Coordinate M2 program and project management policies and procedures for use by all OCTA divisions.
	6. Serve as a clearinghouse for ensuring critical interdivisional Ensure projects, programs, and taxpayer safeguards are developed and delivered according to processes and procedures included in the Ordinance.
<b>Fiscal Responsibility</b>	7. Ensure proper reporting and review of M2 receipts, expenditures, and accounting of M2 proceeds to meet business and agency standards.
	8. Ensure uses of M2 and related external funding follow Ordinance provisions.
<b>Transparency</b>	9. Coordinate and oversee reporting of M2 Program status/information to the Board, general public, and stakeholders.



PMO Goal	Functional Responsibilities
	10. Ensure consistent and appropriate reporting of information related to M2 project activities.
	11. Provide access to relevant M2-related policy and procedures.
<b>Safeguards</b>	12. Ensure implementation of safeguard measures called for in the Ordinance, including the Taxpayers Oversight Committee, quarterly reports to the Board, annual expenditure reports, Triennial Performance Assessments, Ten-Year Review, annual Local Transportation Authority audit, and reporting from the local jurisdictions.

Source: PMO Charter 2019 Revision.

Through a combination of interviews and review of key documents, we found that the PMO has a clear understanding of their roles and responsibilities and continued efforts to enhance and improve its processes to oversee the implementation of M2. During the review period, we found OCTA had implemented a prior review recommendation related to its ordinance tracking as discussed later in this report.

## Clear Roles and Functions Continue to Help Coordinate M2 Program Within OCTA

While the PMO is the primary program area responsible for overseeing the implementation of promised M2 improvements, other divisions within OCTA help to with the implementation and delivery of the M2 program. OCTA continued to have clearly defined roles and responsibilities, with key functions generally assigned to the same division as the prior review. One area related to the review of annual expenditure statements submitted by the local jurisdictions was transferred back from the PMO to the Finance Division as planned. During interviews, the PMO and divisions all had a clear understanding of roles and responsibilities, such as program oversight, public reporting and outreach, schedule and cost controls, and grants to locals. In Exhibit 16, we provide a table of key functions and responsibilities and the responsible area.

**EXHIBIT 16.** ASSIGNMENT OF KEY M2 FUNCTIONS AND RESPONSIBILITIES

Key Function and Responsibility	PMO	Planning/ Programming	Capital Programs	Project Controls	Local Programs	Finance	Transit Ops	External Affairs
Program Delivery	✓		✓		✓		✓	✓
Compliance with Ordinance	✓	✓	✓		✓	✓		✓
Program Oversight	✓							
Project Oversight & Management			✓		✓			✓
Schedule & Cost Control	✓	✓	✓	✓	✓			
Schedule & Budget Adherence	✓	✓	✓	✓	✓			
Change Order Management			✓	✓	✓			
Determining Local Eligibility					✓			
Grants to Locals					✓	✓		
Monitoring Local Projects & Expenditures					✓	✓		
Senior Passes							✓	



Key Function and Responsibility	PMO	Planning/ Programming	Capital Programs	Project Controls	Local Programs	Finance	Transit Ops	External Affairs
Forecasting & Cash Flows	✓	✓				✓		
Revenue Projections	✓	✓				✓		
Revenue Monitoring	✓	✓				✓		
Reporting to Decision Makers	✓	✓	✓		✓	✓		
Reporting to Public	✓	✓	✓		✓	✓		✓

Source: OCTA Organizational Chart and results of assessment interviews.

### Formalized M2 Program Management Committee Continues to Ensure Knowledge Sharing

OCTA established an M2 Program Management Committee with regular bi-weekly meetings to ensure a strong communication structure is in place. At these meetings, that include executives and key managers from all OCTA divisions, OCTA discusses cross-divisional data, ideas, issues, information, and solutions. OCTA prepares written agendas and meeting notes that summarize items discussed, updates provided, and action items and owners identified. A review of meeting minutes and agendas over a six-month period from January through June 2021, found that members openly discussed issues and collaborated, with topics such as impacts of the COVID-19 pandemic, revenue forecasts, project delivery, Next 10 Plan, and funding for local streets and roads. There was also evidence that supported OCTA's on-going efforts to ensure transparency. For example, at an April 2021 meeting while discussing updates to the Senior Mobility Program, members discussed on-going communication and coordination with City Managers to ensure transparency.

### Impacts and Risks of Global Pandemic on Project Delivery Were Well Documented and Monitored

During the course of the period reviewed, there was an unprecedented global pandemic outbreak that began in early 2020 and continued through 2021. The pandemic had a significant impact on capital projects throughout the country. According to the Third Quarter 2021 North America Quarterly Construction Cost Report, supply chain upheavals, and pandemic-induced labor contractors, among other factors, have led to periodic uncertainty in the architecture, engineering, and construction industries, which “59 percent of construction firms reporting to the Associated General Contractors of America they had projects scheduled to start in 2020 but were delayed until 2021, while 44 percent saw jobs completely canceled.” Further, during the period of review the National Construction Cost Index, increased from 189.80 in the second quarter of 2018 to 218.06 in the second quarter of 2021—an increase of nearly 15 percent.<sup>14</sup> In the neighboring Los Angeles region, the Construction Cost Index rose 5.13 percent from 2020 to 2021.

OCTA closely monitored and reported the impact of the pandemic on its M2 program and project delivery within the limits of the M2 Ordinance. For instance, in the M2 Quarterly Status Reports, OCTA reported the impact of the pandemic on program and project delivery and closely monitored associated risks. For

<sup>14</sup> Similar to the Consumer Price Index, the National Construction Cost Index shows the changing cost of construction over a period of time.



example, in the Measure M2 Quarterly Progress Report 4<sup>th</sup> Quarterly FY 2020-21, OCTA reported for Project V, nine projects had been cancelled (primarily due to low ridership) and 11 were suspended (or not initiated) due to the COVID-19 pandemic. In response, on January 25, 2021, the Board approved changes to the Project V program guidelines to better support these key community services as they are reinstituted post-COVID-19. In addition, as part of OCTA's on-going risk analysis reporting, OCTA discussed potential impacts on projects schedules and costs if workforce shortages continued. In another example, at the April 2021 Measure M2 Program Management Committee meeting, OCTA indicated that it had developed one-page fact sheets for each city and the County of Orange, with updates through December 2020 that included "a section highlighting OCTA's adjustments to help cities manage COVID-19 impacts, with specific adjustments noted as applicable for each city." Further in discussions with OCTA staff and external stakeholders, both indicated that OCTA actively monitored and reported the impacts of the pandemic and proactively identified ways to minimize and address challenges identified to reduce the impact on M2 program and project delivery. Concerns were raised by several stakeholders regarding the on-going impacts that inflation and shortages of skilled labor may have on project delivery, including potential schedule delays and budget overages. As OCTA moves forward, it should continue to monitor these risks and work with program partners to mitigate the impact to the greatest extent feasible.

## Continuous Improvement Was Valued Through Implementation of Prior Assessment Recommendations

With the Ordinance requiring a performance assessment every three years to evaluate the efficiency, effectiveness, and economy of OCTA organization in delivering M2, we found that the OCTA continues to actively address recommendations as necessary. Specific to the 2018 performance assessment, OCTA has either completed or efforts are ongoing to address all recommendations, as reflected in Exhibit 17.

**EXHIBIT 17. 2018 PERFORMANCE ASSESSMENT RECOMMENDATION STATUS**

No.	Category	Prior Recommendation	Addressed
1.	Project Delivery	Consider identifying measures to capture progress towards each of the six key M2 Ordinance goals and, on a periodic basis, report on how results achieved correlate to those goals.	✓ Implemented
2.	Program Management/ Responsiveness	Implement in-progress plans to update security training policy and require annual cybersecurity training as well as establish a timeline for implementation.	✓ Implemented
3.	Program Management/ Responsiveness	Regularly monitor the training status of all employees to ensure employees complete cybersecurity training within the required timeframe including defining specific roles and responsibilities, timelines and frequency of monitoring, verification methods, and documentation of status.	✓ Implemented
4.	Program Management/ Responsiveness	Create a methodology to gather quantitative accomplishment data and track project outputs and accomplishments against Transportation Investment Plan anticipated goals.	✓ Implemented
5.	Program Management/ Responsiveness	Demonstrate a stronger link between capital project selection guiding principles and the actual implementation order for capital projects by formally memorializing discussions and decisions made.	✓ Implemented



No.	Category	Prior Recommendation	Addressed
6.	M2 Compliance	Include additional links, where appropriate, to underlying support documentation to validate compliance efforts and activities tracked and evaluated in the PMO's Compliance Matrix.	✓ Implemented
7.	Transparency & Accountability	Enhance awareness of the M2/OC Go Program, M2-funded projects, and related M2 accomplishments on social media through posts on currently existing OCTA social media pages or through using separate social media dedicated to M2.	✓ Implemented
8.	Transparency & Accountability	Add a short biography on the OCTA website highlighting Taxpayer Oversight Committee members' experience and expertise to enhance transparency of those providing oversight.	✓ Implemented

Source: Generated using data from 2019-2020 Next 10 Delivery Plans and Prior M2 Performance Assessment.

### *Status of Project Delivery Recommendation*

In response to recommendations to developing measures to track progress toward M2 Ordinance goals, OCTA considered setting specific targets to measure progress made toward each M2 goal. Ultimately, OCTA determined that setting specific targets would be an inaccurate way to measure true progress toward M2 goals due to the impact of outside variables that change travel behaviors and patterns. For instance, COVID-19 reduced overall traffic congestion due to the stay-at-home orders. The I-5 project between SR-55 and SR-57 where OCTA just completed a new HOV lane that opened to traffic in August 2020. OCTA found that determining which factor had more impact on reducing traffic volume was arbitrary in nature. OCTA does indicate some project progress through key output measurements as detailed on the OC Go website. This includes output measurements such as the number of traffic lights synchronized, the number of reduced fare passes issued, or total invested in street improvements to date. As specific outcome measurements are not stipulated by the M2 Ordinance, the M2 management team is effectively meeting the six high level goals placed on the M2 Ordinance voter ballot through ensuring project and program delivery.

### *Status of Program Management/Responsiveness Recommendations*

To address recommendations related to cyber security training, OCTA staff are now ineligible for merit-based raises without completion of the security training, and are given hard deadlines by which the training must be completed. To make security tailored more directly to staff needs, OCTA also developed new training which links to continuing education modules, and can also be tailored to the needs of specific staff members or groups. Between 2018 and 2020, all OCTA staff successfully completed the annual required training; however, as of October 2021, only 61 employees have completed the Annual Refresher Training for 2021. The Information Security team is confident that, similar to prior years, all staff will complete the training as required by the June 2022 deadline.

Additionally, to demonstrate a stronger link between capital project selection guiding principles and the actual implementation order for capital projects, OCTA staff worked to formalize decisions on adopted delivery plans. The 2019 Next 10 Plan included the recommendation to advance five freeway projects through construction. Because these projects have been completed, the recommendation to demonstrate a stronger link to the guiding principles only impacted the four ongoing freeway projects—D, G, J, and L—whose schedules do not yet include design and construction. OCTA staff also added sections to the 2019



and 2020 Next 10 Delivery Plans to link staff reasoning to the guiding principles. Specifically, OCTA noted that due to the guidelines of Readiness and Public support specified in the M2 Ordinance, these projects required additional time to coordinate efforts with local agencies.

Recommendations one and four of the prior assessment discussed the need to develop methodologies capture progress measurements, gather quantitative accomplishment data and track project outputs and accomplishments against Transportation Investment Plan anticipated goals. To do so, OCTA enhanced tracking of performance measures by dedicating specific fields to the existing OCFundTracker site to more easily export data.

While OCFundTracker has been utilized since the inception of Measure M, OCTA continually works to enhance the site to ensure improved tracking, clarity and navigation. OCTA has confirmed that all data Local Programs has been updated back to the 2011 inception, and that all completed project phase data has been included and verified in the OCFundTracker database. Because the number and type of performance measurements may change up until completion of a project due to scope modifications, OCTA requires city project managers to make update performance measures during semi-annual review cycles. OCTA also reviews the final performance measure input at project closeout.

#### *Status of Ordinance Compliance Recommendation*

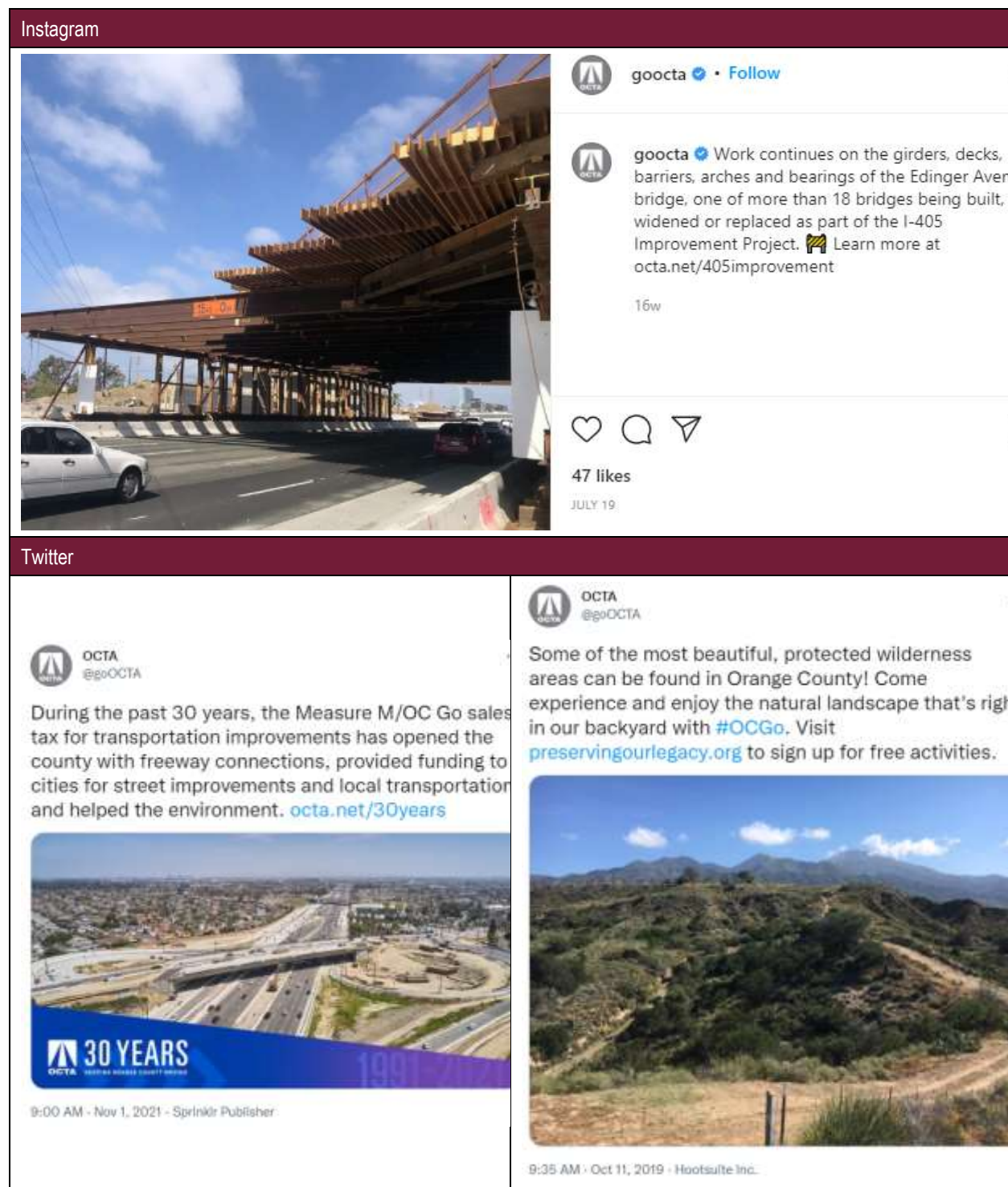
A recommendation for improvement was offered to utilize the new Document Center to hyperlink supporting documentation in the Tracking Matrix to validate compliance efforts and activities. This recommendation was implemented.

#### *Status of Transparency and Accountability Recommendations*

To address the recommendation related to enhancing awareness of M2 (and its rebranding as OC Go), M2-funded projects, and related M2 accomplishments via social media, OCTA improved the types and content of posts related to M2. For example, as illustrated by Exhibit 18, OCTA has made the most of its social media posts by using direct links to M2 projects and activities on OCTA's website as well as publishing photos of OCTA's progress on construction efforts on the I-405 Improvement Project on its Instagram account. OCTA also uses hashtags to increase project recognition and awareness, such as the OCTA-specific #OCGO and more general #MilestoneMonday, a method used in social media to draw attention to, organize, promote, and connect to particular topics and events.



**EXHIBIT 18. ILLUSTRATIONS OF OCTA SOCIAL MEDIA POSTS BY SOCIAL MEDIA ACCOUNT**



Source: OCTA's Twitter (@goOCTA) and Instagram (@goota) pages.

Moreover, OCTA added short biographies on the OCTA website to highlight Taxpayer Oversight Committee members' experience and expertise.



## **Administrative Costs Were Limited to Comply With Ordinance and Closely Monitored**

Recognizing the inherent cost of monitoring and overseeing the M2 Program, the Ordinance set forth provisions allowing M2 funds to pay for administrative salaries, wages, benefits, and overhead up to a ceiling of one percent of annual M2 revenues.<sup>15</sup> We found OCTA limits administrative expenses to one percent of M2 revenues as required.

Specifically, per the independent accountant's agreed upon procedure (AUP) report on the Measure M2 Status, as of June 30, 2020, Measure M2 sales tax collected, including interest, totaled \$2.82 billion, providing \$28.16 million for administrative cost—during the same time, salaries and benefit administration and overhead expenditures totaled \$27.91 million, less than the one percent cap.

During the early years of the program and prior to the start of revenue collection, OCTA's administrative costs did not have M2 revenues sources and, as a result, administrative costs significantly exceeded the one percent cap. The OCTA Board approved the use of its separate Orange County Unified Transportation Trust (OCUTT) fund to reimburse M2 administrative costs exceeding the one percent limit—in 2012, OCTA borrowed \$5.2 million dollars from the fund. This funding came with the understanding that those funds would be repaid with interest in the future when administrative expenditures underrun one percent, which has occurred annually since FY 2015-16. For FYs 2018-19 and 2019-20 specifically, administrative expenditures were well below the one percent cap—0.74 percent and 0.86 percent of M2 revenues, respectively. These efficiencies helped offset past overages from the early action planning phase and reduced the balance owed to the OCUTT fund. In fact, according to the 3<sup>rd</sup> Quarter Measure M2 Progress Report 2020-21 and information presented to the Taxpayer Oversight Committee, the outstanding principal balance owed to OCUTT was \$0 and the remaining interest owed was \$0.6 million. As of June 30, 2021, the principal and interest balance due was \$0.

According to financial statement information as of March 31, 2021 presented to the Taxpayer Oversight Committee, through the end of the program, forecasts suggest that M2 revenues will total \$11.9 billion and administrative expenditures will total \$118.5 million, just under the one percent cap.

Moreover, we found that OCTA diligently monitored administrative costs in compliance with M2 provisions, had good controls in place to ensure proper charges in keeping within M2 Ordinance limits, and reported expenses in annual reports as required. Specifically, OCTA's PMO tracked costs quarterly and annually. For instance, at each quarter end, management met as part of a labor review meeting to discuss timesheet charges and ensured staff were billing time to correct projects. Costs were tracked by person, project, and hours spent on M2 activities. Additionally, the accounting department tracked administrative costs annually by FY, which were reviewed by the Finance Director. Quarterly administrative expenditure and revenue reports were provided to the Taxpayer Oversight Committee for review and the information was reflected in annual reports, as required.

---

<sup>15</sup> Does not include project direct administrative expenses.



## OCTA Implemented Several Improvements to Its Cybersecurity Operations, Though Additional Opportunities For Improvement Remain

In general, a cyber security framework should have periodic and continuous monitoring in place, as well as routine assessments of each area of control to ensure that the organization has implemented the necessary controls to safeguard against cybersecurity threats. Our high-level review of OCTA's cybersecurity policies and practices found that OCTA has established an information security framework with many of the necessary controls in place to protect the M2 program from cyber threats.

Using guidance from cyber security best practices, Exhibit 19 reflects seven key cyber security controls most commonly used across the industry.<sup>16</sup> We found that, generally, OCTA established many of the controls necessary to secure its operations; however, we identified two areas where cyber security controls could be strengthened: role-based access controls and external partner management and oversight.

**EXHIBIT 19. SEVEN KEY AREAS OF CYBER SECURITY CONTROLS**

Key Areas of Cyber Security Controls	OCTA Implementation	Description of Controls in Place
Conducting Regular Security Awareness Training for Staff	✓	OCTA has successfully implemented annual cybersecurity training for all staff, including training modules that can be tailored to individual staff needs.
Planning for Disaster Recovery and Continuity	✓	After the breach in 2016, the IS team updated practices and response time. IS staff state that future recovery would only take minutes rather than days due to comprehensive planning.
Utilizing Strong Authentication Practices	✓	OCTA has implemented an Access Control Security Policy that includes strong authorization practices such as conditional access and multi-factor authentication for remote logins.
Configuring and Monitoring Access to Information Systems	✗	OCTA does not have a formal system in place to monitor role-based access changes. Currently, project managers are responsible for requesting staff access changes.
Implementing Incident Response and Reporting Policy	✓	OCTA's Incident Response Policy provides employees and third parties with effective means to identify, respond, and resolve incidents.
Applying Remote and Wireless Network Access Restrictions	✓	OCTA's control policy specifies that remote access is only allowed through approved methods approved by the IS team.
Providing Oversight and Monitoring External Partner Training	✗	Contractors who access or manage OCTA systems and networks are not currently required to take OCTA administrative security training. This assessment found that because internal cyber security training is not mandatory, only 42 of OCTA's 345 contractors completed OCTA's internal training courses.

Source: Generated based on review of best practices and OCTA security controls.

<sup>16</sup> Cybersecurity best practices are drawn from US Department of Commerce National Institute of Standards and Technology, US Department of Transportation Cybersecurity Policy, California Office of Information Security, Information Systems Audit and Control Association, and American Institute of Certified Public Accountants.



## **OCTA Does Not Have a Formal Process in Place to Review or Remove Access Rights For Staff Role Changes**

According to the National Institute of Standards and Technology, it is imperative that organizations ensure access to information systems is removed in a timely manner when an employee leaves an organization. These industry best practices recommend configuration of system access to the lowest privilege level needed to carry out legitimate business functions. The purpose of this principle is to reduce the risk of inappropriate use and disclosure of Personal Identifiable Information, reduce the risk of malicious actions occurring from security breaches, and better ensure the accuracy and integrity of data.

Currently, OCTA's Human Resources team handles all access changes during the onboarding and offboarding process. All passwords are changed immediately, and accounts are deleted after a brief review period. For terminations, all access is removed immediately. However, OCTA does not have a similar system in place to review internal role-based access changes. Per OCTA's Access Control Policy, a process should be in place to ensure that access to an OCTA resource should be revoked when it is no longer required. Further, this policy specifies that upon a change in employment status or role within OCTA, access privileges should be revoked or reassigned accordingly. While OCTA maintains a formal procedure for access changes when staff leave the company, internal role-based access changes are primarily left to the request of individual managers. This decentralized approach to role-based access changes is potentially problematic as the absence of formal guidance may lead to inconsistent application of user access. Further, some staff may continue to possess access to systems not necessary to perform their assigned duties.

OCTA has made positive changes to their access management, including the recent utilization of new software that enables them to set access permissions by group rather than by individual. This use of a CyberArk Privileged Access Management solution is in place and being used to manage administrative remote access to internal systems. Despite this, the lack of formal guidance for role-based access changes presents continuing risk to information security. To reduce the risk of information being accessed inappropriately, and to ensure that OCTA actively employs the principle of least privilege, OCTA should review its processes for granting and monitoring access during internal role changes. Once internal guidance is developed, OCTA should work with program managers and supervisors to ensure that they understand protocols and expectations for granting access to information systems. Finally, the IS team should continue to coordinate with Human Resources to develop a formalized notification system to determine when staff role-based access needs to be changed.

## **Most OCTA Contractors With OCTA Email Addresses Did Not Complete Internal OCTA Cyber Security Training**

Industry best practices per National Institute of Standards and Technology guidelines recommend that contractors comply with the security roles and responsibilities established by the organization. Further, these best practices stipulate that organizations should monitor provider compliance with personal security requirements. This is key because the human error element of information security is a key control in developing appropriate cyber security safeguards.



OCTA offers four cyber security training modules to their staff, including an additional annual security refresher training. While OCTA makes this training available to contractors who have OCTA email addresses (and thus access to the OCTA network), current OCTA's security policies do not mandate that these contractors complete internal security training. We found that this resulted in most contractors opting out of OCTA-provided training—our review of April and September 2021 training logs indicated that of the 345 individuals under contract with OCTA only 18 completed the OCTA Security Awareness Training Module and 24 completed the OCTA Phishing Training Module.

OCTA's Third Party Security Policy requires that contractors with access to the OCTA network have security practices in place that are comparable or superior to OCTA security policies, which includes security training requirements. However, OCTA takes a decentralized approach to monitoring contractor training, allowing contractors to self-certify completion of external training and relying on individual project managers to monitor contractor's compliance with OCTA-provided security policy. This creates a potential gap in security controls and increases the risk that contractor security training is not being actively monitored for compliance with OCTA policy.

## **OCTA Continues to Improve Existing Cyber Security Policies and Practices**

OCTA has made several improvements related to its existing Cyber Security control during the current assessment period, including:

- **Ongoing Changes to Existing Security Training and Processes.** OCTA's security policies specifies that regular security training conforming to federal and state regulations be provided to all OCTA employees. In response to the 2018 performance assessment, OCTA recently implemented annual general user training requirements which links completion to yearly staff merit raises. Additionally, OCTA's updated annual general user security awareness training links to their initial four training modules which can now be targeted to meet the specific needs of groups or individuals. The fifth module - General User Annual Refresher Training - opens each September and must be completed by the following June. Between July 1, 2018 and June 30, 2020, all staff successfully completed the General User Annual Refresher Training; however, as of October 2021, only 61 of 2,100 employees have completed the Annual Refresher Training for FY 2020-21. The IS team is confident that as per prior years, all staff will complete the training as required by the June 2022 deadline.
- **Successes in Disaster Recovery Process.** OCTA's Emergency Operations Plan requires yearly disaster recovery testing. It also adequately describes emergency organization, as well as the roles, responsibilities, authorities and actions to be taken during an emergency response and subsequent recovery. Industry best practices recommend that data centers are not co-located in the same physical location. OCTA's backup data infrastructure is located in a Las Vegas data center, while their disaster recovery services are stored at a separate physical location. With recent updates to hardware, firewalls and backups, OCTA IS team now anticipates that it will now be able to restore OCTA's data in the case of a breach or hack within minutes as opposed to days.



- **COVID-19 Protocols.** The COVID-19 pandemic presented new challenges for OCTA in terms of access control management. Per OCTA's access control policies, remote access to OCTA computing resources must be pre-approved by the IS Department. Currently, OCTA requires all remote workers to use a direct access or secure virtual private network on OCTA devices. All users have unique IDs, and are granted least privileges—access to only what is necessary for their job functions. Staff also have remote cloud access to Office 365, and both conditional access and multi-factor authentication are utilized for all remote login requests. At OCTA, once a user has been authenticated, their device receives a security token that is used for subsequent logins rather than using multi-factor authentication during each individual login. In the case of device theft, this security certificate is reset.
- **Ongoing Challenges and Solutions.** Phishing campaigns present an ongoing threat to cyber security at OCTA. The IS team utilizes artificial intelligence to monitor system users who are members of the upper management and executive staff, as their system permissions make them high risk targets for phishing campaigns. Both artificial intelligence and machine learning are used to continuously monitor for supply chain attacks—attackers usually use elevated credentials to gain backdoor system access. Per OCTA policy, no system user ever possesses global access or administrative rights. This separation of duties mitigates the access a potential cyber threat would stand to gain once inside the system.

These improvements to OCTA's cybersecurity framework are indicative of OCTA's proactive approach to managing its cyber security controls and practices.

## Recommendations

To enhance its already strong program management practices, OCTA should consider:

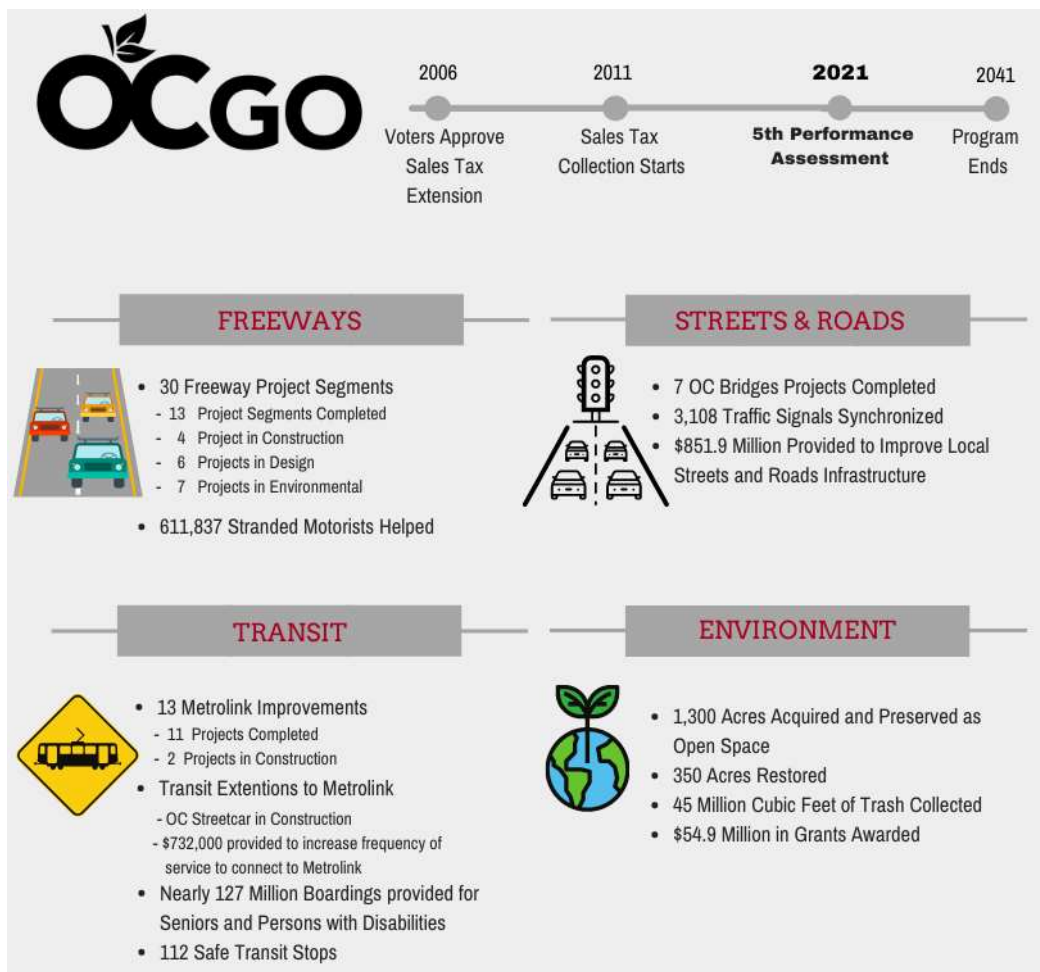
2. Developing a process for role-based access changes and ensure that program managers and supervisors understand access protocols and expectations. The IS team should continue to work with Human Resources to develop a better notification system for determining when staff access should be altered due to staff role changes.
3. Requiring that contractors with OCTA email addresses and network access to take and pass internal OCTA security training as a contract condition.



## Chapter 3: A Third of the Way Through the M2 Life Cycle, Substantial Progress Has Been Made Across All Program Areas

When Orange County voters approved Measure M (referred to as OC Go) in November 2006, they agreed to continue the half-cent sales tax in Orange County for an additional 30 years to help transportation infrastructure and offset related environmental impacts in essentially four program areas: Freeways, Streets and Roads, Transit, and Environment. Similar to other transportation agencies, OCTA was able to take advantage of favorable conditions in the construction industry and financial markets during the Great Recession to jump start projects prior to the OC Go sales tax collection start in 2011 through its Early Action Program (EAP). As a result, with ten years passed since the start of the sales tax collection, OCTA has demonstrated significant progress across all program areas as shown in Exhibit 20 and discussed in the sections that follow.

EXHIBIT 20. M2 ACCOMPLISHMENTS THROUGH JUNE 30, 2021<sup>17</sup>



Source: Generated from OCTA OC Go Website and M2 Quarterly Report 4th Quarter FY 2020-21.

<sup>17</sup> The freeway stranded motorists helped figure represents total Freeway Service Patrol services, which assists stranded motorists and clears lanes from congestion causing debris.



## Many Accomplishments Realized To-Date Early in M2 Timeframe

After the passage of the Ordinance in 2006, OCTA immediately embarked on a mission to deliver the programs and projects promised to voters. To-date, improvements completed included a total of 49.6 new freeway lane miles and five new interchanges along the seven freeway corridors. All seven BNSF railroad crossings and 11 of 13 projects related to improving Metrolink grade crossings and stations have been completed. In addition, mobility options increased for seniors and persons with disabilities with nearly 127 million boardings provided to-date. Local jurisdictions received nearly \$851.9 million to improve local transportation infrastructure, directly contributing among other areas to pavement condition on local roads being the highest in the State. On the environmental side, 45 million gallons of trash has been collected and 1,300 acres preserved as open space in an effort to offset the impact of transportation projects. Refer to Exhibit 21.

**EXHIBIT 21. ACCOMPLISHMENTS ACROSS ALL PROGRAM AREAS AS OF JUNE 30, 2021**

Project Letter	Project Name	Planned Improvement per M2 Ordinance Transportation Investment Plan	Improvement Planned/Anticipated	Status as of June 30, 2021
<b>Freeway Projects</b>				
A	Santa Ana Freeway (I-5) Improvements between Costa Mesa Freeway (SR-55) and "Orange Crush" Area (SR-57)	Improve interchanges. Add capacity.	New high occupancy vehicle lane (HOVL), 3 miles in both directions	✓ 6 miles of HOVL open to traffic.
B	Santa Ana Freeway (I-5) Improvements from the Costa Mesa Freeway (SR-55) to El Toro "Y" Area	Add new lanes. Improve interchanges.	2 Segments: New general purpose lane (GPL), 4.5 miles in both directions for each segment; 18 miles.	✓ Both segments in design.
C	San Diego Freeway (I-5) Improvements South of the El Toro "Y"	Add new lanes.	6 Segments: <ul style="list-style-type: none"> <li>3 segments, 5.7 miles of HOVL in both directions.</li> <li>3 segments, new GPL (4.8 in both directions and 1.7 southbound) and 1 mile of HOVL in both directions</li> </ul>	6 Segments: <ul style="list-style-type: none"> <li>✓ 3 HOVL segments completed; 11.4 miles open to traffic</li> <li>✓ 3 GPL/HOVL segments totaling 13.3 miles of new lanes under construction</li> </ul>
D	Santa Ana Freeway/San Diego Freeway (I-5) Local Interchange Upgrades	Improve interchanges.	5 Interchanges	<ul style="list-style-type: none"> <li>✓ 2 Interchanges open to traffic</li> <li>✓ 2 Interchanges under construction</li> <li>✓ 1 Interchange in environmental</li> </ul>
E	Garden Grove Freeway (SR-22) Access Improvements	Improve interchanges.	3 Interchanges	✓ 3 Interchanges open to traffic
F	Costa Mesa Freeway (SR-55) Improvements	Add new lanes.	2 Segments: <ul style="list-style-type: none"> <li>1 segment with new GPL and HOVL, 4 miles in both directions.</li> </ul>	2 Segments: <ul style="list-style-type: none"> <li>✓ 1 GPL and HOVL segment in design</li> </ul>



Project Letter	Project Name	Planned Improvement per M2 Ordinance Transportation Investment Plan	Improvement Planned/Anticipated	Status as of June 30, 2021
			<ul style="list-style-type: none"><li>1 segment with new GPL, 2.5 miles in both directions and operational improvements</li></ul>	✓ 1 GPL segment and operational improvements, environmental phase complete.
G	Orange Freeway (SR-57) Improvements	Add new lane.	5 Segments: <ul style="list-style-type: none"><li>3 NB GPL segments, totaling 7.7 miles</li><li>1 segment, northbound (NB) GPL, 1 mile</li><li>1 segment, NB truck climbing lane, approximately 2.5 mile</li></ul>	5 Segments: <ul style="list-style-type: none"><li>✓ 3 NB GPL segments, 7.7 miles open to traffic</li><li>✓ 1 NB GPL segment in design</li><li>✓ 1 NB truck climbing lane segment, schedule TBD</li></ul>
H	Riverside Freeway (SR-91) Improvements from the Santa Ana Freeway (I-5) to the Orange Freeway (SR-57)	Add capacity.	New GPL, westbound (WB); 4.5 miles	✓ 4.5 GPL miles open to traffic
I	Riverside Freeway (SR-91) Improvements from Orange Freeway (SR-57) to the Costa Mesa Freeway (SR-55) Interchange Area	Improve interchanges. Add capacity.	4 Segments: <ul style="list-style-type: none"><li>1 Segment, new WB auxiliary lane 2 miles.</li><li>3 Segments, new GPL, 3.1 miles WB and 2.7 miles EB</li></ul>	4 Segments: <ul style="list-style-type: none"><li>✓ 1 segment, 2 miles of auxiliary lane open to traffic</li><li>✓ 3 segments of GPL in design</li></ul>
J	Riverside Freeway (SR-91) Improvements from Costa Mesa Freeway (SR-55) to the Orange/Riverside County Line	Add capacity by adding new lanes.	3 Segments: <ul style="list-style-type: none"><li>1 Segment, new GPL, 6 miles, both directions</li><li>1 Segment, new EB GPL; 6 miles</li><li>1 New GPL segment. Initial Phase Complete/Alternative Analysis Underway.</li></ul>	3 Segments: <ul style="list-style-type: none"><li>✓ 1 GPL segment, 12 miles open to traffic</li><li>✓ 1 EB GPL segment, 6 miles open to traffic</li></ul>
K	San Diego Freeway (I-405) Improvements between the I-605 Freeway in Los Alamitos Area and Costa Mesa Freeway (SR-55)	Add new lanes. Update interchanges. Widen local overcrossings.	New GPL, both directions; 14miles.	✓ Under Construction (Design-Build)
L	San Diego Freeway (I-405) Improvements between Costa Mesa Freeway (SR-55) and Santa Ana Freeway (I-5)	Add new lanes.	New GPL, 8.5 miles, both directions	✓ Environmental complete
M	I-605 Freeway Access Improvements	Improve freeway access and arterial connections.	Modify northbound and southbound ramps, widen Katella Avenue, and enhance bicycle and pedestrian facilities.	✓ In Design.
N	Freeway Service Patrol	Continuing service through 2041.	611,837 assists to stranded motorists provided.	
Streets & Roads Projects				



Project Letter	Project Name	Planned Improvement per M2 Ordinance Transportation Investment Plan	Improvement Planned/Anticipated	Status as of June 30, 2021
O	Regional Capacity Program	<ul style="list-style-type: none"> <li>✓ Complete the Orange County Master Plan for Arterial Highways (MPAH), add roughly 1,000 miles of new street lanes.</li> <li>✓ Construct BNSF railroad over or underpasses in Northern Orange County.</li> </ul>	<ul style="list-style-type: none"> <li>✓ \$339 million provided to approximately 164 projects.</li> <li>✓ 7 BNSF railroad grade separations open to traffic.</li> </ul>	
P	Regional Traffic Signal Synchronization Program	Synchronize over 2,000 Signals.	3,108 Signals Synchronized.	
Q	Local Fair Share Program	Provide flexible funding to cities to address local transportation needs (e.g., residential streets, safety near schools, etc.)	<ul style="list-style-type: none"> <li>✓ \$512.9 million provided to cities by formula.</li> <li>✓ Pavement is in good condition; best in State.</li> </ul>	
<b>Transit Projects</b>				
R	High Frequency Metrolink Service	<ul style="list-style-type: none"> <li>✓ Increase rail service, upgrade stations, add parking capacity, improve safety, and add quiet zones.</li> <li>✓ Improve grade crossings and construct over or underpasses at high volume arterial streets that cross Metrolink tracks.</li> </ul>	11 of 13 Metrolink grade crossing, safety, and station projects completed.	
S	Transit Extension to Metrolink	Competitive programs for local jurisdictions to connect to Metrolink service (e.g., conventional bus, bus rapid transit, high-capacity rail transit, etc.)	<ul style="list-style-type: none"> <li>✓ OC Streetcar project under construction.</li> <li>✓ \$732,000 awarded to increase frequency of service to connect to Metrolink.</li> </ul>	
T	Metrolink Gateways	Provide local improvements necessary to connect Metrolink stations to the future high-speed rail system.	Anaheim Regional Transportation Intermodal Center (ARTIC) completed.	
U	Expand Mobility Choices for Seniors and Persons with Disabilities	3 programs to accomplish mobility goals for seniors and persons with disabilities.	\$91.7 million provided to three programs to expand mobility choices for seniors and persons with disabilities.	



Project Letter	Project Name	Planned Improvement per M2 Ordinance Transportation Investment Plan	Improvement Planned/Anticipated	Status as of June 30, 2021
			<ul style="list-style-type: none"> <li>✓ \$26.5 million and 2.5 million boardings provided under the Senior Mobility Program. Due to COVID-19 pandemic, several jurisdictions modified or suspended service.</li> <li>✓ \$28.6 million provided to Senior Non-Emergency Medical Transportation Program to support 1.38 million boardings.</li> <li>✓ \$36 million provided to stabilize fares and provide fare discounts to seniors and persons with disabilities.</li> </ul>	
V	Community Based Transit/Circulators	Competitive program for local jurisdictions to develop local bus transit services (e.g., community-based circulators, shuttles, trolley buses, etc.)	Awarded 35 projects and 10 planning studies to local jurisdictions totaling \$52 million.	
W	Safe Transit Stops	Provide passenger amenities (e.g., shelters, lighting, timetable information, ticket vending machines, etc.) at 100 busiest transit stops across the County.	\$3.1 million awarded to enhance 122 safe transit stop projects.	
<b>Environmental Cleanup</b>				
X	Clean Up Highway and Street Runoff that Pollutes Beaches	Implement street and highway related water quality improvement programs and projects to meet federal Clean Water Act standards for urban runoff.	<ul style="list-style-type: none"> <li>✓ 45 million Gallons of Trash Collected</li> <li>✓ 1,300 Acres Acquired and Preserved as Open Space</li> <li>✓ 350 Acres restored.</li> <li>✓ \$54.9 million in Grants Awarded</li> </ul>	

Source: Generated from M2 Quarterly Report 4<sup>th</sup> Quarter FY 2020-21.

## Capital Projects Show Substantial Progress To-Date Although Some Budget and Schedule Challenges Exist

With a decade elapsed of the M2 30-year program, OCTA continued to make substantial progress on capital projects towards fulfilling the promises made to voters in 2006. Specifically, for the freeway program, improvements outlined along the seven freeway corridors evolved into currently 30 projects of which 13 are already open to traffic. Further, since inception, OCTA has competitively awarded approximately \$455.6 million in funding through the Regional Capacity Program (Project O) and Regional Traffic Signal Synchronization Program (Project P). In addition, \$512.9 million in Local Fair Share (Project Q) funds have been distributed to local jurisdictions. Transit capital projects have also shown progress with 11 of 13 projects related to connecting and transit services to Metrolink complete; however, due to ridership declines and the lockdowns associated with the global pandemic, Metrolink implemented temporary service reductions in March and November 2020. The largest transit capital project, the OC Streetcar, has faced



continued budget and schedule challenges and, as of June 30, 2021, expected to be completed by October 2023.

### Freeway Capital Projects Completed Under Budget (Ordinance Projects A – M)

For the freeway program, the improvements on the 13 freeway corridors (Projects A – M) are built as 30 individual project segments—all with activity as of June 30, 2021 as shown in Exhibit 21. Specifically, 13 project segments are already open to traffic with another 13 projects in construction or in or nearing design. The remaining 4 projects are planned to be environmentally cleared by 2030. Only the “SR-91: SR-241 to Riverside County Line” project is delayed past 2035 due to coordination with the Riverside County Transportation Commission for the continuation of the project beyond the Orange County line.

Especially noteworthy, for the freeway program, OCTA delivered the projects as promised to voters without any modifications to the scope provided for in the M2 Ordinance. Although the M2 Ordinance and the Transportation Investment Plan contained only general direction on improvements to be made such as “adding new lanes or adding capacity”, the Final Program Environmental Impact Report (PEIR) developed for OCTA’s Long-Range Transportation Plan in July 2006, that was used as the underlying guiding document to identify improvement options, had specific recommendations on the types of capacity increasing projects.

Of the 13 project freeway segments already open to traffic, three were completed during this assessment period. One of the three projects was completed under budget and the remaining two were completed slightly over-budget, with overages of three percent and five percent. All three projects experienced schedule delays ranging from 1 month to 12 months, as shown in Exhibit 22. For the I-5: SR-55 to SR-57 project, there were delays during the Environmental and Design phases related to scoping decisions and subsequent changes. Construction was also delayed due to funding changes and the project had to be rebid after all bidders dropped out. These circumstances led to a 12-month delay in project completion.

**EXHIBIT 22.** BUDGET & SCHEDULE ADHERENCE FOR FREEWAY PROJECTS COMPLETED JULY 1, 2018 – JUNE 30, 2021

<div>    </div>				
(\$ Millions)				
Project	Baseline	Actual	Baseline	Actual
I-5: SR-55 to SR-57	\$38.12	\$39.37 ✖	Feb-20	Jan-21 ✖
I-5: Pico to Vista Hermosa	\$113.01	\$83.60 ✔	Jun-18	Jul-18 ✖
I-5: PHC to San Juan Creek Rd	\$70.67	\$74.27 ✖	Jun-18	Jul-18 ✖

Source: Generated from M2 Monthly Status Reports and PMO M2 Tracking.



## **Local Streets & Roads Capital Projects (Ordinance Projects O and P)**

Since 2011, through 11 calls, the Board has awarded 164 projects through the Local Streets and Roads Program (Project O) totaling more than \$339 million including \$24 million in external funding. Additionally, as part of the Regional Traffic Synchronization Program (Project P), OCTA and local agencies have synchronized more than 3,108 intersections over more than 799 miles of streets (91 completed projects). Through 11 calls, 104 projects totaling more than \$115.8 million have been awarded. Overall, OCTA has funded 123 projects totaling more than \$140.8 million, including \$25.5 million in leveraged external funding.

## **Transit Capital Projects (Ordinance Projects R – W)**

Transit capital projects have also shown significant progress with majority of projects named in the M2 Ordinance already open to traffic.<sup>18</sup> Specifically, of the 13 projects related to increasing Metrolink rail service (Project R), 11 are complete. For instance, the Orange Transportation Center Metrolink Parking Structure was completed in February 2019. The project provided a 608-space, five-level, shared-use parking structure. In addition, in October 2019, several intracounty trains were extended to Los Angeles; however, in March 2020, all Metrolink services were impacted by the COVID-19 pandemic. Metrolink implemented temporary service reductions in March and November 2020 due to the decline in ridership. Weekday trains for the three lines serving Orange County were reduced from 54 to 41. Once ridership improves, service needs in Orange County will be reassessed and various trains will be reinstated.

The largest transit capital project, the OC Streetcar (Project S), continued to face schedule and budget challenges. As of June 30, 2021, the project is currently expected to cost \$440 million when completed, an increase of over \$131 million, or 42 percent from when costs were estimated at the time design was completed and is anticipated to be operational by October 2023. Although the project began construction in November 2018, the project is facing a 22-month delay due to a combination of unforeseen utility conflicts and conditions, contaminated materials, construction quality control, compliance, added oversight and approvals, and an extensive number of change requests.

To improve the 100 busiest transit stops (Project W), the Board has approved \$3.1 million to improve 122 city-initiated improvement projects at the busiest OCTA transit stops, of which 43 improvements have been completed, 69 improvements are in progress, and 10 improvements have been cancelled by the awarded agency.

## **Solid Policies and Procedures Are in Place Over Construction Management**

Similar to the prior review, we found that that OCTA continued to have a strong framework to monitor and report on capital projects and is following typical project management practices.<sup>19</sup> OCTA uses the same Program Management Procedures manual that was in place during 2018 to “manage and monitor projects and develop strategies for delivering the entire capital improvement program.” As noted previously, the PMP contains typical elements such as defining roles and responsibilities of OCTA, partner agencies, and

---

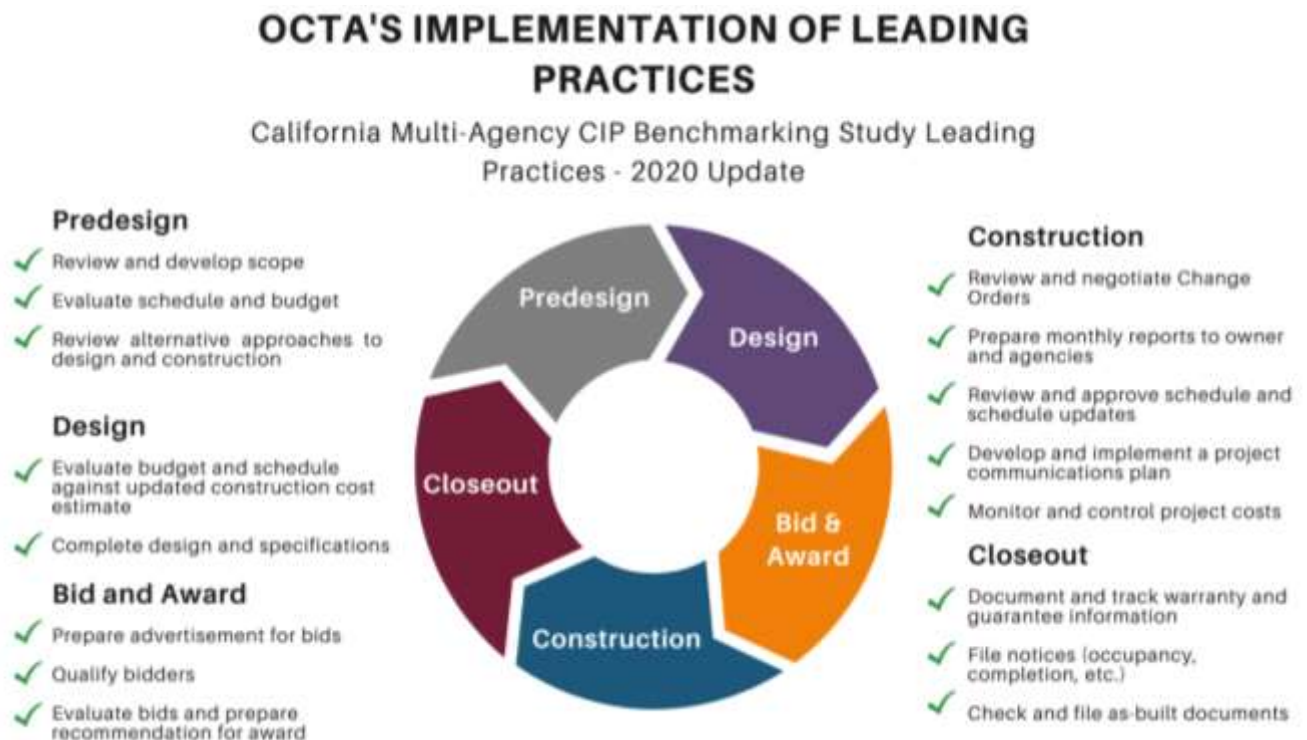
<sup>18</sup> Refer to Appendix C for project names.

<sup>19</sup> Best Practices considered include Project Management Institute’s Construction Extension to the Project Management Body of Knowledge Guide, Construction Management Association’s Construction Management Standards of Practice, Federal Highway Administration guidance, Caltrans Local Assistance Manual, and the California Multi-Agency CIP Benchmarking Study.



consultant staff; controlling schedules and costs; reporting progress; evaluating risks; ensuring standards of quality; or managing consultants. Through discussions with staff, we found that OCTA continues to use this manual to guide its capital project management practices and processes described aligned with the PMP. We found OCTA existing policies, procedures, and practices include many leading practices, such as cost risk assessments, progress payment reviews, change order negotiations, use of primavera for scheduling, on-going project cost analysis, and lessons learned assessments. To further assess OCTA's practices, we compared OCTA's current practices to those implemented by other California Agencies and reported in the California Multi-Agency CIP Benchmarking Study Lead Practices.

**EXHIBIT 23. BEST PRACTICES COMPARISON**



As shown in Exhibit 23, OCTA's current capital project management practices align with leading industry practices.

### Procurement Practices and Activities Generally Comply With OCTA Policies

With 110 M2 related contracts totaling more than \$640 million awarded during the three-year assessment period, strong contract administration is critical. We found that OCTA established a robust procurement framework with key control points at several stages. As shown in Exhibit 24, OCTA has appropriately segregated procurement related duties to help ensure a strong control environment over the solicitation process.



**EXHIBIT 24. PROCUREMENT SEGREGATION OF DUTIES MATRIX**

Procurement Activity	Responsible Party/Staff						
	Budget Analyst	Contract Administrator	Section Manager	Project /Program Manager	Department Manager	Board	Proposal Evaluation Committee
Review Requisition	✓						
Assign Requisition to Contract Administrator			✓		✓		
Develop Procurement Plan and Schedule		✓		✓			
Review Procurement Plan and Schedule			✓	✓	✓		
Develop Scope of Work & Independent Cost Estimate				✓			
Approve RFP					✓	✓ <sup>A</sup>	
Review Proposals							✓
Conduct Negotiations between Vendor & OCTA		✓		✓			
Prepare Summary Memo of Negotiations		✓					
Approve Contract <sup>B</sup>					✓	✓	
Issue NTP		✓					

Source: Interviews with OCTA staff.

Notes: <sup>A</sup>OCTA Board approves solicitation where expected contract value is over \$1 million.

<sup>B</sup> Approval varies by contract value.

To determine whether OCTA complied with its policies, we reviewed three M2 contracts and found that each procurement complied with the critical policies and procedures requirement reviewed as shown in Exhibit 25.

**EXHIBIT 25. RESULTS OF PROCUREMENT FILE TESTING FOR COMPLIANCE WITH PROCUREMENT POLICIES**

Requirement	Contract Number		
	C71904	C81418	C61445
Scope of Work Defined	✓	✓	✓
Independent Cost Estimates Performed	✓	✓	✓
Cost Price Analysis Conducted	✓	✓	✓
Sole Source Justified	N/A	N/A	N/A
Conflict of Interest Forms Signed by Selection Panel	N/A	✓	✓
Evidence of Negotiated Price, where applicable	N/A	✓	✓
Evidence of Sealed Bid, where applicable	✓	N/A	N/A
Properly Approved	✓	✓	✓

Source: Contract/Procurement files, CAMM Procurement Policy Manual.

Key: ✓ = Documentation retained demonstrating procedure was followed.



## Chapter 4: OCTA's Processes Ensure Compliance with M2 Ordinance

---

Gaining public trust and confidence is critical for any successful government entity, in particular for those with sales tax measures placed on ballots before local residents funding transportation or other types of public services. OCTA employed a philosophy of strict adherence to promises made to voters and compliance with ballot provisions that permeated through all levels of the organization from executive management to newly hired employees. Staff developed strong approaches and practices to track compliance and ensure rigorous observance to the promises made.

### **Robust System Used to Track Compliance with Ordinance**

The M2 Ordinance and Transportation Investment Plan detailed provisions for funding, maintenance of effort (MOE), and a Taxpayer Oversight Committee among several other requirements. To track compliance with the Ordinance provisions, the M2 PMO developed a comprehensive and detailed matrix involving many owners and experts throughout the organization as coordinated by the PMO.

### **Matrix Used Was Comprehensive and Effectively Tracked Compliance**

According to the PMO, the tracking matrix was designed to include all M2 Ordinance areas especially where specific language “shall” and “must” were present. The requirements were presented in a question format with responses to answer compliance with the question. With 190 Ordinance requirements tracked, the PMO sorted the matrix into eight major categories including administration and general, specific projects by mode (freeway, local streets and roads, transit, and environmental), and safeguards and audits. We found the matrix was well organized into sub-categories with many matrix requirements needing action annually and other provisions only requiring actions at start-up or not required until the M2 Program is nearing completion. Based on our review of the OCTA tracking sheet as compared with key elements of the M2 Ordinance, we found the matrix was complete and reliable. We also found that OCTA annually updated the matrix on a calendar year basis, assigned task owners for each area, and typically included a link to a specific document or file providing access to the necessary underlying support from its Document Center.

OCTA continues efforts to improve and make more efficient processes. OCTA uses a SharePoint “Document Center” to house all final M2 material, staff reports, and accounting documents and recently added additional historical data storage to preserve archived project material. The Document Center was successfully transitioned from SharePoint 2013 to SharePoint 2016 and a global search function was added to enhance user experience with finding documents.



**EXHIBIT 26. M2 ORDINANCE MAJOR REQUIREMENT CATEGORIES**

Requirement Categories	Number of Requirements
Administrative and General	24
Allocation of Net Revenues	9
All Freeway Projects	17
Specific Freeway Projects	43
Eligible Jurisdictions	20
Specific Streets and Roads Projects	17
All Transit Projects	3
Specific Transit Projects	28
Project X	15
Safeguards and Audits	14
<b>Total</b>	<b>190</b>

Source: Generated from 2020 Ordinance Compliance Matrix.

We also found that OCTA's process to annually update the matrix at the end of each calendar year beginning in October is a collaborative effort between multiple OCTA divisions. As shown in Exhibit 27, there are nine OCTA divisions responsible for tracking compliance with the M2 Ordinance and updating the matrix with the Planning Division responsible for tracking compliance for more than half of the requirements.

**EXHIBIT 27. OCTA DIVISIONS RESPONSIBLE FOR TRACKING COMPLIANCE WITH M2 ORDINANCE**

Departments Tracking Ordinance Compliance	Number of Requirements Assigned
Finance & Administration	22
Planning	94
External Affairs	12
PMO	5
Government Relations	1
Capital Programs-Highway	48
Capital Programs-Rail	4
Capital Programs-Transit	1
Operations	3
<b>Total</b>	<b>190</b>

Source: Generated from 2020 Ordinance Compliance Matrix.

Each division has an assigned owner in charge of updating the matrix with the compliance status and providing supporting documentation that is verified by the PMO.



As of the period ending December 31, 2020, OCTA indicated that the necessary activities were taken to comply with 150 of the Ordinance's 190 requirements, as shown in Exhibit 28. The remaining 40 requirements are being monitored for compliance, but are not yet completed and/or required.

**EXHIBIT 28. OCTA'S COMPLIANCE STATUS WITH ORDINANCE REQUIREMENTS AS OF DECEMBER 31, 2020**

Compliance Status	Status Description	Count
Compliant	"Done"—Actions taken to establish M2 Ordinance maintenance or monitoring components, such as the establishment of a Taxpayer Oversight Committee, or the development of a transportation special revenue fund.	29
	"Done to Date"—Actions that must be taken quarterly, annually, or during a set yearly cycle, such as ensuring that MOE levels are adjusted every three years.	116
	"Completed"—Specific required freeway or interchange projects that were completed, such as interchange improvements along the Garden Grove Freeway.	5
Compliance Not Yet Required	Action Plan in Place—Activities associated with reoccurring items, such as ensuring that M2 revenues utilized for salaries and benefits of Authority administrative staff remain within a one percent per year limit.	3
	Not yet Required— These refer to Ordinance Requirements such as Item 83, which specifies that new lanes be added to the San Diego Freeway between SR-55 and the I-5. Due to significant freeway construction projects currently underway, this segment is planned later in the program to avoid unnecessary delays for the public. As such, the M2 Ordinance requirements are not yet required.	33
	Modified—Specifically, this refers to Items 48.01 and 48.02, which originally included an interchange area between 4 <sup>th</sup> Street and Newport Blvd on I-5. This plan needed to be altered in order to adhere to M2 requirements regarding collaboration and consensus with local agencies.	2
	N/A—No actions needed as no occurrence of the requirement's trigger, such as jurisdictions misusing M2 revenues.	1
	Awaiting Funding— Item 124 evaluates whether funding was included for improving grade crossings and constructing over underpasses at high volume Metrolink stations. Currently, there are five grade crossings awaiting funding to proceed further.	1
	<b>Total</b>	<b>190</b>

Source: Generated from 2020 Ordinance Compliance Matrix.

### Depth and Comprehensiveness of Matrix

As part of our assessment, we selected ten of the 190 M2 Ordinance requirements to verify the accuracy and completeness of OCTA's M2 Ordinance tracking process. We located each of the ten requirements on



the M2 Ordinance Tracking Matrix, ensured the corresponding narrative updates were supported with sufficient documentation, and verified OCTA complied with each requirement. Our review concluded that the narrative updates in the Tracking Matrix for all ten Ordinance requirements reviewed accurately conveyed the compliance status and were supported with adequate documentation—nine updates included supporting information hyperlinked to the M2 Document Center and support for the last update was provided by OCTA.

The 2018 M2 performance assessment noted that the tracking matrix was generally well organized and comprehensive, but many fields lacked supporting details explaining how compliance was justified. A recommendation for improvement was offered to utilize the new Document Center to hyperlink supporting documentation in the Tracking Matrix to validate compliance efforts and activities. The recommendation was implemented.

### **Challenges Presented by the COVID-19 Pandemic**

While our review verified that OCTA had strong processes in place to ensure compliance with all M2 Ordinance requirements, the COVID-19 pandemic presented several challenges in adhering to some components. For instance, the state-wide stay at home order led to a decline in travel, especially for seniors, who were most vulnerable. This reduced senior ridership and transportation needs leading several senior centers to close and at least one senior mobility transportation provider to cease operations altogether. To address these challenges while ensuring compliance with spirit of the M2 Ordinance, the Board approved:

- A one-year suspension of competitive procurement requirements due to a transportation provider ceasing operations to allow cities to quickly secure a replacement provider for seniors to continue to have mobility options.
- Temporary exceptions to Senior Mobility Program guidelines to provide meal delivery in lieu of transporting seniors to nutrition programs until the Governor lifts the State of Emergency.
- Allowed program funds to be held temporarily in reserve for cities with suspended Senior Mobility Program services until the Governor lifts the State of Emergency or the city resumes services, whichever happens first.

Additionally, the Board approved two amendments to the M2 Ordinance related to MOE requirements. Specifically, these amendments stipulated local jurisdictions would meet all submittal requirements, but could report actual MOE that may be below the established requisite MOE amounts for FY 2019-20. For FYs 2020-21 and 2021-22, local jurisdictions would only be required to meet the MOE in the same proportional share of streets and roads discretionary expenditures to general fund revenues.<sup>20</sup>

---

<sup>20</sup> Proportion is based on the FY 2020-21 proportion of MOE benchmarked to the general fund revenues as reported in each jurisdiction's Comprehensive Annual Financial Reports for FY 2018-19.



## Local Eligibility Requirements Were Rigorous and Thoroughly Reviewed

The M2 Ordinance allocates revenues to local jurisdictions for environmental cleanup, transit, and streets and roads projects. These revenues are allocated through grant programs, including:

- Environmental Cleanup
- Transit Extensions to Metrolink
- Metrolink Gateways
- Community Based Transit/Circulators
- Safe Transit Stops
- Regional Capacity Program
- Regional Traffic Signal Synchronization Program

Revenues are also allocated via the Local Fair Share Program, which is a formula-based allocation provided to eligible jurisdictions for use on allowable transportation planning and implementation activities.

To receive M2 net revenues through either formula or competitive grant programs, local jurisdictions must annually satisfy eligibility requirements.

### Requirements Were Rigorous

According to the M2 Ordinance, the 35 local city and county jurisdictions must satisfy requirements within 13 eligibility categories before receiving M2 funds.



To meet these requirements, local jurisdictions are required to report and provide supporting documentation to demonstrate compliance with nearly 100 pages of M2 Eligibility Guidelines, which are updated each FY. Some reporting methods leveraged tools routinely used by local jurisdictions in their public planning processes, while others required specialized OCTA-developed tools. Local jurisdictions used a series of templates, forms, and report formats to submit required plans, certifications, and checklists to OCTA. Documents are submitted on annual, biennial, or other timeframe as dictated by OCTA policies and feasibility.

Not all 13 eligibility components require verification each year. The standard due date for each submission is June 30, except for the expenditure report requirement that is due December 31 and project final reports



that must be submitted within six months of project completion. Exhibit 29 reflects the 13 eligibility requirement submission frequencies along with the due dates for FY 2019-20 submittals.

**EXHIBIT 29. M2 ELIGIBILITY REQUIREMENTS AND SUBMITTAL SCHEDULE SUMMARY, FY 2019-20**

Compliance Category	Frequency	Submittals Due for FY 2019-2020
Capital Improvement Program	Annual	June 28, 2019
Circulation Element/Master Plan of Arterial Highways Consistency	Biennial	June 28, 2019
Congestion Management Program	Biennial	June 28, 2019
Expenditure Report	Annual	December 31, 2019
Maintenance of Effort	Annual	June 28, 2019
Local Signal Synchronization Plan	Every Three Years	--
Mitigation Fee Program	Biennial	June 28, 2019
No Supplanting of Developer Fees	Annual	June 28, 2019
Pavement Management Plan	Biennial	June 28, 2019
Timely Submittal of Project Final Reports	Within Six Months of Project Completion	Within Six Months of Project Completion
Timely Use of Net Revenues	Annual	June 28, 2019
Traffic Forum Participation	Annual	June 28, 2019
Transit and Non-Motorized Transportation Land-Use Planning Strategies	Annual	June 28, 2019

**Eligibility Reviews Were Extensive and Diligent; Two Cities Deemed Ineligible**

Overall, we found OCTA conducted extensive formal eligibility determinations of local jurisdictions with technical due diligence protocols performed on an annual basis that questioned, discussed, collaborated, and documented reasonableness and adherence to the M2 Ordinance's goals.

Using the M2 Eligibility Guidelines and the Comprehensive Transportation Funding Program Guidelines that specify the verification methods to be utilized, OCTA staff conducts extensive reviews of data submitted by the 35 local city and county jurisdictions to verify eligibility with all M2 eligibility requirements. Additionally, the Taxpayer Oversight Committee (TOC), as required by the M2 Ordinance, reviews five eligibility requirements: Congestion Management Program, Mitigation Fee Programs, Local Signal Synchronization Plans, Pavement Management Plans, and Expenditure Reports. Following the annual eligibility cycle, the TOC directs OCTA's internal auditor to carry out audits to confirm that funds had been spent in accordance with the M2 Ordinance and that each agency had sufficient expenditures to meet the MOE requirement.

For eligibility reviews conducted July 1, 2018 through June 30, 2021, all local jurisdictions were deemed eligible to receive M2 revenues except for two cities—in May 2019, OCTA found that the cities of Santa Ana and Stanton did not meet the MOE requirement. As a result, the Board found both cities ineligible to



receive M2 revenues and directed OCTA staff to suspend payments until the cities could demonstrate compliance with M2 eligibility requirements. In April 2020, the Board reinstated Santa Ana and Stanton's M2 eligibility status as OCTA's Internal Audit determined that the cities complied with the MOE requirement.

To assess the eligibility review processes undertaken by OCTA for FY 2019-20, we selected two of the 35 local city and county jurisdictions reviewed—the City of Anaheim and Orange County. As reflected in Exhibit 30, our review of underlying documentation found that each required eligibility compliance category was reviewed, eligibility guidelines were followed, and focused questions were asked and resolved by the local jurisdictions.

**EXHIBIT 30. ELIGIBILITY SUBMITTALS REVIEWED FOR CITY OF ANAHEIM AND ORANGE COUNTY, FY 2019-20**

Compliance Category	Anaheim	Orange County
Capital Improvement Program	✓	✓
Circulation Element/Master Plan of Arterial Highways Consistency	✓	✓
Congestion Management Program	✓	✓
Expenditure Report	✓	✓
Maintenance of Effort	✓	N/A
Mitigation Fee Program	✓	✓
No Supplanting of Developer Fees	✓	✓
Pavement Management Plan	✓	✓
Timely Submittal of Project Final Reports	✓	✓
Timely Use of Net Revenues	✓	✓
Traffic Forum Participation	✓	✓
Transit and Non-Motorized Transportation Land-Use Planning Strategies	✓	✓

Specifically, we found that the reviews conducted were well-documented and OCTA staff developed verification checklists to streamline the review processes and ensure consistency of review. Additionally, annual expenditure reports were studied to identify patterns, ensure expenditures reported agreed with audited financial statements, and determine whether expenditure categories aligned with OCTA disbursement reports.

### **Amendments to Eligibility Requirements Address Challenges Associated With COVID-19 Pandemic**

In June 2020, the OCTA Board amended the M2 Ordinance eligibility requirements related to the MOE compliance category. Specifically, MOE spending benchmarks are established and updated every three years specifying the annual amount local jurisdictions must spend on local streets and roads using discretionary revenues, such as General Fund Revenues. The intent of the requirement was to ensure that M2 revenues supplement, but do not replace the amounts local jurisdictions were previously spending on streets and roads activities. Due to COVID-19, OCTA conducted an informal poll to understand if local jurisdictions expected revenues to decline. OCTA found that local jurisdictions expected, on average, a



seven percent reduction in revenues for FYs 2019-20 and 2020-21, likely impacting their ability to meet MOE benchmark requirements. In response, the Board approved an amendment to the M2 Ordinance No. 3, Section 6, MOE Section to:

- Allow local agencies to report actual MOE spending for FY 2019-20 that may be below the established benchmark.
- Allow local jurisdictions meet an MOE target in FY 2020-21 that is based on the percent of the MOE benchmark value to General Fund Revenues.

The amendment permits the changes only for FYs 2019-20 and 2020-21. On May 24, 2021, the OCTA Board approved the extension of the FY 2020-21 revised MOE requirement through FY 2021-22. According to OCTA, it is expected that in future years the MOE requirement will be based solely on local jurisdictions meeting the traditional MOE benchmark.

Additionally, the Board made additional accommodations related to local entities ability to meet the Master Plan of Arterial Highways (MPAH) eligibility requirement due to the COVID-19 pandemic. Specifically, some cities closed arterials that are included in the MPAH for purposes of providing outdoor dining; however, closing streets that are in the MPAH renders the cities ineligible to receive M2 funding. For example, in December 2020, OCTA issued a letter agreement with one city related to street closures, which allowed the city to continue to be eligible for M2 funding with the understanding that traffic operations must be restored at the end of the public health emergency. In November 2021, the city requested the Board remove a street from the MPAH to allow for recurring seasonal closures. Although local jurisdictions self-certify confirming that the circulation element of their General Plan is in conformance with the MPAH through a resolution adopted by their governing body, according to OCTA, it continues to monitor city street closures to ensure compliance with the M2 eligibility requirement of MPAH consistency.

## Grant Award Amounts Declined During Assessment Period, But Practices Remained Solid

Once deemed eligible, local jurisdictions could apply to receive M2 funds through OCTA's Comprehensive Transportation Funding Programs (CTFP), which is a collection of grant programs offered to local agencies for streets and roads, transit, and environmental activities through Projects O, P, S, T, V, W, and X.

Exhibit 31 lists the grant amounts that were awarded between July 1, 2018 through June 30, 2021.

**EXHIBIT 31. GRANT FUNDING AWARDED JULY 1, 2018 THROUGH JUNE 30, 2021**

M2 Project	Description	Amounts Awarded 7/1/15 through 6/30/18	Amounts Awarded 7/1/18 through 6/30/21	Disbursement Method
O	Regional Capacity Program (RCP)	\$102,243,642	\$44,403,521	Advance 75%/ Reimburse 25%
P	Reginal Traffic Signal Synchronization	\$23,837,626	\$28,221,429	Advance 75%/ Reimburse 25%



M2 Project	Description	Amounts Awarded 7/1/15 through 6/30/18	Amounts Awarded 7/1/18 through 6/30/21	Disbursement Method
<b>S</b>	Transit Connections to Metrolink	\$0	\$0	Reimbursement
<b>T</b>	Transit Metrolink Stations/High-Speed Rail	\$0	\$0	Reimbursement
<b>V</b>	Transit Circulators (Community-Based)	\$33,838,803	\$10,107,596	Reimbursement
<b>W</b>	Safe Transit Stops	\$0	\$1,902,300	Reimbursement
<b>X</b>	Environmental Cleanup Tier 1	\$8,766,095	\$7,305,597	Advance 75%/ Reimburse 25%
<b>X</b>	Environmental Cleanup Tier 2	\$0	\$0	Advance 75%/ Reimburse 25%
<b>Total Awarded</b>		<b>\$168,686,166</b>	<b>\$91,940,443</b>	

Source: M2 Ordinance and OCTA M2 Allocation spreadsheet.

During the current assessment period, there was a significant decline in grant amounts awarded compared to the previous assessment periods, particularly related to the Regional Capacity Program (RCP) (Project O) and Transit Circulators Program (Project V). According to OCTA, overall, the M2 Program is further along and, as a result, many of the cities' roads and transit projects were already funded or completed. For example, only \$9 million was made available for the Transit Circulators Program 2020 call for projects based on feedback from local agencies regarding interest in applying these projects.

OCTA also noted other factors that also affected the number and quality of the grant applications submitted. For instance, related to RCP, during FY 2018-2019, OCTA received seven applications requesting a total of about \$8 million in RCP funding. Based upon OCTA's eligibility reviews, only one application was recommended to receive \$835,000 in funding; others were denied funding because the city was determined to be ineligible to receive M2 funding, applications were incomplete, or the proposed project did not meet funding definition. Additionally, OCTA noted that the volume of these RCP applications submitted for consideration was significantly lower than what has traditionally been submitted due to 1) Senate Bill 1 diverting local agencies' local match resources away from the RCP to secure new state resources and 2) local agencies are actively involved in current RCP project development efforts rather than focusing on developing new projects. However, OCTA believes the low volume is an anomaly rather than a structural shift in project delivery efforts.

Moreover, OCTA indicated that the low application volume was also likely due to unforeseen COVID-19 impacts, including a lack of local matching funds due to the pandemic and uncertainty as when/how projects could be conducted during the pandemic as well as a larger shifting in transportation policy away from capacity enhancing projects.



Based on our review of five grants awarded between June 1, 2018 and June 30, 2021 totaling \$13.4 million, OCTA followed solid practices to ensure that M2 funds were awarded for purposes that would help achieve the M2 goals. For example, OCTA had comprehensive formal guidelines and procedures for local agencies to use to apply for funding and used robust selection practices that included detailed scoring sheets and technical reviews where applicable. Additionally, OCTA monitored its grants through a variety of methods such as semi-annual reviews, annual expenditures reviews, and other periodic audits.



## Chapter 5: Sound Fiscal Practices Has Allowed OCTA to Mitigate Impacts of COVID-19 Pandemic; However, Rising Costs Remain a Risk

---

To deliver the freeway and transit projects outlined in the M2 Ordinance and Transportation Investment Plan by 2041, OCTA must effectively manage M2 funds, leverage those local funds with additional state and federal dollars, and carefully program financial resources over the life of the M2 Program. Over the last three years, OCTA continued to utilize sound fiscal practices, as well as adopt new practices meant to ensure financial security in the face of an ever-changing economic environment and shifting transportation funding priorities. Many of these practices contributed to OCTA's ability to weather the COVID-19 pandemic that led to nationwide shelter-in-place mandates, increases in unemployment, increases in supply chain costs, and inflation, in addition to increasing construction costs.

While sales tax collections were initially forecasted to bring in \$24.3 billion over the life of M2, OCTA's FY 2020-21 estimates forecasted \$11.6 billion in sales tax collections, a reduction of 52 percent, driven largely by the Great Recession and most recently, the COVID-19 pandemic. In fact, the FY 2020-21 forecast of \$11.6 billion reflected a \$1.8 billion drop in sales tax revenues from the prior year's forecast as a direct result of the pandemic. Fortunately, OCTA's most recent estimates, presented to the Board in October 2021, forecast an improved outlook with M2 generating \$13.2 billion in sales tax revenues by 2041. Moreover, the impact to OCTA's M2 sales tax revenues during the pandemic was relatively minimal with FY 2020-21 representing the highest amount of M2 sales tax receipts in any FY since collections began, totaling \$345 million.

Despite initially dire projections, OCTA has continued to ensure it has the revenues necessary to fund its obligations throughout the pandemic by reserving projected balances through the Freeway Program Economic Uncertainty line item since FY 2016-17. Though the creation of the Freeway Program Economic Uncertainty line item, OCTA staff responsible for developing the M2 cashflow projections factor in project expense timelines and planned debt issuances, whereby OCTA decreases the line item if more debt is issued, and increases the line item if less is issued. This practice has allowed OCTA to continue its use of "pay as you go" financing while reducing the need for bonds, with the number of future bond issuances being reduced from seven in OCTA's FY 2018-19 cashflow projections to one planned issuance in the FY 2019-20 projections.

Diligence by OCTA's Programming Department has allowed OCTA to continue leveraging external funds over the course of the last three years. The latest FY 2021-22 M2 cashflow reflects that OCTA anticipates over \$3.6 billion in state, federal, and local funds over the course of Measure M2. OCTA has leveraged roughly half of every M2 dollars; that is, for every dollar in M2 funding, OCTA secured \$0.45 from state, federal, and local sources. Of the \$3.6 billion in external funds expected over the life of the program, OCTA has received half to-date, and has programmed all remaining funds for the duration of M2. Additionally, OCTA's investment practices further secured the ability to fund its M2 obligations with the use of four external investment firms managing OCTA's short-term investment portfolio. Over the three-year period of



review, the investment firms nearly always secured rates of return greater than or equal to OCTA's Board-approved benchmarks throughout FYs 2018-19 to 2020-21.

### **OCTA's Use of External Forecasting Service Continues to be a Sound Practice, Providing Reasonable Assurance That OCTA Will Meet Its Measure M2 Commitments**

Since the inception of the initial Measure M in 1991, OCTA relied on revenue forecasts produced by external third parties. For more than a decade, OCTA used forecasts produced by three local universities—Chapman University, California State University Fullerton, and University of California, Los Angeles (UCLA). All three universities were regionally and nationally-known for their economic forecasts, which were used by a variety of private and public entities. OCTA took the three forecasts and combined them into a single blended growth rate, providing an average of future economic growth. Revenue forecasts are presented to the OCTA Board of Directors for approval.

To address concerns over the accuracy of forecasts, OCTA staff re-evaluated their forecast methodology in 2016. As part of the process, OCTA compared the forecasts produced by a variety of universities and nationally-known firms to actual growth rates and sales tax collections. In March 2016, staff recommended the Board adopt a forecast produced by MuniServices, LLC which regularly produced shorter-term five-year forecasts as opposed to forecasting revenues over a longer term such as the remaining life of M2.

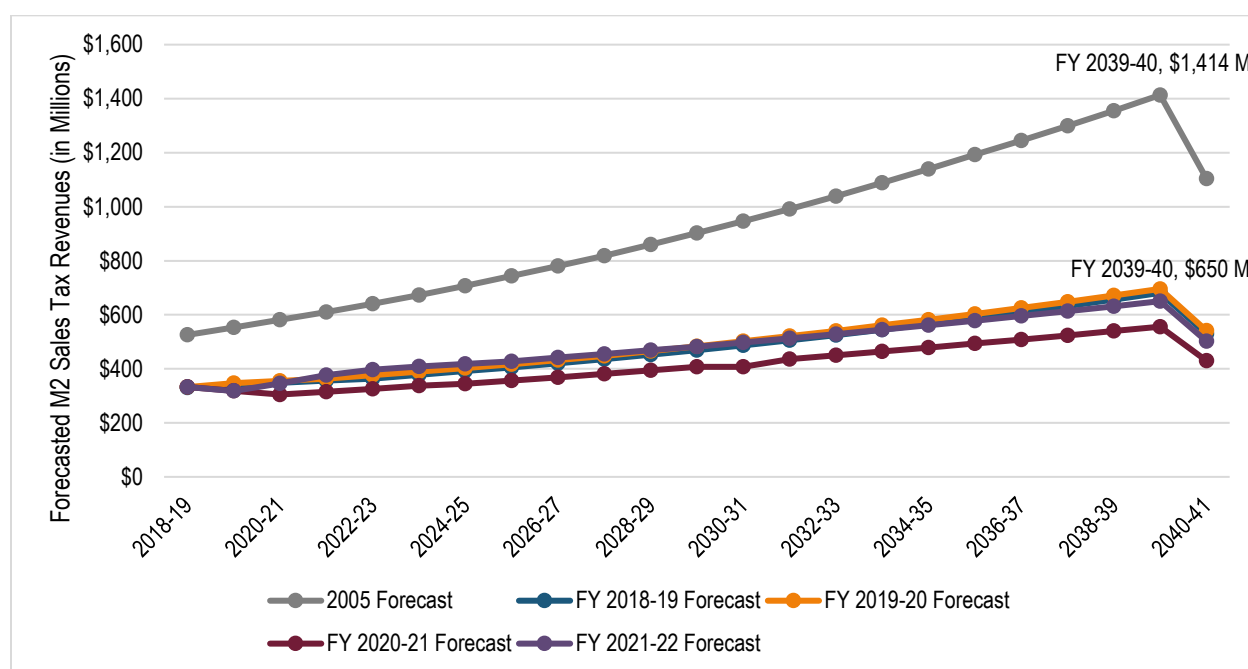
OCTA's use of MuniServices forecasts in the short-term, and blended forecasts from the three universities in the long-term, continues to be a reasonable practice that provides assurance that OCTA will meet its M2 commitments. Moreover, OCTA's use of the forecasts to inform other aspects of the agency's financial operations (e.g., debt issuance, contingency reserves, etc.) suggest that OCTA continues to be a good steward of M2 revenues.

### **FY 2020-21 Projections Forecasted \$1.8 Billion Reduction in Sales Taxes Due to COVID-19, Though Most Recent Estimates Show Revenues Back to Near Pre-Pandemic Levels**

In 2005, the initial forecast for M2 projected that the measure would generate \$24.3 billion between FYs 2010-11 and 2040-41. Subsequent forecast updates lowered the estimated total collections—by October 2019, the forecast total had fallen to \$13.4 billion. Roughly five months later, the World Health Organization declared COVID-19 a pandemic, and soon after, shelter-in-place orders were implemented throughout California as cases grew. Within Orange County, a reduction of travel into the region coupled with business closures and mass layoffs in the leisure and hospitality sector led to a bleak outlook for Orange County's economy, and by extension, M2 sales tax collections. As a direct result, OCTA's FY 2020-21 forecast estimated that sales tax revenues would drop by approximately \$1.8 billion and projected M2 would generate a total of \$11.6 billion. However, OCTA's most recent forecast suggests many of these concerns may not be actualized to the extent previously predicted, with the FY 2021-22 forecast estimating that Measure M2 should generate \$13.2 billion by 2041. Moreover, OCTA reported that FY 2020-21 represented the highest amount of M2 sales tax receipts in any FY since sales tax collections began for the M2 program, totaling \$345 million. The results of the FYs 2018-19 through 2021-22 forecasts are reflected in Exhibit 32.



**EXHIBIT 32. OCTA M2 SALES TAX FORECASTS, FY 2018-19 THROUGH FY 2021-22<sup>21</sup>**



Source: OCTA forecast data.

### **OCTA's Decision to Use MuniServices for Short-Term Sales Tax Forecasting is Reasonable**

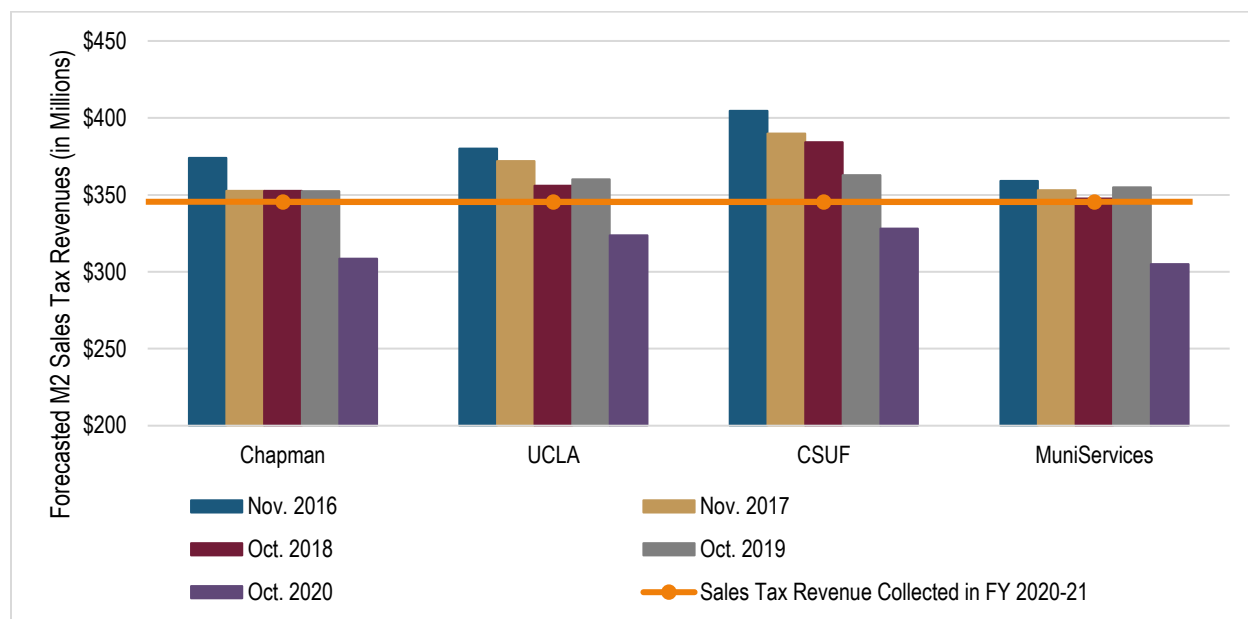
In 2015, OCTA's Finance and Administration Committee directed staff to review the forecasting performance of the three universities and look at other potential forecast providers to improve the accuracy of revenue estimates. In 2016, OCTA staff recommended using a new provider, MuniServices, to forecast short-term sales tax revenue projections—specifically the first five years in the cash flow projections—and using the average of the three universities forecasts for the remaining years.

To determine if the new approach improved forecast accuracy, we compared FY 2020-21 sales tax projections generated by MuniServices and the universities against the \$345,345,181 actually collected that year. As shown in Exhibit 33, the yearly projections of the amount of sales tax revenue that would be collected in FY 2020-21 generally became more accurate as FY 2020-21 drew closer, except for the outlier year due to the COVID-19 pandemic. The overall trend among the three universities and MuniServices suggests that MuniServices forecasts generally reflect more pessimistic, though more accurate, projected revenues for the short-term. As such, the current approach of using MuniServices for short-term projections appears to be a sound process.

<sup>21</sup> The decrease in sales tax revenues observed for FY 2040-41 represents forecasted sales tax receipts for three quarters.



**EXHIBIT 33. ANNUAL SALES TAX FORECASTS FOR FY 2020-21 COMPARED AGAINST SALES TAX REVENUE COLLECTED IN FY 2020-21**



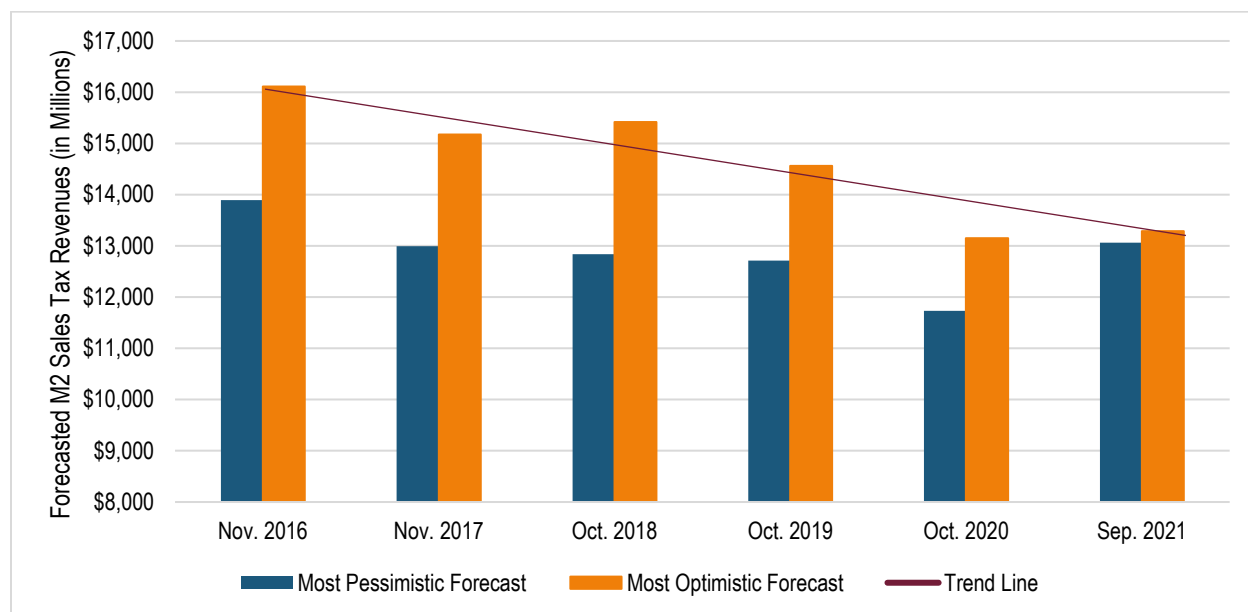
Source: OCTA forecast data.

**OCTA's Practice of Using Three Universities to Project Long-Term Sales Tax Revenues Appears Reasonable, Though OCTA Should Remain Cautious with Long-Term Forecasts**

As previously mentioned, OCTA uses three universities to forecast longer-term sales tax revenue in its cash flow projections—starting with year six through the end of M2. Generally, on a year-by-year basis, forecasts from the three universities had an average range of roughly \$26.6 million between the most optimistic and pessimistic forecasts for any given forecasted year, as of the September 2021 forecast. Added up, these differences equate to a \$223.6 million difference between the most pessimistic and optimistic program-end projections for M2 sales tax revenues. Among the three university forecasts, Chapman University's 2021 forecast had the most optimistic long-term forecast, projecting \$13.3 billion in sales tax revenues over the life of M2 while UCLA had the most pessimistic long-term forecast, projecting \$13.1 billion. As reflected in Exhibit 34, which compares the most optimistic and pessimistic program-end sales tax revenue projections, the 2021 forecasts made by the three universities are significantly closer than prior year estimates. As the forecasts approach the end of the program, it is reasonable to expect a lesser degree of variance between the three forecasts due to less overall uncertainty. That is, the shorter the duration from the starting point of the forecast to the end point of the forecast, the more accurate the forecast should be.



**EXHIBIT 34. COMPARISON OF THE LONG-TERM FORECASTS GENERATED BY THE THREE UNIVERSITIES DURING THE 2022 FORECASTING PROCESS**



Source: OCTA 2022 forecast data.

Overall, the roughly \$223.6 million difference between the most pessimistic and optimistic projections for sales tax revenues (Chapman University and UCLA, respectively) remains relatively small in the context of total revenues, with Chapman University’s forecast being 1.7 percent greater than UCLA’s. OCTA’s process for blending the forecasts of the three universities to project long-term revenues appears reasonable, though OCTA should remain cautious against overly optimistic forecasts and continue maintaining existing safeguards for ensuring OCTA has enough to funding to meet project costs and M2 commitments. As discussed later, OCTA’s conservative approach to financial planning has led OCTA to reduce the number of bond issuances needed, achieve greater than market-average rates of return on investments, remain cautious about project costs, and develop a contingency line-item to address risks from economic uncertainty (e.g., reduced sales tax revenues, increasing labor and materials costs, etc.). Collectively, these strategies provide reasonable assurance that OCTA has, and will continue to be, a good steward of M2 monies and will have the funding necessary to meet its commitments.

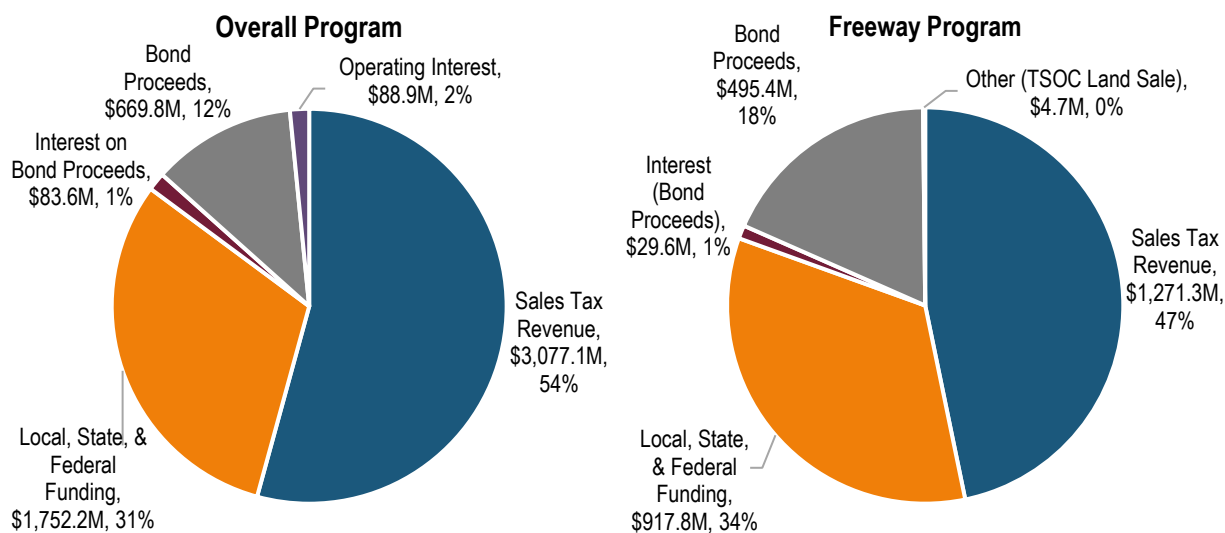
### **Though Sales Tax Revenues Outpaced External Funds Received Over the Last Three Years, OCTA Leveraged Nearly Half of Every Dollar in M2 Funding**

When the M2 Ordinance was passed in 2006, the spending plan did not include revenues from state or federal sources. OCTA did not initially expect to leverage sales tax funds with other state and federal funding and took a conservative approach to financial planning. This conservative approach shielded OCTA from much of the impact of the Great Recession and the COVID-19 pandemic. While initial revenue forecasts estimated sales tax collections would total roughly \$4.7 billion between FYs 2010-11 and 2020-21 and actual collections totaled approximately \$3.1 billion, OCTA has more than offset the difference through securing approximately \$1.8 billion from federal, state, and other local sources as shown in Exhibit 35. This external funding resulted in a program-wide leverage ratio where for every \$1 in M2 funding, OCTA



secured \$0.45 from state, federal, and other local sources. These results were similar when focused solely on the capital projects within the freeway program—the largest component of the M2 Ordinance. For the freeway program, OCTA leveraged M2 funds between FYs 2010-11 and 2020-21 such that for every \$1 in M2 funding allocated to the freeway program, OCTA secured a similar \$0.51 from state, federal, and other local sources.

**EXHIBIT 35. ACTUAL M2 PROGRAM SOURCES OF FUNDS, FY 2010-11 THROUGH FY 2020-21, IN MILLIONS**

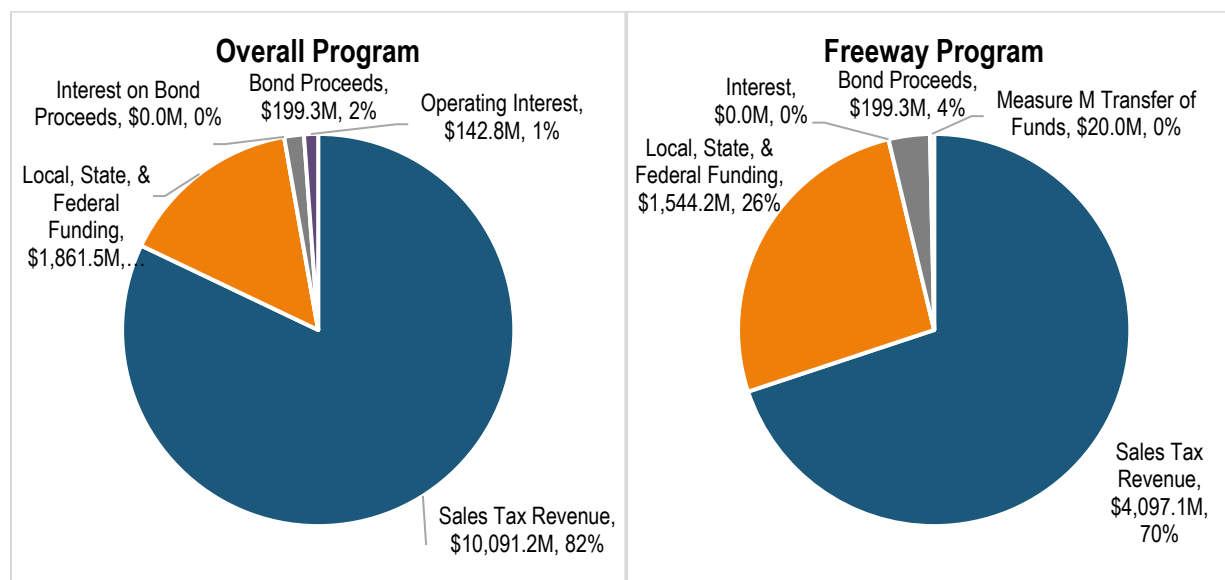


Source: OCTA cash flow data.

As shown in Exhibit 36, OCTA's most recent cash flow planning documents included external funding for FYs 2021-22 through 2040-41 totaling approximately \$1.5 billion within the freeway program and \$1.9 billion for the M2 Program as a whole.



**EXHIBIT 36.** ESTIMATED M2 FREEWAY PROGRAM FUTURE SOURCES OF FUNDS, FY 2021-22 THROUGH FY 2040-41, IN MILLIONS



Source: OCTA cash flow data.

Exhibit 36 reflects that external funding within the freeway program accounts for 26 percent of the roughly \$5.9 billion in planned revenue over the remaining period of Measure M2, and 16 percent of the \$12.3 billion in total planned M2 Program revenues. Meeting those totals would require OCTA to leverage freeway program funds by raising \$0.40 in external funding for every \$1 dollar of projected M2 funding; for the M2 Program as a whole, the planned leveraging ratio suggests that for every \$1 dollar of M2 funding, OCTA expects to secure \$0.25 in external funding from federal, state, and other local sources.

Despite initial concerns about the impact of COVID-19 on projected sales tax revenues, OCTA's overall leveraging ratio for the M2 program increased by \$0.10 since the FY 2015-16 through 2017-18 triennial performance review, with OCTA now forecasted to leverage \$0.40 for every \$1 of projected M2 funding (previously \$0.30 for every projected M2 dollar). Moreover, OCTA's projected \$3.6 billion in external funds by 2041 represents a \$387 million increase in external funds over the life of the program, despite the economic impacts of COVID-19 on the public and private sector in 2020.

### Forecasted Sales Tax Funding and Leveraged Funds Appropriately Considered the Impact of Changing Federal and State Priorities on External Funds

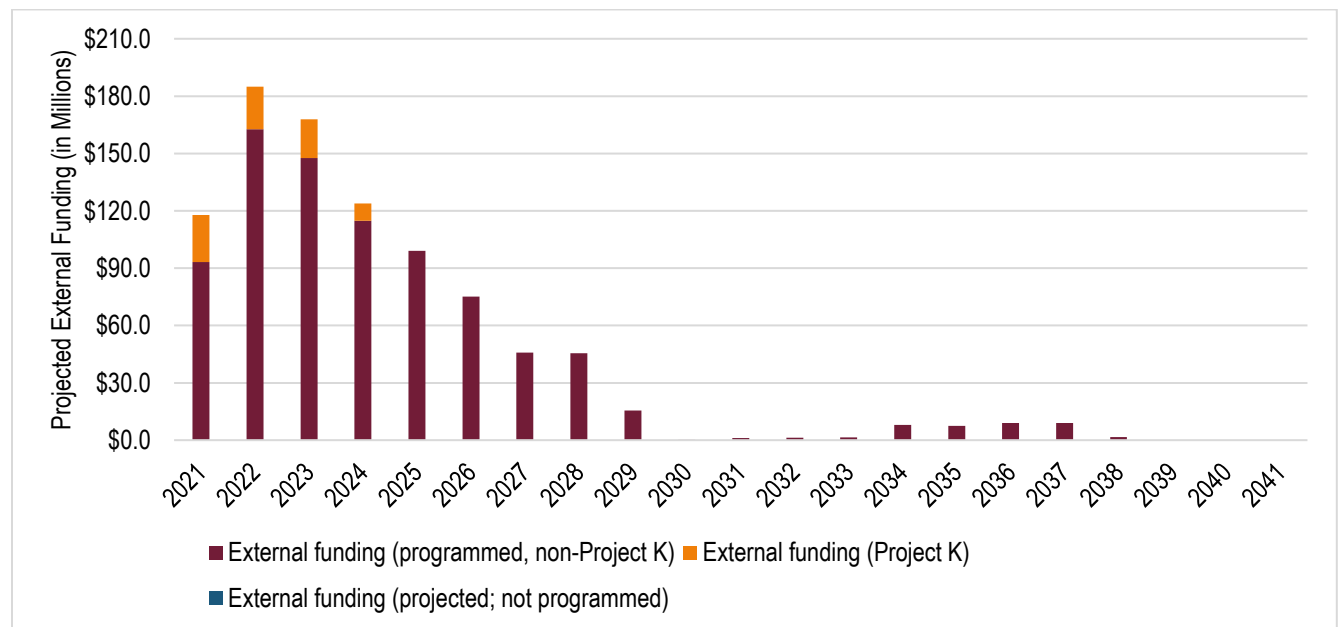
As of the FY 2020-21 Comprehensive Business Plan, all external revenue that OCTA is reasonably certain to obtain has been programmed. Up to the FY 2019-20 cash flow summary, OCTA had projected \$10 million per year in external funding for FYs 2021-22 through 2035-36. Per OCTA's Finance and Administration Division, the roughly \$150 million in projected, not programmed, external revenue was removed in the FY 2020-21 cash flow summary because staff did not anticipate future investment into freeways by the state and federal government. Additionally, staff in OCTA's Finance and Administration Division and Programming Division indicated that even with expectations that changing state and federal transportation and transit priorities may result in less external funding for freeway projects, OCTA's current



forecasting methodology and reallocation of SR-91 excess toll revenues to freeway projects provides greater assurance that OCTA will be able to ensure adequate funding for project delivery.

As illustrated by Exhibit 37, OCTA's FY 2020-21 cash flow assumes no unprogrammed external funds throughout the remainder of the life of the program, with the vast majority of programmed funds to be used by FY 2028-29.

**EXHIBIT 37. FY 2020-21 PROGRAMMED AND PROJECTED STATE AND FEDERAL FUNDING**



Source: OCTA forecast data.

The majority of external funding anticipated over the remaining life of M2 are from the following state and federal formula funds, block grants, and project-specific awards—all historically stable funding sources with amounts that can reasonably be estimated and programmed for projects in the near term:

- **State Transportation Improvement Program (STIP):** The State Transportation Improvement Program is a multi-year capital improvement program of transportation projects on and off the State Highway system, with programming for local transportation agencies generally occurring every two years. Fund estimates of proposed funding are released in odd years (e.g., 2019) and formally adopted by the California Transportation Commission (CTC) in even years, over a five-year period.
- **Surface Transportation Block Grant Program (STBG):** Under the Fixing America's Surface Transportation Act (FAST Act), this program provides flexible funding that can be used for a variety of highway, road, bridge, and transit work, as well as pedestrian and bicycle infrastructure. Funds are allocated to local transportation in proportion to their relative shares of the State's population.
- **Congestion Mitigation and Air Quality Improvement Program (CMAQ):** Under the FAST ACT, the CMAQ provides another flexible funding source for state and local governments, though it is differentiated from the STBG in that the CMAQ is intended to be used for projects and programs to help meet the requirements of the Clean Air Act. Funding may be used for transportation projects



and programs that are likely to contribute to the attainment or maintenance of a national ambient air quality standard with high level of effectiveness, among other stipulations.

- **Senate Bill 1, The Road Repair and Accountability Act of 2017 (SB 1):** Passed through state legislation in 2017, SB 1 increased several gasoline and transportation-related taxes and fees to create new revenue sources for transportation infrastructure including both formula and competitive funding elements. Additionally, SB 1 funding augments three existing funding programs: the Active Transportation Program, the State Highway Operation and Protection Program (SHOPP), and the STIP.
- **Miscellaneous Other State/Federal Funds:** Several other funding sources are available, such as the SHOPP, which provides funding for the rehabilitation and reconstruction of state highways and bridges, as well as traffic safety improvements and roadside rest areas, though does not provide funding for increasing lane capacity.

STIP funds represented the single largest programmed source of external funds, with \$456 million programmed for freeway projects as of July 12, 2021. The next largest source of programmed external funds were STBG and CMAQ, of which OCTA programmed \$502 million amongst the Agency's various freeway projects as of June 14, 2021. Another \$269 million was provided through the 2006 Proposition 1B program. SB 1 funds made up \$194 million and miscellaneous state and federal funds, totaled to \$173 million. Finally, \$46 million in Federal American Reinvestment and Recovery Act funding made up the smallest bucket of programmed external funds.

## **OCTA's Board of Directors Adopted a Comprehensive Debt Management Policy**

In November 2010, the OCTA Board of Directors adopted a comprehensive debt management policy, allowing the issuance of debt to help fulfill OCTA's mission to enhance the quality of life in Orange County by delivering safer, faster, and more efficient transportation solutions. While the policy states that pay-as-you go is the preferred method of financing, it also allows OCTA to use bond financing as an alternative if the scope of expenditures makes pay-as-you-go unfeasible. OCTA has previously issued bonds secured by sales tax receipts in order to help fund capital transportation projects promised to voters as part of the original Measure M (M1) (1991-2011) and the subsequent M2 (2011-2041). In addition, OCTA issued bonds to purchase the 91 Express Lanes, secured by toll revenues and other earnings from operation of the express lanes themselves.

The policy outlines several high-level goals guiding the issuance of debt:

- Obtain the lowest possible cost of funds for each of OCTA's borrowing programs
- Obtain the highest possible credit ratings that allow sufficient flexibility
- Minimize risk exposure to variable rate debt and/or derivatives
- Maintain the required secondary market disclosure with the rating agencies, institutional and retail investors

In addition, the policy details the process for appointing financial advisors, legal counsel, and underwriters who help facilitate the bond issuance, management of the sales process, and the process for disclosing



material information after the sale of debt. The Debt Financing policy also requires OCTA to maintain a minimum projected debt coverage ratio of 1.3 times for M2 sales tax revenue bonds.

## OCTA's Bond Issuance Plans Shifted During Recent Years, But Debt Financing Approach Remained Sound

Between FYs 2010-11 and 2020-21, bond financing comprised \$669.8 million out of total M2 funding of roughly \$5.7 billion, or nearly 12 percent—up from 7 percent between FYs 2010-11 and 2017-18 due to a bond issuance in 2019, as shown in Exhibit 38.

**EXHIBIT 38. BOND PROCEEDS AS A PERCENTAGE OF TOTAL M2 FUNDING, IN MILLIONS**

	2011 to June 30, 2018	2011 to June 30, 2021
Gross Sales Tax Revenue	\$2,080.7	\$3,077.1
Local, State, & Federal Funding	\$1,456.5	\$1,752.2
Bond Proceeds	\$269.8	\$669.8
Interest on Bonds Proceeds	\$49.0	\$83.6
<b>Total</b>	<b>\$3,856.0</b>	<b>\$5,671.6</b>
<b>Bond Proceeds as a % of Total Funding</b>	<b>7.0%</b>	<b>11.81%</b>

Source: OCTA Cashflow Projections.

Through June 30, 2021, OCTA's bond proceeds were raised through three issuances totaling \$729.2 million, as shown in Exhibit 39. The 2010 Series B bonds were retired in 2020.

**EXHIBIT 39. M2 SALES TAX REVENUE BOND ISSUANCES THROUGH JUNE 30, 2021, IN MILLIONS<sup>22</sup>**

Year Issued	Description	Secured By	Final Maturity	Total Issued
2010	Build America Bonds, 2010 Series A	M2 Sales Tax Revenues	2041	\$293.5
2010	Sales Tax Bonds, 2010 Series B	M2 Sales Tax Revenues	2020	\$59.0
2019	Sales Tax Bonds, Series 2019	M2 Sales Tax Revenues	2041	\$376.7
<b>Total</b>				<b>\$729.2</b>

Source: OCTA's FY 2018-19 and FY 2019-20 Comprehensive Annual Financial Reports.

While Section 5 of the M2 Ordinance states that pay-as-you-go project funding is the preferred method of financing, OCTA considers bond financing an attractive option available to the Board as the current cost of

<sup>22</sup>OCTA also issued bonds for the purchase of the 91 Express Lanes, and for the construction of the I-405 Express Lanes secured a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan and issued bond anticipation notes (BANS). Both the bonds for the 91 Express Lanes and the TIFIA loan are secured by toll revenues while the BANS are secured by the other revenue sources.



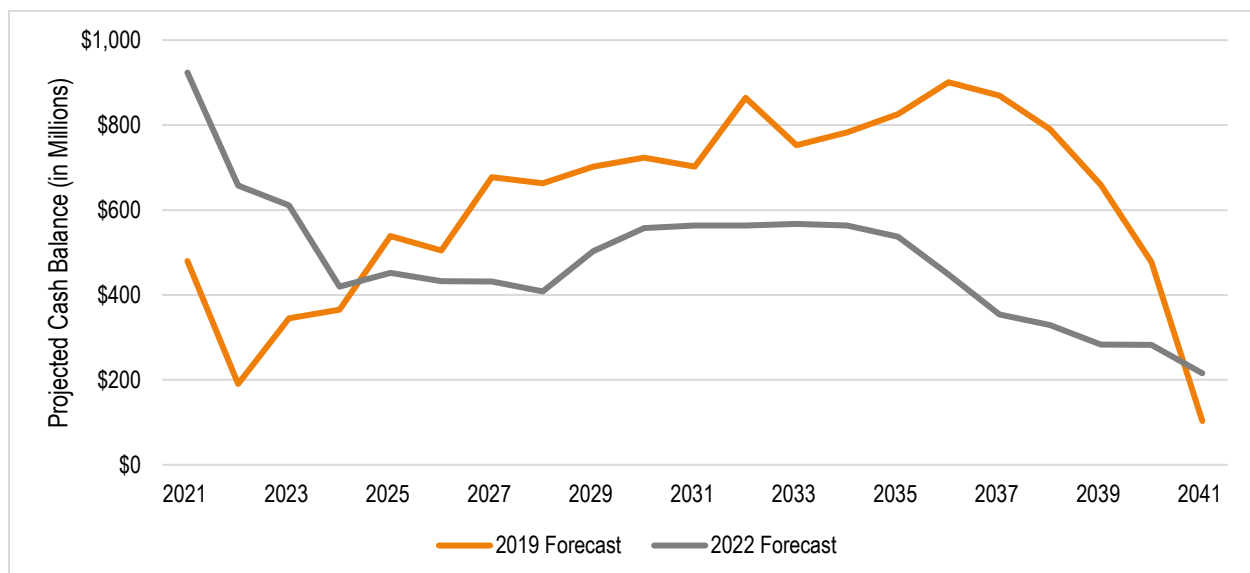
debt is low with 20-year bond rates consistently falling over the last several decades and currently sitting just under two percent.

As such, OCTA's FY 2018-19 cashflow forecast reflected seven planned bond issuances between 2019 and 2041 that were expected to raise an additional \$1.77 billion. However, according to the Next 10 Delivery Plan 2019 Update (November 2019) increased revenue forecasts and refined project costs resulting from completing higher level engineering studies led OCTA to reduce its planned multiple bond issuances through the end of the program to just one in 2023 for \$300 million.

In 2020, OCTA's debt financing plans changed again. Specifically, the Next 10 Delivery Plan 2020 Update (April 2021) described impacts from the COVID-19 pandemic on projected sales tax revenues, which were forecasted to fall to \$11.6 billion. Even with the lowered revenue estimates, OCTA staff believed the M2 Program remained deliverable when considering the external revenue currently programmed and refined project cost estimates; however, the 2023 planned bond issuance was nearly doubled to \$573 million to maintain project delivery schedules and guard against potential cost increases in the freeway capital program. As bond financing assumptions change, an updated Plan of Finance must be brought to the Board for approval.

The lowered sales tax revenue expected combined with reduced bond financing plans between 2019 and 2020 projections resulted in significantly lowering the excessive cash balances that were anticipated. Exhibit 40 compares the projected cash balances in the 2019 forecast that assumed a total of \$2.04 billion in bond financing would be generated through 2041 to the projected cash balances in the 2022 forecast assumed a total of just \$869 million in bond financing.

**EXHIBIT 40. 2019 AND 2022 CASH BALANCE FORECASTS COMPARISON**



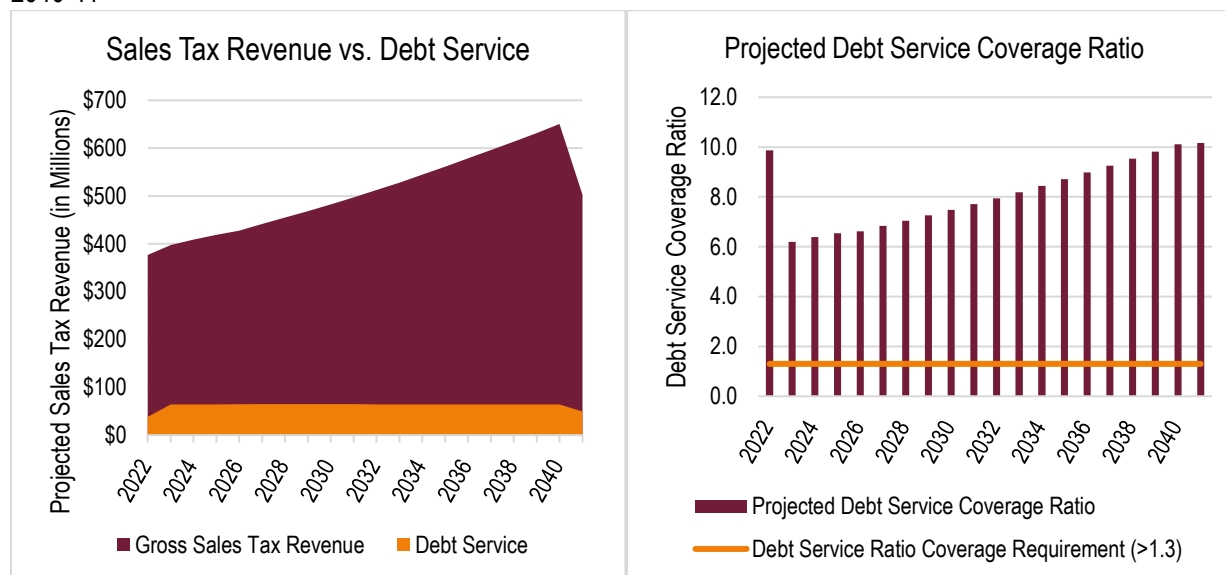
Source: OCTA Cashflow Projections.



## OCTA's Projected Debt Service Coverage Met Board Requirements and Appeared Sufficient to Meet Future Repayment Obligations

Board policy required OCTA to maintain a debt service coverage ratio of 1.3 — meaning projected sales tax revenues should be 1.3 times greater than debt service obligations each year over the life of M2. As shown in Exhibit 41, revenues were projected to be significantly higher than planned debt service over the remaining life of the program. Based on OCTA's cash flows, debt service coverage for the M2 Program is expected to be three times or greater in each year between FY 2021-22 and FY 2040-41.

**EXHIBIT 41.** OVERALL M2 PROJECTED SALES TAX REVENUE AND DEBT ANNUAL COMPARISON, FY 2021-22 THROUGH FY 2040-41



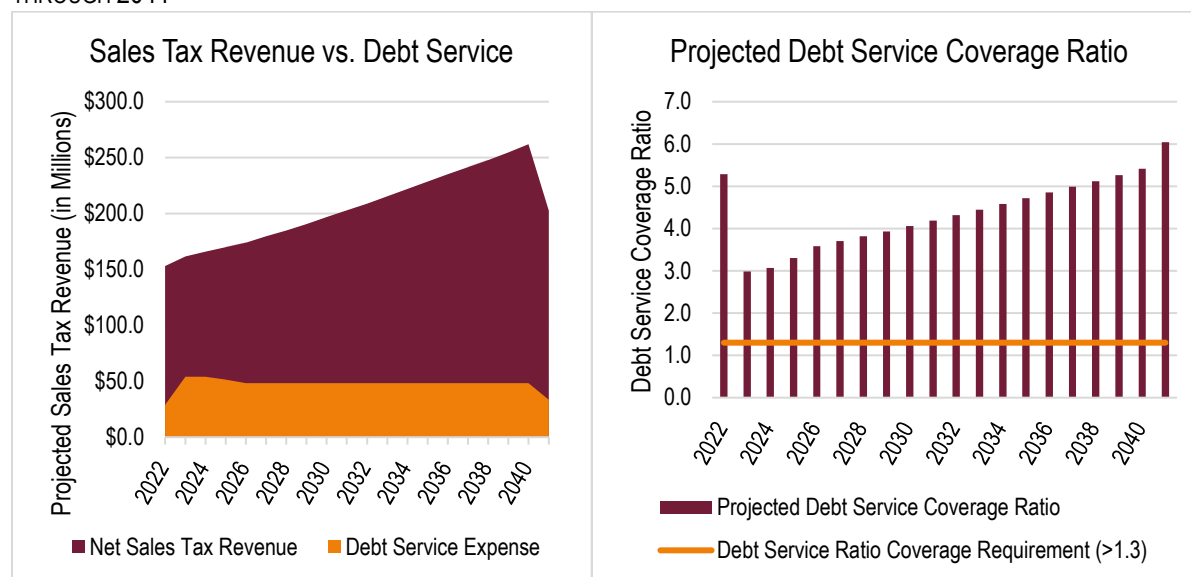
Source: OCTA M2 Cashflows.

Within the M2 program, 79.9 percent of the more than \$869 million in total bond proceeds (actual proceeds through FY 2021-22 plus a planned FY 2022-23 issuance) were anticipated to be used to fund the freeway capital construction projects because the other M2 Program areas, including environmental mitigation and funding for local streets and roads, can be scaled to match available revenues. While most bond funds will be directed to the freeway program, the bonds issued by OCTA are secured by all M2 sales tax revenues, not just the portion of revenues allocated to the freeway program. Current cash flow projections show that while 79.9 percent of bond proceeds will be allocated to the freeway program, debt service for the freeway program is expected to account for 72.1 percent of total M2 debt service costs.

Exhibit 42 shows forecasted sales tax revenues and debt service expenses just for the freeway program within M2. Debt service coverage for the freeway program was projected to be 4.4x in total between FYs 2020-21 and 2040-41, indicating that coverage is projected to be comfortably above the 1.3x required by Board policy.



**EXHIBIT 42. M2 PROJECTED SALES TAX REVENUE AND DEBT ANNUAL COMPARISON FOR FREEWAY PROGRAM, FY 2021 THROUGH 2041**



Overall, OCTA's debt service was structured in an appropriate manner that should continue to provide positive cash flow from sales tax revenues each year within the freeway program while also minimizing the risk that debt service for the freeway program will impact other program areas. Given the economic uncertainties associated with the COVID-19 pandemic, OCTA's debt coverage could be negatively impacted if sales tax revenues are leveraged more than currently planned or growth in sales tax revenues is slower than expected, although significant bonding capacity remains.

## OCTA's Use of Debt More Conservative Than Peers

As shown in Exhibit 43, like OCTA, many peer transportation agencies also issued debt secured by future sales tax revenues to fund their capital improvement programs; however, OCTA's use of debt was more conservative. Compared to peers that utilize debt financing, OCTA was underleveraged with a much higher debt coverage ratio.

**EXHIBIT 43. OCTA DEBT SECURED BY SALES TAX REVENUE COMPARED TO OTHER SIMILAR ENTITIES**

Agency	Program Duration	Financing Method	Budgeted Sales Tax Revenue for FY 2020-21	2020-21 Debt Service	Debt Coverage Ratios	Outstanding Debt as of June 30, 2020
Riverside County Transportation Commission, Riverside, CA	12th year of 30-year program	Debt	\$160.0 M	\$66.5 M	2.4x	\$805.8 M
San Diego Association of Governments, San Diego, CA	13th Year of 40-year program	Debt (2008-2021) Pay-as-you-go (2022-2048)	\$285.2 M	\$103.7 M	2.8x	\$1,884.9 M



Agency	Program Duration	Financing Method	Budgeted Sales Tax Revenue for FY 2020-21	2020-21 Debt Service	Debt Coverage Ratios	Outstanding Debt as of June 30, 2020
Regional Transportation Authority, Tucson, AZ	16th year of 20-year program	Debt	\$83.3 M	\$29.7 M	2.8x	\$178.5 M
Maricopa Association of Governments, Phoenix, AZ	15th year of 20-year program	Pay-as-you-go	\$527.3 M	N/A	N/A	N/A
<b>OCTA</b>	<b>10th year of 30-year program</b>	<b>Debt</b>	<b>\$282.9 M</b>	<b>\$43.8 M</b>	<b>6.5x</b>	<b>\$626.7 M</b>

Source: Budget and financial documentation published by comparable transportation entities.

For instance, the Riverside County Transportation Committee and San Diego Association of Governments both had significantly more outstanding debt than OCTA, but with a much smaller or similar sales tax base. However, not all transportation agencies relied on debt financing—the Maricopa Association of Governments, with a much larger sales tax base than OCTA, used the pay-as-you-go approach to fund their capital improvement program.

How an entity approached funding capital programs (pay-as-you-go vs. debt) and timing of debt (whether consistent over the life of the program or taking on large debt early in the program) was heavily influenced by the structure of each entity's capital transportation improvement program and the specific commitments made to voters and residents. OCTA's approach to debt was consistent with the preference for pay-as-you-go expressed in the Ordinance and OCTA's generally conservative approach to cash flow planning.

## **OCTA's Investment Practices Achieved Rates of Return Greater Than the Market Average**

To deliver the promised M2 projects, OCTA needs adequate revenues at the appropriate time to coincide with project expenses. To that end, OCTA invested funds to preserve capital and provide necessary cash flows with a goal of achieving a market-average rate of return on invested funds.

OCTA's investment activities are guided by a Board-adopted investment policy that is updated annually. While most annual updates involve minor revisions to improve clarity, approved changes to the policy in 2019 included significant adjustments aimed at better aligning OCTA's more conservative investment guidelines with California Government Code (Code), including:

- Allow investment in all Federal Agencies and Government Sponsored Entities.
- Allow investment in non-California municipal debt, but require strong credit ratings and issuer limitations.
- Increase maturities on commercial paper and negotiable certificates of deposit to match the Code.
- Require only one credit rating for investments in Medium-Term Notes and State of California and California Local Agency obligations, but maintain issuer limitation.



- Change requirements for mortgage-backed and asset-backed securities to match the Code by reducing credit rating requirements from AAA to AA and removing ten percent limitation on asset-backed securities.
- Allow investments in Supranationals.
- Allow investments in Joint Powers Authority Investment Pools, but maintain limitations on pooled investments as a percentage of the portfolio to ten percent.

As shown in Exhibit 44, OCTA's investment portfolio was consistent with the maximum percentages outlined in the investment policy as of June 30, 2021.

**EXHIBIT 44. OCTA INVESTMENT PORTFOLIO, AS OF JUNE 30, 2021**

Investment Instruments	Dollar Amount Invested	Percent of Portfolio	Investment Policy Maximum
U.S Treasury Obligations	\$563,875,544	29.7%	100%
Federal Agencies & U.S. Government Sponsored-Entities	\$347,561,994	18.3%	100%
Municipal Debt	\$121,392,836	6.4%	30%
Negotiable Certificates of Deposit	\$21,800,000	1.1%	30%
Medium Term Maturity Corporate Securities	\$204,661,458	10.8%	30%
Money Market Funds & Mutual Funds	\$177,086,558	9.3%	20%
Mortgage and Asset-backed Securities	\$174,466,196	9.2%	20%
Supranationals	\$30,904,063	1.6%	20%
Local Agency Investment Fund	\$70,996,561	3.7%	\$75 Million
Orange County Investment Pool	\$15,221,463	0.8%	10%
Bank Deposits	\$26,313,126	1.4%	5%
Variable & Floating Rate Securities	\$145,152,496	7.6%	30%
<b>Total (including instruments not shown)</b>	<b>\$1,899,432,295<sup>23</sup></b>	<b>100.0%</b>	

Source: Values derived from OCTA's Investment and Debt Programs Report – June 2021, issued July 28, 2021.

Prior to FY 2020-21, OCTA prepared and presented a monthly report to the Finance and Administration Committee detailing the current investment portfolio, performance relative to benchmarks, and compliance with board policy and provided a similar quarterly report to the Board. In addition to presenting portfolio information, the monthly report detailed both the liquid portfolio, which was used to meet immediate cash needs, and the short-term portfolio which included investments maturing over the next 5 years to meet project funding needs. Beginning in FY 2020-21, staff began providing the monthly report to the Finance and Administration Committee and the Board.

<sup>23</sup> Actual balance is \$1,996,169,783 that includes other instruments not shown in the list subject to indenture.



To manage its short-term portfolio, OCTA used four external investment firms—MetLife Investment Management, Chandler Asset Management, Payden and Rygel Investment, and Public Financial Management.<sup>24</sup> Previous Board Policy stated that OCTA's portfolio shall be designed to attain a market-average rate of return with rates of return compared against four nationally-recognized performance benchmarks—two 1-3 year benchmarks for short-term portfolio and two 1-5 year benchmarks for the extended fund. With the 2020 Investment Policy Update, the requirement was changed to use the two 1-3 year Treasury and Corporate/Government performance benchmarks to evaluate return on all investments. As shown in Exhibit 45, over the last several years, the funds managed by the OCTA's external investment firms generally achieved annual rates-of-return consistent with these benchmarks; however, a few instances in 2019 where returns were slightly lower than benchmarks.

**EXHIBIT 45. OCTA SHORT-TERM INVESTMENT PORTFOLIO PERFORMANCE AGAINST BENCHMARKS, FY 2018-19 TO FY 2020-21**

	Logan Circle Partners	MetLife Investment Management	Chandler Asset Management	Public Financial Management	Payden & Rygel
As of June 30, 2019					
12 Month Return	3.45%		4.10%	4.27%	4.17%
TSY Benchmark	3.96%		3.96%	3.96%	3.96%
Gov/Corp Benchmark	4.16%		4.16%	4.16%	4.16%
As of June 30, 2020					
12 Month Return		4.18%	4.18%	4.22%	4.21%
TSY Benchmark		4.07%	4.07%	4.07%	4.07%
Gov/Corp Benchmark		4.18%	4.18%	4.18%	4.18%
As of June 30, 2021					
12 Month Return		0.81%	0.30%	0.43%	0.50%
TSY Benchmark		0.07%	0.07%	0.07%	0.07%
Gov/Corp Benchmark		0.27%	0.27%	0.27%	0.27%

Source: Orange County Transportation Authority Investment and Debt Programs Report, Short-Term Portfolio Maturity Schedules for FY 2018-19, FY 2019-20, and FY 2020-21.

Key: **Red Text** = Indicates when external investment firms' returns fell below Treasury and Corporate/Government performance benchmarks.

Overall, OCTA's investment program was consistent with the investment policy established by the Board with investments that were within policy's percentage limits and rates of return that were within the established benchmarks. In addition, detailed monthly reporting to the Finance and Administration Committee, and the Board of Directors (beginning with the 2020 Investment Policy), ensured that decision-makers were provided timely, accurate information with respect to OCTA's investment program.

## Construction Cost Increases Continue to Pose a Significant Future Risk to OCTA's Ability to Deliver the Promised M2 Freeway and Transit Projects

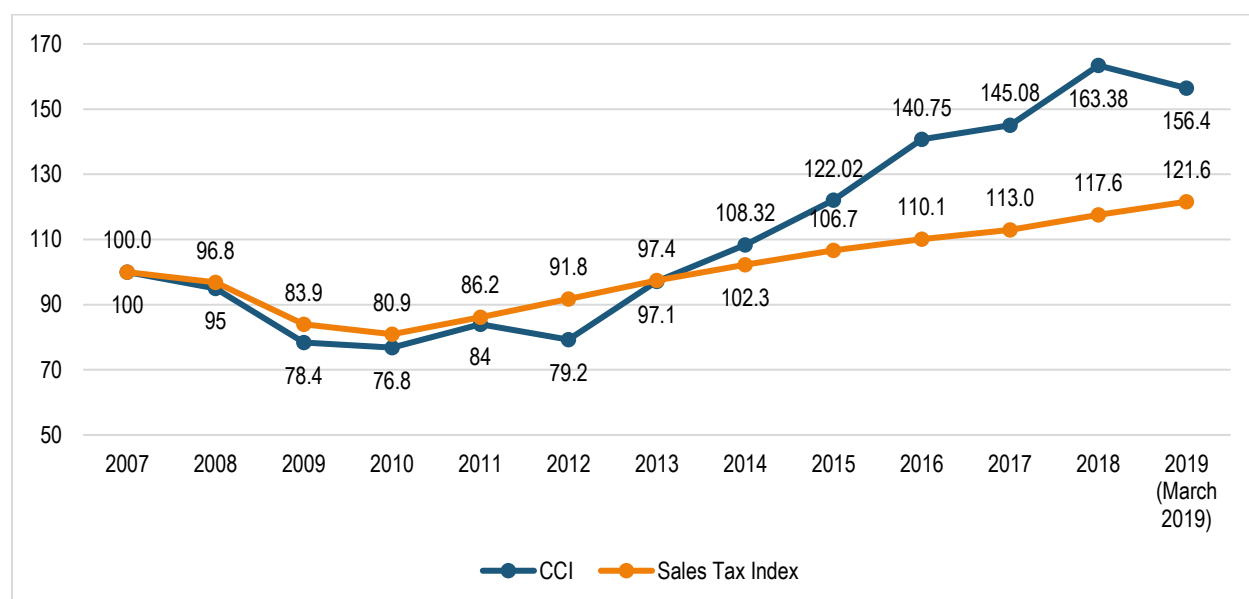
As reflected in Exhibit 46, since 2013 the growth in construction costs according to Caltrans' Construction Cost Index (CCI) has rapidly outpaced the growth in sales tax revenues, resulting in the need to generate

<sup>24</sup> MetLife acquired Logan Circle Partners.



additional revenues to cover rising costs; however, CCI growth began to slow in 2019. If costs continue to outpace revenues, it could jeopardize OCTA's ability to deliver the promised M2 projects by FY 2040-41.

**EXHIBIT 46. SALES TAX AND CONSTRUCTION COST GROWTH RATES, 2007-2019**



Sources: California Department of Transportation Construction Cost Index as of March 31 2019; OCTA forecast data.

In recognition of these risks, OCTA commissioned a market condition forecast and risk analysis from the Orange County Business Council (OCBC) to provide insight into potential project delivery cost drivers that could affect the Measure M2 Next 10 Delivery Plan. The first report was presented to the Executive Committee in September 2017. The analysis is updated annually in September and OCTA staff incorporates the information into its cash flow projections.

As part of the analysis, the OCBC created an Infrastructure Construction Cost Pressure (ICCP) Index to track near-term (three-years) cost pressures. The ICCP Index provides a range of potential cost fluctuations based on economic trends (captured through building permits and unemployment), material costs, wage pressures, and general economic conditions. While OCTA has no influence over the cost pressures themselves, the index can serve as an early warning indicator providing some advanced notice of potentially large increases that staff can begin to address before they materialize.

The last couple of years has shown dramatic volatility in projections of cost fluctuations. Specifically, OCBC's September 2018 and 2019 Updates indicated that OCTA would likely experience normal inflationary cost environments between 2019 and 2022 with potential cost increases averaging 4 percent (ranging from 2 percent to 6 percent).

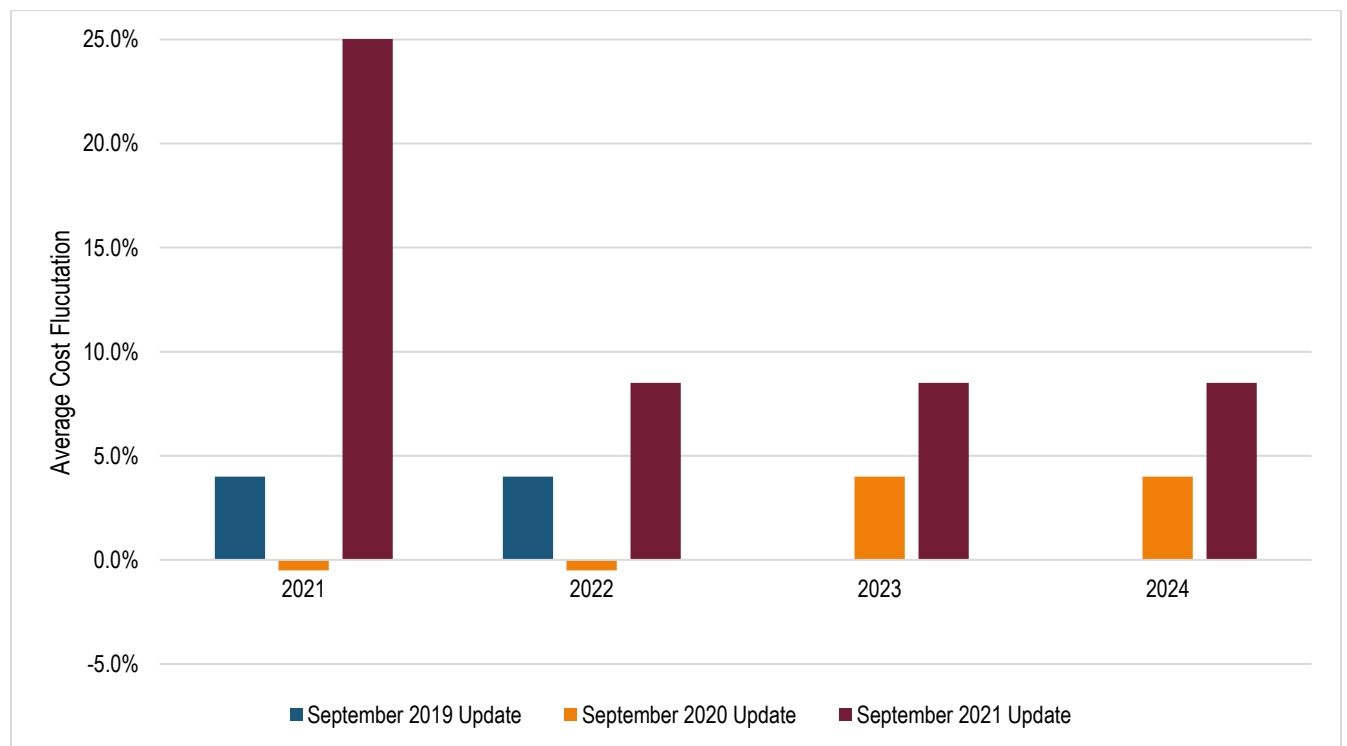
However, OCBC's September 2020 Update dropped the previous forecast that cost fluctuations would average 4 percent in 2021 and 2022 to averaging negative 0.5 percent between (ranging from negative 2 percent to 1 percent) in those years. To explain the anticipated low inflation cost environment, OCBC pointed to the switch from a low unemployment economy to that of a high unemployment economy due to the COVID-19 pandemic that began in early 2020 and lowered the risk for higher labor costs. In addition,



building permits in California had slowed down and building material costs stabilized. In response, OCTA anticipated taking advantage of such a tempered cost environment as it was seeking construction bids during that timeframe for Project F, the State Route 55 Widening project. While the 2020 Update estimated that a return to a normal inflationary environment would occur in 2023 with cost fluctuations averaging 4 percent, the cost environment began increasing in early 2021, eliminating the anticipated advantage for low construction bids.

In fact, the September 2021 Update reversed the forecasted range of cost fluctuations from averaging 0.5 percent in 2021 and 2022 to averaging 25.5 percent in 2021—the highest inflationary environment observed in about 20 years—and 8.5 percent in 2022 through 2024. The OCBC contributes the change in inflationary pressures to an increase in building permits and decrease in employment rate in 2021. Exhibit 47 reflects the volatility in the cost increase projections between the three most recent report updates.

**EXHIBIT 47. OCTA INFRASTRUCTURE COST INDEX ANNUAL UPDATE FORECASTED VOLATILITY, CALENDAR YEARS 2021 TO 2024**



Source: Generated from OCBC's range of cost fluctuation data in annual updates to its ICCP Index.

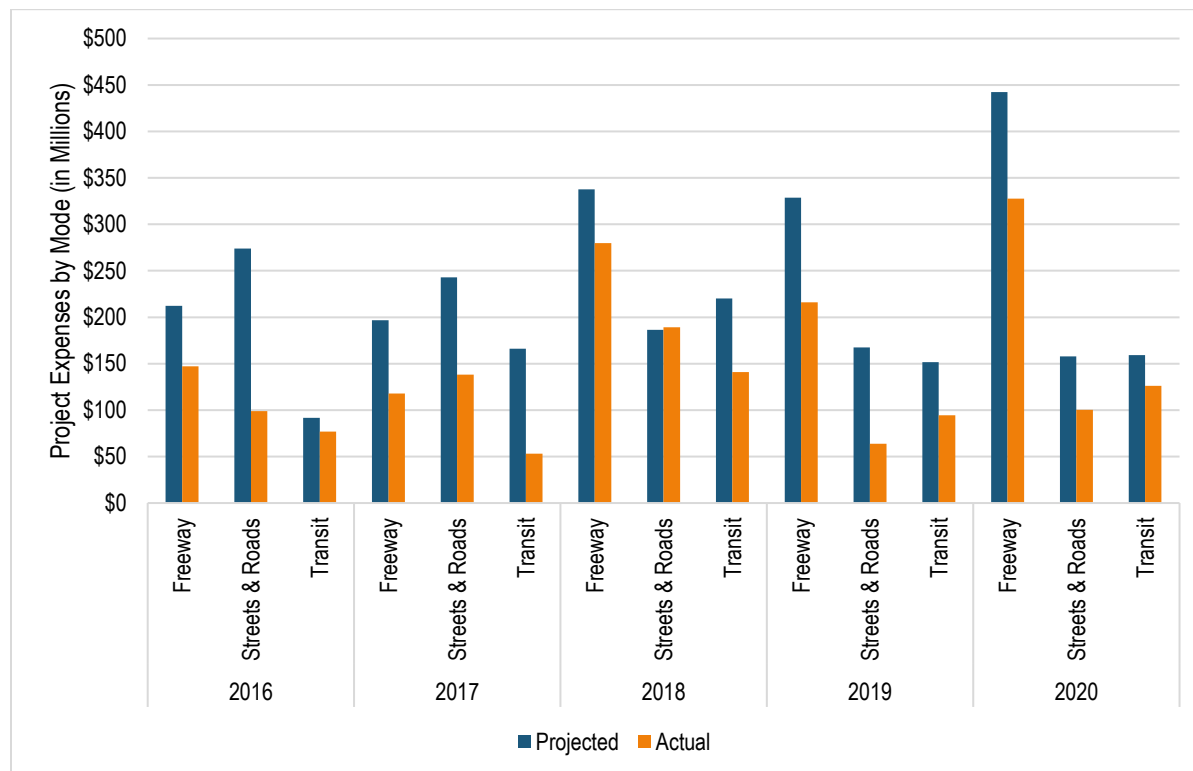
### **OCTA's Projections Over-Estimated Expenditures Incurred During Specific Periods, Consistent With the Agency's Conservative Approach to Managing Finances**

OCTA's Financial Planning and Analysis section compile anticipated expenditure information obtained from the Freeway, Streets & Roads, and Transit program project managers as part of the cash flow projection process. As shown in Exhibit 48, when comparing projections at the start of the FY against actuals at the end of the year, OCTA's recent annual cash flow projections over-estimated the amount of expenditures that would be realized each year. For instance, projections prepared for FYs 2015-16 through 2019-20



anticipated an average of about \$303 million in Freeway program expenditures each year, but only an average of about \$217 million was spent—a difference of about \$86 million between anticipated and actual expenditures each year over the period, for a total of nearly \$409 million in fewer expenses than planned.

**EXHIBIT 48. ONE-YEAR-OUT PROJECTED V. ACTUAL PROJECT MODE EXPENSES, BY FY<sup>25</sup>**



Source: OCTA cash flow data.

According to OCTA's Financial Planning and Analysis section, some project expenses are planned, but do not happen because it is difficult to precisely predict when certain expenses will occur, such as those associated with relocating utilities, and the expenses roll forward in subsequent projections. For instance, per OCTA's Project Controls section, roughly \$26 million has been expended on the SR-55 freeway project for right-of-way acquisition condemnation deposits; however, staff conveyed that OCTA has no way of knowing with certainty when property owners will settle property acquisitions or withdraw condemnation deposit funds. As such, to address the unpredictability of right-of-way acquisition timing, OCTA projections use a right-of-way cost distribution curve to revise timing of projected expenses on a quarterly basis. Another contributing factor is project delays. According to OCTA's Project Controls section, one of the primary causes of the freeway mode variances between projected and actual expenses for FYs 2018-19 and 2019-20 was the design-build contractor for the I-405 Improvement Project not meeting the schedule. However, as of November 2021, Project Controls' projections suggest that the variance between the I-405 project's (as well as the freeway mode overall) projected and actual expenses is much less.

<sup>25</sup> The large uptick in freeway expenses in FY 2019-20 shown in Exhibit 48 relates to increased construction costs associated with Project K.



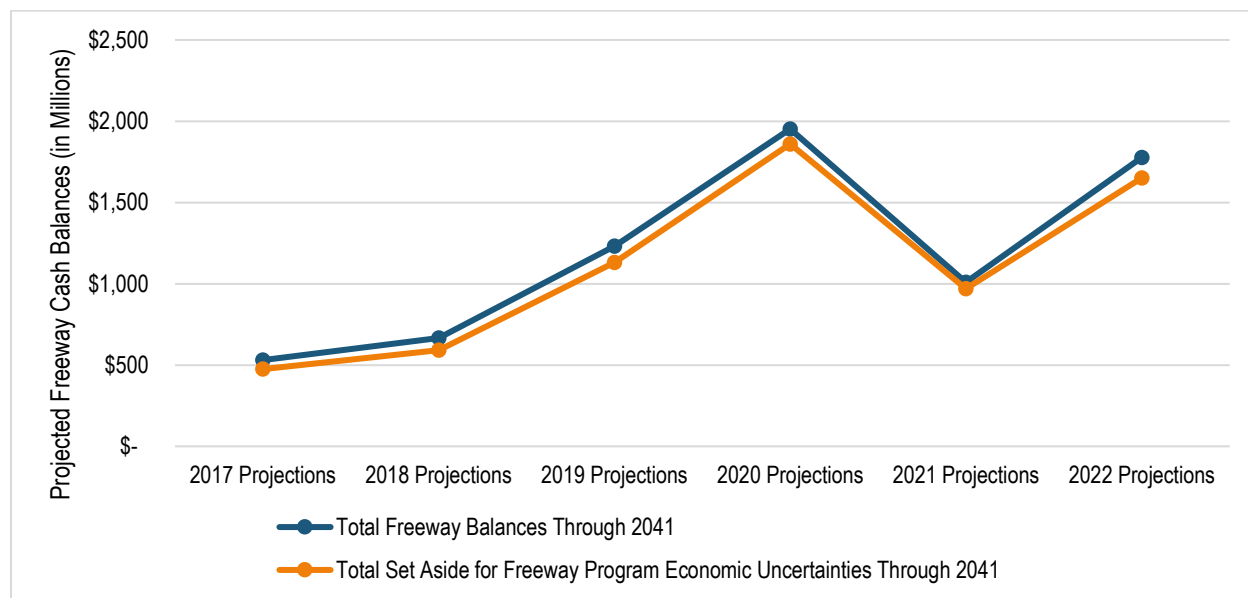
OCTA staff expressed confidence that the expenses will ultimately materialize in later years. In fact, cash flow projections prepared for FY 2015-16 anticipated spending about \$3.6 billion between FYs 2020-21 and 2040-41, but as expenses roll forward, projections prepared for FY 2020-21 reflect that \$5.5 billion will be spent between FYs 2020-21 and 2040-41.

## OCTA's Conservative Approach Involves Reserving Balances to Guard Against Potential Economic Uncertainties

To guard against potential construction cost increases, OCTA's staff began including a contingency line-item expense in the Freeway cash flow projections in 2017—initially \$475 million of the projected 2041 balance was set-aside for economic uncertainties associated with freeway construction projects. According to OCTA, the basic premise is that as anticipated net revenues increase, cash balances and the amount available to set-aside for economic uncertainties increase, and vice versa.

Exhibit 49 illustrates that the amount set aside for freeway program economic uncertainties is directly correlated to the anticipated freeway balances. Specifically, prior projections of freeway balances expected in 2041 increased each year, particularly as OCTA planned seven future bond issuances that increased the amount available to be set-aside for economic uncertainties. Starting with the 2020 projections, both total freeway balances and economic uncertainty set-asides decreased, which corresponds to OCTA's decision to reduced its planned bond issuances to one.

**EXHIBIT 49.** FY 2016-17 TO FY 2021-22 PROJECTIONS FOR THE FREEWAY PROGRAM THROUGH 2041—ANTICIPATED FREEWAY BALANCES IN 2041 COMPARED TO AMOUNTS SET ASIDE FOR ECONOMIC UNCERTAINTY



Source: OCTA cash flow data.

Relatedly, we noted an uptick in the percentage of projected freeway ending balances that OCTA reserves for economic uncertainties across the last several cash flow projections, as reflected in Exhibit 50. However, as of OCTA's FY 2020-21 cash flow projections, the overall amounts for both OCTA's program-



end, freeway ending balance and economic uncertainty balance decreased as a result of concerns related to the potential impact of COVID-19 and other factors on revenues and expenses.

**EXHIBIT 50. PROJECTED FREEWAY PROGRAM ECONOMIC UNCERTAINTY AS A PERCENT OF FREEWAY ENDING BALANCES, FY 2016-17 TO FY 2021-22**

	FY 2016-17 Projections	FY 2017-18 Projections	FY 2018-19 Projections	FY 2019-20 Projections	FY 2020-21 Projections	FY 2021-22 Projections
Projected Freeway Ending Balances Through 2041	\$530	\$667	\$1,231	\$1,952	\$1,009	\$1,778
Total Set Aside for Freeway Program Economic Uncertainties Through 2041	\$475	\$592	\$1,131	\$1,860	\$969	\$1,651
% of Projected Ending Freeway Balances Reserved for Freeway Program Economic Uncertainties Through 2041	90%	89%	92%	95%	96%	93%

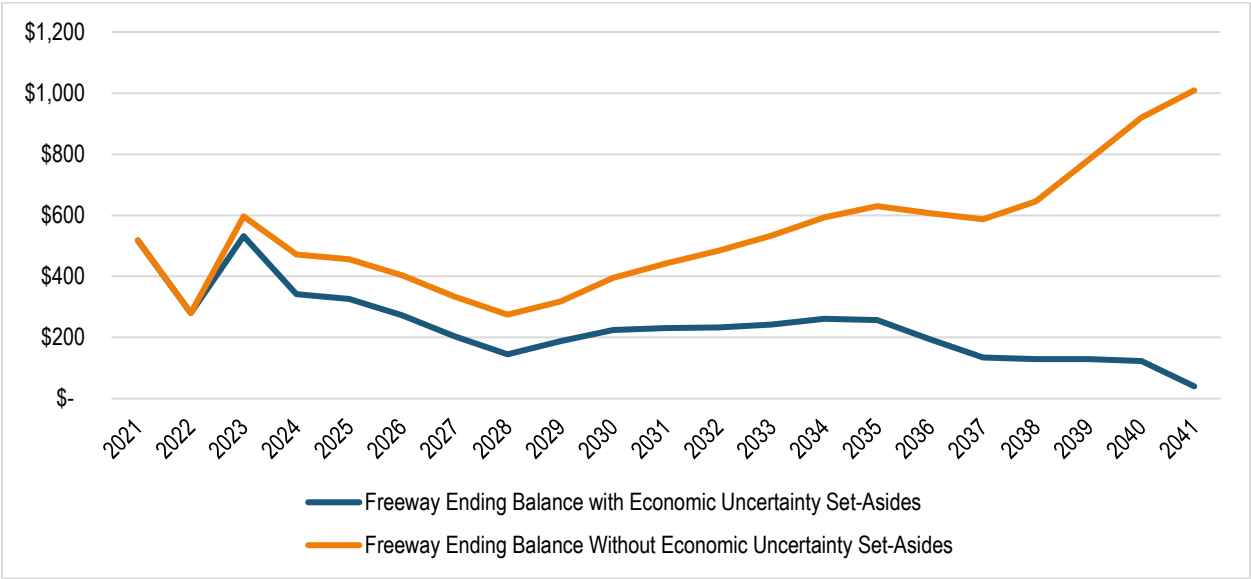
Source: OCTA cash flow data.

Further, Exhibit 50 reflects that as of the most recent cashflow projections in FY 2021-22, both projected freeway ending balance and the economic uncertainty balance are nearly back to pre-pandemic levels. These projections also suggest that the freeway program's financial picture will start to improve more rapidly in FY 2027-28 and cash balances will be around \$127 million by FY 2040-41, after reserving \$1.7 billion for contingencies between FYs 2021-22 and 2040-41.

As shown in Exhibit 51, the freeway program balance could amount to \$1.8 billion by FY 2040-41 if the need to utilize the amounts set-aside for economic uncertainty does not materialize; however, as OCTA has already faced and weathered two global events since the M2 program's inception, both the Great Recession and COVID-19 pandemic, it is entirely possible another type of event could occur during the remaining 20 years of the program. As such, we find that OCTA's current approach to establishing and maintaining an economic uncertainty reserve line-item leaves OCTA well-positioned to handle future events that pose a risk to OCTA's ability to deliver M2 projects.



**EXHIBIT 51.** COMPARISON OF PROJECTED CASH BALANCES IN FY 2040-41 WITH AMOUNTS SET-ASIDE FOR ECONOMIC UNCERTAINTY AND WITHOUT, IN MILLIONS



Source: OCTA cash flow data.



## Chapter 6: OCTA is Transparent and Accountable to the Public

---

Transparency and accountability are paramount to OCTA's mission and culture in addition to being a critical measure of success of the M2 Program. As such, we found OCTA is highly focused on accountability with the promises made in the Ordinance and transparency in its outreach, actions, decisions, and data communicated to its Board, the Taxpayer Oversight Committee, stakeholders, and the general public.

Our review noted that OCTA effectively informs the general public and stakeholders about M2 programs and projects through a variety of traditional and digital methods. OCTA resourcefully utilizes strategic outreach methods including website, subscriber email blasts and mailers, social media, videos, blogs, press releases and various community events to inform and involve the public. Surveys and the M2 rebranding, or OC Go, efforts were regularly employed to gauge and enhance public awareness. Further, there seems to be continuous effort to keep the community and stakeholders heavily involved including OCTA's use of the Taxpayer Oversight Committee in accordance with M2 Ordinance provisions.

### OCTA Employs a Number of Efforts to Advance Transparency and Accountability

OCTA has incorporated various efforts to ensure compliance with the M2 Ordinance requirement. There are multiple divisions that have collaborated to efficiently ensure transparency in informing and involving the public, most notably the External Affairs Division. The External Affairs Division is responsible for providing overall management and strategic direction for the promotion, outreach, and customer engagement for all OCTA's projects, programs, and services. The division is divided into two departments, Public Outreach and Marketing and Customer Engagement.

- **Public Outreach** is responsible for public outreach on all phases of project development, from planning studies and environmental design to construction and project completion. In addition to working closely with project managers in other divisions on capital projects communications, Public Outreach staff also hire and manage outreach consultants to provide project-phase-specific analyses and strategies for outreach. One key function of Public Outreach is to communicate with the public and implement involvement programs to inform affected parties and advance the development of transportation projects. Additionally, Public Outreach informs the public about upcoming construction activities and helps to mitigate construction impacts.
- **Marketing and Customer Engagement** is responsible for OCTA's promotion and customer relations activities. The department works to ensure the successful delivery of agency-wide marketing programs by way of strategizing and developing digital and marketing campaigns. Whereas Public Outreach is generally more capital construction project focused, Marketing and Customer Engagement focuses efforts on communications related to OCTA's M2 compliance (e.g., overall utilization of M2 sales tax revenues and project implementation progress), as well as communications about OCTA's operations as a whole. The department also gathers customer feedback through customer roundtables and the Special Needs in Transit Advisory Committee.



The External Affairs Division's Director of Marketing and Public Outreach also has a key role in External Affairs' activities, in addition to management and oversight of the Public Outreach and Marketing and Customer Engagement departments. The Director of Marketing and Public Outreach also oversees the coordination of OCTA's public committees (e.g., the Taxpayer Oversight Committee). Collectively, the various roles and responsibilities of the External Affairs Division work together, and with other OCTA divisions, to advance transparency and accountability of OCTA's operations and capital projects.

### **OCTA Continues to Use a Variety of Communication and Outreach Methods to Advance Transparency, and in Many Cases, is Ahead of Peers**

When compared against other transportation and transit agencies, OCTA employed the most communication and outreach methods. In addition, when comparing the various methods used by comparable agencies, OCTA's communication and outreach methods were generally more consistent across mediums, with OCTA frequently utilizing social media, consistent logos, hashtags, and themes. Though not comprehensive of all of OCTA's communication and outreach methods, Exhibit 52 highlights many of OCTA's outreach practices and compares them against other transportation and transit agencies.

**EXHIBIT 52.** COMPARISON OF OCTA'S VARIOUS COMMUNICATION AND OUTREACH METHODS AGAINST COMPARABLE ENTITIES

<b>Types of Communication and Outreach Methods</b>	<b>OCTA</b>	<b>SANDAG</b>	<b>SFCTA</b>	<b>MAG</b>	<b>RTA</b>	<b>PAG</b>
Consistent Logo	✓	✓	✓	✓		✓
Website	✓	✓	✓	✓	✓	✓
Mobile Friendly Website	✓		✓	✓	✓	✓
Website—Interactive for real-time detours	✓	✓	✓	✓		
Website- Projects Map	✓	✓	✓	✓		
Website links to Social Media	✓	✓	✓	✓	✓	✓
Social Media—General	✓	✓	✓	✓	✓	✓
Facebook	✓	✓	✓	✓	✓	✓
Twitter	✓	✓	✓	✓	✓	✓
Instagram	✓	✓	✓	✓	✓	✓
LinkedIn	✓	✓	✓	✓	✓	✓
YouTube	✓	✓	✓	✓	✓	✓
Social Media—Project Specific	✓	✓		✓		
Email blasts/Newsletter to subscribers	✓	✓	✓	✓	✓	✓
Mobile Apps for real time traffic and detours	✓		✓		✓	



Types of Communication and Outreach Methods	OCTA	SANDAG	SFCTA	MAG	RTA	PAG
Press Release	✓	✓	✓	✓	✓	✓
Newsletter	✓	✓	✓	✓	✓	✓
Direct Mail	✓	✓				
Neighborhood Door Hangers	✓	✓	✓			
Open Meetings	✓	✓	✓	✓	✓	✓
Meetings Audio/Video Posted Online	✓	✓	✓	✓	✓	✓

Source: Table developed based on visits to each transportation and transit agency website, social media pages and internet searches done in October 2021.

Among the many practices utilized by OCTA's External Affairs Division during our period of review, a few stood out due to their successful implementation, in spite of and due to the COVID-19 pandemic:

- ✓ **OCTA Implemented Geofencing For Capital Projects, Greatly Improving Outreach to Orange County Commuters Using the I-405 Freeway.** Since the prior assessment, OCTA has significantly improved their outreach efforts through the use of geofencing. Geofencing is a service that triggers an action when a device enters a pre-set geographic location. OCTA uses geofencing to identify individuals likely to be impacted by current or upcoming capital projects by capturing the location of a device within a specific range and displaying relevant advertisements within mobile applications. For example, an individual driving or living in the Orange County region would receive advertisements on upcoming road closures and other relevant information related to the I-405-Improvement Project. Geofencing has proven highly effective in vastly increasing OCTA's reach to members of the public impacted by OCTA's projects. OCTA staff reported that since implementation of geofencing, OCTA has beat the industry average for impressions and click throughs.<sup>26</sup> Between 2018-2021, geofencing accounted for 2,775,441 impressions. This number is significant when considering other outreach methods during the same time period, such as the mobile app and social media advertising with 31,968 and 46,191 impressions, respectively.
- ✓ **COVID and the Transition to Online Format.** OCTA has adjusted to the impacts of COVID-19 by shifting their attention to virtual engagement practices. Online web presence has significantly increased as website updates, social media, and meetings have shifted to a more virtually-oriented format, stemming from the initial shelter-in-place mandates. Anecdotally, OCTA staff reported that the transition from in-person to virtual meetings led to an increase in participation by three-fold. Staff have further indicated that OCTA intends to keep having virtual meetings available to continue encouraging participation within the community. Among our discussions with OCTA stakeholders, all stakeholders generally had positive comments about OCTA's transition to an

<sup>26</sup> Impressions are just one metric used to determine the effectiveness of outreach methods, measuring how many times the intended content was displayed to an organization's targeted audience. Click-throughs measure the number of times members of the targeted audience actually clicked on the displayed content.



online format, both for meetings and communication as a whole. In the long term, OCTA anticipates transitioning to a more hybrid format for outreach activities, neither entirely physically-oriented as pre-pandemic life, nor entirely online as has been done for much of the pandemic.

- ✓ **OCTA Has Employed Various Methods to Ensure Information is Equitably Distributed Throughout the Community.** While the transition to an online environment creates more opportunity for engagement, it also creates new barriers and obstacles for certain demographics (e.g., access to internet). This creates a potential issue when considering public engagement and feedback. As government organizations continue to adopt to virtual practices, it is important to consider the demographics of stakeholders and account for potential risks in sampling bias when soliciting feedback. OCTA has employed various methods to ensure resources and information are equitably distributed throughout the community. This includes the creation of a diverse community leaders group that has expanded OCTA's outreach to various community groups in Orange County, as well as securing advertisements through Spanish, Vietnamese, and Chinese newspapers. OCTA also conducted a study of southern Orange County, utilizing geographic information system mapping to identify disadvantaged communities and send them surveys, garnering over 1,700 responses.

## **Public Perception of OCTA Has Significantly Improved, Though Awareness of OC Go Since OCTA's Rebranding Effort Has Lagged**

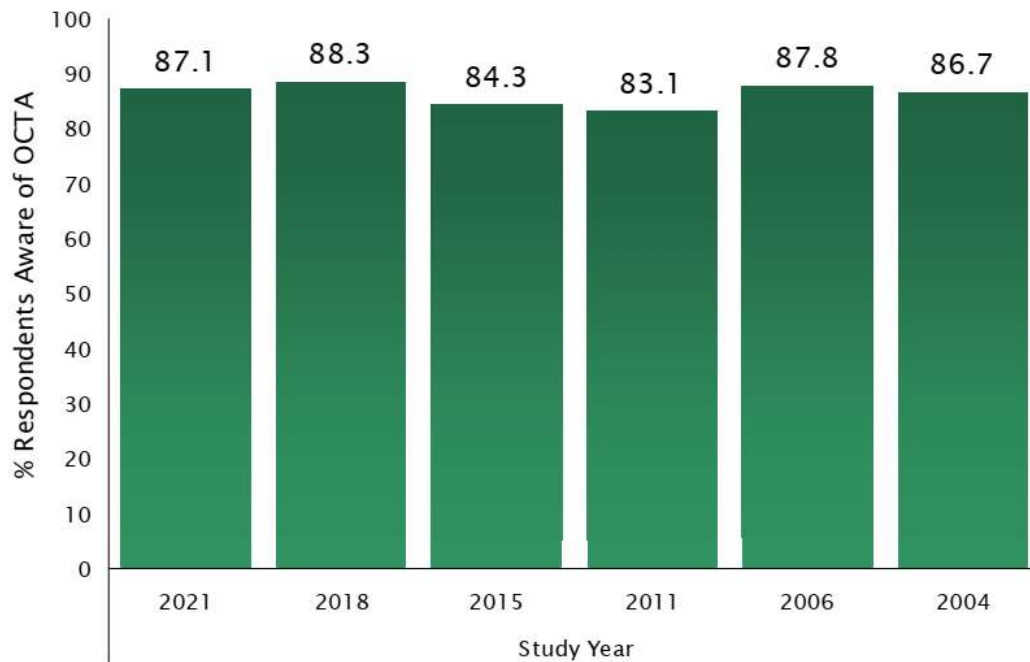
External Affairs, on behalf of OCTA, continued to seek public opinion and feedback through various methods, including the use of surveys, such as an Attitudinal and Awareness Survey. Since 2011, OCTA has conducted an Attitudinal and Awareness survey roughly every three years intended to gauge overall public awareness and perceptions of OCTA, as well as understand Orange County residents' travel behavior, use of transportation systems, primary source of information, and demographic factors. The survey, conducted by True North Research, was developed so that a representative sample of Orange County adult residents was selected; that is the results of the survey can be used to reliably estimate the opinions of all adult residents in Orange County. Overall, the survey found that OCTA continued to garner a generally positive public perception with survey participants familiar with OCTA. However, the percent of survey respondents that had heard of OC Go increased marginally (just over one percent) between the 2018 and 2021 surveys, a relatively small increase since OCTA's rebranding of M2 to OC Go in 2017 and changes in outreach methods in recent years, such as geofencing.

### **Public Awareness and Opinion Survey Results Continued to be Notably Positive, With More Than Half of All Respondents Having a Favorable Opinion of OCTA**

Public awareness and opinion of OCTA has continued to be notably positive for OCTA, with roughly nine out of every ten residents aware of OCTA, as shown by Exhibit 53. Overall, there has been a slight increase in residents' awareness of OCTA since 2004, with the highest level of awareness reported in 2018. According to the 2021 survey's results, there was a roughly one percent decrease in awareness of OCTA, from 88.3 percent in 2018 to 87.1 percent in 2021, though generally the number of survey respondents reporting awareness of OCTA has remained relatively stable.



**EXHIBIT 53. NUMBER OF SURVEY RESPONDENTS AWARE OF OCTA, BY STUDY YEAR**



Source: OCTA's 2021 Attitudinal and Awareness Survey Summary Report, Figure 7.

Despite this small increase, residents' overall opinion of OCTA has improved significantly, with 53.2 percent of survey participants giving OCTA a favorable rating—a nearly five percent increase from 2018—with another 25.7 percent of respondents preferring not to answer. When looking only at the percentage of respondents that had an opinion of OCTA, positive opinions were more than two times greater than negative opinions, as illustrated in Exhibit 54.



**EXHIBIT 54. OPINION OF OCTA, BY STUDY YEAR**



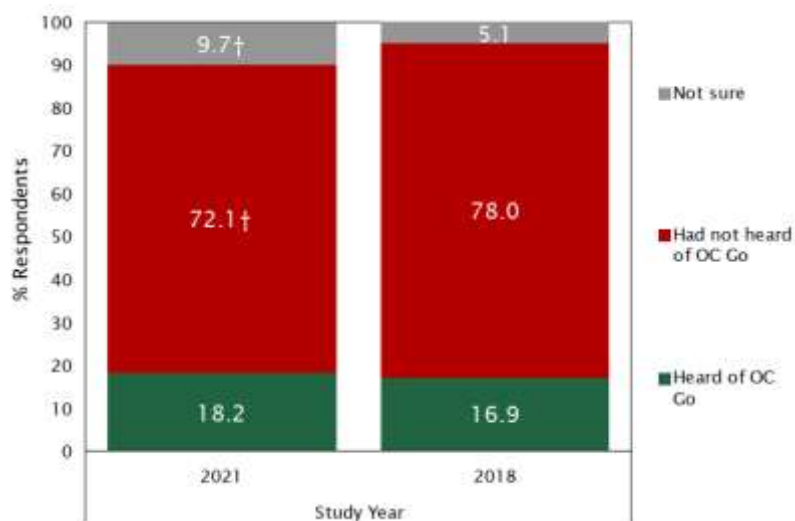
† Statistically significant change ( $p < 0.05$ ) between the 2018 and 2021 studies.

Source: OCTA's 2021 Attitudinal and Awareness Survey Summary Report, Figure 11.

### Since Rebranding From M2 to OC Go, Awareness Has Improved Slightly

As part of its regular Attitudinal and Awareness Surveys, OCTA assessed the public's awareness of the OC Go, among other items. The 2021 survey revealed a slight increase in the percentage of respondents reporting they were aware of OC Go, with 18.2 percent of respondents reporting they aware of OC Go prior to taking the survey, compared to 16.9 percent reporting awareness in 2018.

**EXHIBIT 55. SURVEY RESPONDENTS' AWARENESS OF OC Go, BY STUDY YEAR**



Source: OCTA's 2021 Attitudinal and Awareness Survey Summary Report, Figure 35.



To increase awareness and reduce possible confusion with a similar measure in Los Angeles County, OCTA approved moving forward with a rebranding of M2 as OC Go in 2017 as well as developed signage guidelines and material development for each of the Ordinance areas—freeway, streets and roads, transit, and environmental projects. During the 2018 Attitudinal Awareness Survey, which occurred a year after OCTA’s official rebranding of M2, the percentage of survey participants reporting awareness of the measure in was approximately 33 percent; however, when OCTA utilized a follow-up question intended to gauge the depth of respondents’ understanding of the measure, 33 percent had only heard of the measure and knew nothing beyond its name, suggesting a lower percentage of Orange County residents aware of OC Go than the initial 33 percent indicating awareness of OC Go.

Overall, the 2021 survey’s results *suggest* the M2 rebranding and OC Go marketing efforts have only marginally improved awareness of OC Go; however, several survey design factors are worthy of additional consideration. First, as the survey asked, “Prior to taking this survey, had you heard of OC Go Orange County’s voter-approved half cent transportation sale tax?”, a survey result of 18.2 percent does not necessarily indicate that only 18.2 percent of residents are familiar with the work OCTA is completing by way of OC Go, only that they may be unfamiliar with the sales tax measure. Second, of the 14 non-demographic questions respondents were asked, none were phrased such that participants were asked whether they were familiar with improvements (e.g., by freeway, transit, and/or streets and roads) being made possible by OC Go. In essence, the survey question could be constructed in a way such that respondents may not make a connection between OC Go and the sales tax as easily as they might between OC Go and transportation and infrastructure improvements, potentially leading to a larger degree of respondents reporting not having heard of OC Go. In both cases, additional questions in future surveys related to OC Go may provide OCTA with greater assurance regarding the actual percentage of Orange County residents familiar with OC Go.

### **Traffic Congestion Continued to Rank as the Most Pressing Issue Facing Orange County Among One Out of Every Ten Residents**

Among Orange County residents’ rankings of top issues affecting Orange County, the 2021 Attitudinal and Awareness Survey identified traffic as residents’ fourth-greatest priority issue, behind homelessness, none (no most pressing issue), and real estate/housing. Traffic has continued to be one of residents’ highest priority issues since 2011, though it should be noted that over the last decade, the percentage of respondents indicating traffic as the greatest priority has never been greater than respondents reporting no greatest priority, as illustrated in Exhibit 56.

**EXHIBIT 56.** SURVEY RESPONDENTS’ TOP 10 MOST IMPORTANT ISSUES FACING ORANGE COUNTY, BY STUDY YEAR

Study Year				
2011	2015		2018	2021
Economy, unemployment	Water issues, drought	↑	Homelessness	↑
Not sure / Can’t think of anything	Not sure / Can’t think of anything	↑↓	Real estate, housing	↑
Education, schools	Traffic	↑	Not sure/ Can’t think of anything	↓

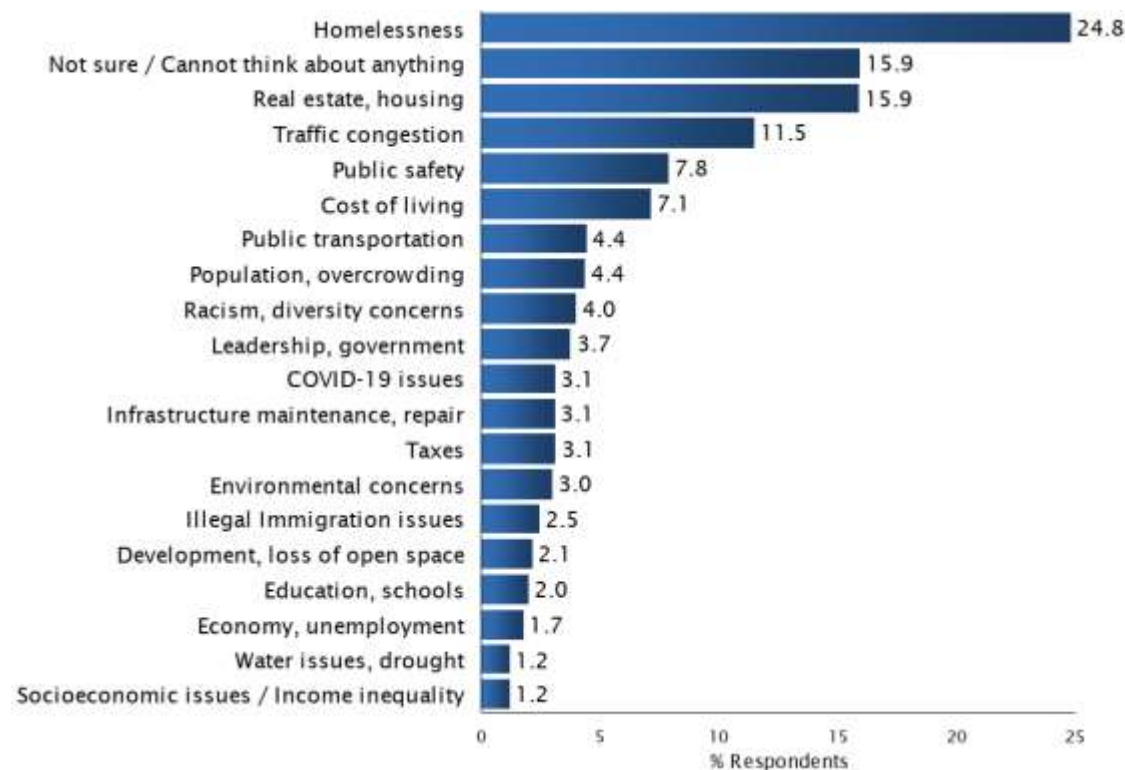


Study Year				
2011	2015		2018	2021
Traffic	Economy, unemployment	↓	Traffic congestion	↓
Public safety / Crime	Real estate, housing	↑	Cost of Living	↑
Budget, spending	Cost of Living	↑	Population, overcrowding	↑
Real estate, housing	Public safety	↓	Illegal immigration issues	↑
Transportation infrastructure	Population, overcrowding	↑	Public transportation	↑
Population, overcrowding	Education, schools	↓	Public safety	↓
Cost of Living	Homelessness	↑	Infrastructure maintenance, repair	↑
				Leadership, government

Source: OCTA's 2021 Attitudinal and Awareness Survey Summary Report, Table 1.

In terms of the strength of survey respondents' most pressing concerns, homelessness accounted for 25 percent of respondents' most pressing issue, with traffic congestion trailing at fourth place, indicated by 11.5 percent of responses, as illustrated in Exhibit 57. In other words, traffic congestion was considered the most pressing issue facing Orange County for only one in ten residents.

#### EXHIBIT 57. SURVEY RESPONDENTS' MOST IMPORTANT ISSUES FACING ORANGE COUNTY



Source: OCTA's 2021 Attitudinal and Awareness Survey Summary Report, Figure 6.



## The Taxpayer Oversight Committee Continues to Function as Envisioned in the Ordinance

According to the M2 Ordinance, the TOC was formed as a safeguard to ensure taxpayer revenues were spent in accordance with the M2 Ordinance and Transportation Investment Plan. The TOC was charged with annually reviewing and certifying whether expenditures were in compliance with the M2 Ordinance and independently and discretionarily performed ongoing monitoring and reviews to ensure M2 was implemented as approved by voters. Our assessment found that the TOC has continued to fulfill its responsibilities.

M2 stipulates several key responsibilities for the TOC:

1. Vote on M2 Transportation Investment Plan amendments;
2. Hold annual public meeting to determine whether OCTA is proceeding in accordance with the Plan;
3. Update procedural, rules, regulations to operate, as necessary;
4. Annually certify whether M2 revenues have been spent in compliance with the Plan;
5. Determine local agency eligibility by reviewing Congestion Management Program, Mitigation Fee Program, Expenditure Reports, Local Signal Synchronization Plans, and Pavement Management Plans;
6. Receive and review the triennial performance assessment.

Based on our review of TOC meeting minutes, the TOC generally met on a bi-monthly basis and fulfilled their responsibilities as established in its procedures and as required by the M2 Ordinance, as summarized in Exhibit 58. Moreover, the TOC formed two subcommittees to help fulfill responsibilities—an Audit Subcommittee and an Annual Eligibility Review Subcommittee. Meeting minutes demonstrated a general commitment from both TOC and OCTA to follow set procedures and operate in an open and transparent environment where issues were brought to light and discussed as necessary.

**EXHIBIT 58.** COMPARISON OF OCTA WEBSITE ACCESSIBILITY AGAINST COMPARABLE ENTITIES

	TOC List of Responsibilities	Frequency of TOC Responsibility	Responsibility Fulfilled for Review Period
1	Approve by 2/3 vote any funding changes to plan	Ongoing as needed	✓
2	Hold annual public hearings	Annually	✓
3	Update procedural, rules, regulations necessary to operate	Initial and ongoing as needed	✓
4	Review five (5) of the twelve local eligibility requirements	As determined by each category	✓
5	Chair shall certify Annually that Revenues are spent in compliance to the plan	Annually	✓
6	Receive and review Triennial Performance Assessments	Every three (3) years	✓

Source: OCTA Taxpayer Oversight Committee Meeting Agendas and Minutes.



## Recommendation

To improve the quality and depth of information captured by the triannual Attitudinal and Awareness Survey, OCTA should consider:

4. Rephrasing the survey question, or adding an additional question, concerning Orange County residents' awareness of OC Go, such that the question provides an OC Go frame of reference in the context of transportation and infrastructure improvements made possible by OC Go, rather than basing residents' awareness solely off of awareness of OC Go in the context of the voter-approved, half-cent sales tax.



## Appendix A: Universe of M2 Projects

24 Project Letters	Project Title	Ordinance Budget (Millions, 2005\$)	Segments	Current Baseline (Millions, YOY)	Current Estimate (Millions, YOY)	Dollar Variance	Percent Variance	Completion Status as of June 30, 2021	Project Scope
A	Santa Ana Freeway (I-5) Improvements between Costa Mesa Freeway (SR-55) and "Orange Crush" Area (SR-57)	\$470.0	Not applicable	\$38.1	\$39.4	\$1.3	3%	Jan-21	Add new HOVL; 3 miles; both directions
B	Santa Ana Freeway (I-5) Improvements from the Costa Mesa Freeway (SR-55) to El Toro "Y" Area	\$300.2	Not applicable	\$9.6	\$8.4	-\$1.1	-12%	Jan-20	New GPL, both directions; 9 miles
			I-405 to Yale Avenue Actual	\$230.5	\$230.5	\$0.00	0%	Feb-29	New GPL both directions; 4.5 miles
			Yale Avenue to SR-55 Actual	\$200.4	\$200.4	\$0.00	0%	Sep-28	New GPL both directions; 4.5 miles
C	San Diego Freeway (I-5) Improvements South of the El Toro "Y"	\$627.0	I-5: SR-73 to Oso Pkwy	\$195.8	\$195.8	-\$0	0%	Apr-25	New GPL, both directions; reconstruction Avery Parkway Interchange, 2.2 miles
			I-5: Oso Pkwy to Alicia Pkwy	\$196.2	\$203.1	\$6.90	4%	Dec-23	New GPL; both directions; reconstruction La Paz Road Interchange, 2.6 miles
			I-5: Alicia Pkwy to El Toro Rd	\$165.9	\$165.9	\$0	0%	Oct-24	New GPL, extend HOVL; both directions; 1.7 miles



24 Project Letters	Project Title	Ordinance Budget (Millions, 2005\$)	Segments	Current Baseline (Millions, YOY)	Current Estimate (Millions, YOY)	Dollar Variance	Percent Variance	Completion Status as of June 30, 2021	Project Scope
			I-5: SR-73 to El Toro Rd Landscape	Not applicable - project not yet started.	\$12.4	Not applicable	Not applicable	Dec-23	Replace landscape, both directions; 6.5 miles
			I-5: Avenida Pico to Vista Hermosa	\$113.0	\$83.6	-\$29.4	-26%	Aug-18	New HOVL, both directions; 0.7 miles
			I-5: Avenida Vista Hermosa to Pacific Coast Highway (PCH)	\$75.6	\$75.3	-\$0.4	0%	Jul-17	New HOVL, both directions; 2.5 miles
			I-5: PCH to San Juan Creek Rd	\$70.7	\$74.3	\$3.6	5%	Jul-18	New HOVL, both directions; 2.5 miles
D	Santa Ana Freeway/San Diego Freeway (I-5) Local Interchange Upgrades	\$258.0	I-5/El Toro Road Interchange	\$5.4	\$5.5	\$0.1	3%	Not applicable	Reconstruct interchange. Overall Project length approximately one mile.
			I-5/Ortega Highway Interchange	\$91.0	\$79.8	-\$11.1	-12%	Jan-16	Reconstruct interchange
E	Garden Grove Freeway (SR-22) Access Improvements	\$120.0	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Improvements at 3 interchanges along SR-22 completed in 2008 as "bonus project" paid for by M1



24 Project Letters	Project Title	Ordinance Budget (Millions, 2005\$)	Segments	Current Baseline (Millions, YOY)	Current Estimate (Millions, YOY)	Dollar Variance	Percent Variance	Completion Status as of June 30, 2021	Project Scope
F	Costa Mesa Freeway (SR- 55) Improvements	\$366.0	SR-55: I-405 to I-5	\$410.9	\$503.2	\$92.3	22%	Apr-26	New GPL, HOVL, both directions; 4 miles
			SR-55: I-5 to SR-91	\$131.3	\$131.3	\$0.00	0%	Jul-29	New lanes, both directions; 7.5 miles
G	Orange Freeway (SR- 57) Improvements	\$258.7	SR-57: NB Orangewood to Katella	\$71.8	\$71.8	\$0.00	0%	Oct-27	New GPL, NB; Approx. 1 mile
			SR-57: Katella to Lincoln	\$78.7	\$38.0	-\$40.7	-52%	Apr-15	New GPL, NB; 2.8 miles
			SR-57: Orangethorpe to Yorba Linda	\$80.3	\$52.3	-\$28.0	-35%	Nov-14	New GPL, NB, widen existing lanes to standard widths; 2.4 miles
			SR-57: Yorba Linda to Lambert	\$79.3	\$54.1	-\$25.2	-32%	May-14	New GPL, NB, widen existing lanes to standard widths; 2.5 miles
			SR-57: Lambert to Tonner Canyon	\$0.00	Not applicable – Environm ental Design not yet completed	Not applicable	Not applicable	Not applicable	New GPL; NB, 2.5 miles
H	Riverside Freeway (SR- 91) Improvements from the Santa Ana Freeway (I-5) to the Orange Freeway (SR- 57)	\$140.0	SR-91: WB I-5 to SR-57	\$78.1	\$59.2	-\$18.9	-24%	Jun-16	New GPL, WB; 4.5 miles
I	Riverside Freeway (SR- 91)	\$416.5	SR-91: Tustin Avenue to SR- 55 Interchange	\$49.9	\$42.5	-\$7.4	-15%	Jul-16	New AUXL, WB; 2 miles



24 Project Letters	Project Title	Ordinance Budget (Millions, 2005\$)	Segments	Current Baseline (Millions, YOY)	Current Estimate (Millions, YOY)	Dollar Variance	Percent Variance	Completion Status as of June 30, 2021	Project Scope
	Improvements from Orange Freeway (SR-57) to the Costa Mesa Freeway (SR-55) Interchange Area		SR-91, SR-55 to Lakeview Avenue (Segment 1)	\$100.9	\$100.9	\$0.0	0%	Sept -27	Westbound operational improvements (approximately 1.5 miles)
			SR-91, La Palma Avenue to SR-55 (Segment 2)	\$208.4	\$208.4	\$0	0%	Mar -28	Additional eastbound general purpose lane (approximately 2.8 miles)
			SR-91, Acacia Street to La Palma Ave (Segment 3)	\$116.2	\$116.2	\$0	0%	Sept -28	Westbound operational improvements (approximately 1.8 miles)
J	Riverside Freeway (SR-91) Improvements from Costa Mesa Freeway (SR-55) to the Orange/Riverside County Line	\$352.0	SR-91: SR-241 to SR-71	\$104.5	\$57.8	-\$46.8	-45%	Jan-11	New GPL, EB, widen existing lanes to standard widths; 6 miles
			SR-91: SR-55 to SR-241/East of Weir Canyon	\$128.4	\$79.7	-\$48.7	-38%	Mar-13	New GPL, both directions, widen existing lanes to standard widths; 6 miles
			SR-91: SR-241 to Riverside County Line	Not applicable - project not started	Not applicable	Not applicable	Not applicable	Not applicable	New GPL
K	San Diego Freeway (I-405) Improvements between the I-605 Freeway in Los Alamitos Area and Costa Mesa Freeway (SR-55)	\$1,072.8	I-405: SR-55 to I-605 Design-Build	\$1,560.2	\$2,080.2	\$520	33%	Feb-24	New GPL, new HOV, both directions; Approximately 16 miles



24 Project Letters	Project Title	Ordinance Budget (Millions, 2005\$)	Segments	Current Baseline (Millions, YOY)	Current Estimate (Millions, YOY)	Dollar Variance	Percent Variance	Completion Status as of June 30, 2021	Project Scope
L	San Diego Freeway (I-405) Improvements between Costa Mesa Freeway (SR-55) and Santa Ana Freeway (I-5)	\$319.7	I-405: I-5 to SR-55	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Widen freeway both directions; Alternative proposal: GPL, one direction. Approximately 8.5 miles
M	I-605 Freeway Access Improvements	\$20.0	I-605/Katella Ave. IC	\$29.0	\$29.0	\$0.0	0%	Nov-25	Modify interchange ramps and lane configurations; Approximately 0.5 miles
N	Freeway Service Patrol	\$150.0	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	M2 funded program to assist stranded motorists on the freeway network.
Sub-Total Freeway		\$4,870.9		\$4,620.0	\$4,999.0	\$379.0	8%		
O	Regional Capacity Program	\$1,132.8	Raymond Ave. Undercrossing	\$77.2	\$126.2	\$49.0	64%	May-18	New rail undercrossing
			State College Blvd. Undercrossing	\$73.7	\$99.6	\$25.9	35%	Mar-18	New rail undercrossing
			Placentia Ave. Undercrossing	\$78.2	\$64.5	-\$13.7	-17%	Dec-14	New rail undercrossing
			Kraemer Blvd. Undercrossing	\$70.4	\$63.8	-\$6.6	-9%	Dec-14	New rail undercrossing
			Orangethorpe Ave. Overcrossing	\$117.4	\$105.9	-\$11.5	-10%	Oct-16	New rail overcrossing
			Tustin Ave./Rose Dr. Overcrossing	\$103.0	\$96.6	-\$6.4	-6%	Oct-16	New rail overcrossing
			Lakeview Ave. Overcrossing	\$70.2	\$110.7	\$40.6	58%	Jun-17	New rail overcrossing and connector road.



24 Project Letters	Project Title	Ordinance Budget (Millions, 2005\$)	Segments	Current Baseline (Millions, YOY)	Current Estimate (Millions, YOY)	Dollar Variance	Percent Variance	Completion Status as of June 30, 2021	Project Scope
			Orange County Master Plan for Arterial Highways (MPAH) Local Match	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Awarded to locals via competitive grants, requiring local match.
P	Regional Traffic Signal Synchronization Program	\$453.1	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Provides funding and assistance to implement multi-agency signal synchronization. been funded.
Q	Local Fair Share Program	\$2,039.1	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Awarded on a formula basis to all locals on a bi-monthly basis.
<b>Sub-Total Streets &amp; Roads</b>		<b>\$3,625.0</b>		<b>\$590.0</b>	<b>\$667.4</b>	<b>\$77.32</b>	<b>13%</b>		
R	High Frequency Metrolink Service	\$1,129.8	Sand Canyon Grade Separation	\$55.6	\$61.9	\$6.3	11%	Jan-16	Creating a grade separated crossing.
			Rail-Highway Grade Crossing Safety Enhancement	\$94.4	\$90.4	-\$4.0	-4%	Dec-11	50 at-grade rail-highway crossings with focus on safety improvements (new medians, new gate arms, upgrading traffic signals, new pedestrian swing gates, etc.)
			17th Street Grade Separation - LOSSAN (Environmental Only)	\$3.2	\$2.5	-\$0.7	-23%	Nov-17	Construct highway-rail grade separation in City of Santa Ana
			Laguna Niguel/San Juan Capistrano Passing Siding	\$25.3	\$36.4	\$11.1	44%	Nov-20	Construct 1.8 miles of new passing siding track adjacent to existing main track
			Laguna Niguel/Mission Viejo Station Surface Parking Lot	\$4.3	\$4.1	-\$0.2	-5%	Oct-13	Construct parking lot



24 Project Letters	Project Title	Ordinance Budget (Millions, 2005\$)	Segments	Current Baseline (Millions, YOY)	Current Estimate (Millions, YOY)	Dollar Variance	Percent Variance	Completion Status as of June 30, 2021	Project Scope
			Laguna Niguel/Mission Viejo Station ADA Ramps	\$3.6	\$5.0	\$1.4	40%	Sep-17	Upgrade station facilities to be ADA compliant
			Placentia Metrolink Station & Parking Structure	\$34.8	\$40.1	\$5.3	15%	Jan-24	Construct new station including parking structure, bus stop, and passenger loading zone
			Anaheim Canyon Station	\$27.9	\$34.3	\$6.3	23%	Jan-23	Construct 3400 linear ft of second station tracks, new second platform and upgrade parking lot to be ADA compliant.
			Orange Station Parking Expansion	\$33.2	\$30.9	-\$2.3	-7%	Feb-19	Construct new parking structure
			Tustin Station Parking Expansion	\$17.6	\$15.4	-\$2.2	-13%	Sep-11	Construct new parking structure
			Fullerton Station Parking Expansion	\$42.0	\$29.8	-\$12.2	-29%	Jun-12	Construct new parking structure
			Fullerton Transportation Center Elevator Upgrades	\$3.5	\$4.2	\$0.7	21%	May-19	Modify pedestrian bridge, add elevators
			San Clemente Beach Trail Safety Enhancements	\$6.0	\$5.0	-\$1.0	-17%	Mar-14	Enhancing safety features at pedestrian crossings.



24 Project Letters	Project Title	Ordinance Budget (Millions, 2005\$)	Segments	Current Baseline (Millions, YOY)	Current Estimate (Millions, YOY)	Dollar Variance	Percent Variance	Completion Status as of June 30, 2021	Project Scope
S	Transit Extension to Metrolink	\$1,000.0	OC Streetcar	\$424.4	\$440.0	\$15.6	4%	Oct-23	Construct 4.15-mile streetcar line connecting the SRTC to Downtown Santa Ana
			Bus and Station Van Extension Projects	not applicable	not applicable	not applicable	not applicable	not applicable	Projects intended to increase frequency of service to connect to Metrolink.
T	Convert Metrolink Station(s) to Regional Gateway that Connect Orange County with High-Speed Rail System	\$57.9	Anaheim Regional Transportation Center (ARTIC)	\$227.4	\$232.2	\$4.8	2%	Dec-14	Construct multi-modal transit center serving existing rail and bus and future CA high-speed train
U	Expand Mobility Choices to Seniors and Persons with Disabilities	\$392.8	Senior Mobility Program	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Projects intended to expand transportation services for seniors.
			Senior Non- Emergency Medical Transportation Program	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Projects intended to supplement existing non-emergency medical transportation to seniors.
			Fare Stabilization Program	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Program intended to stabilize fares and provide fare discounts to seniors and persons with disabilities.
V	Community Based Transit/Circula tors	\$226.5	not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	This program provides funding for local jurisdictions to develop local bus transit services that complement regional bus and rail services to meet needs in areas not adequately served by regional transit.



24 Project Letters	Project Title	Ordinance Budget (Millions, 2005\$)	Segments	Current Baseline (Millions, YOY)	Current Estimate (Millions, YOY)	Dollar Variance	Percent Variance	Completion Status as of June 30, 2021	Project Scope
W	Safe Transit Stops	\$25.0	not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Provides funding for passenger amenities at the busiest transit stops across Orange County.
Sub-Total Transit		\$2,832.0		\$1,003.2	\$1,032.1	\$28.9	3%		
X	Environmental Cleanup	\$237.2	Tier 1	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Implements street and highway-related water quality improvement programs and projects that assist agencies countywide with federal Clean Water Act standards for urban runoff.
			Tier 2	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
Total		\$11,565.1		\$6,213.2	\$6,698.4	\$485.2	8%		



**July 2018 - June 2021**  
**M2 Performance Assessment Recommendations and Action Plan**

<b>Consultant Recommendation</b>		<b>OCTA Response</b>
<b>Chapter 1: Program Goals Have Been Met Thus Far</b>		
1.	In conjunction with the 2015 framework, identify when to begin efforts to engage with potential external caretakers for long-term management of the seven conservation properties.	OCTA is currently developing an approach to support the long-term management of the conservation properties. This approach will be used to identify the appropriate milestone to initiate engagement with potential external caretakers.
<b>Chapter 2: OCTA Demonstrated Strong Program Management</b>		
2.	Develop a process for role-based access changes and ensure that program managers and supervisors understand access protocols and expectations. The Information Systems team should continue to work with Human Resources to develop a better notification system for determining when staff access should be altered due to staff role changes.	<p>The Information Systems department will work with Human Resources to review and update current account-based policies to ensure that as employee roles change, the access to OCTA resources is updated and that management is aware, supports, and is involved in this process.</p> <p>The Information Systems department will update current processes for role-based access to OCTA resources, that will allow for the modification of access when a user's role and access requirements change.</p>
3.	Require that contractors with OCTA email addresses and network access must take and pass internal OCTA security training as a contract condition.	OCTA will require contractors requesting OCTA user accounts to include those with email capabilities be provided the mandatory cybersecurity training that is currently in place for all full-time administrative employees as a condition for receiving an OCTA user account.
<b>Chapter 3: A Third of the Way Through the M2 Life Cycle, Substantial Progress Has Been Made Across All Program Areas – No Recommendation</b>		
<b>Chapter 4: OCTA's Approaches Ensured Compliance with the M2 Ordinance – No Recommendation</b>		
<b>Chapter 5: Sound Fiscal Practices Have Allowed OCTA to Mitigate Impacts of the COVID-19 Pandemic; However, Rising Costs Remain a Risk – No Recommendation</b>		
<b>Chapter 6: OCTA is Transparent and Accountable to The Public</b>		
4.	Rephrase the survey question, or add an additional question, concerning Orange County residents' awareness of OC Go, such that the question provides an OC Go frame of reference in the context of transportation and infrastructure improvements made possible by OC Go, rather than basing residents' awareness solely off of awareness of OC Go in the context of the voter-approved, half-cent sales tax.	Additional questions which provide transportation context for OC Go programs will be added to future surveys as appropriate.

**Acronyms**

M2 - OC Go – Measure M2 / OCTA – Orange County Transportation Authority / COVID-19 – Coronavirus



# Measure M2 Performance Assessment Report



# MEASURE M2 PERFORMANCE ASSESSMENT REPORT

APRIL 4, 2022

ORANGE COUNTY TRANSPORTATION AUTHORITY

Presented by:  
Nicole Dyer  
Mike Valdez



# ASSESSMENT FOCUS

- **Triennial Performance Assessment required by M2 Ordinance — 5<sup>th</sup> assessment to date.**
- **Main areas of focus included project delivery, program management & responsiveness, compliance, fiscal responsibility, and transparency & accountability.**
- **Additional review of status of prior assessment findings, performance of OCTA's delivery of M2 projects and programs, and opportunities for improvement.**



# OVERALL SUMMARY AND PROGRAM RESULTS

## Results

- On track with meeting primary goals of M2 Ordinance and fulfilling promises, as significant progress made in all M2 areas.
- Sound program and project management practices continued to be in place.
- As of June 30, 2021, the endowment balance was \$19.2 million; once funded, OCTA plans to transfer the management of the Preserves to third-party land management entities.
- Several improvements to cybersecurity operations were implemented, though additional opportunities for improvement remain.
- OCTA is transparent and accountable to the public. While public perception of OCTA has significantly improved, awareness of OC Go since OCTA's rebranding effort has lagged.

## Recommendations

- Identify when to begin efforts to engage with potential external caretakers for long-term management of the seven conservation properties.
- Develop a process for role-based access and ensure program managers and supervisors understand access protocols and provisions.
- Require contractors with OCTA email addresses and network access to take and pass internal OCTA security training.
- Consider rephrasing the triannual Attitudinal and Awareness Survey question, or adding an additional question, concerning Orange County residents' awareness of OC Go, such that the question provides an OC Go frame of reference in the context of transportation and infrastructure improvements made possible by OC Go, rather than basing residents' awareness solely off of awareness of OC Go in the context of the voter-approved, half-cent sales tax.



# SUBSTANTIAL PROGRESS ACROSS ALL PROGRAM AREAS

## RESULTS

- A third of the way through the M2 life cycle, accomplishments included:
  - 30 freeway project segments, with 13 project segments open to traffic, 13 projects in construction or in or nearing design, and 4 projects planned to be environmentally cleared by 2030.
  - \$851.9 million provided to improve local streets and roads infrastructure.
  - 11 of 13 Metrolink improvements completed.
  - 45 million gallons of trash collected, 350 acres restored, and 1,300 acres preserved as open space.
  - \$91.7 million provided to three programs to expand mobility choices for seniors and persons with disabilities.
- Capital projects show substantial progress although some budget and schedule challenges exist.
- Solid policies and procedures in place over construction management.
- Procurement practices and activities generally comply with OCTA policies.

**No recommendations.**



# SUBSTANTIAL PROGRESS ACROSS ALL PROGRAM AREAS

#	M2 Ordinance Goal	Measure	Results Thus Far
1	Relieve Congestion on I-5, I-405, SR-22, SR-55, SR-57, and SR-91	<ul style="list-style-type: none"> <li>Commute Time</li> <li>Hours of Delay</li> </ul>	<ul style="list-style-type: none"> <li>Congestion increased slightly from 2018 to 2019, and sharply declined in the first half of 2020.</li> <li>Vehicle miles traveled (VMT) declined from 2019 to 2021.</li> <li>Delay was less on the I-5 projects reviewed.</li> </ul>
2	Fix Potholes & Resurface Streets	<ul style="list-style-type: none"> <li>Pavement Condition Index</li> </ul>	<ul style="list-style-type: none"> <li>Improvements in Pavement Index Condition (PCI) noted in 2016 have remained at 79 in 2020.</li> <li>Orange County continues to have the best pavement condition in the State.</li> </ul>
3	Expand Metrolink Rail & Connect with Local Communities	<ul style="list-style-type: none"> <li>Projects Completed</li> </ul>	<ul style="list-style-type: none"> <li>11 of 13 identified Metrolink rail expansion capital projects to accommodate future increased service frequency were completed which include 50 at-grade rail crossing safety enhancements.</li> <li>In March and November of 2020, three lines servicing Orange County reduce service by 24% from 54 to 41 weekday trains due to pandemic initiated stay-at-home orders and its effect on ridership.</li> <li>OC Streetcar construction began in November 2018.</li> <li>\$52 million awarded to 35 projects and 10 planning studies for local community-based transit circulators.</li> </ul>
4	Provide Reduced Cost Transit to Seniors and Persons with Disabilities	<ul style="list-style-type: none"> <li>Number of Issued Passes</li> <li>Number of Boardings</li> <li>Funding Provided</li> </ul>	<ul style="list-style-type: none"> <li>\$26.5 million and 2.5 million boardings provided under the Senior Mobility Program. Due to COVID-19, several jurisdictions modified or suspended service.</li> <li>\$28.6 million and 1.38 million boardings provided to the County of Orange to supplement existing Senior Non-Emergency Medical Transportation Program services.</li> <li>\$36 million and 123 million boardings provided to stabilize fares and provide fare discounts to seniors and persons with disabilities.</li> </ul>
5	Synchronize Traffic Lights	<ul style="list-style-type: none"> <li>Number of Lights Synced</li> </ul>	<ul style="list-style-type: none"> <li>3,108 traffic lights synchronized.</li> </ul>
6	Reduce Air and Water Pollution and Protect Local Beaches through Cleanup of Roadway Oil Runoff	<ul style="list-style-type: none"> <li>Better Air Quality and Less Water Pollution</li> </ul>	<ul style="list-style-type: none"> <li>45 million gallons of trash removed.</li> <li>1,300 acres preserved as open space.</li> <li>350 acres restored.</li> </ul>



# OCTA DEMONSTRATED STRONG PROGRAM MANAGEMENT

## RESULTS

- Continual employment of strong practices.
- Roles and functions clearly delineated to support coordination of M2 Program.
- Impacts and risks of global pandemic on project delivery were well documented and monitored.
- Continuous improvement valued through implementation of prior assessment recommendations.
- Administrative costs were limited and closely monitored.



# OCTA DEMONSTRATED STRONG PROGRAM MANAGEMENT (CONT'D)

## RESULTS

- Several improvements to cybersecurity operations were implemented, though additional opportunities for improvement remain.
- No formal process in place to review or remove access rights in response to staff role changes.
- Most OCTA contractors with OCTA email addresses did not complete internal cyber security training.

## RECOMMENDATIONS

- ✓ Develop a process for role-based access changes and ensure program managers and supervisors understand access protocols and expectations. Work with Human Resources to develop a notification system to identify when staff access should be altered.
- ✓ Require that contractors with OCTA email addresses and network access take and pass internal OCTA security training as a contract condition.



# APPROACHES ENSURED COMPLIANCE WITH M2

## RESULTS

- Robust system used to track compliance.
- Local eligibility requirements were robust and thoroughly reviewed by OCTA.
- Although grant award amounts declined during assessment period, practices remained solid.

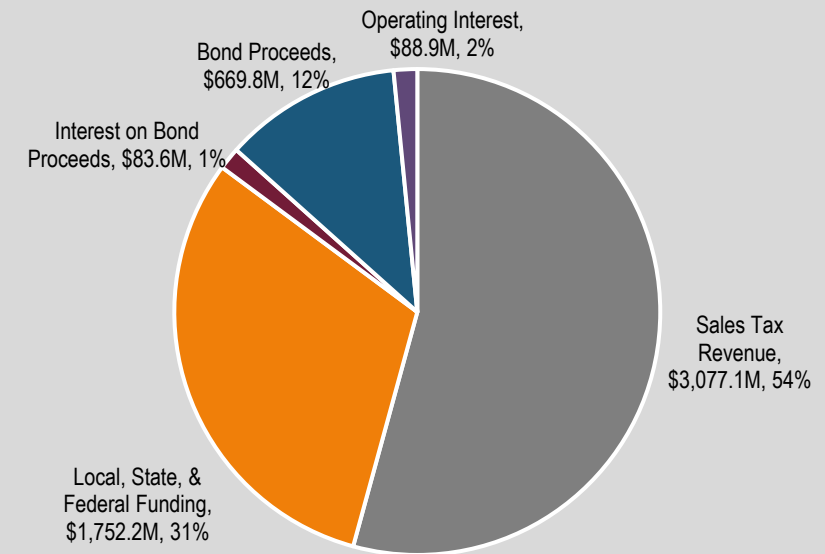
**No recommendations.**



# SOUND FISCAL PRACTICES ALLOWED MITIGATION OF COVID-19 IMPACTS BUT RISK REMAINS

## RESULTS

- Use of external forecasting continues to be a sound practice.
- Though sales tax revenues outpaced external funds received, nearly half of every dollar in M2 funding was leveraged.
- Forecasted sales tax funding and leveraged funds appropriately considered impact of changing federal and state priorities.
- Board of Directors adopted a comprehensive debt management policy.
- Leveraged approximately \$1.8 Billion in external revenue sources program-wide.





# SOUND FISCAL PRACTICES ALLOWED MITIGATION OF COVID-19 IMPACTS BUT RISK REMAINS (CONT'D)

## RESULTS

- Bond issuance plan shifted during recent years, but debt financing approach was sound.
- Project debt service coverage met Board requirements and appeared sufficient.
- Use of debt more conservative than peers.
- Investment practices achieved rates of return greater than the market average.

	Logan Circle Partners	MetLife Investment Management	Chandler Asset Management	Public Financial Management	Payden & Rygel
As of June 30, 2019					
12 Month Return	3.45%		4.10%	4.27%	4.17%
TSY Benchmark	3.96%		3.96%	3.96%	3.96%
Gov/Corp Benchmark	4.16%		4.16%	4.16%	4.16%
As of June 30, 2020					
12 Month Return		4.18%	4.18%	4.22%	4.21%
TSY Benchmark		4.07%	4.07%	4.07%	4.07%
Gov/Corp Benchmark		4.18%	4.18%	4.18%	4.18%
As of June 30, 2021					
12 Month Return		0.81%	0.30%	0.43%	0.50%
TSY Benchmark		0.07%	0.07%	0.07%	0.07%
Gov/Corp Benchmark		0.27%	0.27%	0.27%	0.27%



# SOUND FISCAL PRACTICES ALLOWED MITIGATION OF COVID-19 IMPACTS BUT RISK REMAINS (CONT'D)

## RESULTS

- Forecasted high cost pressures pose a risk to capital project delivery.
- Consistent with Agency's conservative approach, projections over-estimated expenditures incurred during specific periods.
- Conservative approach involves reserving balance to guard against economic uncertainties.

**No recommendations.**



# OCTA IS TRANSPARENT & ACCOUNTABLE

## RESULTS

- Highly focused on accountability with great transparency of actions, decisions, and data communicated to Board and public stakeholders.
- Outreach efforts aligned with peers reviewed and, in many cases, are ahead of peers.
- Public perception has significantly improved, though awareness of OC Go since OCTA's rebranding effort has lagged.
- TOC continued to function as envisioned in the ordinance.

## RECOMMENDATIONS

- ✓ Improve the quality and depth of information captured by the triannual Attitudinal and Awareness Survey, rephrase the survey question or add an additional question concerning Orange County residents' awareness of OC Go.



# QUESTIONS

**Sjoberg Evashenk appreciates the cooperation and assistance from OCTA and stakeholders.**

## Questions?





**March 7, 2022**

**To:** Executive Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Measure M2 Quarterly Progress Report for the Period of October 2021 Through December 2021

### **Overview**

Staff has prepared the Measure M2 quarterly progress report for the second quarter of fiscal year 2021-22 as information for the Orange County Transportation Authority Board of Directors. This report highlights progress on Measure M2 projects and programs and is 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 nearly 70 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 (M2 Ordinance) 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 also adhering to numerous specific requirements and high standards of quality called for in the measure, as identified in the M2 Ordinance. The M2 Ordinance requires that quarterly status reports regarding the major projects detailed in the Plan be brought to the Board of Directors (Board). The Board is also provided with individual project staff reports and overall reports on the status of various capital projects by the Capital Programs Division.



***Discussion***

This quarterly report reflects current activities and progress across all M2 programs for the period of October 1, 2021, through December 31, 2021 (Attachment A). The report includes project budget and schedule information as provided and reported in the Capital Action Plan. Information on the Local Fair Share and Senior Mobility Program (SMP) payments made to cities during the quarter is also included.

Additionally, Attachment A includes a summary of the Program Management Office activities, of which two areas are highlighted below.

**Ordinance Safeguards**

To evaluate OCTA's efficiency and effectiveness in the delivery of M2, the M2 Ordinance requires a performance assessment to be conducted at least once every three years. Four prior performance assessments have been completed to date. The fifth performance assessment covering the period between fiscal year (FY) 2018-19 through FY 2020-21 is currently underway. This quarter, the consultant completed external stakeholder interviews and their review of M2-related documents and held briefings with staff. The final report is anticipated to be presented to the Board in spring 2022.

In addition, the Program Management Office annually updates a compliance matrix to ensure the numerous requirements in the M2 Ordinance are met. The matrix details the status of each requirement and includes links to supporting documentation. The annual update is underway and will be shared with the Taxpayer Oversight Committee as a resource for committee members.

**Next 10 Delivery Plan (Next 10 Plan)**

Annually, staff reviews the Board-adopted commitments in the Next 10 Plan to ensure it remains deliverable with updated revenues and project costs. The 2021 update of the Next 10 Plan was presented to the Board on December 13, 2021. This update incorporated the latest M2 sales tax revenue forecast of \$13.2 billion, updated market conditions forecast and risk analysis, and latest project schedules and estimates. The 2021 Next 10 Plan continues to demonstrate that the Plan remains deliverable and can withstand reasonable fluctuations.



### 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 2021-22.

### Freeway Program

The M2 Freeway Program consists of 30 project segments to be delivered by 2041. Currently, in year 11 of the 30-year program, 13 project segments are complete, four are in construction, and another seven are readying for construction. The remaining six project segments are in various stages of project development.

- State Route 55 between Interstate 405 (I-405) and Interstate 5 (I-5) – The project was advertised for construction on December 6, 2021. Bids are anticipated to be opened on March 3, 2022, to begin construction in summer 2022. (Project F)
- I-405 between State Route 73 and Interstate 605 – Construction on the project is proceeding and a quarterly project update was provided to the Regional Planning and Highways (RPH) Committee on November 1, 2021, and to the Board on November 8, 2021. During the quarter, the Edinger Avenue and Bolsa Chica Road bridges were completed and opened to traffic, bringing the total to eight of 18 bridge replacements fully completed. The project is approximately 75 percent complete. (Project K)

### Streets and Roads

Since 2011, nearly \$984 million, which includes \$53.8 million in leveraged external funds, has been allocated to local jurisdictions for transportation improvements through the streets and roads competitive and formula funding programs. To date, 437 project phases have been allocated through the streets and roads competitive funding programs, of which 300 phases, equating to approximately 69 percent, have been completed. Additionally, M2 provided \$152.6 million, a portion of the \$666.5 million total program cost, to grade separate seven streets and rail crossings, leveraging the majority of the funds (\$513.9 million) from local, state, and federal sources.

- On November 8, 2021, a Regional Traffic Signal Synchronization Program (RTSSP) update was provided to the Board. The update shared that OCTA and local agencies have successfully implemented traffic signal synchronization timing projects on 94 corridors, with another 26 projects planned or underway. (Project P)



- On August 9, 2021, the Board approved the release of the 12th call for projects (call) for the Regional Capacity Program and RTSSP. Applications for the call were received on October 21, 2021 and are under review. Programming recommendations are anticipated in spring 2022. (Project O and Project P)

## Transit

The M2 transit mode includes several programs designed to provide additional transportation options. M2 is the primary funding source for Metrolink commuter rail service in Orange County and includes funding for rail station improvements and transit connections to extend the reach of the services. Due to the coronavirus (COVID-19) pandemic, Metrolink implemented temporary service reductions. The three lines serving Orange County now operate 41 weekday trains, a 24 percent reduction from 54 weekday trains. During the quarter, ridership recovery continued to trend positively, as total boardings on the Orange County Line increased on average by approximately 108 percent compared to the same quarter last year; however, full recovery of ridership could take over 24 months. As such, Metrolink and OCTA will continue to reassess the service needs in Orange County.

Since 2011, M2 has provided competitive multi-year transit funding commitments for bus and station van extension services connecting to Metrolink (\$483,133 to date), local community-based transit circulators and planning studies (\$40.0 million to date), and bus stop improvements (\$2.9 million to date). In parallel, M2 provides a set amount of annual funding to support three programs intended to expand mobility choices for seniors and persons with disabilities (\$96.2 million<sup>1</sup> to date). A few transit highlights during the quarter are noted below.

- Anaheim Canyon Metrolink Station – A project update was presented to the Transit Committee on October 14, 2021, and to the Board on October 25, 2021, providing a status of construction activities and public outreach. During the quarter, concrete for the extension of the existing platform was poured and footing for the new platform was placed. (Project R)
- OC Streetcar – A quarterly update was presented to the Transit Committee on October 14, 2021, and to the Board on October 25, 2021, providing information on the status of construction activities, vehicle manufacturing, and public outreach. During the quarter, the Fifth Street

---

<sup>1</sup> Only includes disbursed funds. On October 12, 2020, the Board approved a temporary exception to the SMP Guidelines, which allows for OCTA to hold allocations in reserve for agencies with suspended services due to the COVID-19 pandemic. The funds will be held until the State lifts the State of Emergency or transportation services resume, whichever occurs first.



grade crossing was completed with the installation of rail, crossing panels, and paving. (Project S)

### Environmental Programs

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

Since 2011, the ECP has allocated approximately \$54.1 million to local jurisdictions for 188 projects for trash removal devices (Tier 1), and 18 projects for large-scale water quality best management practices projects (Tier 2). It is estimated that nearly 45.3 million gallons of trash have been captured since the inception of the program, which is the equivalent of filling nearly 105 football fields with one foot deep of trash. The next Tier 1 call is anticipated in early 2022.

Additionally, the Board has authorized \$55 million for the EMP to acquire conservation lands and fund habitat restoration projects. OCTA has acquired more than 1,300 acres (Preserves) and funded 12 projects to restore habitat on 350 acres of open space 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. The performance of the fund may affect the timeframe for full funding of the endowment. Current projections indicate that OCTA remains on track to meet the endowment target of \$46.2 million in FY 2027-28. As of December 31, 2021, the balance of the endowment was \$22,634,538.

An update for the EMP was provided to the RPH Committee on December 6, 2021, and to the Board on December 13, 2021, which included progress on the Conservation Plan, Fire Management Plans, Clean Water Act permits, projects that benefitted from EMP, as well as the resumption of docent-led hikes and equestrian rides on the Preserves.

### Challenges

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

- The OC Streetcar Project has faced many challenges, such as unforeseen utility conflicts and conditions, contaminated materials, construction quality control and compliance, added oversight and approvals, and several change requests. The project supplemental contingency has been drawn down more quickly than anticipated due to



these challenges. To utilize additional federal funds, OCTA worked with the Federal Transit Administration (FTA) project management oversight consultant on a comprehensive project risk, cost, and schedule assessment. As a result of this effort, OCTA and the FTA revised the forecasted revenue service date to March 2024 and the project budget to \$509.54 million. On December 13, 2021, the Board approved the revised OC Streetcar project budget and funding plan, which will be funded with a combination of state, federal, and M2 funding. The construction management team continues to track progress and manage risks to actively identify opportunities to reduce construction timeframes on future activities.

- To provide insight into potential project delivery cost drivers, OCTA receives biannual updates of market conditions key indicators analysis and forecast. On October 11, 2021, the fall analysis and forecast were presented to the Board. The report forecasted that OCTA may experience a high inflation cost environment from 2022 through 2024, due to more volatile market conditions. Engineers' estimates for construction have been adjusted to account for current forecast market escalation. However, contractors are reporting continued escalation of material and equipment pricing, which could affect the ability to order and secure firm bid pricing and delivery schedules from suppliers. This may result in additional cost risk built into contractors' bid pricing. Recent construction bids in the region reflect a fluctuating market as bidders factor varying risks such as subcontracting and material pricing and supply.
- COVID-19 has affected many elements of M2, such as sales tax revenue forecast, traffic patterns, transit ridership, and administrative processes. On a semi-annual basis, projects funded through the Comprehensive Transportation Funding Programs are reviewed to provide opportunities for local agencies to update project information and request project modifications. For the September 2021 review, 32 of the 53 total project adjustment requests were COVID-19-related. These adjustments were approved by the Board on December 13, 2021.

Staff will continue to monitor all COVID-19 impacts and program challenges closely to ensure M2 remains deliverable as promised to voters.



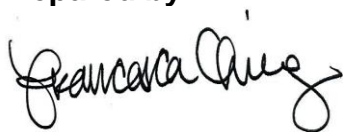
***Summary***

A quarterly report covering activities from October 2021 through December 2021, 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***

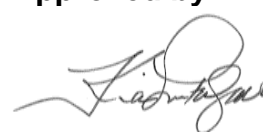
- A. Measure M2 Quarterly Progress Report, Second Quarter of Fiscal Year 2021-22, October 1, 2021 through December 31, 2021

**Prepared by:**



Francesca Ching  
Section Manager,  
Measure M2 Program Management Office  
(714) 560-5625

**Approved by:**



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



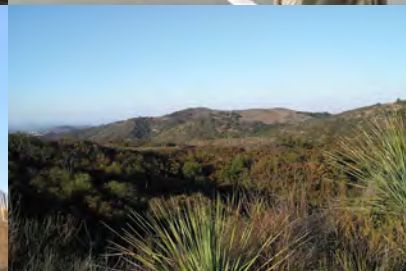
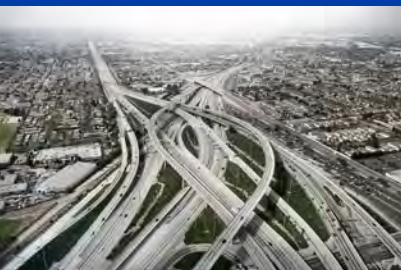


## MEASURE M2 QUARTERLY PROGRESS REPORT

Second Quarter of Fiscal Year 2021 – 22  
October 1, 2021 through December 31, 2021

### 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 nearly 70 percent, approved the Renewed Measure M Transportation Investment Plan (Plan) for the Measure M2 (M2) 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 Ordinance No. 3 (M2 Ordinance), a quarterly report covering activities from October 1, 2021, through December 31, 2021, is provided to update progress in implementing the Plan. On September 25, 2017, the Board of Directors (Board) approved externally rebranding M2 as OC Go to promote Orange County Transportation Authority's (OCTA) Measure M awareness and to avoid confusion with Measure M in Los Angeles County.

To be cost-effective and to facilitate accessibility and transparency of information to stakeholders and the public, M2 progress reports are available on the OCTA website. Hard copies are mailed upon request.



The cover photo shows the installation of embedded streetcar tracks along Santa Ana Boulevard for the OC Streetcar project. This quarter, the westbound track on Santa Ana Boulevard between French Street and Bristol Street (with the exception of the Ross Street intersection) and the eastbound track on Santa Ana Boulevard between Flower Street and Parton Street was completed. The project is anticipated to begin revenue service in early 2024.





## MEASURE M2 PROGRESS REPORT

### TABLE OF CONTENTS

Section	Project	Page
<a href="#">Common Abbreviations</a>		<a href="#">i</a>
<a href="#">Project Schedules</a>		<a href="#">iii</a>
<a href="#">M2 Delivery Risk Update</a>		<a href="#">1</a>
<a href="#">Next 10 Delivery Plan Update</a>		<a href="#">3</a>
<a href="#">Freeway Program (Projects A-N)</a>		<a href="#">8</a>
Interstate 5 (I-5) Projects	[A-D]	<a href="#">8</a>
State Route 22 (SR-22) Projects	[E]	<a href="#">12</a>
State Route 55 (SR-55) Projects	[F]	<a href="#">12</a>
State Route 57 (SR-57) Projects	[G]	<a href="#">13</a>
State Route 91 (SR-91) Projects	[H-J]	<a href="#">15</a>
Interstate 405 (I-405) Projects	[K-L]	<a href="#">18</a>
Interstate 605 (I-605) Projects	[M]	<a href="#">19</a>
Freeway Service Patrol	[N]	<a href="#">19</a>
<a href="#">Streets and Roads Programs (Projects O, P and Q)</a>		<a href="#">20</a>
Regional Capacity Program and OC Bridges Railroad Program	[O]	<a href="#">20</a>
Regional Traffic Signal Synchronization Program	[P]	<a href="#">23</a>
Local Fair Share Program	[Q]	<a href="#">23</a>
<a href="#">Transit Programs (Projects R, S, T, U, V and W)</a>		<a href="#">25</a>
High Frequency Metrolink Service	[R]	<a href="#">25</a>
Transit Extensions to Metrolink	[S]	<a href="#">29</a>
Metrolink Gateways	[T]	<a href="#">31</a>
Expand Mobility Choices for Seniors and Persons with Disabilities	[U]	<a href="#">31</a>
Community Based Transit/Circulators	[V]	<a href="#">32</a>
Safe Transit Stops	[W]	<a href="#">33</a>
<a href="#">Environmental Programs (Project X and Freeway Mitigation Program)</a>		<a href="#">34</a>
Environmental Cleanup	[X]	<a href="#">34</a>
Freeway Mitigation Program (part of Projects A - M)		<a href="#">34</a>
<a href="#">Program Management Office</a>		<a href="#">38</a>
<a href="#">M2 Financing and Schedule of Funding</a>		<a href="#">43</a>
<a href="#">Local Fair Share - M2 Funding by Agency</a>		<a href="#">49</a>
<a href="#">Capital Action Plan - Capital Project Status</a>		<a href="#">51</a>





## COMMON ABBREVIATIONS

Americans with Disabilities Act	ADA
Anaheim Regional Transportation Intermodal Center	ARTIC
Annual Eligibility Review	AER
Board of Directors	Board
BNSF Railway Company	BNSF
California Department of Transportation	Caltrans
Capital Action Plan	CAP
Comprehensive Transportation Funding Program	CTFP
Conservation Properties	Preserves
Construction and Maintenance	C&M
Coronavirus	COVID-19
Cost Estimate Review	CER
Early Action Plan	EAP
Environmental Cleanup Allocation Committee	ECAC
Environmental Cleanup Program	ECP
Environmental Document	ED
Environmental Mitigation Program	EMP
Environmental Oversight Committee	EOC
Federal Highway Administration	FHWA
Federal Transit Administration	FTA
Fire Management Plan	FMP
Fiscal Year	FY
Freeway Service Patrol	FSP
Full Funding Grant Agreement	FFGA
High Occupancy Vehicle	HOV
Interstate 5	I-5
Interstate 15	I-15
Interstate 405	I-405
Interstate 605	I-605
Local Fair Share	LFS
Los Angeles County Metropolitan Transportation Authority	LA Metro
Measure M2 or Renewed Measure M	M2
Metrolink Service Expansion Program	MSEP
Notice to Proceed	NTP
Next 10 Delivery Plan	Next 10 Plan
Natural Community Conservation Plan/Habitat Conservation Plan	Conservation Plan
Operation and Maintenance	O&M
Orange County Transportation Authority	OCTA





## COMMON ABBREVIATIONS

Orange County Unified Transportation Trust	<b>OCUTT</b>
Ordinance No. 3	M2 Ordinance
Pacific Coast Highway	PCH
Plans, Specifications, and Estimates	PS&E
Program Management Office	PMO
Project Report	PR
Regional Capacity Program	RCP
Regional Traffic Signal Synchronization Program	RTSSP
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 Edison	SCE
State Route 22	SR-22
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 Route 133	SR-133
State Route 241	SR-241
State Transportation Improvement Program	STIP
Southern California Regional Rail Authority	Metrolink
Taxpayer Oversight Committee	TOC
To Be Determined	TBD
Transportation Investment Plan	Plan
United States Army Corps of Engineers	Corps







## MEASURE M2 PROJECT SCHEDULES



Conceptual



Environmental



Design, Advertise, & Award



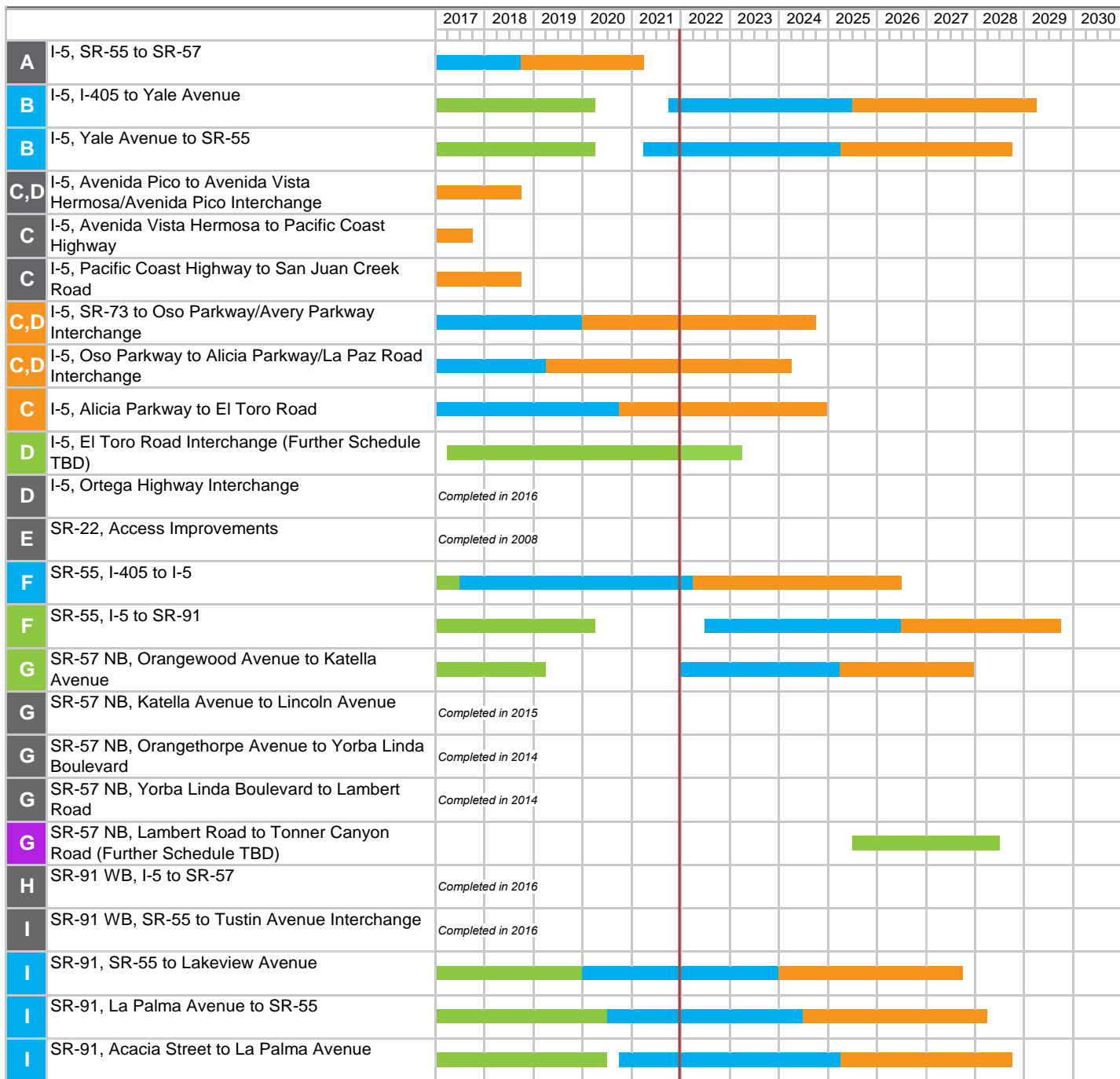
Design-Build



Construction



Complete

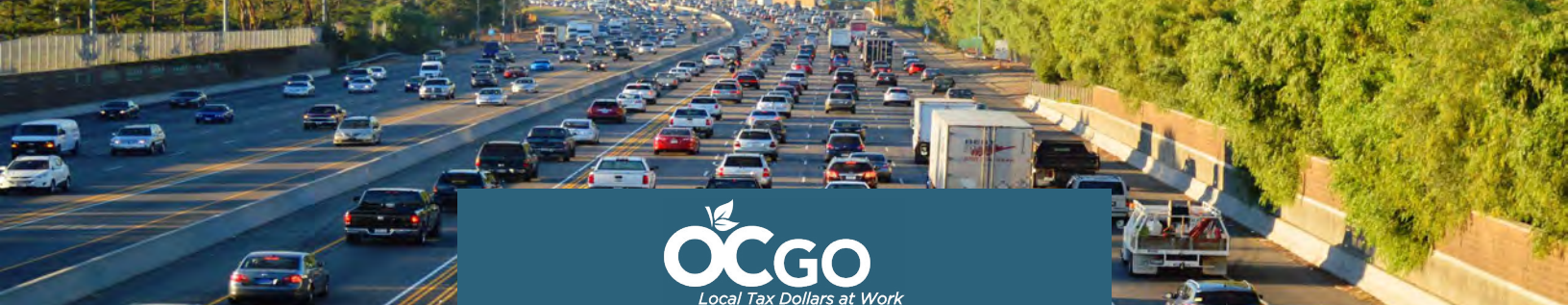


Project schedules are based on phase start dates. Shown schedules are subject to change.

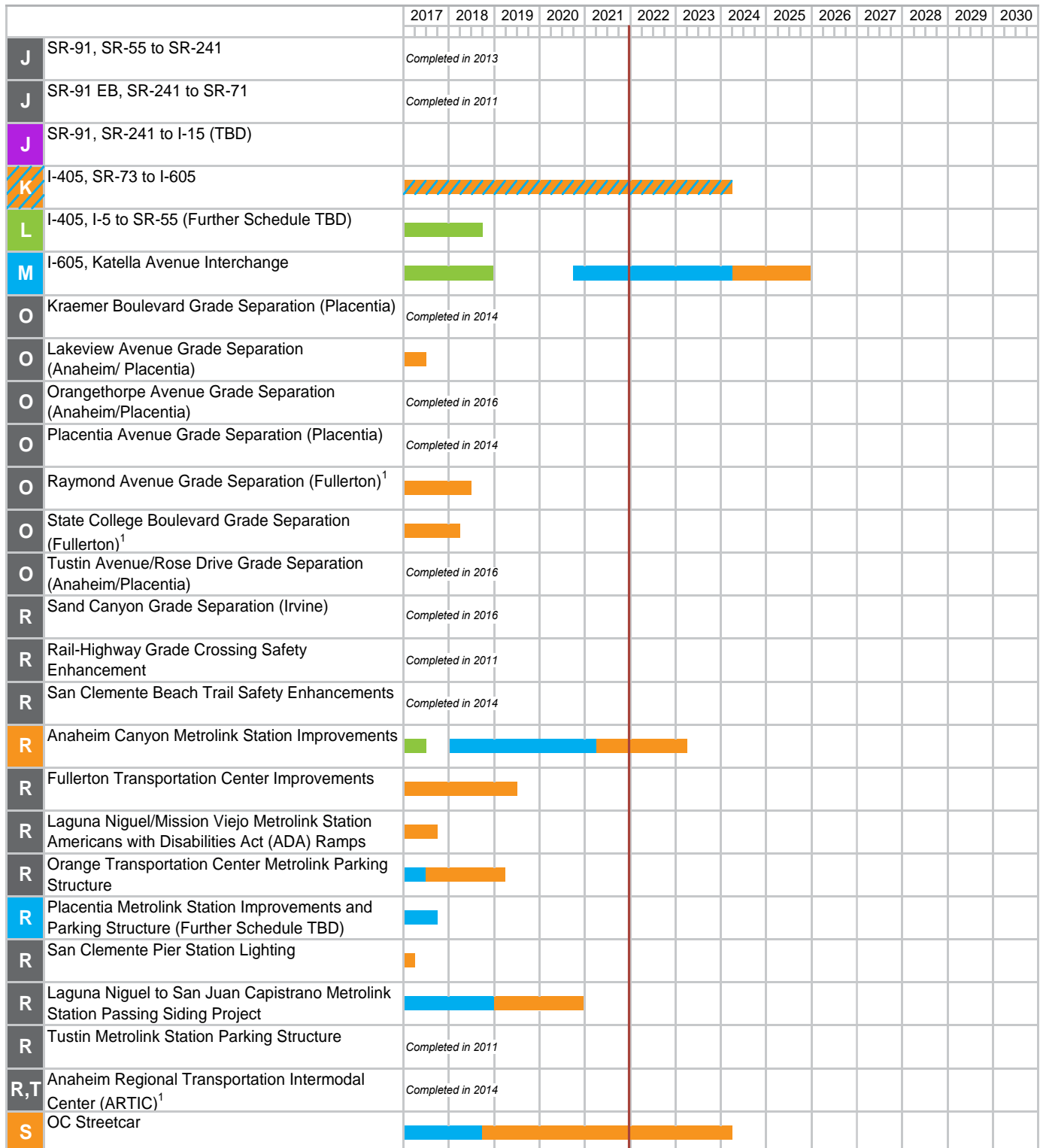
<sup>1</sup> Projects managed by local agencies

For full project schedules, see <http://octa.net/About-OC-Go/Projects-and-Programs/#!/schedule>





## MEASURE M2 PROJECT SCHEDULES



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

<sup>1</sup> Projects managed by local agencies

For full project schedules, see <http://octa.net/About-OC-Go/Projects-and-Programs/#!/schedule>





## MEASURE M2 PROGRESS REPORT

### M2 DELIVERY RISK UPDATE ▼

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

Delivery Risk		Explanation	Proposed Action
Financial			
1	The 2021 M2 revenue forecast is \$13.2 billion, which is a \$1.6 billion (13.8 percent) year-over-year increase from the 2020 forecast. While this is good news, it is still \$200 million less than the pre-pandemic 2019 M2 sales tax forecast. Major swings in future revenue projections may challenge delivery.	Sales tax revenues were impacted by the Great Recession, COVID-19, and changes in consumer spending habits. The 2018 Wayfair decision has alleviated some impacts due to the ability to collect sales tax on out-of-state purchases.	Staff will continue to monitor sales tax revenue actuals and annually review the M2 cash flow to ensure that M2 is delivered as promised to voters.
2	Reduced external funding opportunities for the M2 freeway program.	State and federal priorities continue to shift and favor projects that reduce automobile travel, which limit future external funding opportunities for the M2 freeway projects.	Current external funding commitments are assumed in the M2 cash flow for the 2021 Next 10 Plan, but prospects of future revenues for highway projects are low.
3	Potential for an environment of increasing cost as M2 capital projects are readied for construction.	The fall 2021 update of the Next 10 Plan Market Conditions Forecast and Risk Analysis reflects a high inflationary environment from 2022 through 2024. This is driven by increases in construction wages, building permits, and construction materials.	To further protect against potential cost increases in the M2 freeway program, an 11 percent program level expense line item has been incorporated in the 2021 M2 cash flow for an economic uncertainty allowance. The Next 10 Plan Market Conditions Forecast and Risk Analysis report is updated biannually and provides a three-year look ahead. OCTA will continue to monitor bid results and market conditions affecting project costs.
4	Inability to scale the M2 Freeway Program to available revenue and still deliver the M2 commitments.	The M2 Freeway Program includes set project scopes leaving limited flexibility in what is delivered.	OCTA will work closely with the California Department of Transportation (Caltrans) to apply value engineering strategies on projects to manage costs.





## MEASURE M2 PROGRESS REPORT

Delivery Risk	Explanation	Proposed Action
<b>5</b> Schedule and scope changes on capital projects that impact delivery and project costs.	Changes as a result of updated highway standards or issues identified in the field regularly impact scope, schedule, and costs.	OCTA will work closely with project partners and project contractors to limit changes in scope, schedule, and costs.
<b>6</b> Sustain Metrolink train service as an attractive alternative to driving in Orange County within the limits of available revenue.	Operational cost of Metrolink service continues to grow as the system ages, track-sharing arrangements with BNSF Railway Company (BNSF) are revised, and new air quality requirements are implemented. COVID-19 has introduced new risks as ridership and revenue have been greatly impacted in Orange County.	In September 2020, Metrolink adopted a Recovery Plan Framework to ensure the safety of passengers and employees and restore service in a post-COVID-19 environment. Metrolink received \$64.6 million in one-time federal funds through the Coronavirus Aid, Relief and Economic Security Act, \$4.7 million in Coronavirus Response and Relief Supplemental Appropriations Act funding, and \$22.7 million in American Rescue Plan Act funding which alleviates some concerns in the near-term. OCTA will continue to work closely with Metrolink and member agencies to ensure cost increases are minimized, while continuing to seek external revenue.
<b>Resource</b>		
<b>7</b> Substantial work underway in the region has resulted in significant demand for professional and skilled labor which may impact delivery given the volume of the M2 capital program.	The economic impacts of COVID-19 and its effects on unemployment may change the availability of key talent. If shortages continue, project delivery costs could rise but if additional labor resources are available, it may temper costs and reduce delivery risk.	OCTA will monitor impacts of COVID-19 on the labor market as well as contractor reported COVID-19 cases. Expert and timely coordination between OCTA and project partners is imperative to manage this risk.
<b>8</b> New operational responsibilities with the OC Streetcar.	With the implementation of the OC Streetcar service, OCTA will be increasing its overall role in operations.	To ensure success of the OC Streetcar, OCTA hired a streetcar operations manager with proven start-up experience to oversee start-up and daily operations. A contractor with extensive experience in operations of rail systems was selected to handle the startup and revenue operation phases.





## MEASURE M2 PROGRESS REPORT

Delivery Risk	Explanation	Proposed Action
<b>Regulatory</b>		
9	Changing federal and state directives could affect M2 freeway project approvals.	Current state planning and project approval policies place great emphasis on reducing travel by automobile and encourage project alternatives that promote short trips where possible, travel by transit, bicycling or walking, and use of zero-emission vehicles. These requirements will affect the project environmental review process.
		The majority of M2 freeway projects, where this risk would manifest itself, have obtained the necessary approvals. If the approvals require a review or revision, these new requirements could impact delivery.

### Next 10 Delivery Plan ▼

**Contact:** Francesca Ching, PMO Manager • (714) 560-5625

On November 14, 2016, the Board approved the Next 10 Plan, providing guidance to staff on the delivery of M2 projects and programs. Annually, staff reviews the Board-adopted commitments in the Next 10 Plan to ensure it remains deliverable with updated revenues and project costs.

On December 13, 2021, the Board adopted the 2021 updated Next 10 Plan, which covers fiscal year (FY) 2020-21 through FY 2029-30. The update incorporated the \$13.2 billion sales tax revenue forecast, revised project estimate and schedules, as well as the fall market conditions forecast and risk analysis. As a result of OCTA's strategic planning to date, the 2021 Next 10 Plan continues to demonstrate that the Plan remains deliverable.

### Next 10 Plan Deliverables

Significant progress continues with projects completing construction, projects in and advancing towards construction, as well as regular funding allocations to local jurisdictions through local programs.

#### 1. Deliver 14 freeway improvement projects through construction (Projects A-M).

The M2 Freeway Program is currently made up of 30 projects/project segments. This deliverable includes 14 projects to be delivered through construction by FY 2029-30. These projects would bring the total number of completed projects to 26, which equates to approximately 87 percent of the M2 Freeway Program. On January 6, 2021, the I-5 project between SR-55 and SR-57 was completed. For more details, see [pages iii-iv](#) (Project Schedules) and the project updates contained in their respective sections.





#### Upcoming activities:

- SR-55, I-405 to I-5 – Award construction contract
- SR-55, I-5 to SR-91 – Award contract for design services

### **2. Prepare remaining freeway improvement projects for delivery (Projects A-M).**

The four remaining projects (of the 30 total) are environmentally cleared or on track to be environmentally cleared by FY 2029-30, making them shelf-ready for further advancement. The remaining projects include Project D (I-5, El Toro Road Interchange), Project G (SR-57 northbound from Lambert Road to Tonner Canyon Road), Project J (SR-91 between SR-241 and I-15), and Project L (I-405 between I-5 and SR-55). These projects will continue to be reevaluated annually as part of the Next 10 Plan review. The next review of the Next 10 Plan is anticipated in fall 2022. For more details, see [pages iii-iv](#) (Project Schedules) and the project updates contained in their respective sections.

### **3. Provide annual competitive funding opportunities for local jurisdictions to address bottlenecks and gaps in the street system, synchronize signals (Project O and P), and continue flexible funding to local jurisdictions to preserve the quality of streets or for use on other transportation needs, as appropriate (Project Q).**

As of December 2021, OCTA has awarded approximately \$455.6 million in competitive funding through the Regional Capacity Program (RCP) (Project O) and Regional Traffic Signal Synchronization Program (RTSSP) (Project P) through annual calls for projects (call). Additionally, approximately \$536.8 million in Local Fair Share (LFS) (Project Q) funds have been distributed to local jurisdictions.

On August 9, 2021, the Board authorized the 12th call providing up to \$40 million for Project O and Project P in available M2 funds to support local streets and roads improvement projects throughout Orange County. Applications were received on October 21, 2021, and are currently under review. Based upon project selection criteria as specified in the Comprehensive Transportation Funding Programs (CTFP) guidelines, projects will be prioritized for Board consideration in spring 2022. For more details, see the project updates on [page 20](#).

#### Upcoming activities:

- Project O and P - Programming recommendations for the 12<sup>th</sup> call

### **4. Maintain Metrolink service and complete rail station improvements (Project R).**

In March 2020, all Metrolink services were impacted by the statewide enforcement of stay-at-home orders that resulted from the COVID-19 pandemic. Metrolink implemented temporary service reductions in March and November 2020 due to the decline in ridership. The three lines serving Orange County (Orange County, Inland Empire-Orange County, and the 91/Perris Valley lines) now operate 41 trains, which is down from the 54 daily trains operated prior to COVID-19. OCTA will continue to actively engage with Metrolink and other member





agencies and monitor ridership levels and the corresponding financial impacts to M2.

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, such as the Anaheim Canyon Metrolink Station improvement project, which began construction in May 2021.

A recent impact to Metrolink in Orange County is the railroad track stabilization effort in the City of San Clemente. In September 2021, tidal surges along with a failing slope severely degraded the railroad track structure. OCTA owns the railroad right-of-way (ROW) in the affected area. Metrolink has performed the majority of the emergency repair work with contract forces on behalf of OCTA. These repairs are being funded from the commuter rail fund. More enduring treatments are in the early stage of planning to ensure the stability of the tracks in this area. Future updates to the Next 10 Plan will need to consider the financial implications of the additional track improvement needs. For more details, see the project updates on [page 26](#).

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

### OC Streetcar

The 4.15-mile OC Streetcar will serve the Santa Ana Regional Transportation Center (SARTC) through downtown Santa Ana and the Civic Center to Harbor Boulevard in the City of Garden Grove. Activities this quarter included completion of the Fifth Street grade crossings and continued construction of track slab, rail supports on the bridges, side station stops, vehicle wash station and turntables at the Maintenance and Storage Facility (MSF), and installation of the overhead contact system (OCS) pole and traffic signal foundations. The first seven cars are in the final stages of equipping with installation of the last remaining vehicle components. The eighth car is in final assembly and preparations are underway to commence static and dynamic testing. Construction is anticipated to be completed in early 2024. See [page 29](#) for more information.

### Bristol Street Transit Corridor Study

The study focused on developing options to improve the flow of traffic and public transit along Bristol Street between West 17th Street and Sunflower Avenue (South Coast Metro) and connections to John Wayne Airport and the SARTC. The consultant team submitted the final report to OCTA in June 2021, and the results of the study are anticipated to be presented to the Board in March 2022.

## **6. Support expanded mobility choices for seniors and persons with disabilities (Project U).**

Project U is comprised of three programs: the Senior Mobility Program (SMP), the Senior Non-Emergency Medical Transportation (SNEMT) Program, and the Fare Stabilization Program. Since inception, more than \$96.2 million<sup>1</sup> has been provided to these three programs. The SMP provides funding to participating cities to design and implement transit service that best fits the needs of seniors (60 and above) in their communities. The SNEMT Program provides funding to the County of Orange Office on Aging for senior transportation to





## MEASURE M2 PROGRESS REPORT

and from medical appointments, dentists, therapies, exercise programs, testing, and other health-related trips at a low cost to the rider than would otherwise be available. The Fare Stabilization Program stabilizes fares for seniors and persons with disabilities by discounting the cost of riding transit. For more details, see [page 31](#).

<sup>1</sup> Only includes disbursed funds. On October 12, 2020, the Board approved a temporary exception to the SMP guidelines, which allows for OCTA to hold allocations in reserve for agencies with suspended services due to the COVID-19 pandemic. The funds will be held until the State lifts the State of Emergency or transportation services resume, whichever occurs first.

### **7. Work with local agencies to maintain successful community circulator projects and potentially provide grant opportunities for expanded or new local transit services (Project V).**

Since inception, OCTA has approved 35 projects and ten planning studies totaling approximately \$52 million through four calls. The most recent Project V call was programmed by the Board on April 13, 2020. OCTA receives ridership reports from local agencies on a regular basis to monitor the success of awarded services against performance measures adopted by the Board.

As of December 31, 2021, 17 projects are active, nine have been cancelled (primarily due to low ridership), six are suspended (or not initiated) due to the COVID-19 pandemic, and three have been completed. Staff continues to work with local agencies through letters of interest requests, workshops, CTFP Guidelines revisions, calls, and cooperative agreement amendments to fine-tune this program and facilitate successful project implementation. For more details and information on current program performance and service, see [page 32](#).

### **8. Continue to improve the top 100 busiest transit stops to enhance the customer experience (Project W).**

Through three calls, the Board has approved \$3.1 million to improve 122 city-initiated improvement projects at the busiest OCTA transit stops. The program is designed to ease transfers between bus lines and provide improvements such as the installation of bus benches or seating, shelters, improved lighting, and other passenger-related amenities. To date, 44 improvements have been completed, 68 improvements are in various stages of implementation, and ten improvements have been cancelled by the awarded agency. See [page 33](#) for more information.

### **9. Ensure the ongoing preservation of purchased open space, 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 M2 freeway Environmental Mitigation Program (EMP) includes seven conservation properties (Preserves) totaling more than 1,300 acres and 12 restoration projects covering nearly 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 EMP, allowing streamlined project approvals for the M2 freeway improvement projects. The Conservation Plan also includes a streamlined process for coordination of streambed alteration agreements. In 2018, OCTA secured programmatic permits and assurances for federal and state clean water permitting requirements. Receipt of these permits represents the culmination of years of





## MEASURE M2 PROGRESS REPORT

collaboration and support by the Board, environmental community, and regulatory agencies.

To protect the Preserves in perpetuity, a non-wasting endowment was established. OCTA makes annual deposits of approximately \$2.9 million. While the performance of the endowment fund will affect the time frame for full funding, current projections indicate that OCTA is on track to meet the target of \$46.2 million in FY 2027-28. As of December 31, 2021, the balance of the endowment was \$22,634,538. For more details, see the program updates on [page 34](#).

**10. Work with the Environmental Cleanup Allocation Committee (ECAC) to develop the next tiers of water quality programs 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).**

In May 2010, the Board approved a two-tier approach to funding Project X. Tier 1 consists of funding equipment purchases and upgrades to existing catch basins and related best management practices, such as screens and other low-flow diversion devices. Tier 2 consists of funding regional, potentially multi-jurisdictional, and capital-intensive projects. Since 2011, the Board has approved over \$30 million in funding for 199 Tier 1 projects through 11 calls and \$27.9 million for 22 Tier 2 projects through two calls. To date, of the 199 Tier 1 projects, construction on 161 have been completed, 27 are in various stages of implementation, and 11 have been cancelled. Of the 22 Tier 2 projects, construction of 18 projects have been completed and four have been cancelled by the awarded agency.

The 12th Tier 1 call is anticipated to be released in early 2022. Staff will continue to analyze revenues for future calls and is currently assessing the timing of a future Tier 2 call.

For more details, see the project updates on [page 34](#).

### Upcoming activities:

- Project X – Release 12<sup>th</sup> Tier 1 call



## FREWAYS

### INTERSTATE 5 (I-5) PROJECTS ▼

**Segment:** I-5, SR-55 to SR-57

**Status:** PROJECT COMPLETE

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



PROJECT A

**Summary:** This project added a second high-occupancy vehicle (HOV) lane (approximately three miles) in both directions along I-5 between SR-55 and SR-57 in the City of Santa Ana. The final Environmental Document (ED) and Project Report (PR) were approved on April 27, 2015. Construction began on December 27, 2019, and the improvements opened to traffic on August 24, 2020. The project was officially completed three months ahead of schedule on January 6, 2021, and plant establishment was completed on May 24, 2021.

**I-5, I-405 to SR-55 is one project broken into two segments. The final ED and PR were approved on January 7, 2020.**

**Segment:** I-5, I-405 to Yale Avenue

**Status:** Design Phase Underway – Three Percent Complete

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

PROJECT B

**Summary:** This project will add an additional general purpose lane (approximately 4.5 miles) in both directions of I-5 between I-405 and Yale Avenue, improve interchanges, and replace and add new auxiliary lanes in the City of Irvine. The design of this project was initiated on October 22, 2021. This quarter, the design consultant developed a project schedule, prepared Caltrans encroachment permits for surveying and geotechnical activities, and provided potential enhancements to reduce overall costs associated with ROW and utility relocations.

**Segment:** I-5, Yale Avenue to SR-55

**Status:** Design Phase Underway - 35 Percent Complete

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

**Summary:** This project will add an additional general purpose lane (approximately 4.5 miles) in both directions of I-5 between Yale Avenue and SR-55, improve interchanges, replace, and add new auxiliary lanes in the cities of Irvine and Tustin. The design of this project was initiated on May 6, 2021. This quarter, the design consultant continued surveying existing facilities and obtaining as-builts from various agencies. Preliminary approval for design enhancements that could reduce overall project costs while improving traffic operations was completed. The design consultant also submitted the 35 percent roadway and structure design packages to Caltrans for review. Due to potential schedule delays during the ROW phase, this project is marked as a cost/schedule risk in the Capital Action Plan (CAP).



## FREWAYS

### PROJECT C AND PART OF PROJECT D

**I-5, Avenida Pico to San Juan Creek Road is one project broken into three segments. The final ED and PR were approved on October 26, 2011. All three segments were completed, and the improvements opened to traffic on March 13, 2019.**

**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 project added a carpool lane (approximately 0.7 miles) in both directions of I-5 between Avenida Pico and Avenida Vista Hermosa in the City of San Clemente, included major improvements through reconstruction of the Avenida Pico Interchange (part of Project D), and added bicycle lanes in both directions on Avenida Pico. Construction began on December 22, 2014, and was officially completed on August 23, 2018. Plant establishment 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 project added a carpool lane (approximately 2.5 miles) in both directions of I-5 between Avenida Vista Hermosa and Pacific Coast Highway (PCH) in the City of San Clemente and reconstructed on- and off-ramps at Avenida Vista Hermosa and Camino de Estrella. Construction began on July 3, 2014, and was officially completed on July 31, 2017. Plant establishment 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 project added a carpool lane (approximately 2.5 miles) in both directions of I-5 between PCH and San Juan Creek Road in the cities of Dana Point, San Clemente, and San Juan Capistrano. Project improvements also reconstructed the on- and off-ramps at PCH/Camino Las Ramblas. Construction began on December 20, 2013, and was officially completed on July 3, 2018. Plant establishment was completed in March 2019.



## FREWAYS

**I-5, SR-73 to El Toro Road is one project broken into three segments. The final ED and PR for all three segments were approved on May 6, 2014. With a cost estimate 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. 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 \$577.1 million.**

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

**Status:** Construction Underway - 51 Percent Complete

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

**Summary:** This project will add a general purpose lane (approximately 2.2 miles) in both directions of I-5 between Avery Parkway and Oso Parkway and reconstruct the Avery Parkway Interchange (part of Project D) in the cities of Laguna Hills, Laguna Niguel, and Mission Viejo. The construction contract was awarded on December 19, 2019, and construction began on January 15, 2020. This quarter, the contractor constructed and opened the first of three sections of the new I-5/Avery Parkway overcrossing to traffic which necessitated the realignment of the northbound on- and off-ramps to and from I-5. The contractor continued work on several retaining walls in both directions and on temporary and permanent drainage systems throughout the project. In addition, Caltrans and OCTA continue coordinating utility work with San Diego Gas and Electric.

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

**Status:** Construction Underway - 63 Percent Complete

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

**Summary:** This project will add a general purpose lane (approximately 2.6 miles) in both directions along I-5 between Oso Parkway and Alicia Parkway and reconstruct the La Paz Road Interchange (part of Project D) in the cities of Laguna Hills and Mission Viejo. The construction contract was awarded on March 5, 2019, and construction began on April 4, 2019. This quarter, the contractor formed and poured bridge decks for the northbound I-5 widening, realigned the northbound off-ramp to La Paz Road over the railroad, continued construction of several retaining walls in both directions, graded slopes on northbound I-5, and continued installation of the I-5 widening bridges over the Oso Creek in both directions. In addition, staff continued coordination of the service contract with Metrolink.

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

**Status:** Construction Underway - 26 Percent Complete

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

**Summary:** This project will add a general purpose lane in the southbound direction (approximately 1.7 miles) and extend the second HOV lane (approximately one mile) in both directions along I-5 between Alicia Parkway to El Toro Road in the cities of Laguna Hills, Laguna Woods, Lake Forest, and Mission Viejo. The construction contract was awarded on September 23, 2020, and construction began on October 13, 2020.



## FREeways

This quarter, the contractor completed the realignment of Aliso Creek. Work continued on several retaining walls and installation began on the foundation at the Los Alisos overcrossing bridge and on the new northbound on-ramp over El Toro Road. Staff also continued coordination with Southern California Edison for the relocation of their existing facilities and with Caltrans on ROW and utility relocations.

### PROJECT D

**This project will update and improve key I-5 interchanges at Avenida Pico, Ortega Highway, Avery Parkway, La Paz, and 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:** This project widened and reconstructed the SR-74 Ortega Highway bridge over I-5 and improved local traffic flow along SR-74 and Del Obispo Street in the City of San Juan Capistrano. The final ED and PR were approved on June 1, 2009. Construction began on September 18, 2012, and all lanes on the new bridge were opened to traffic on September 4, 2015. The project was officially completed on January 15, 2016.

**Segment:** I-5, El Toro Road Interchange

**Status:** Environmental Phase In Review

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

**Summary:** Caltrans is the lead in the environmental phase of this project. The project area includes the cities of Laguna Hills, Laguna Woods, and Lake Forest, which are direct stakeholders of the project improvements. The study began in April 2017 and the Draft Initial Study/Environmental Assessment was completed in March 2019. The three stakeholder cities were not in consensus on a preferred alternative, and costs identified for the remaining alternatives were significantly higher than the assumed cost in the Next 10 Plan, which created additional challenges. The environmental phase was anticipated to be completed in late 2019; however, without the cities' consensus, OCTA does not support the finalization of the document. OCTA requested Caltrans put completion of the ED on hold until a consultant, retained by OCTA, provides a further assessment of the alternatives to help facilitate reaching an agreement. The assessment kick-off meeting was held on September 16, 2020, and the draft final assessment study was completed on May 27, 2021. This quarter, a project update was presented to the Regional Planning and Highways Committee on November 1, 2021, and to the Board on November 8, 2021. OCTA continues discussions with the three cities to determine which build alternatives will go into the environmental process. Due to the dependency on acquiring consensus from all three cities, this project is marked as a cost/schedule risk in the CAP.





## FREEWAYS

### STATE ROUTE 22 (SR-22) PROJECTS ▼

#### PROJECT E

**Segment:** SR-22 Access Improvements

**Status:** PROJECT COMPLETE

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



**Summary:** Completed in 2008, this project 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. This M2 project was completed early as a “bonus project” provided by the original Measure M (M1).

### STATE ROUTE 55 (SR-55) PROJECTS ▼

#### PROJECT F

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

**Status:** Design Phase Complete; Advertised for Construction

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

**Summary:** This project will add a general purpose lane (approximately four miles) and a second HOV lane (approximately four miles) in both directions between I-405 and I-5 in the cities of Irvine, Santa Ana, and Tustin. Auxiliary lanes will be added and extended in some segments within the project limits. The final ED and PR were approved on August 31, 2017. The design of this project was initiated on September 15, 2017, and the final design was submitted on June 1, 2021. ROW certification and ready-to-list status were obtained on September 2, 2021. The project was advertised on December 6, 2021, with bid opening anticipated in February 2022 to begin construction in mid-2022. Due to complex ROW activities, this project is marked as a cost/schedule risk in the CAP.

**Segment:** SR-55, I-5 to SR-91

**Status:** Environmental Phase Complete; Design Proposals Under Review

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

**Summary:** This project studied the addition of a general purpose lane (approximately 2.5 miles) in both directions between I-5 and SR-22 and operational improvements between SR-22 and SR-91 in the cities of Anaheim, Orange, Santa Ana, and Tustin. The project limits span approximately 7.5 miles. The final ED and PR were approved on March 30, 2020. The Board approved the release of the RFP for the preparation of plans, specifications, and estimates (PS&E) on September 13, 2021. During the quarter, staff reviewed the proposals received by the October 11, 2021 due date. Consultant selection recommendation is anticipated to be presented to the Board in February 2022 to initiate final design in mid-2022.





## FREeways

### STATE ROUTE 57 (SR-57) PROJECTS ▾

#### PROJECT G

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

**Status:** Design Contract Awarded

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

**Summary:** This project studied the addition of a new northbound general purpose lane (approximately one mile) on SR-57 from Orangewood Avenue to Katella Avenue in the cities of Anaheim and Orange. The new northbound general purpose lane will join the completed Project G segments between Katella Avenue and Lambert Road, which opened to traffic in 2014. The final ED and PR were approved on March 29, 2019. The Board approved the release of the RFP for the preparation of PS&E on March 8, 2021, and awarded the contract on July 12, 2021. This quarter, negotiations with the selected consultant for final design services was completed. Design is anticipated to begin in early 2022.

**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 by adding a new general purpose lane (approximately 2.8 miles) and improved on- and off-ramps and soundwall improvements on northbound SR-57 between Katella Avenue and Lincoln Avenue in the City of Anaheim. Bridges at Katella Avenue and Douglas Road were also widened in the northbound direction. The final ED was approved on September 30, 2009, and the final PR was approved on November 25, 2009. Construction began on November 17, 2011, and the improvements opened to traffic on November 19, 2014. The project was officially 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 by adding a northbound general purpose lane (approximately 2.4 miles) between Orangethorpe Avenue in the City of Placentia to Yorba Linda Boulevard in the City of Fullerton and improved operations with the reconstruction of northbound on- and off-ramps, widening of seven bridges, and the addition of soundwalls. The final ED and PR were approved on November 30, 2007. Construction began on October 26, 2010, and the improvements opened to traffic on April 28, 2014. The project was officially 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:** This project improved capacity, operations, and traffic flow on SR-57 with the addition of a new northbound general purpose lane (approximately 2.5 miles) between Yorba Linda Boulevard in the City of Fullerton and Lambert Road in the City of Brea. Additional project benefits included 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 final ED and PR were approved on November 30, 2007. Construction began on November 2, 2010, and the improvements opened to traffic on September 23, 2013. The project was officially completed on May 2, 2014.

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

**Status:** Schedule TBD

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

**Summary:** Caltrans previously completed a Project Study Report/Project Development Support document to add a northbound truck-climbing lane (approximately 2.5 miles) from Lambert Road to Tonner Canyon Road in the City of Brea. The project will require coordination with Los Angeles County Metropolitan Transportation Authority (LA Metro) on planned improvements or related work across the Orange County/Los Angeles County Line. The mainline project includes interchange and ramp improvements at Lambert Road. Through the SB 1 (Chapter 5, Statutes of 2017) 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 completed by spring 2022. Phase two, which is the mainline improvement, was initially approved for State Transportation Investment Program (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. 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 the Next 10 Plan timeframe.





## 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 by adding a general purpose lane (approximately 4.5 miles) in the westbound direction between the cities of Anaheim and Fullerton and provided operational improvements at on- and off-ramps between Brookhurst Street and State College Boulevard. The final ED was approved on May 20, 2010, and the final PR was approved on June 16, 2010. Construction began on February 6, 2013, and the improvements opened to traffic on March 7, 2016. The project was officially completed 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 (approximately two miles) beginning at the northbound SR-55 to the westbound SR-91 connector through the Tustin Avenue interchange in the City of Anaheim. 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 final ED was approved on May 11, 2011, and the final PR was approved on May 19, 2011. Construction began on November 1, 2013, and the improvements opened to traffic on May 14, 2016. The project was officially completed on July 15, 2016.

**SR-91, between SR-57 and SR-55 is one project broken into three segments. To augment the decrease in projected M2 revenues, on September 12, 2016, the Board approved to use 91 Express Lanes excess revenue to fund this project. The final ED and PR were approved on June 22, 2020.**

**Segment:** SR-91, SR-55 to Lakeview Avenue

**Status:** Design Phase Underway - 80 Percent Complete

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

**Summary:** This project will provide westbound operational improvements (approximately 1.4 miles), which includes the realignment of the existing westbound SR-91 on- and off-ramps, the addition of a new on-ramp from the Lakeview Avenue overcrossing bridge to connect directly to southbound SR-55, and construction of a barrier to separate westbound SR-91 from SR-55. With the proposed improvements, the existing Lakeview Avenue overcrossing bridge is anticipated to be replaced with a new bridge. The design of this project was initiated on March 30, 2020. This quarter, the design team submitted the 95 percent design package to Caltrans for review.



## FREWAYS

**Segment:** SR-91, La Palma Avenue to SR-55

**Status:** Design Phase Underway - 32 Percent Complete

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

**Summary:** This project will provide an additional eastbound general purpose lane (approximately 2.7 miles), replace the eastbound shoulder, and restore auxiliary lanes as needed throughout the project limits. With the proposed improvements, the existing Kraemer Boulevard and Tustin Avenue overcrossing bridges are anticipated to be replaced with new bridges. The design of this project was initiated on June 17, 2020. This quarter, the design team continued work on the 65 percent roadway design package and utility coordination.

**Segment:** SR-91, Acacia Street to La Palma Avenue

**Status:** Design Phase Underway - 25 Percent Complete

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

**Summary:** This project will provide westbound operational improvements (approximately 1.7 miles) by adding a fourth general purpose lane along westbound SR-91 from the northbound SR-57 to the westbound SR-91 connector, extending the southbound SR-57 to westbound SR-91 connector auxiliary lane through the State College Boulevard interchange, tying into the existing westbound SR-91 auxiliary lane west of State College Boulevard, and reconfiguring the westbound SR-91 to SR-57 connector to provide dedicated exits to SR-57. With the proposed improvements, the existing La Palma Avenue overcrossing bridge will be replaced with a new bridge. The design of this project was initiated on November 30, 2020. This quarter, the design team continued work on the 65 percent roadway design package and utility coordination.

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

**Status:** PROJECT COMPLETE

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



PROJECT J

**Summary:** This project added a general purpose lane (approximately six miles) in both directions 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 second eastbound exit lane at 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. The final ED and PR were approved on April 24, 2009. Construction began on May 27, 2011, and opened to traffic in December 2012. The project was officially completed on March 5, 2013.



## FREEWAYS

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

**Status:** PROJECT COMPLETE

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



**Summary:** This project improved mobility and operations by adding an eastbound lane (approximately six miles) through a key stretch of SR-91 between Orange County's SR-241 and Riverside County's SR-71, widened existing eastbound lanes and shoulders, and reduced traffic weaving as a result of traffic exiting at SR-71 and Green River Road. The final ED and PR were approved on December 28, 2007. Construction began on September 16, 2009, and the improvements opened to traffic on December 2, 2010. The project was officially completed on 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:** Riverside County Transportation Center's (RCTC) Design-Build - Initial Phase Complete on March 20, 2017; Alternatives Analysis Underway

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

**Summary:** This project plans to add a general purpose lane 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 coordinating and constructing the improvements in multiple segments, capitalizing on available funding. Freeway improvements that cross county lines require close coordination to maintain seamless travel. While the portion of this project between SR-241 and the Orange County/Riverside County Line is part of OCTA's M2 Project J, the matching segment between the county line and SR-71 is part of RCTC's Measure A. The sixth 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 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 developed the 91 Corridor Operation Project, which began construction in late 2020 and is anticipated to be completed in early 2022. In addition, OCTA and RCTC are conducting a feasibility study to determine how best to implement the sixth general purpose lane while minimizing environmental and construction impacts in the eastbound direction between SR-241 and SR-71. In May 2020, the consultant team initiated efforts for the geometric and design alternatives analysis. The consultant conducted a value analysis workshop where various stakeholders provided feedback on conceptual alternatives. A final alternatives analysis report is anticipated to be completed in early 2022.



## FREeways

### INTERSTATE 405 (I-405) PROJECTS ▼

#### PROJECT K

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

**Status:** Design-Build Underway - 72 Percent Complete

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

**Summary:** OCTA and Caltrans are working together to widen I-405 by adding a general purpose lane (approximately 14 miles) between Euclid Street and I-605 in both directions and a second HOV lane in both directions that will combine with the existing HOV lane to provide dual express lanes in each direction of I-405 from SR-73 to I-605, otherwise known as the 405 Express Lanes.<sup>2</sup> The limits of the project is approximately 16 miles. Additional improvements include reconstruction of local interchanges and making improvements to freeway entrances and exits along the corridor from SR-73 to I-605 through the cities of Costa Mesa, Fountain Valley, Garden Grove, Huntington Beach, Los Alamitos, Seal Beach, and Westminster. The final ED and PR were approved on June 15, 2015. Construction activities began on January 31, 2017.

During the quarter, work continued on ROW acquisition, utility coordination, public outreach, installation of drainage systems, retaining walls, paving, and bridge construction. Design is substantially complete with the review of various design refinements and construction submittals ongoing. OCTA's toll lanes system integrator is under contract and working with OCTA and the design-builder. Construction on one-stage bridges (closed during construction) continued at Newland Street, Ward Street, and Warner Avenue. In December 2021, the Edinger Avenue bridge was completed and opened to traffic. Two-stage bridges (partially closed but allows throughway traffic during construction) at Bolsa Avenue, Brookhurst Street, Fairview Road, Goldenwest Street, and Westminster Boulevard are also underway. In December 2021, the Bolsa Chica Road bridge was completed. In total, 18 bridges will be replaced and widened, of which eight have been completed and opened to date. The remaining ten are in various stages of construction. In addition to one- and two-stage bridges, construction to widen the existing freeway bridges on the Beach Boulevard/Bolsa Avenue railroad crossing, old Navy railroad crossing, and at the Harbor Boulevard and Santa Ana River bridges is ongoing. Construction of the Heil Street pedestrian overcrossing and the new SR-73/I-405 connector bridge is also underway. Public outreach, through virtual neighborhood meetings, continues to be held to discuss construction activities. Substantial completion of the project is anticipated in late 2023.

<sup>2</sup> The general purpose lane portion of the project is an M2 project and will be funded by a combination of local, state, and federal funds. The express lanes portion of the project is 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 potential improvements along approximately 8.5 miles of I-405 between I-5 and SR-55 in the City of 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 both directions. The final ED and PR were approved on August 31, 2018. 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 the Next 10 Plan timeframe.

## INTERSTATE 605 (I-605) PROJECTS ▼

**Segment:** I-605, Katella Avenue Interchange Improvements

PROJECT M

**Status:** Design Phase Underway - 50 Percent Complete

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

**Summary:** This project will make enhancements at the on- and off-ramps and operational improvements on Katella Avenue at the I-605 Interchange in the City of Los Alamitos. In addition, pedestrian and bicycle improvements will incorporate complete streets components, including enhanced safety for all modes of travel. The final ED and PR were approved on October 3, 2018. The design of this project was initiated on December 28, 2020. This quarter, the design team submitted the 65 percent roadway design package to Caltrans and agency stakeholders for review, distributed a draft Transportation Management Plan to the City of Los Alamitos and neighboring cities, coordinated with County of Orange and County of Los Angeles on encroachment permit requirements for work near regional drainage facilities, updated the utility management matrix, and initiated work on the 65 percent structures design package.

## FREEWAY SERVICE PATROL ▼

**Status:** Service Ongoing

PROJECT N

**Contact:** Patrick Sampson, Motorist Services • (714) 560-5435

**Summary:** Freeway Service Patrol (FSP) provides assistance to motorists whose vehicles have become disabled along 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 15,669 services.<sup>3</sup> Since June 2012, FSP has provided a total of 645,137<sup>3</sup> services on the Orange County freeway system.

<sup>3</sup> Service calculations are based on all services provided as FSP is funded by M2 and external sources.



## STREETS AND ROADS

### REGIONAL CAPACITY PROGRAM ▼

**Status:** 12th Call Applications Under Review

PROJECT O

**Contact:** Adriann Cardoso, Planning • (714) 560-5915

**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, through 11 calls, the Board has awarded 164 projects totaling nearly \$339.8 million including \$24 million in external funding. On August 9, 2021, the Board approved the release of the 12th call. Applications for the call were received on October 21, 2021 and are under review. Programming recommendations are anticipated to be presented to the Board in spring 2022.

### OC Bridges Railroad Program

This program built seven grade separations (either under or overpasses) where high-volume streets are impacted by freight trains along the BNSF railroad in north Orange County. On September 13, 2021, the Board approved program closeout and budget adjustment to approximately \$666.55 million for all the OC Bridges grade separation projects, of which \$152.6 million was committed M2 and \$513.9 million in leveraged external funding. Minor activities this quarter include continued work on the closeout of two projects.

#### Segment: Kraemer Boulevard Grade Separation

**Status:** PROJECT COMPLETE

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



**Summary:** This project grade separated the local street from railroad tracks by building an underpass for vehicular traffic under the railroad crossing in the cities of Anaheim and Placentia. Construction began on November 9, 2012, and the improvements opened to traffic on June 28, 2014. Construction acceptance was obtained by the cities of Anaheim and Placentia in December 2014. OCTA turned over maintenance responsibilities to the cities and completed the one-year warranty in December 2015 with no issues or claims identified. Funding reimbursement and closeout have been completed.

#### Segment: Lakeview Avenue Grade Separation

**Status:** PROJECT COMPLETE

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



**Summary:** This project grade separated the local street from railroad tracks by building a bridge for vehicular traffic over the railroad crossing and reconfiguring the intersection of Lakeview Avenue and Orangethorpe Avenue in the cities of Anaheim and Placentia. Construction began on March 3, 2014, and the improvements opened to traffic on June 6, 2017. Construction acceptance was obtained from the cities of Anaheim and Placentia in June 2018. OCTA turned over maintenance responsibilities to the cities and extended the one-year warranty to July 2019 for some minor repair items. The Board approved a final claim resolution in July 2019. Funding reimbursement and closeout have been completed.





## STREETS AND ROADS

**Segment:** Orangethorpe Avenue Grade Separation

**Status:** PROJECT COMPLETE

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



**Summary:** This project grade separated the local street from railroad tracks by building a bridge for vehicular traffic over the railroad crossing in the cities of Anaheim and Placentia. Construction began on April 25, 2013, and the improvements opened to traffic on June 23, 2016. Construction acceptance was obtained from the cities of Anaheim and Placentia in October 2016. OCTA turned over maintenance responsibilities to the cities and extended the one-year warranty to June 2019 for some minor repair items. No additional issues or repairs were identified. Funding reimbursement and closeout have been completed.

**Segment:** Placentia Avenue Grade Separation

**Status:** PROJECT COMPLETE

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



**Summary:** This project grade separated the local street from railroad tracks by building an underpass for vehicular traffic under the railroad crossing in the City of Placentia. Construction began on October 5, 2011, and the improvements opened to traffic on March 12, 2014. Construction acceptance was obtained from the cities Anaheim and Placentia in December 2014. OCTA turned over maintenance responsibilities to the cities and completed the one-year warranty in December 2015 with no issues or repairs identified. Funding reimbursement and closeout have been completed.

**Segment:** Raymond Avenue Grade Separation

**Status:** PROJECT COMPLETE

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



**Summary:** This project grade separated the local street from railroad tracks by building an underpass for vehicular traffic under the railroad crossing in the City of Fullerton. The City of Fullerton managed construction while OCTA provided construction oversight, public outreach, railroad coordination, and ROW support. Construction began on March 27, 2014, and the improvements opened to traffic on October 2, 2017. Construction acceptance was obtained from the City of Fullerton in May 2018. OCTA turned over maintenance responsibilities to the City of Fullerton and completed the one-year warranty on constructed items. Activities this quarter include project closeout with BNSF and processing final invoices. Funding reimbursement and closeout are ongoing.



## STREETS AND ROADS

**Segment:** State College Boulevard Grade Separation

**Status:** PROJECT COMPLETE

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



**Summary:** This project grade separated the local street from railroad tracks by building an underpass for vehicular traffic under the railroad crossing in the City of Fullerton. The City of Fullerton managed construction while OCTA provided construction oversight, public outreach, railroad coordination, and ROW support. Construction began on March 27, 2014, and the improvements opened to traffic on November 1, 2017. Construction acceptance was obtained from the City of Fullerton in March 2018. OCTA turned over maintenance responsibilities to the City of Fullerton and completed the one-year warranty on constructed items. Activities this quarter include processing final invoices. Funding reimbursement and closeout are ongoing.

**Segment:** Tustin Avenue/Rose Drive Grade Separation

**Status:** PROJECT COMPLETE

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



**Summary:** This project grade separated the local street from railroad tracks by building a bridge over the railroad crossing for vehicular traffic in the cities of Anaheim and Placentia. Construction began on April 22, 2013, and the improvements opened to traffic on December 7, 2015. Construction acceptance was obtained from the cities of Anaheim and Placentia in October 2016. OCTA turned over maintenance responsibilities to the cities and extended the one-year warranty to November 2018 for some minor repair items. No additional issues or repairs were identified. Funding reimbursement and closeout have been completed.



## STREETS AND ROADS

### REGIONAL TRAFFIC SIGNAL SYNCHRONIZATION PROGRAM ▼

PROJECT P

**Status:** 12th Call Applications Under Review

**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 delays.

To date, OCTA and local agencies have synchronized more than 3,200 intersections over more than 838 miles of streets (94 completed projects). Through 11 calls, 104 projects totaling more than \$115.8 million have been awarded. Overall, OCTA has funded 123 projects totaling more than \$140.8 million, including \$25.5 million in leveraged external funding.

On August 9, 2021, the Board approved the release of the 12th call. Applications were received on October 21, 2021 and are under review. Programming recommendations are anticipated to be presented to the Board in spring 2022.

### LOCAL FAIR SHARE ▼

PROJECT Q

**Status:** Ongoing

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

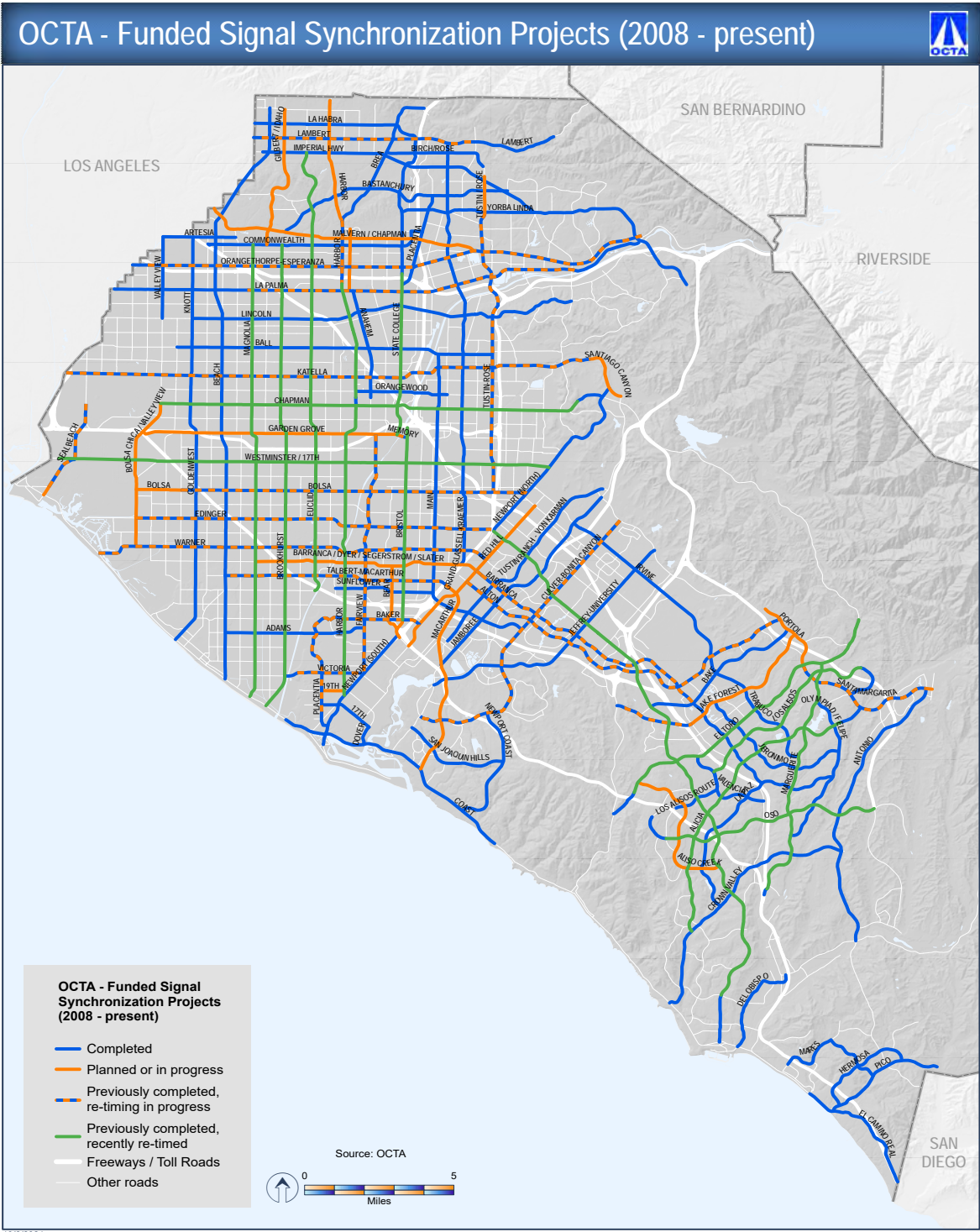
**Summary:** To help cities and the County of Orange keep up with the rising cost of repairing the aging street system, this program provides flexible funding intended to augment, not replace, existing transportation expenditures by the cities and the County. Annually, all local agencies are reviewed to determine eligibility to receive M2 funds. All local agencies have been found eligible to receive LFS funds. On a bimonthly basis, 18 percent of net revenues are allocated to local agencies by formula. Since 2011, more than \$536.7 million in LFS payments have been provided to local agencies as of December 31, 2021.

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





# STREETS AND ROADS







## TRANSIT

### HIGH FREQUENCY METROLINK SERVICE ▼

#### PROJECT R

Project R will increase rail services within the County and provide additional Metrolink service north of the City of Fullerton to the Los Angeles County Line. 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:** Dinah Minter, Operations • (714) 560-5740



**Summary:** Enhancements 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 OCTA to make enhancements, and one street closure, which 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, San Clemente, San Juan Capistrano, Santa Ana, and Tustin have established quiet zones within their communities.

**Project:** Metrolink Service Expansion Program

**Status:** Service Ongoing

**Contact:** Dinah Minter, Operations • (714) 560-5740

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

In October 2019, several intracounty trains were extended to Los Angeles County to increase ridership through a redeployment of the trains without significantly impacting operating costs. However, in March 2020, all Metrolink services were impacted by the statewide enforcement of stay-at-home orders that resulted from the COVID-19 pandemic. Metrolink implemented temporary service reductions in March and November 2020 due to the decline in ridership. The three lines serving Orange County (Orange County, Inland Empire-Orange County, and the 91/Perris Valley lines) now operate 41 weekday trains, a 24 percent reduction from 54 weekday trains. Once ridership recovers following the pandemic, Metrolink and OCTA will reassess the service needs in Orange County and reinstate various trains.





## TRANSIT

### 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:** Construction Underway - 21 Percent Complete

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

**Summary:** This OCTA-led project will add a second main track and passenger platform, extend the existing passenger platform, add improvements to at-grade crossings for pedestrian circulation, and install new station amenities including benches, shade structures, and ticket vending machines. The construction contract was awarded on March 22, 2021 and construction began on May 10, 2021. This quarter, construction continued with grading of the new rail bed as well as placement of rail and ballast (gravel used to form the bed of the railroad track). In addition, concrete for the extension of the existing platform has been poured and the footing for the new platform have been placed. The project is anticipated to be completed in early 2023.

#### **Segment:** Fullerton Transportation Center Improvements

**Status:** PROJECT COMPLETE

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



**Summary:** Completed early on, this project constructed a new five-level parking structure to provide additional transit parking at the Fullerton Transportation Center for both intercity rail service and commuter rail passengers. Construction on this city-led project began on October 18, 2010, and the improvements were 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 on May 1, 2019.

#### **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:** This project added 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 began on February 23, 2016, and the improvements were completed on September 20, 2017.



## TRANSIT

### **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, five-level, shared-use parking structure that is located on Lemon Street between Chapman Avenue and Maple Street in the City of 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 the improvements were completed on February 15, 2019.

### **Segment:** New Placentia Metrolink Station and Parking Structure

**Status:** Design Complete; Ready for Advertisement subject to BNSF construction and maintenance (C&M) agreement

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

**Summary:** This project will construct a new Metrolink station to include platforms, parking, a new bus stop, and passenger amenities in the City of Placentia. 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 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 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. OCTA is the lead agency for the design and construction and BNSF will be the lead on rail construction. The final design was completed on July 22, 2017. The project will be ready to advertise once a C&M agreement with BNSF is in place. Due to dependency on the C&M agreement, this project is marked as a cost/schedule risk in the CAP.

### **Segment:** San Clemente Pier Station Lighting

**Status:** PROJECT COMPLETE

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



**Summary:** This OCTA-led project added lighting to the existing platform and new decorative handrails at the San Clemente Pier Station in the City of San Clemente. The improvements were completed on March 17, 2017, and project closeout was completed in the same month.





## TRANSIT

### Additional Rail Corridor Improvements

#### Completed:

- Installation of the Control Point project at Fourth Street in the City of Santa Ana, which provided greater efficiency and reliability for passenger rail service
- Implementation of Positive Train Control system, which improves rail safety by monitoring and controlling train movement
- Implementation of video surveillance systems at the Fullerton, Irvine, Laguna Niguel, Mission Viejo, Orange, Santa Ana, and Tustin stations
- Railroad ROW Slope Stabilization project at eight locations within the rail corridor to prevent future erosion and slope instability
- Replacement of detectable tiles and painted guidelines at six stations to meet the Federal Transit Administration (FTA) State of Good Repair requirement, enhance safety, and provide clear warnings to passengers
- Replacement of stairs at the Fullerton Transportation Center

#### Underway:

- Installation of riprap (erosion preventing stonewall) to stabilize tracks south of the San Clemente Pier Station
- Design of additional slope stabilization and drainage improvements in Mission Viejo and Laguna Niguel
- ROW acquisition 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

#### Segment: Sand Canyon Grade Separation

##### Status: PROJECT COMPLETE

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



**Summary:** This project separated the local street from railroad tracks in the City of Irvine by constructing an underpass for vehicular traffic. Construction began on May 3, 2011, and the improvements opened to traffic on July 14, 2014. The project was completed, 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 MSEP by constructing a new four-story parking structure with approximately 735 spaces and on-site surface parking. Construction on the parking structure began on October 27, 2010, and opened to the public on September 22, 2011.





## TRANSIT

**Segment:** Laguna Niguel to San Juan Capistrano Passing Siding Project

**Status:** PROJECT COMPLETE

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



**Summary:** This project added a new passing siding railroad track (approximately 1.8 miles) adjacent to the existing mainline track, which enhanced the operational efficiency of passenger services within the LOSSAN rail corridor. Construction began on March 12, 2019, and the improvements were completed on November 17, 2020.

## TRANSIT EXTENSIONS TO METROLINK ▼

### PROJECT S

To broaden the reach of Metrolink to other Orange County cities, communities, and activity centers, Project S includes a competitive program that 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

**Status:** Full Funding Grant Agreement Executed November 30, 2018; Construction Work Ongoing, Vehicle Production Ongoing, Limited Notice to Proceed Executed with Operations and Maintenance (O&M) Contractor

**Contact:** Ross Lew, Rail • (714) 560-5775  
Cleve Cleveland, Rail • (714) 560-5535

**Summary:** The OC Streetcar will serve the SARTC 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 on the project began on November 19, 2018.

### Construction

Within the Pacific Electric ROW, the contractor continued to install OCS pole foundations, duct banks, and traffic signal foundations. Construction of the Fifth Street grade crossing was completed with the installation of rail, crossing panels, and asphalt pavement. Construction of the Westminster and Santa Ana River Bridges is substantially complete. The contractor worked on installing ballasted track between the Westminster and Santa Ana River Bridges, rail support on both bridges, and track slab from the Westminster Bridge to the Harbor terminus. The majority of the concrete and conduits on the double-sided station platforms at Fairview Street and Raitt Street have been placed, with conduit installations at the Harbor Station, ongoing. The construction progress of the side station stops at Bristol Street and French Street along the westbound track, continued with forming, setting of rebar, and placing of concrete.

At the MSF, progress continued with construction of site utilities, concrete placement for the walls and foundation slab, wheel-truing pit, and service inspection pits. Work also continued with the construction of the vehicle wash station and turntables.





In addition, the contractor completed westbound track on Santa Ana Boulevard between French Street and Bristol Street, with the exception of the Ross Street intersection, and the eastbound track on Santa Ana Boulevard between Flower Street and Parton Street. Westbound station platforms between French Street and Bristol Street are being constructed before traffic is shifted for construction of the remainder of the eastbound track.

### **Vehicle and Operations**

The vehicle manufacturer continued production of the eight S700 streetcar vehicles. The first seven cars are in final stages of equipping with installation of the last remaining vehicle components. The eighth car is in final assembly and preparations are underway to commence static and dynamic testing. Other key activities conducted during the quarter included staff performing an inspection of the Computer-Aided Dispatch / Automatic Vehicle Location equipment and pre-first article inspection for Car 1, including the emergency battery drive and wheel flange lubricant. Negotiations continued with the vehicle manufacturer regarding an updated master program schedule including options for vehicle storage to align with the availability of the project infrastructure needed to accept and test the vessels.

The O&M general manager has been coordinating with staff on several processes which will be performed by the O&M consultant during system integration testing, pre-revenue operations, and revenue operations.

### **Cost and Schedule**

On December 13, 2021, the Board approved a revised project schedule and budget of \$509.54 million. Staff is coordinating with the Southern California Association of Governments and FTA to execute the grants associated with the Board action and working closely with the construction contractor and vehicle manufacturer to achieve the March 2024 revenue service date.

**Project:**      **Bus and Station Van Extension Projects**

**Status:**        Last Service Completed on June 30, 2020; No Future Calls Anticipated

**Contact:**      Adriann Cardoso, Planning • (714) 560-5915

**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 \$732,000. On July 23, 2012, the Board approved funding for one project in the City of Anaheim and three projects in the City of Lake Forest. The City of Lake Forest has cancelled all three projects. The Anaheim Canyon Metrolink Station Bus Connection project provided service between the Anaheim Canyon Metrolink station and the Anaheim Resort area; this project was completed on June 30, 2020, under Project S. The service continues under a Project V grant and is subject to meeting minimum performance requirements as part of the Project V program.





## TRANSIT

### METROLINK GATEWAYS ▼

#### PROJECT T

**Project:** Anaheim Regional Transportation Intermodal Center

**Status:** PROJECT COMPLETE

**Contact:** George Olivo, Capital Programs • (714) 560-5872



**Summary:** This project constructed the Anaheim Regional Transportation Intermodal Center (ARTIC) located at 2626 East Katella Avenue in the City of Anaheim. ARTIC is a major multimodal transportation hub serving commuters and residents in the City of Anaheim. In addition to OCTA buses and Metrolink trains, ARTIC provides transit connections to Pacific Surfliner Amtrak, Anaheim Resort Transit, shuttle and charter bus service, taxis, bicycles, other private transportation services available, and accommodates future high-speed rail trains. The City of Anaheim, which led the construction effort, began construction on September 24, 2012, and opened the facility to rail and bus service on December 6, 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.

### 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, nearly \$96.3 million<sup>4,5</sup> in Project U funding has been provided under M2.

<sup>4</sup> Payments 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.

**Project:** Senior Mobility Program

**Status:** Ongoing

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

#### PROJECT U

**Summary:** The SMP provides one percent of net M2 revenues to eligible local jurisdictions to provide transit services that best meet the needs of seniors living in their community. 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. The remaining unallocated funds are distributed to the M2 Project U Fare Stabilization Program.

Since inception, nearly \$27.8 million<sup>5</sup> has been provided to support 2,530,150 boardings for seniors traveling to medical appointments, nutrition programs, shopping destinations, and senior and community center activities. Due to the COVID-19 pandemic, several local jurisdictions have modified or suspended service. This quarter, more than \$620,000<sup>4,5</sup> was paid out to 31 of the 32 participating cities that are currently active. One city has temporarily suspended services due to the COVID-19 pandemic.

<sup>5</sup> Only includes disbursed funds. On October 12, 2020, the Board approved a temporary exception to the SMP guidelines, which allows for OCTA to hold allocations in reserve for agencies with suspended services due to the COVID-19 pandemic. The funds will be held until the State lifts the State of Emergency or transportation services resume, whichever occurs first.





## TRANSIT

**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 countywide SNEMT services. Since inception, nearly \$30 million has been allocated to support nearly 1.44 million SNEMT boardings<sup>6</sup>. This quarter, more than \$612,000<sup>4</sup> in SNEMT funding was paid to the County of Orange.

<sup>6</sup> The SNEMT program is operated by the County of Orange Office on Aging. Total boardings are calculated based on all services funded by M2 and the County of Orange.

**Project:** Fare Stabilization Program

**Status:** Ongoing

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

**Summary:** From 2011 to 2015, one percent of net M2 revenues was dedicated to stabilizing fares and providing 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 adjusted this amount to 1.47 percent of net M2 revenues to be dedicated to the Fare Stabilization Program.

Nearly \$ 969,000 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 2.1 million program-related boardings recorded on fixed-route and ACCESS services, approximately \$611,000 was utilized. The senior and disabled boardings recorded are based on pass sales and ACCESS boardings figures. Since inception, more than \$38.5 million has been allocated to support more than 128 million program-related boardings.

## COMMUNITY BASED TRANSIT/CIRCULATORS ▼

**Status:** Service Updates

PROJECT V

**Contact:** Adriann Cardoso, Planning • (714) 560-5915

**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 to meet needs in areas not adequately served by regional transit. To date, through a competitive process, OCTA has issued four calls (June 2013, June 2016, June 2018, and April 2020), which have awarded 35 projects and ten planning studies totaling approximately \$52 million. Out of the 35 projects, 17 are currently active, nine have been cancelled (primarily due to low ridership), six are currently suspended (or not initiated) due to COVID-19, and three have been completed.





On January 25, 2021, the Board approved changes to the Project V program guidelines to better support these key community services in a post-COVID-19 environment. Key revisions included modifying minimum performance standards and allowing for escalation in the subsidy per boarding and annual fiscal year funding caps. During the quarter, staff worked with Project V-funded local jurisdictions to update existing cooperative agreements to incorporate these programmatic changes.

**SAFE TRANSIT STOPS** ▼

**Status:** City-Initiated Improvements Underway or Completed  
**Contact:** Adriann Cardoso, Planning • (714) 560-5915

PROJECT W

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

To date, through a competitive process, OCTA has issued three calls (July 2014, October 2018, and April 2020), which have awarded 122 projects totaling just over \$3.1 million. Out of the 122 projects, 44 improvements have been completed, 68 are in various stages of implementation, and ten have been cancelled. Staff will review M2 revenues and assess the appropriate timing for the next call.



## 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. These funds are allocated on a countywide, competitive basis to assist agencies in meeting the Clean Water Act standards for controlling transportation related pollution.

The ECP 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). All Orange County cities plus the County of Orange have received funding under this program. To date, there have been 11 rounds of funding under the Tier 1 grants program.

A total of 199 projects, amounting to more than \$30 million, have been awarded by the Board since 2011. Of the 199 projects, construction on 161 projects have been completed, 27 are in various stages of implementation, and 11 have been cancelled by the awarded agency. The 12th Tier 1 call is anticipated to be released in early 2022. Staff estimates that over 45.3 million gallons of trash have 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 filling nearly 105 football fields with one foot deep of trash. Over time, the volume of trash captured is expected to increase.

In addition, 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. Of the 22 projects, construction on 18 projects have been completed and four have been cancelled by the awarded agency. It is estimated that Tier 2-funded 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. The appropriate timing of the next Tier 2 call is being assessed and will be determined by funding availability as well as the number of viable projects from eligible agencies.

### FREEWAY MITIGATION ▼

**Project:** Environmental Mitigation Program

**Status:** Biological Permits Issued and Conservation Plan in Place

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

**Summary:** Working in collaboration with the United States Fish and Wildlife Service and the California Department of Fish and Wildlife (Wildlife Agencies), this program allocates funds to acquire land and fund habitat restoration projects to offset the environmental impacts of M2 freeway projects. In June 2017, OCTA received biological





## ENVIRONMENTAL

resource permits after completing a state and federal Conservation Plan. This Conservation Plan commits to protecting the natural habitat and wildlife on OCTA's Preserves, funding multiple habitat restoration projects and minimizing impacts to resources during construction of the OC GO freeway projects, allowing streamlined project approvals for the M2 freeway improvement projects with little additional coordination from the Wildlife Agencies. This program represents the culmination of years of collaboration and support by the Board, environmental community, and 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 the State Board, and constitute another groundbreaking milestone for the M2 EMP.

To date, the Board has approved the acquisition of seven properties (Preserves) totaling 1,300 acres and 12 restoration projects totaling 350 acres. The restoration project plans have been approved by the Wildlife Agencies and are currently at various stages of implementation. To date, four restoration projects have been completed and have been approved by the Wildlife Agencies. 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. A review of the Next 10 Plan confirms that OCTA will be able to continue endowment deposits of \$2.9 million annually; the performance of the endowment fund may affect the time frame for full funding. Current projections indicate that OCTA remains on track to meet the endowment target of \$46.2 million in FY 2027-28. The sixth endowment deposit was made in July 2021. Quarterly investment reports are provided to the Board, with the most recent one in February 2022. As of December 31, 2021, the endowment balance was \$22,634,538. The next report is anticipated to be presented to the Board in June 2022.

Staff will continue to oversee and provide endowment updates to the Finance and Administration Committee and the Environmental Oversight Committee (EOC) on a regular basis. Resource management plans (RMP) for the Preserves were finalized in 2018. These RMPs guide the management of the Preserves as outlined within the Conservation Plan. The RMPs will be reviewed and updated as necessary, approximately every five years. Staff will continue to oversee and manage the Preserves until a long-term manager(s) is established.

As required by the Conservation Plan, OCTA is developing fire management plans (FMP) for the Preserves. Each Preserve will have its own separate FMP. These FMPs 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 with conservation and stewardship responsibilities. It was anticipated that these FMPs would be completed in 2021. However, due to delays related to easement information, external Wildlife Agencies staff



## ENVIRONMENTAL

turnover and the inclusion of new 2021 species data, these FMPs are now anticipated to be completed in 2022. The delay of completing these FMPs do not negatively impact the Conservation Plan or associated permits. Once complete, they will be posted on OCTA's website.

Conservation Plan annual reports are completed annually. These reports include the tracking of impacts associated with covered freeway improvement projects, other management and monitoring activities on Preserves, status and activities, the progress of the restoration projects, plan administration, and public outreach activities. Annual reports are reviewed and must be approved by the Wildlife Agencies. In summary, the annual reports to date document that OCTA's activities through 2020 were in compliance and on target with the Conservation Plan commitments. OCTA will continue with its efforts to complete the required objectives on time. The next annual report is anticipated to be provided to the Board in late 2022. The annual reports are available for public review at [www.PreservingOurLegacy.org](http://www.PreservingOurLegacy.org).

To date, multiple freeway projects have utilized the Conservation Plan and/or the Clean Water Act's streamlined permitting process. Some of the projects that benefit from these mechanisms include: Project C (I-5 from SR-73 to El Toro Road), Project K (I-405 from SR-73 to I-605), and Project M (I-605/Katella Avenue Interchange). 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.

In September 2021, OCTA reinitiated docent-led hikes and equestrian ride tours in the Preserves. Staff will continue to monitor the impacts of COVID-19 and potential health agency guidance on public gatherings. The 2022 schedule will soon be available on the M2 website at [www.PreservingOurLegacy.org](http://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 which has garnered the trust of stakeholders, ranging from the environmental community to the recreational community to Orange County citizens. See the map of Preserves and funded restoration properties on the following page.







## PROGRAM MANAGEMENT

### PROGRAM MANAGEMENT OFFICE ▼

**Contact:** Francesca Ching, PMO Manager • (714) 560-5625

The M2 PMO provides inter-divisional coordination for all Measure M-related projects and programs. To ensure agency-wide compliance, the PMO holds a bimonthly 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

On September 11, 2017, the Board was presented with a Next 10 Plan Market Conditions Forecast and Risk Analysis Report conducted by Dr. Wallace Walrod and Dr. Marlon Boarnet. The consultant's analysis identified strong potential for OCTA to experience an increasing cost environment during the Next 10 Plan delivery years. This, coupled with a reduction in revenue, could present the potential for significant challenges in the delivery of M2 and the Next 10 Plan.

The Board directed staff to continue to work with the consultant team 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. The consultant team continues to analyze trends in material costs, labor costs, and general economic conditions to determine a range of potential cost impacts providing insight on OCTA's capital program twice a year.

On October 11, 2021, the consultant team presented the results of the 2021 fall analysis to the Board. The results of the analysis identified that OCTA may experience a high inflation cost environment (ranging from six percent to 11 percent) from 2022 through 2024. The main factors for the increasing cost environment include the sharp increase in building permits and, by correlation, the cost of materials. In previous updates, the pattern of material prices was mixed. More recent data reflect a more uniform trend of all material prices increasing partly due to market disruptions and the impacts to many industries as well as overall demand. Another factor that contributes to these inflationary pressures is unemployment. The prior report captured the high unemployment economy due to the COVID-19 pandemic starting in early 2020, which has since declined and may lead to additional cost pressure in the future. Staff incorporated the information from this analysis into the M2 cash flow for the 2021 update of Next 10 Plan and will provide updates to the Board as appropriate.

#### Next 10 Delivery Plan

On November 14, 2016, the Board adopted the Next 10 Plan, which provides guidance on the delivery of M2 projects and programs between FY 2016-17 and FY 2025-26. With four years of the Next 10 Plan completed to date, on December 14, 2020, the Board approved to shift the timeframe from four years to FY 2020-21 through FY 2029-30. The PMO monitors progress on the ten deliverables identified in the Next 10 Plan and provides status updates.





## PROGRAM MANAGEMENT

Annually, OCTA reviews the Next 10 Plan and M2 program assumptions based on changes to the revenue forecast and updated project cost and schedules. The 2021 Next 10 Plan incorporating the updated forecast of \$13.2 billion and was presented to the Board on December 13, 2021. Prudent financial decisions to date result in a delivery plan that continues to fulfill OCTA's commitment to the voters in Orange County.

### 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 the delivery of M2 as committed to the voters. Four performance assessments have been completed covering FY 2006-07 through FY 2008-09, FY 2009-10 through FY 2011-12, FY 2012-13 through FY 2014-15, and FY 2015-16 through FY 2017-18. Findings and recommendations are implemented as appropriate. The fifth assessment began in July 2021 and covers the period between July 1, 2018, and June 30, 2021. During the quarter, the consultant completed staff and external stakeholder interviews and their review of requested documents and submitted an initial set of findings. A draft report is anticipated in early 2022 for staff review and feedback. The final report is anticipated to be presented to the Board in spring 2022.

### M2 Ordinance Tracking Matrix

The M2 Ordinance includes numerous requirements that staff must follow to keep the commitment to Orange County voters through the passage of M2. The PMO annually updates the M2 Ordinance Tracking Matrix to verify that OCTA complies with all requirements detailed in the M2 Ordinance. During the quarter, staff initiated efforts to update the tracking matrix for calendar year 2021. It is anticipated that the matrix will be completed in early 2022.

### 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 city fact sheets provide data on transportation and transit projects (funded through M2, state, and federal grants) in a format that 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. The next update of the city fact sheets is anticipated in summer 2022.





## PROGRAM MANAGEMENT

### 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.

Highway project constructions bids in the region are reflecting a variable market with a high number of bidders, but 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 several 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 a downtick in the market.

During the quarter, Project F (SR-55, I-405 to I-5) was advertised on December 6, 2021. Bids are anticipated to be opened next quarter. Staff will continue to track the construction market and update the spreadsheet as appropriate.

### **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 \$13.2 billion or 46 percent lower) as a result of economic conditions, the funds 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 underruns in





the one percent administration cap and has made payments to OCUTT to reduce the outstanding balance. As of September 30, 2021, the principal and accrued interest balances have been paid off.

Staff meets quarterly to review all labor costs to ensure costs attributed to the one percent cap are accurately reported and that there are no misplaced project-related costs.

### Taxpayer Oversight Committee

The M2 Ordinance requires a Taxpayer Oversight Committee (TOC) to oversee compliance with the M2 Ordinance. With the exception of the elected Auditor Controller of Orange County, who is identified as the chair in the M2 Ordinance, all other members cannot be elected or appointed officials. Members are recruited and screened for expertise and experience independently by the Grand Jurors Association of Orange County and are selected from the qualified pool by lottery. The TOC is scheduled to meet every other month. The responsibilities of the 11-member M2 TOC are to:

- Approve, by a vote of no less than two-thirds of all committee members, any amendments to the Plan proposed by OCTA which changes funding categories, programs, or projects identified on page 31 of the Plan
- Receive and review the following documents submitted by each eligible jurisdiction:
  - Congestion Management Program
  - Mitigation Fee Program
  - Expenditure Report
  - Local Traffic Signal Synchronization Plan
  - Pavement Management Plan
- Review yearly audits and hold an annual public hearing to determine whether OCTA is proceeding in accordance with the Plan
- The Chair shall annually certify whether M2 funds have been spent in compliance with the Plan
- Receive and review the triennial performance assessments of the Orange County Local Transportation Authority to assess the performance of OCTA in carrying out the purposes of the Ordinance

On March 12, 2020 and March 18, 2020, the Governor 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 due to COVID-19. As a result, the TOC held a meeting on October 12, 2021, via teleconference.

On October 12, 2021, the TOC voted unanimously to affirm that the TOC received and reviewed the Pavement Management Plans, Congestion Management Plan, and Mitigation Fee Programs for all 35 local agencies in Orange County as part of the Annual Eligibility Review. Presentations were received on the Sales Tax Forecast, Measure M2 Quarterly Progress Report, and Measure M2 Next 10 Delivery Plan: Market Conditions Key Indicators Analysis. The TOC also received updates on Metrolink Track Stability, the M2 Performance Assessment, and state funding for M2 Projects.





## PROGRAM MANAGEMENT

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 receive and review the following documents submitted by local jurisdictions to be deemed eligible to receive M2 funding: Congestion Management Program, Mitigation Fee Program, Local Signal Synchronization Plan, Pavement Management Plan, and an Expenditure Report. The Audit Subcommittee meets as needed 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) 560-5889

### Revenue Forecast and Collection

OCTA contracts with three universities (Chapman University; University of California, Fullerton; and California State University, Los Angeles) 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 the MuniServices, LLC 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 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.

### Current Forecast

Original projections in 2005 during the development of M2 estimated total nominal M2 sales tax collections at \$24.3 billion. OCTA received final sales tax receipts for FY 2020-21 in August 2021 and presented the 2021 M2 sales tax forecast update on Board on September 27, 2021. The current revised total nominal sales tax collections over the life of M2 is estimated to be approximately \$13.2 billion, which represents a year-over-year increase of \$1.6 billion in forecasted sales tax when compared to last year's forecast. Although this increase provides a positive outlook on the M2 Program, staff will continue to work closely with MuniServices, LLC and the three universities to monitor the short- and long-term impacts on M2 sales tax revenues due to COVID-19 and its variants. OCTA staff is considering these impacts in the FY 2022-23 budget development process that is currently underway.

Based on the sales tax forecast information provided by MuniServices, LLC, the budgeted growth rate is 3.6 percent for FY 2021-22. The next updated forecast is anticipated to be brought to the Board in fall 2022.



## FINANCING

### Schedule of Revenues, Expenditures and Changes in Fund Balance as of December 31, 2021 (Unaudited) Schedule 1

(\$ in thousands)	Quarter Ended Dec 31, 2021	Year to Date Dec 31, 2021 (A)	Period from Inception to Dec 31, 2021 (B)
<b>Revenues:</b>			
Sales taxes	\$ 100,624	\$ 201,307	\$ 3,278,345
Other agencies' share of Measure M2 costs:			
Project related	1,767	5,793	778,612
Non-project related	-	-	454
Interest:			
Operating:			
Project related	(329)	159	6,275
Non-project related	1,725	4,407	93,291
Bond proceeds	-	725	84,369
Debt service	-	-	1,064
Commercial paper	-	-	393
Right-of-way leases	52	170	1,547
Proceeds on sale of assets held for resale	-	11	12,212
Donated assets held for resale			
Project related	-	-	2,071
Miscellaneous:			
Project related	-	-	331
Non-project related	-	-	101
Total revenues	<u>103,839</u>	<u>212,572</u>	<u>4,259,065</u>
<b>Expenditures:</b>			
Supplies and services:			
Sales tax administration fees	831	1,662	34,023
Professional services:			
Project related	10,067	11,299	457,113
Non-project related	484	487	34,763
Administration costs:			
Project related	2,622	5,243	99,247
Non-project related:			
Salaries and Benefits	750	1,499	33,155
Other	1,532	3,066	57,015
Other:			
Project related	16	110	5,659
Non-project related	13	29	5,214
Payments to local agencies:			
Project related	15,178	33,439	1,170,152
Capital outlay:			
Project related	94,810	117,554	1,737,184
Non-project related	-	-	31
Debt service:			
Principal payments on long-term debt	-	-	67,095
Interest on long-term debt and commercial paper	-	17,686	266,941
Total expenditures	<u>126,303</u>	<u>192,073</u>	<u>3,967,592</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,464)</u>	<u>20,499</u>	<u>291,473</u>
<b>Other financing sources (uses):</b>			
Transfers out:			
Project related	(117,611)	(126,102)	(444,127)
Transfers in:			
Project related	4,029	4,563	194,465
Bond proceeds	-	-	804,625
Payment to refunded bond escrow agent	-	-	(45,062)
Total other financing sources (uses)	<u>(113,582)</u>	<u>(121,539)</u>	<u>509,901</u>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	<u>\$ (136,046)</u>	<u>\$ (101,040)</u>	<u>\$ 801,374</u>



## FINANCING

### Schedule of Revenues, Expenditures and Changes in Fund Balance as of December 31, 2021 (Unaudited) Schedule 2

(\$ in thousands)	Quarter Ended Dec 31, 2021 (actual)	Year to Date Dec 31, 2021 (actual)	Period from Inception through Dec 31, 2021 (actual)	Period from January 1, 2022 through March 31, 2041 (forecast)	Total
	(C.1)	(D.1)	(E.1)	(F.1)	
<b>Revenues:</b>					
Sales taxes	\$ 100,624	\$ 201,307	\$ 3,278,345	\$ 9,902,977	\$ 13,181,322
Operating interest	1,725	4,407	93,291	140,031	233,322
Subtotal	<u>102,349</u>	<u>205,714</u>	<u>3,371,636</u>	<u>10,043,008</u>	<u>13,414,644</u>
Other agencies share of M2 costs	-	-	454	-	454
Miscellaneous	-	-	101	-	101
Total revenues	<u>102,349</u>	<u>205,714</u>	<u>3,372,191</u>	<u>10,043,008</u>	<u>13,415,199</u>
<b>Administrative expenditures:</b>					
Sales tax administration fees	831	1,662	34,023	96,410	130,433
Professional services	484	487	30,988	95,062	126,050
Administration costs:					
Salaries and Benefits	750	1,499	33,155	98,649	131,804
Other	1,532	3,066	57,015	172,906	229,921
Other	13	29	2,194	6,797	8,991
Capital outlay	-	-	31	-	31
Environmental cleanup	573	992	47,012	198,028	245,040
Total expenditures	<u>4,183</u>	<u>7,735</u>	<u>204,418</u>	<u>667,852</u>	<u>872,270</u>
Net revenues	<u>\$ 98,166</u>	<u>\$ 197,979</u>	<u>\$ 3,167,773</u>	<u>\$ 9,375,156</u>	<u>\$ 12,542,929</u>
	(C.2)	(D.2)	(E.2)	(F.2)	
<b>Bond revenues:</b>					
Proceeds from issuance of bonds	\$ -	\$ -	\$ 804,625	\$ 199,300	\$ 1,003,925
Interest revenue from bond proceeds	-	725	84,369	70,284	154,653
Interest revenue from debt service funds	-	-	1,064	3,319	4,383
Interest revenue from commercial paper	-	-	393	-	393
Total bond revenues	<u>-</u>	<u>725</u>	<u>890,451</u>	<u>272,903</u>	<u>1,163,354</u>
<b>Financing expenditures and uses:</b>					
Professional services	-	-	3,775	698	4,473
Payment to refunded bond escrow	-	-	45,062	-	45,062
Bond debt principal	-	-	67,095	809,470	876,565
Bond debt and other interest expense	-	17,686	266,941	485,816	752,757
Other	-	-	3,020	-	3,020
Total financing expenditures and uses	<u>-</u>	<u>17,686</u>	<u>385,893</u>	<u>1,295,984</u>	<u>1,681,877</u>
Net bond revenues (debt service)	<u>\$ -</u>	<u>\$ (16,961)</u>	<u>\$ 504,558</u>	<u>\$ (1,023,081)</u>	<u>\$ (518,523)</u>



## FINANCING

### Schedule of Revenues, Expenditures and Changes in Fund Balance as of December 31, 2021 (Unaudited) Schedule 3

Project	Description	Net Revenues through Dec 31, 2021	Total Net Revenues
(G)	(H)	(I)	
(\$ in thousands)			
<b>Freeways (43% of Net Revenues)</b>			
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 124,858	\$ 494,381
B	I-5 Santa Ana/SR-55 to El Toro	79,751	315,773
C	I-5 San Diego/South of El Toro	166,566	659,527
D	I-5 Santa Ana/San Diego Interchange Upgrades	68,539	271,384
E	SR-22 Garden Grove Freeway Access Improvements	31,879	126,225
F	SR-55 Costa Mesa Freeway Improvements	97,230	384,986
G	SR-57 Orange Freeway Improvements	68,725	272,120
H	SR-91 Improvements from I-5 to SR-57	37,192	147,262
I	SR-91 Improvements from SR-57 to SR-55	110,646	438,106
J	SR-91 Improvements from SR-55 to County Line	93,564	370,470
K	I-405 Improvements between I-605 to SR-55	284,995	1,128,451
L	I-405 Improvements between SR-55 to I-5	84,930	336,284
M	I-605 Freeway Access Improvements	5,313	21,037
N	All Freeway Service Patrol	39,848	157,781
	Freeway Mitigation	68,107	269,673
	Subtotal Projects	1,362,143	5,393,460
	Net (Bond Revenue)/Debt Service	-	-
	<b>Total Freeways</b>	<b>\$ 1,362,143</b>	<b>\$ 5,393,460</b>
	<b>%</b>		
<b>Street and Roads Projects (32% of Net Revenues)</b>			
O	Regional Capacity Program	\$ 316,781	\$ 1,254,309
P	Regional Traffic Signal Synchronization Program	126,707	501,701
Q	Local Fair Share Program	570,199	2,257,727
	Subtotal Projects	1,013,687	4,013,737
	Net (Bond Revenue)/Debt Service	-	-
	<b>Total Street and Roads Projects</b>	<b>\$ 1,013,687</b>	<b>\$ 4,013,737</b>
	<b>%</b>		



## FINANCING

### Schedule of Revenues, Expenditures and Changes in Fund Balance as of December 31, 2021 (Unaudited) Schedule 3

Expenditures through Dec 31, 2021 (J)	Reimbursements through Dec 31, 2021 (K)	Net M2 Cost (L)
\$ 10,913	\$ 7,589	\$ 3,324
12,660	8,209	4,451
255,189	50,142	205,047
2,707	527	2,180
5	-	5
51,379	22,791	28,588
51,608	12,432	39,176
34,959	824	34,135
35,880	33,869	2,011
17,339	15,812	1,527
1,101,731	146,607	955,124
9,202	6,954	2,248
3,850	16	3,834
6,140	-	6,140
57,722	7,111	50,611
1,651,284	312,883	1,338,401
128,982	-	128,982
\$ 1,780,266	\$ 312,883	\$ 1,467,383
		48.0%
\$ 793,928	\$ 506,668	\$ 287,260
89,388	12,227	77,161
541,420	77	541,343
1,424,736	518,972	905,764
37,792	-	37,792
\$ 1,462,528	\$ 518,972	\$ 943,556
		30.8%



## FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of  
**December 31, 2021 (Unaudited)**  
Schedule 3

Project	Description	Net Revenues through Dec 31, 2021	Total Net Revenues
(G)		(H)	(I)
(\$ in thousands)			
<b>Transit Projects (25% of Net Revenues)</b>			
R	High Frequency Metrolink Service	\$ 303,350	\$ 1,250,971
S	Transit Extensions to Metrolink	279,641	1,107,250
T	Metrolink Gateways	34,546	64,110
U	Expand Mobility Choices for Seniors and Persons with Disabilities	104,076	434,928
V	Community Based Transit/Circulators	63,339	250,792
W	Safe Transit Stops	6,991	27,681
	Subtotal Projects	791,943	3,135,732
	Net (Bond Revenue)/Debt Service	-	-
	<b>Total Transit Projects</b>	<b>\$ 791,943</b>	<b>\$ 3,135,732</b>
	%		
<hr/>			
X	Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 67,433	\$ 268,293
	Net (Bond Revenue)/Debt Service	-	-
	<b>Total Environmental Cleanup</b>	<b>\$ 67,433</b>	<b>\$ 268,293</b>
	%		
<hr/>			
<b>Taxpayer Safeguards and Audits</b>			
	Collect Sales Taxes (1.5% of Sales Taxes)	\$ 49,175	\$ 197,720
	%		
	Oversight and Annual Audits (1% of Revenues)	\$ 33,716	\$ 134,146
	%		
<hr/>			



## FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of  
**December 31, 2021 (Unaudited)**  
Schedule 3

Expenditures through Dec 31, 2021 (J)	Reimbursements through Dec 31, 2021 (K)	Net M2 Cost (L)
\$ 429,703	\$ 98,821	\$ 330,882
148,324	2,133	146,191
98,220	60,956	37,264
98,537	88	98,449
14,476	1,323	13,153
1,190	26	1,164
790,450	163,347	627,103
21,135	-	21,135
\$ 811,585	\$ 163,347	\$ 648,238
		21.2%
\$ 47,012	\$ 311	\$ 46,701
-	-	-
\$ 47,012	\$ 311	\$ 46,701
		1.4%
\$ 34,023	\$ -	\$ 34,023
		1.0%
\$ 33,155	\$ -	\$ 33,155
		1.0%



## LOCAL FAIR SHARE

M2 Funds		
ENTITY	2ND QUARTER FY 2021-22	FUNDS TO DATE
ALISO VIEJO	\$140,619	\$6,728,474
ANAHEIM	\$1,233,012	\$56,103,066
BREA	\$200,361	\$9,666,937
BUENA PARK	\$315,959	\$15,001,474
COSTA MESA	\$514,610	\$24,658,439
CYPRESS	\$189,825	\$8,891,208
DANA POINT	\$122,708	\$5,638,907
FOUNTAIN VALLEY	\$222,577	\$10,463,864
FULLERTON	\$473,971	\$21,973,371
GARDEN GROVE	\$544,253	\$25,137,117
HUNTINGTON BEACH	\$712,943	\$32,874,346
IRVINE	\$1,034,827	\$46,215,502
LAGUNA BEACH	\$88,067	\$4,288,576
LAGUNA HILLS	\$121,553	\$5,739,795
LAGUNA NIGUEL	\$243,158	\$11,230,526
LAGUNA WOODS	\$45,968	\$2,144,749
LA HABRA	\$198,500	\$8,916,988
LAKE FOREST	\$297,155	\$13,432,973



## LOCAL FAIR SHARE

M2 Funds		
ENTITY	2ND QUARTER FY 2021-22	FUNDS TO DATE
LA PALMA	\$50,198	\$2,711,925
LOS ALAMITOS	\$47,212	\$2,187,214
MISSION VIEJO	\$327,223	\$15,729,124
NEWPORT BEACH	\$395,343	\$18,580,311
ORANGE	\$607,783	\$27,921,988
PLACENTIA	\$172,373	\$7,780,626
RANCHO SANTA MARGARITA	\$154,647	\$7,148,301
SAN CLEMENTE	\$213,150	\$9,539,561
SAN JUAN CAPISTRANO	\$140,921	\$6,412,915
SANTA ANA	\$1,012,771	\$46,946,127
SEAL BEACH	\$85,749	\$4,191,017
STANTON	\$111,256	\$5,040,137
TUSTIN	\$336,291	\$15,161,741
VILLA PARK	\$19,130	\$880,167
WESTMINSTER	\$306,880	\$14,413,799
YORBA LINDA	\$223,957	\$10,185,031
COUNTY UNINCORPORATED	\$957,817	\$32,814,188
<b>TOTAL M2 FUNDS</b>	<b>\$11,862,767</b>	<b>\$536,750,487</b>



## CAPITAL ACTION PLAN

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

Non-bolded = Planned/Baseline

**Bold = Forecasted/Actual**

Capital Projects	Cost		Schedule		
	Baseline/Forecast		Plan/Forecast		
	(millions)	Complete Environmental	Complete Design	Award Contract	Complete Construction
<b>Freeway Projects:</b>					
I-5, SR-55 to SR-57	\$38.1	Jun-13	Mar-17	Dec-17	Apr-21
Project A	\$38.9	<b>Apr-15</b>	<b>Jun-17</b>	<b>Nov-18</b>	<b>Jan-21</b>
I-5, I-405 to Yale Avenue	\$230.5	Aug-18	TBD	TBD	TBD
Project B	\$230.5	<b>Jan-20</b>	Jul-24	Aug-25	Mar-29
I-5, Yale Avenue to SR-55	\$200.4	Aug-18	TBD	TBD	TBD
Project B <b>Cost/Schedule Risk</b>	\$200.4	<b>Jan-20</b>	Jan-24	Mar-25	Sep-28
I-5, Pico to Vista Hermosa	\$113.0	Dec-11	Oct-13	Dec-14	Aug-18
Project C	\$83.6	<b>Oct-11</b>	<b>Oct-13</b>	<b>Dec-14</b>	<b>Aug-18</b>
I-5, Vista Hermosa to Pacific Coast Highway	\$75.6	Dec-11	Feb-13	Dec-13	Mar-17
Project C	\$75.3	<b>Oct-11</b>	<b>May-13</b>	<b>Jun-14</b>	<b>Jul-17</b>
I-5, Pacific Coast Highway to San Juan Creek Road	\$70.7	Dec-11	Jan-13	Oct-13	Sep-16
Project C	\$74.3	<b>Oct-11</b>	<b>Jan-13</b>	<b>Dec-13</b>	<b>Jul-18</b>
I-5, SR-73 to Oso Parkway	\$151.9	Jun-14	Jan-18	Dec-18	Apr-25
Project C & D	\$195.8	<b>May-14</b>	<b>Aug-18</b>	<b>Dec-19</b>	<b>Sep-24</b>
I-5, Oso Parkway to Alicia Parkway	\$196.2	Jun-14	Jun-17	Jun-18	Nov-23
Project C & D	\$203.1	<b>May-14</b>	<b>Dec-17</b>	<b>Mar-19</b>	<b>Jan-24</b>
I-5, Alicia Parkway to El Toro Road	\$133.6	Jun-14	Jun-18	May-19	Oct-24
Project C	\$165.9	<b>May-14</b>	<b>May-19</b>	<b>Sep-20</b>	<b>Oct-24</b>
I-5, SR-73 to El Toro Road (Landscape)	TBD	N/A	TBD	TBD	TBD
Project C	\$12.4	N/A	Mar-24	Nov-24	Jun-26
I-5, I-5/El Toro Road Interchange	TBD	Nov-19	TBD	TBD	TBD
Project D <b>Cost/Schedule Risk</b>	TBD	<b>Jan-23</b>	TBD	TBD	TBD

\*Status through December 2021. For detailed project information, please refer to the individual project section within this report.



# CAPITAL ACTION PLAN

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

Non-bolded = Planned/Baseline

**Bold = Forecasted/Actual**

Capital Projects	Cost		Schedule		
	Baseline/Forecast		Plan/Forecast		
	(millions)	Complete Environmental	Complete Design	Award Contract	Complete Construction
I-5, I-5/Ortega Interchange	\$90.9	Jun-09	Nov-11	Aug-12	Sep-15
Project D	\$79.8	<b>Jun-09</b>	<b>Dec-11</b>	<b>Aug-12</b>	<b>Jan-16</b>
I-5, I-5/Ortega Interchange (Landscape)	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	<b>Oct-14</b>	<b>Sep-15</b>	<b>Sep-16</b>
SR-55, I-405 to I-5	\$410.9	Nov-13	Apr-20	Jul-21	Aug-25
Project F	\$503.2	<b>Aug-17</b>	<b>Apr-20</b>	<b>Apr-22</b>	<b>May-26</b>
SR-55, I-5 to SR-91	\$131.3	Jan-20	TBD	TBD	TBD
Project F	\$131.3	<b>Mar-20</b>	Jul-25	Jul-26	Sep-29
SR-57 Northbound (NB), Orangewood Avenue to Katella Avenue	\$71.8	Dec-18	TBD	TBD	TBD
Project G	\$71.8	<b>Mar-19</b>	Apr-24	Mar-25	Nov-27
SR-57 (NB), Katella Avenue to Lincoln Avenue	\$78.7	Jul-09	Nov-10	Aug-11	Sep-14
Project G	\$38.0	<b>Nov-09</b>	<b>Dec-10</b>	<b>Oct-11</b>	<b>Apr-15</b>
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	<b>Jul-10</b>	<b>Sep-17</b>	<b>Jun-18</b>
SR-57 (NB), Orangethorpe Avenue to Yorba Linda Boulevard	\$80.2	Dec-07	Dec-09	Oct-10	May-14
Project G	\$52.3	<b>Dec-07</b>	<b>Jul-09</b>	<b>Oct-10</b>	<b>Nov-14</b>
SR-57 (NB), Yorba Linda Boulevard to Lambert Road	\$79.3	Dec-07	Dec-09	Oct-10	Sep-14
Project G	\$54.1	<b>Dec-07</b>	<b>Jul-09</b>	<b>Oct-10</b>	<b>May-14</b>
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	<b>Aug-17</b>	<b>Feb-18</b>	<b>Apr-19</b>
SR-57 (NB), Lambert Road to Tonner Canyon	TBD	TBD	TBD	TBD	TBD
Project G	TBD	May-28	TBD	TBD	TBD

\*Status through December 2021. For detailed project information, please refer to the individual project section within this report.



# CAPITAL ACTION PLAN

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

Non-bolded = Planned/Baseline

**Bold = Forecasted/Actual**

Capital Projects	Cost		Schedule		
	Baseline/Forecast		Plan/Forecast		
	(millions)	Complete Environmental	Complete Design	Award Contract	Complete Construction
SR-91 Westbound (WB), I-5 to SR-57	\$78.1	Apr-10	Feb-12	Nov-12	Apr-16
Project H	\$59.2	<b>Jun-10</b>	<b>Apr-12</b>	<b>Jan-13</b>	<b>Jun-16</b>
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	<b>Aug-16</b>	<b>Mar-17</b>	<b>Nov-17</b>
SR-91, SR-55 to Lakeview Avenue (Segment 1)	\$100.9	Oct-18	Jan-23	Feb-24	Sep-27
Project I	\$100.9	<b>Jun-20</b>	<b>Jan-23</b>	<b>Feb-24</b>	<b>Sep-27</b>
SR-91, La Palma Avenue to SR-55 (Segment 2)	\$208.4	Oct-18	Jul-23	Jul-24	Mar-28
Project I	\$208.4	<b>Jun-20</b>	<b>Jul-23</b>	<b>Jul-24</b>	<b>Mar-28</b>
SR-91, Acacia Street to La Palma Ave (Segment 3)	\$116.2	Oct-18	Apr-24	Apr-25	Sep-28
Project I	\$116.2	<b>Jun-20</b>	<b>Apr-24</b>	<b>Apr-25</b>	<b>Sep-28</b>
SR-91 (WB), Tustin Interchange to SR-55	\$49.9	Jul-11	Mar-13	Oct-13	Jul-16
Project I	\$42.5	<b>May-11</b>	<b>Feb-13</b>	<b>Oct-13</b>	<b>Jul-16</b>
SR-91, SR-55 to SR-241	\$128.4	Jul-09	Jan-11	Sep-11	Dec-12
Project J	\$79.7	<b>Apr-09</b>	<b>Aug-10</b>	<b>May-11</b>	<b>Mar-13</b>
SR-91, SR-55 to SR-241 (Landscape)	N/A	N/A	N/A	N/A	N/A
Project J	N/A	N/A	<b>Feb-13</b>	<b>Oct-13</b>	<b>Feb-15</b>
SR-91 Eastbound, SR-241 to SR-71	\$104.5	Dec-07	Dec-08	Jul-09	Nov-10
Project J	\$57.8	<b>Dec-07</b>	<b>Dec-08</b>	<b>Aug-09</b>	<b>Jan-11</b>
I-405, SR-55 to I-605 (Design-Build)	\$2,080.2	Mar-13	Nov-15	Nov-16	Feb-24
Project K	\$2,080.2	<b>May-15</b>	<b>Nov-15</b>	<b>Nov-16</b>	<b>Feb-24</b>
I-405, I-5 to SR-55	TBD	Jul-18	TBD	TBD	TBD
Project L	TBD	<b>Aug-18</b>	TBD	TBD	TBD

\*Status through December 2021. For detailed project information, please refer to the individual project section within this report.



# CAPITAL ACTION PLAN

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

Non-bolded = Planned/Baseline

**Bold = Forecasted/Actual**

Capital Projects	Cost	Schedule			
	Baseline/Forecast	Plan/Forecast			
	(millions)	Complete Environmental	Complete Design	Award Contract	Complete Construction
I-605, I-605/Katella Interchange	\$29.0	Nov-18	Mar-23	Feb-24	Nov-25
Project M	\$29.0	<b>Oct-18</b>	Mar-23	Mar-24	Dec-25
<b>Grade Separation Projects:</b>					
Raymond Avenue Railroad Grade Separation	\$77.2	Nov-09	Aug-12	May-13	Aug-18
Project O	\$126.2	<b>Nov-09</b>	<b>Dec-12</b>	<b>Feb-14</b>	<b>May-18</b>
State College Boulevard Railroad Grade Separation (Fullerton)	\$73.6	Jan-11	Aug-12	May-13	May-18
Project O	\$99.6	<b>Apr-11</b>	<b>Feb-13</b>	<b>Feb-14</b>	<b>Mar-18</b>
Placentia Avenue Railroad Grade Separation	\$78.2	May-01	Mar-10	Jun-11	Nov-14
Project O	\$64.5	<b>May-01</b>	<b>Jun-10</b>	<b>Jul-11</b>	<b>Dec-14</b>
Kraemer Boulevard Railroad Grade Separation	\$70.4	Sep-09	Jul-10	Aug-11	Oct-14
Project O	\$63.8	<b>Sep-09</b>	<b>Jul-10</b>	<b>Sep-11</b>	<b>Dec-14</b>
Orangethorpe Avenue Railroad Grade Separation	\$117.4	Sep-09	Dec-11	May-12	Sep-16
Project O	\$105.9	<b>Sep-09</b>	<b>Oct-11</b>	<b>Jan-13</b>	<b>Oct-16</b>
Tustin Avenue/Rose Drive Railroad Grade Separation	\$103.0	Sep-09	Dec-11	Aug-12	May-16
Project O	\$96.6	<b>Sep-09</b>	<b>Jul-11</b>	<b>Feb-13</b>	<b>Oct-16</b>
Lakeview Avenue Railroad Grade Separation	\$70.2	Sep-09	Oct-11	May-13	Mar-17
Project O	\$110.7	<b>Sep-09</b>	<b>Jan-13</b>	<b>Nov-13</b>	<b>Jun-17</b>
Sand Canyon Avenue Railroad Grade Separation	\$55.6	Sep-03	Jul-10	Feb-11	May-14
Project R	\$61.9	<b>Sep-03</b>	<b>Jul-10</b>	<b>Feb-11</b>	<b>Jan-16</b>

\*Status through December 2021. For detailed project information, please refer to the individual project section within this report.



# CAPITAL ACTION PLAN



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

Non-bolded = Planned/Baseline

**Bold = Forecasted/Actual**

Capital Projects	Cost	Schedule			
	Baseline/Forecast	Plan/Forecast			
	(millions)	Complete Environmental	Complete Design	Award Contract	Complete Construction
<b>Rail and Station Projects:</b>					
Rail-Highway Grade Crossing Safety Enhancement	\$94.4	Oct-08	Sep-08	Aug-09	Dec-11
Project R	\$90.4	<b>Oct-08</b>	<b>Sep-08</b>	<b>Aug-09</b>	<b>Dec-11</b>
San Clemente Beach Trail Safety Enhancements	\$6.0	Jul-11	Apr-12	Oct-12	Jan-14
Project R	\$5.0	<b>Jul-11</b>	<b>Jun-12</b>	<b>May-13</b>	<b>Mar-14</b>
San Juan Capistrano Passing Siding	\$25.3	Jan-13	May-16	Dec-16	Feb-21
	\$36.4	<b>Mar-14</b>	<b>Aug-18</b>	<b>Mar-19</b>	<b>Nov-20</b>
Anaheim Canyon Station	\$27.9	Dec-16	May-19	Nov-19	Jan-23
	\$34.2	<b>Jun-17</b>	<b>Oct-20</b>	<b>Mar-21</b>	<b>Jan-23</b>
Placentia Metrolink Station and Parking Structure	\$34.8	May-07	Jan-11	TBD	TBD
Project R <b>Cost/Schedule Risk</b>	\$40.1	<b>May-07</b>	<b>Feb-11</b>	TBD	TBD
Orange Station Parking Expansion	\$33.2	Dec-12	Apr-13	Nov-16	Feb-19
	\$30.9	<b>May-16</b>	<b>Apr-16</b>	<b>Jun-17</b>	<b>Feb-19</b>
Fullerton Transportation Center - Elevator Upgrades	\$3.5	N/A	Dec-13	Sep-14	Mar-17
	\$4.2	N/A	<b>Dec-13</b>	<b>Apr-15</b>	<b>May-19</b>
Laguna Niguel/Mission Viejo Station ADA Ramps	\$3.5	Jan-14	Aug-14	Jan-15	Apr-17
	\$5.0	<b>Feb-14</b>	<b>Jul-15</b>	<b>Oct-15</b>	<b>Sep-17</b>
Anaheim Regional Transportation Intermodal Center	\$227.4	Feb-11	Feb-12	Jul-12	Nov-14
Project R & T	\$232.2	<b>Feb-12</b>	<b>May-12</b>	<b>Sep-12</b>	<b>Dec-14</b>
OC Streetcar	\$526.1	Mar-12	Sep-17	Aug-18	Mar-24
Project S <b>Cost/Schedule Risk</b>	\$526.1	<b>Mar-15</b>	<b>Nov-17</b>	<b>Sep-18</b>	<b>Mar-24</b>

\*Status through December 2021. For detailed project information, please refer to the individual project section within this report.



This Page Intentionally Left Blank





November 2021

## FREEWAY IMPROVEMENT PROGRAM (A-N)

### Interstate 5 (I-5) Projects

- A** I-5, SR-55 to SR-57
- B** I-5, I-405 to SR-55
- C** I-5, SR-73 to El Toro Road
- C** I-5, Avenida Pico to San Juan Creek Road
- D** I-5 Highway Interchanges

### State Route 22 (SR-22) Projects

- E** SR-22 Access Improvements

### State Route 55 (SR-55) Projects

- F** SR-55, I-405 to I-5
- F** SR-55, I-5 to SR-91

### State Route 57 (SR-57) Projects

- G** SR-57 NB, Orangewood Avenue to Katella Avenue
- G** SR-57 NB, Katella Avenue to Lincoln Avenue
- G** SR-57 NB, Orangethorpe Avenue to Lambert Road
- G** SR-57 NB, Lambert Road to Tonner Canyon Road

### State Route 91 (SR-91) Projects

- H** SR-91 WB, I-5 to SR-57
- I** SR-91, SR-57 to SR-55
- J** SR-91, SR-55 to Riverside County Line

### Interstate 405 (I-405) Projects

- K** I-405, SR-73 to I-605
- L** I-405, I-5 to SR-55

### Interstate 605 (I-605) Projects

- M** I-605 Katella Avenue Interchange Improvements

**Freeway Mitigation Restoration Projects**  
Part of Projects A-M

**Freeway Mitigation Acquisition Projects**  
Part of Projects A-M

## STREETS & ROADS (O-Q)

- O** Grade Separation Program
- P** Signal Synchronization Project Corridors

## TRANSIT PROJECTS (R-W)

- R** Grade Separation and Station Improvement Projects
- S** Transit Extensions to Metrolink
- T** Metrolink Station Conversion to accept Future High-Speed Rail Systems

## OTHER PROJECTS NOT SHOWN

**Project N:** Freeway Service Patrol  
**Project O:** Regional Capacity Program  
**Project Q:** Local Fair Share Program  
**Project R:** Grade Crossing and Trail Safety Enhancements  
Metrolink Service Expansion Program

**Project U:** Senior Mobility Program, Senior Non-Emergency Medical Transportation Program, and Fare Stabilization Program  
**Project V:** Community Based Transit/Circulators  
**Project W:** Safe Transit Stops  
**Project X:** Environmental Cleanup Program



# *Staff Update Items*







<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
<b>1.00</b>	<b>Administrative and General Requirements</b>						
<b>2.00</b>	Has a transportation special revenue fund ("Local Transportation Authority [LTA] Special Revenue Fund") been established to maintain all Revenues?	Sec. 10.1	F & A	One-time, start-up	Done	Sean Murdock	Yes. The LTA Fund (Fund 17) was established for this purpose. A discussion of the fund and its purpose can be found in the OCLTA audited financial statements. Please reference: <a href="#">"FY 2020-21 Single Audit and Agreed-Upon Procedures Reports,"</a> Attachment D, dated January 24, 2022. <a href="#">M2 Revenue and Expense Report through 6-30-2020</a> <a href="#">M2 Revenue and Expense Report through 6-30-2021</a>
<b>3.00</b>	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: <a href="#">"FY 2020-21 Single Audit and Agreed-Upon Procedures Reports,"</a> Attachment D, dated January 24, 2022. <a href="#">M2 Revenue and Expense Report through 6-30-2020</a> <a href="#">M2 Revenue and Expense Report through 6-30-2021</a>
<b>4.00</b>	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: <a href="#">"FY 2020-21 Single Audit and Agreed-Upon Procedures Reports,"</a> Attachment D, dated January 24, 2022. <a href="#">M2 Revenue and Expense Report through 6-30-2020</a> <a href="#">M2 Revenue and Expense Report through 6-30-2021</a>
<b>5.00</b>	"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: <a href="#">"Plan of Finance for Early Action Plan,"</a> Attachment D, dated November 9, 2007. <a href="#">"Renewed Measure M Early Action Plan Review,"</a> dated December 14, 2009. <a href="#">"Paying for M2 - Bond Financing Legal Memo,"</a> dated March 5, 2012.
<b>6.00</b>	Have maintenance of effort (MOE) levels been established for each jurisdiction for fiscal year (FY) 2010-2011 pursuant to Ordinance No. 2?	Sec. 6	Planning	One-time, start-up	Done	Adriann Cardoso/ Charvalen Alacar	Yes. The MOE benchmark for each jurisdiction was originally established under Ordinance No. 2. MOE for FY 2010-11 was established and adopted by the OCTA Board of Directors (Board) as part of the M2 Eligibility Guidelines. Please reference:



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							<a href="#">“Measure M2 Local Agency Eligibility Guidelines and Requirements,”</a> 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	Adriann Cardoso/ Charvalen Alacar	<p>Yes. The third MOE benchmark adjustment was presented to the Board on April 13, 2020.  Please reference:  <a href="#">“Fiscal Year 2020-21 Updates to the Measure M2 Eligibility, Local Signal Synchronization Plan, and Pavement Management Plan Guidelines,”</a>  dated April 13, 2020.</p> <p>Due to the coronavirus (COVID-19) pandemic, on May 11, 2020, the Board authorized staff to initiate the amendment process to the M2 Ordinance No. 3 in order to adjust MOE requirements. On June 22, 2020, the Board held a public hearing and approved the amendment.  Please reference:  <a href="#">“Proposed Amendment to the Orange County Local Transportation Authority Measure M2 Ordinance No. 3,”</a> dated May 11, 2020.  <a href="#">“Public Hearing to Amend the Measure M2 Orange County Local Transportation Authority Ordinance No. 3,”</a> dated June 22, 2020.</p> <p>On December 14, 2020, the Board approved MOE Benchmark correction/adjustments for the cities of Buena Park and Villa Park.  Please reference:  <a href="#">“Measure M2 Annual Eligibility Review,”</a> dated December 14, 2020.</p> <p>Due to the continued impacts of COVID-19, on April 12, 2021, the Board authorized staff to initiate the amendment process to M2 Ordinance No. 3 to adjust MOE requirements for another FY. On May 24, 2021, the Board held a public hearing and approved the amendment.  Please reference:  <a href="#">“Proposed Amendment to the Orange County Local Transportation Authority Measure M2 Ordinance No. 3,”</a> dated April 12, 2021.  <a href="#">“Public Hearing to Amend the Measure M2 Orange County Local Transportation Authority Ordinance No. 3,”</a> dated May 24, 2021.</p>



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

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



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							For the remaining 33 entities, MOE requirements have been met annually. Please reference: “ <a href="#">Measure M2 Eligibility Review Recommendations for Fiscal Year 2019-20 Expenditure Reports</a> ,” dated June 14, 2021.
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	Yes. These are tracked on a FY basis. Expenditures were 0.86% for the FY period between July 1, 2020, and June 30, 2021, which was less than the one percent of net revenue requirement. The amount under one percent for the FY was \$474,252. Program-to-date expenditures are at one percent, which meets the one percent of net revenue requirement. There were periods when expenditures needed to be covered by borrowings in order to meet the one percent of net revenue requirement. OCTA has Board approval to borrow from the Orange County Unified Transportation Trust with the understanding that those funds will be repaid with interest in the future. This is being paid back when administrative expenditures underrun revenue in any given year of the program. During FY 2020-21, the borrowings to date along with interest from the Orange County Unified Transportation Trust were paid off. Please reference: “ <a href="#">OCTA Summary of Measure M2 Administrative Costs from Inception through June 30, 2021.</a> ”
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	Francesca Ching	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.



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

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
11.00	Have expenses for administrative staff and for project implementation incurred by the Authority, including contracted expenses, been identified in an annual report pursuant to Ordinance No. 3, Sec. 10.8?	Sec. 7 and Sec. 10.8	External Affairs	Recurring	Done to date	Alice Rogan & Jennifer Beaver	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. Please reference: <a href="#">"Measure M Annual Report 2010."</a> <a href="#">"Measure M Annual Report 2011."</a> <a href="#">"Measure M Annual Report 2012."</a> <a href="#">"Measure M Annual Report 2013."</a> <a href="#">"Measure M Annual Report 2014."</a> <a href="#">"Measure M Annual Report 2015."</a> <a href="#">"Measure M Annual Report 2016."</a> <a href="#">"Measure M Annual Report 2017."</a> <a href="#">"Measure M Annual Report 2018."</a> <a href="#">"Measure M Annual Report 2019."</a> <a href="#">"Measure M Annual Report 2020."</a> <a href="#">"Measure M Annual Report 2021."</a>
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: <a href="#">"Board Resolution 2006-32 Establishing LTA Appropriations Limit FY 2006-07,"</a> 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. Please reference: <a href="#">"Board Resolution 2011-046 Establishing LTA Appropriations Limit FY 2011-12,"</a> dated June 13, 2011. <a href="#">"Board Resolution 2012-031 Establishing LTA Appropriations Limit FY 2012-13,"</a> dated June 11, 2012. <a href="#">"Board Resolution 2013-164 Establishing LTA Appropriations Limit FY 2013-14,"</a> dated May 24, 2013. <a href="#">"Board Resolution 2014-027 Establishing LTA Appropriations Limit FY 2014-15,"</a> dated June 9, 2014.



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

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



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

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



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

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



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
23.00	Has the Authority published an annual report on how revenues have been spent and on progress toward implementation and publicly reported on the findings?	Sec. 10.8	External Affairs	Recurring	Done to date	Alice Rogan	Yes. These annual reports were prepared and made public since FY 2010-11. The FY 2020-21 information can be found on the <a href="#">2021 infographic</a> and <a href="#">M2 website</a> .
24.00	Has the Authority, every ten years, conducted a comprehensive review of all projects and programs implemented under the Plan to evaluate the performance of the overall program?	Sec. 11	PMO	Recurring	Done to date	Francesca Ching	Yes. The first comprehensive Ten-Year Review was conducted for the period covering November 8, 2006, through June 30, 2015. The final report was presented to the Board on October 12, 2015. Please reference: <a href="#">"M2 Ten-Year Review Report,"</a> dated October 12, 2015.
25.00	If the Authority has amended the Ordinance, including the Plan, has the Authority followed the process and notification requirements in Ordinance No. 3, Sec. 12, including approval by not less than two-thirds vote of the TOC?	Sec. 12	PMO, External Affairs	Recurring	Done to Date	Francesca Ching & Alice Rogan	<p>Yes. There have been five amendments to Ordinance No. 3.</p> <p>For Amendment #1 (November 9, 2012) to the Plan (Freeway Category), OCTA followed the Plan amendment process and notification requirements (including TOC approval on October 9, 2012). Please reference: <a href="#">"Public Hearing to Amend the Measure M2 Transportation Investment Plan for the Freeway Program,"</a> dated November 9, 2012 for Amendment #1.</p> <p>For Amendment #2 (November 25, 2013) to the Ordinance (Attachment C), OCTA followed the Ordinance amendment process and notification requirements (did not require TOC approval). Please reference: <a href="#">"Public Hearing on Proposal to Amend Orange County Local Transportation Authority Ordinance No. 3 to Modify Taxpayer Oversight Committee Membership Eligibility,"</a> dated November 25, 2013 for Amendment #2.</p> <p>For Amendment #3 (December 14, 2015, corrected on March 14, 2016) to the Plan (Transit Category) and Ordinance (Attachment B), OCTA followed the Plan amendment process and notification requirements (including TOC approval on November 10, 2015). Please reference: <a href="#">"Public Hearing to Amend the Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation</a></p>



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							<p><a href="#">Investment Plan for the Transit Program</a>,” dated December 14, 2015 for Amendment #3.</p> <p>“<a href="#">Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan Amendment Update</a>,” dated March 14, 2016, for corrections to the Amendment.</p> <p>For Amendments #4 (June 22, 2020) and #5 (May 24, 2021) to the Ordinance (Attachment C), OCTA followed the Ordinance amendment process and notification requirements (did not require TOC approval). Please reference:</p> <p>“<a href="#">Public Hearing to Amend the Measure M2 Orange County Local Transportation Authority Ordinance No. 3</a>,” dated June 22, 2020 for Amendment #4.</p> <p>“<a href="#">Public Hearing to Amend the Measure M2 Orange County Local Transportation Authority Ordinance No. 3</a>,” dated May 24, 2021 for Amendment #5.</p>
<b>26.00</b>	<b>General Requirements – Allocation of Net Revenues</b>						
<b>27.00</b>	Have at least five percent of the Net Revenues allocated for Freeway Projects been used to fund Programmatic Mitigation of Freeway Projects, and have these funds derived by pooling funds from the mitigation budgets of individual Freeway Projects?	Att. B, Sec. II.A.5	Planning, F & A	30-year	Done to date	Sean Murdock	<p>Yes. See independent auditor’s findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report.</p> <p>Please reference:</p> <p>“<a href="#">FY 2020-21 Single Audit and Agreed-Upon Procedures Reports</a>,” Attachment D, dated January 24, 2022.</p> <p><a href="#">M2 Revenue and Expense Report through 6-30-2020</a></p> <p><a href="#">M2 Revenue and Expense Report through 6-30-2021</a></p>
<b>28.00</b>	<p>Has the Authority used Revenues as follows:</p> <ul style="list-style-type: none"> <li>- First, paid the California Department of Tax and Fee Administration (formerly State Board of Equalization) for services and functions?</li> <li>- Second, paid the administrative costs of the Authority?</li> <li>- Third, satisfied the annual allocation of two percent of Revenues for Environmental Cleanup?</li> <li>- Fourth, satisfied the debt service requirements of all bonds issued pursuant to the Ordinance that are not satisfied out of separate allocations?</li> </ul>	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:</p> <p>“<a href="#">FY 2020-21 Single Audit and Agreed-Upon Procedures Reports</a>,” Attachment D, dated January 24, 2022.</p> <p><a href="#">M2 Revenue and Expense Report through 6-30-2020</a></p> <p><a href="#">M2 Revenue and Expense Report through 6-30-2021</a></p>



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
29.00	<p><b>After providing for the use of Revenues as described above, has the Authority allocated Net Revenues as follows:</b></p> <ul style="list-style-type: none"> <li>- Freeway Projects – 43%?</li> <li>- Streets and Roads Projects – 32%?</li> <li>- Transit Projects – 25%?</li> </ul>	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:  <a href="#">“FY 2020-21 Single Audit and Agreed-Upon Procedures Reports,”</a>  Attachment D, dated January 24, 2022.  <a href="#">M2 Revenue and Expense Report through 6-30-2020</a>  <a href="#">M2 Revenue and Expense Report through 6-30-2021</a></p>
30.00	<p><b>Has the allocation of the 32 percent for Streets and Roads Projects been made as follows:</b></p> <ul style="list-style-type: none"> <li>- Regional Capacity Program projects – 10% of Net Revenues?</li> <li>- Regional Traffic Signal Synchronization Program projects – 4% of Net Revenues?</li> <li>- Local Fair Share Program projects – 18% of Net Revenues?</li> </ul>	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:  <a href="#">“FY 2020-21 Single Audit and Agreed-Upon Procedures Reports,”</a>  Attachment D, dated January 24, 2022.  <a href="#">M2 Revenue and Expense Report through 6-30-2020</a>  <a href="#">M2 Revenue and Expense Report through 6-30-2021</a></p>
31.00	<b>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?</b>	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	<b>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?</b>	Att. B, Sec. IV.E	F & A	Recurring	Done to date	Sean Murdock	<p>Yes. See General Accounting payments for Local Fair Share funds for FY 2020-21. Also note Agreed-Upon Procedures to the Measure M2 Status Report.</p> <p>Please reference:  <a href="#">“FY 2020-21 Single Audit and Agreed-Upon Procedures Reports,”</a>  Attachment D, dated January 24, 2022.  <a href="#">M2 Revenue and Expense Report through 6-30-2020</a>  <a href="#">M2 Revenue and Expense Report through 6-30-2021</a>  <a href="#">FY 2020-21 Project Q Local Fair Share Payments</a></p>
33.00	<b>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</b>	Att. B, Sec. IV.F	Planning, F & A	Recurring	N/A	Sean Murdock	<p>Not applicable to date because there have been no exchanges.</p>



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
	allocated to the same Plan funding category that was the source of the exchanged Net Revenues?						
34.00	Has the Authority followed the requirement that in no event shall an exchange of funds reduce the Net Revenues allocated for Programmatic Mitigation of Freeway Projects?	Att. B, Sec. IV.F	Planning, F & A	Recurring	N/A	Sean Murdock	Not applicable to date because there have been no exchanges.
35.00	Has the Authority, upon review and acceptance of any Project Final Report, allocated the balance of Net Revenues, less the interest earned on the Net Revenues allocated for the project?	Att. B, Sec. IV.H	Planning	Recurring	Done to Date	Adriann Cardoso/ Charvalen Alacar	<p>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:  <a href="#">"Ordinance Amendment 1,"</a> dated November 9, 2012.  <a href="#">"Ordinance Amendment 3,"</a> dated March 14, 2016.</p> <p>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.</p>
36.00	<b>Requirements Related to All Freeway Projects</b>						
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	<p>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.</p> <p>Please reference:  <a href="#">"Historic Resources Compliance Report HRCR,"</a> dated December 2008, Project H portion in the Environmental Document.</p>
38.00	Has a Master Agreement for environmental and programmatic mitigation of freeway projects between OCLTA and state and federal resource agencies been executed?	Att. A, p.5 Freeway Projects Overview	Planning	One-time, start-up	Done	Dan Phu	Yes. The Memorandum of Agreement and Planning Agreement, executed in January 2010, served as the Master Agreement. As a note, the termination date on the Planning Agreement was extended as it took longer than anticipated to complete the Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP) and Environmental Impact Report/Environmental Impact Status (EIR/EIS).



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							Please reference: <a href="#">“C-9-0278 Agreement, Environmental Mitigation Program MOA.”</a>
39.00	Has the OCLTA made every effort to maximize Orange County’s share of state and federal freeway dollars?	Att. B, Sec. II.A.1	Govt Relations, Planning	Recurring	Done to date	Adriann Cardoso	Yes. Since 2006, OCTA has received and programmed \$1.783 billion for freeway projects included in the M2 Plan: federal - \$650 million, state - \$1.01 billion, other local - \$123 million. OCTA was also successful in receiving a TIFIA loan for \$629 million against future toll revenues for the I-405 from SR-73 to I-605 project. Please reference: <a href="#">“Capital Programming Policies Update,”</a> dated December 13, 2021.
40.00	Have all major approval actions for Freeway Projects, including project concept, location, and any change in scope, been agreed upon by Caltrans, the Authority, project sponsors, and where appropriate, the FHWA and/or the California Transportation Commission?	Att. B, Sec. II.A.2	Capital Programs - Highways	Recurring	Done to Date	Rose Casey	Yes. Coordination with the agencies listed is constant, and the required approval actions are obtained from the appropriate agencies. Project concept, location, and scope are determined when the preferred alternative is selected and identified in the final approved environmental document (ED). The Final ED is approved by Caltrans, which includes delegated NEPA authority from FHWA. The environmental documents are also provided to the CTC. Scope changes will often require changes to the Cooperative Agreement between OCTA and Caltrans. Design modifications and exceptions to design requirements are coordinated with Caltrans District 12 and Headquarters (Sacramento), which has the delegated authority from FHWA to approve design exceptions. Project Change Requests are required to be approved by both OCTA and Caltrans when a change in scope is large enough to warrant a change in project funding. Approval by the California Transportation Commission may also be required if state funds are requested, or a baseline agreement amendment is required.
41.00	Has the Authority, prior to allocation of Net Revenues for any Freeway Project, obtained written assurances from the appropriate state agency that after the project is constructed to at least minimum acceptable state standards, the State shall be responsible for maintenance and operation?	Att. B, Sec. II.A.3	Capital Programs - Highways	Recurring	Done to Date	Rose Casey	Yes. Construction Cooperative Agreements between OCTA and Caltrans include language that assigns maintenance and operations to Caltrans. For an example, please reference Attachment A, article 31 of the <a href="#">“Cooperative Agreement with the California Department of Transportation for the Interstate 5 HOV Improvement Project Between Avenida Pico and Avenida Vista Hermosa,”</a> dated December 9, 2013.  This agreement ( <a href="#">C-3-2080</a> ) was executed on May 1, 2014.



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
42.00	Have Freeway Projects been built largely within existing rights of way using the latest highway design and safety requirements?	Att. B, Sec. II.A.4	Capital Programs - Highways	Recurring	Done to Date	Rose Casey	Yes. Keeping generally within existing right-of-way (ROW) is one of the largest project parameters. For example, elimination of braided ramps on the I-405 Improvement Project was approved in the final EIR/EIS to reduce the full ROW acquisitions while still ensuring that the design meets Caltrans design and safety standards. Keeping the ROW impacts to some partial acquisitions and primarily temporary construction easements while adding four lanes to the I-405 is a major accomplishment for a \$2.08 billion project, the largest project in the M2 freeway program, highlighting the importance placed on working within ROW constraints. Please reference: <a href="#">"I-405 Supplemental Draft Environmental Impact Report/EIS."</a>
43.00	To the greatest extent possible within the available budget, have Freeway Projects been implemented using Context Sensitive Design? ("Context Sensitive Design features" are further described in the referenced provision.)	Att. B, Sec. II.A.4	Capital Programs - Highways	Recurring	Done to Date	Rose Casey	Yes. Freeway projects include many context sensitive design features, from the Planning stages, through Environmental, Design, and Construction. The project team, including Public Outreach, coordinates with local cities and other agencies on landscaping, aesthetic and soft/hardscape features. For example, the construction of sound walls requires public input, in the form of a soundwall survey, to determine if soundwalls will be built. Aesthetics of soundwalls, retaining walls and bridges take into account City and community preferences.
44.00	Have Freeway Projects, to the greatest extent possible within the available budget, been planned, designed, and constructed using a flexible community-responsive and collaborative approach to balance aesthetic, historic and environmental values with transportation safety, mobility, maintenance and performance goals?	Att. B, Sec. II.A.4	Capital Programs - Highways	Recurring	Done to Date	Rose Casey	Yes. Community Outreach is a constant on all the Freeway Projects. Open Houses, City Council presentations, local agency meetings and other forms of Outreach are deployed in order to obtain community feedback so that modifications are made, where possible, to retain these values. All design features and proposed changes are reviewed and approved by Caltrans to ensure safety, mobility, maintenance and performance goals.
45.00	Have the Net Revenues allocated to Freeway Projects for use in funding Programmatic Mitigation for Freeway Projects been subject to the following:	Att. B, Sec. II.A.5	Planning		Done	Dan Phu	See items 45.01 - 45.09
45.01	Has a Master Environmental Mitigation and Resource Protection Plan and Agreement (Master Agreement) between the Authority and state and federal resources been developed?	Att. B, Sec. II.A.5.a	Planning	One-time, start-up	Done	Dan Phu	Yes. The Memorandum of Agreement and Planning Agreement executed in January 2010, served as the Master Agreement. As a note, the Planning Agreement was extended as it took longer than anticipated to complete the NCCP/HCP and EIR/EIS. Please reference:



ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2021							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							<a href="#">“C-9-0278 Agreement, Environmental Mitigation Program MOA.”</a>
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: <a href="#">“C-9-0278 Agreement, Environmental Mitigation Program MOA.”</a>
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: <a href="#">“C-9-0278 Agreement, Environmental Mitigation Program MOA.”</a>
45.04	Does the Master Agreement include an accounting process for mitigation obligations and credits that will document net environmental benefit from regional, programmatic mitigation in exchange for net benefit in the delivery of transportation improvements through streamlined and timely approvals and permitting?	Att. B, Sec. II.A.5.a.(iii)	Planning	One-time, start-up	Done	Dan Phu	Yes. Development of the NCCP/HCP set forth the process to meet this provision (Sections 5 and 6). The Final NCCP/HCP was approved by the Board and the Final EIR/EIS was certified by the Board on November 28, 2016. Please reference: <a href="#">“Final Natural Community Conservation Plan/Habitat Conservation Plan and Associated EIR/EIS,”</a> dated November 28, 2016.  The corresponding state and federal wildlife agency permits were received in June 2017. Please reference: <a href="#">“OCTA M2 NCCP-HCP Implementing Agreement with Fed and State Fish-Wildlife and Caltrans.”</a>



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

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



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
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: <a href="#">"C-9-0278 Agreement, Environmental Mitigation Program MOA"</a>
46.00	<b>Requirements Related to Specific Freeway Projects</b>						
47.00	Project A						
48.00	Have Santa Ana Freeway (I-5) improvements between the Costa Mesa freeway (SR-55) and "Orange Crush" (SR-57) described in Project A been built:	Att. A, p. 7, Project A	Capital Programs - Highways	30-year	Modified; Completed	Rose Casey	
48.01	At the SR-55/I-5 interchange area between the Fourth Street and Newport Boulevard ramps on I-5?	Att. A, p. 7	Capital Programs - Highways	30-year	Modified	Rose Casey	See notes for Item 48.02.
48.02	On SR-55 between Fourth Street and Edinger Avenue?	Att. A, p. 7	Capital Programs - Highways	30-year	Modified	Rose Casey	No. Project A improvement limits do not include SR-55 between Fourth Street and Edinger Avenue (agreed to by cities and Caltrans) due to lack of support/consensus between Caltrans and local jurisdictions which is a requirement of M2. There are some improvements included in Project F on SR-55 between I-405 and I-5.
48.03	On I-5 between SR-55 and SR-57?	Att. A, p. 7	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes. Construction on this project began in December 2018 and was completed in January 2021.



ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2021							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
49.00	Have the Project A improvements, as built, increased capacity and reduced congestion?	Att. A, p. 7, Project A	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes. The project added capacity with a second carpool lane and relieved congestion upon construction completion as identified during the environmental phase.
50.00	Project B						
51.00	Have new lanes been built and interchanges improved on the Santa Ana Freeway (I-5) between the Costa Mesa freeway (SR-55) to El Toro “Y”?	Att. A, p. 7, Project B	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The environmental phase for the project was completed in January 2020. The project was segmented into two segments for design and construction. Final Design for Segment 1 (I-405 to Yale Avenue) began in October 2021 and Segment 2 (Yale Avenue to SR-55) began in May 2021. Construction on Segment 1 is anticipated to be completed in 2029 and Segment 2 in 2028.
52.00	Have the Project B improvements as built increased capacity and reduced congestion?	Att. A, p. 7, Project B	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes in Item 51.00. The project will add capacity with one additional general-purpose lane in each direction and relieve congestion upon construction completion as identified during the environmental phase.
53.00	Project C						
54.00	Have Santa Ana Freeway (I-5) improvements south of the El Toro "Y" been built with:	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>The I-5, Avenida Pico to San Juan Creek Road (including interchange improvements at Avenida Pico) was divided into three segments for design and construction. This project added a new HOV lane in both directions of I-5 between PCH and Avenida Pico, reconstructed the Avenida Pico Interchange, and reconstructed on- and off-ramps along the project area. All three segments are now complete.</p> <p>The I-5, SR-73 to El Toro Road project (including interchange improvements at Avery Parkway and La Paz Road) completed the environmental phase in May 2014. The project was divided into three segments for design and construction. All three segments are currently under construction. This project adds a general-purpose lane in each direction, extends the second HOV lane in both directions from El Toro Road to Alicia Parkway, reconstructs the La Paz Road and Avery Parkway interchanges, and adds auxiliary lanes where needed.</p>
54.01	New lanes from the vicinity of the El Toro Interchange in Lake Forest to the vicinity of SR-73 in Mission Viejo?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>See notes Item 54.00. New lanes will be added upon construction completion.</p> <p>Segment 1, I-5 between SR-73 and Oso Parkway (including improvements to Avery Parkway Interchange): The construction contract was awarded in December 2019 and construction began in</p>



ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2021							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							<p>February 2020. The project is anticipated to be completed in September 2024.</p> <p>Segment 2, I-5 between Oso Parkway and Alicia Parkway (including improvements to La Paz Interchange): The construction contract was awarded in March 2019 and construction began in April 2019. The project is anticipated to be completed in January 2024.</p> <p>Segment 3, I-5 between Alicia Parkway and El Toro Road, the construction contract was awarded in September 2020 and construction began in January 2021. The project is anticipated to be completed in October 2024.</p>
54.02	New lanes between Pacific Coast Highway and Avenida Pico?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Completed	Rose Casey	<p>Yes. New HOV lanes have been added between PCH and Avenida Pico in both directions. This project was broken into three segments. See notes in Item 54.00.</p> <p>The I-5, Avenida Pico to Vista Hermosa project (including interchange improvements at Avenida Pico) began construction in December 2014 and was completed in August 2018. Please reference: “Plan Sheets” are available on <a href="#">Caltrans’ website</a> using Contract No. 12-0F96A4, Invitation for Bids dated September 2, 2014. “<a href="#">FC101 Master Schedule Complete</a>,” Project Controls Schedule dated October 16, 2018.</p> <p>The I-5, Vista Hermosa to PCH project began construction in July 2014 and was completed in July 2017. Please reference: “Plan Sheets” are available on the <a href="#">Caltrans’ website</a> using Contract No. 12-0F96C4, Invitation for Bids dated February 3, 2014. “<a href="#">FC103 Master Schedule Complete</a>,” Project Controls Schedule dated August 17, 2017.</p> <p>The I-5, PCH to San Juan Creek Road project started construction in December 2013 and was completed in July 2018.</p>



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							Please reference: “Plan Sheets” are available on the <a href="#">Caltrans’ website</a> using Contract No. 12-0F96E4, Invitation for Bids dated August 19, 2013. <a href="#">“FC104 Master Schedule Complete,”</a> Project Controls Schedule dated September 17, 2018.
54.03	Major improvements at local interchanges as determined in Project D?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Not yet required	Rose Casey	Avenida Pico, Avery Parkway and La Paz Road are incorporated into project C. (See notes Item 54.00 for main item status which includes these interchanges and notes from 56.00 for remaining interchanges.)
55.00	Have the Project C improvements as built increased capacity and reduced congestion?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes Item 54.00. The I-5 HOV Improvement projects (between San Juan Creek Road and Avenida Pico) increased capacity and reduced congestion as identified during the environmental phase. The additional general purpose lane to be added in each direction from SR-73 to El Toro Road will also relieve congestion once constructed.
56.00	Project D						
57.00	Have key I-5 interchanges such as Avenida Pico, Ortega Highway, Avery Parkway, La Paz Road, El Toro Road, and others been updated and improved to relieve street congestion around older interchanges and on ramps?	Att. A, p. 8, Project D	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See item 54.00 for status of Avenida Pico, Avery Parkway and La Paz Road interchanges. Construction of the I-5/Ortega Highway Interchange project was completed in December 2015. The interchange was opened for public use in fall 2015. Please reference: “FD101 I-5 Ortega, SR-74 Ortega Highway Plans Sheets” can be found on <a href="#">Caltrans’ website</a> using Contract No. 12-0E3104, Invitation for Bids dated June 4, 2012. <a href="#">“FD101 Master Schedule Complete,”</a> Project Controls Schedule dated February 19, 2016.  The I-5/El Toro Road Interchange environmental phase began in April 2017. As of December 2019, the completion of the environmental phase had been stalled due to lack of consensus on an alternative with the stakeholder cities. OCTA, in conjunction with Caltrans and the cities, are currently working on an Alternatives Assessment to determine if there are other potential alternatives that can be agreed to by Caltrans and all cities. The draft final assessment study was completed on May 27, 2021. An update of the status of the project was presented to the Board on November 8, 2021. The results of the Alternative Assessment are



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							anticipated in March 2022. Without consensus, OCTA will not move forward. Please reference: <a href="#">"Update on Interstate 5/El Toro Road Interchange Project,"</a> dated November 8, 2021.
<b>58.00</b>	<b>Project E</b>						
<b>59.00</b>	<b>Have interchange improvements on the Garden Grove Freeway (SR-22) been constructed at the following interchanges:</b>	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes. This project was completed in 2007. Improvements were made to the three interchanges listed below to reduce freeway and street congestion in the area. The project was completed early as a "bonus project" provided by the original Measure M. Please reference: <a href="#">"F7100 EA 0J9601 SR-22 As Built Plans Approved"</a>
<b>59.01</b>	<b>Euclid Street?</b>	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes. See notes in Item 59.00.
<b>59.02</b>	<b>Brookhurst Street?</b>	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes. See notes in Item 59.00.
<b>59.03</b>	<b>Harbor Boulevard?</b>	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes. See notes in Item 59.00.
<b>60.00</b>	<b>Project F</b>						
<b>61.00</b>	<b>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?</b>	Att. A, p. 9, Project F	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The SR-55 project between I-405 and I-5 was advertised for construction on December 6, 2021. Construction is anticipated to start in June 2022 and completed in mid-2026. The project will generally be constructed within the existing ROW however ROW is required at 33 properties.  The environmental phase for the SR-55 project between I-5 and SR-91 began in January 2017 and completed in March 2020. Final design is anticipated to begin in spring 2022.
<b>62.00</b>	<b>Have operational improvements been made to the SR-55 between SR-91 and SR-22?</b>	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.



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
63.00	Have these improvements increased freeway capacity and reduced congestion?	Att. A, p. 9, Project F	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes Item 61.00. Capacity will increase and congestion will reduce upon construction completion as identified during the environmental phase.
64.00	Project G						
65.00	Have the following improvements been made to the Orange Freeway (SR-57):	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>There are a total of five project segments for Project G: Orangewood Avenue to Katella Avenue, Katella Avenue to Lincoln Avenue, Orangethorpe Avenue to Yorba Linda Boulevard, Yorba Linda Boulevard to Lambert Road, and Lambert Road to the Los Angeles County line. Construction of three of the five segments were completed in the 2014 to 2015 timeframe. See below for the remaining two segments:</p> <p>The environmental phase for the project between Orangewood Avenue to Katella Avenue was completed in March 2019. The RFP for final design was released in March 2021. Final Design is anticipated to begin in early 2022.</p> <p>The environmental phase for Lambert Road to Los Angeles County line is anticipated to begin in 2025.</p>
65.01	A new northbound lane between Orangewood Avenue and Lambert Road?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>See notes Item 65.00. Construction of northbound SR-57 from Katella Avenue to Lincoln Avenue project was completed in April 2015, and the northbound SR-57 from Orangethorpe Avenue to Lambert Road segments were completed in May 2014 and November 2014. Please reference:</p> <p>“<a href="#">FG101 Plans Sheets</a>,” which can also be found on <a href="#">Caltrans’ website</a> using Contract No. 12-0F0404, Invitation for Bids dated July 18, 2011.</p> <p>“<a href="#">FG101 Project Master Schedule Complete</a>,” Katella Avenue to Lincoln Avenue Project Controls Schedule dated May 18, 2015.</p> <p>“FG102 Plans Sheets” can be found on <a href="#">Caltrans’ website</a> using Contract No. 12-0F0314, Invitation for Bids dated May 10, 2010.</p> <p>“<a href="#">FG102 Project Master Schedule Complete</a>,” Orangethorpe Avenue to Yorba Linda Boulevard Project Controls Schedule dated December 15, 2014.</p>



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							<p>“FG103 Plans Sheets” can be found on <a href="#">Caltrans’ website</a> using Contract No. 12-0F0324, Invitation for Bids dated May 24, 2010.</p> <p>”<a href="#">FG103 Project Master Schedule Complete</a>,” Yorba Linda Boulevard to Lambert Road Project Controls Schedule dated June 17, 2014.</p> <p>The environmental phase for the project between Orangewood Avenue and Katella Avenue was completed in March 2019. The RFP for final design was released in March 2021. Final Design is anticipated to begin in early 2022.</p>
65.02	Improvements to the Lambert Interchange?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes Item 65.00. The lead agency for the Lambert Road interchange project is the City of Brea. The project is currently in construction and anticipated to be complete in spring 2022.
65.03	Addition of a northbound truck climbing lane between Lambert Road and Tonner Canyon?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes Item 65.00. The fifth project on SR-57 includes improvements to the Lambert Road interchange (see above – 65.02) and a northbound truck climbing lane between Lambert Road and Tonner Canyon. The Environmental phase for this project is anticipated to begin in the near future and once completed, the design and construction schedules will be determined.
66.00	Have these improvements increased freeway capacity and reduced congestion?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The three completed segments of northbound lanes on SR-57 from Katella to Lincoln and Orangethorpe to Lambert have increased capacity with the addition of a general-purpose lane and reduced congestion as identified during the environmental phase. See notes Item 65.00.
67.00	Project H						
68.00	On the Riverside Freeway (SR-91) from the I-5 to the SR-57:	Att. A, p. 11, Project H	Capital Programs - Highways	30-year	Done to Date	Rose Casey	<p>Implementation of this project provides an additional general-purpose lane in the westbound direction by connecting existing auxiliary lanes through the interchanges within the project limits to create a 4<sup>th</sup> continuous westbound general-purpose lane. Westbound auxiliary lanes will be placed or added and exit ramps will be modified to 2-lane exit ramps. Construction began on the new westbound lane in February 2013, and construction was completed in June 2016.</p> <p>Please reference:  “Plan Sheets” on the <a href="#">Caltrans’ website</a> using Contract No. 12-0C5704, Invitation for Bids dated October 1, 2012.  ”<a href="#">FH101 Special Provisions</a>,” Invitation for Bids dated October 1, 2012.</p>



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							<a href="#">"FH101 Project Master Schedule Complete,"</a> Project Controls Schedule dated July 19, 2016.
68.01	Has capacity been added in the westbound direction?	Att. A, p. 11, Project H	Capital Programs - Highways	30-year	Done to Date	Rose Casey	Yes. Capacity was provided in the westbound direction as identified during the environmental phase. See notes in Item 68.00.
68.02	Have operational improvements been provided at on and off ramps?	Att. A, p. 11, Project H	Capital Programs - Highways	30-year	Done to Date	Rose Casey	Yes. Operational improvements were provided at on- and off-ramps with the addition of auxiliary lanes. See notes in Item 68.00.
69.00	Project I						
70.00	On the Riverside Freeway (SR-91) from the SR-57 to the SR-55, has the interchange complex been improved, including nearby local interchanges such as Tustin Avenue and Lakeview?	Att. A, p. 11, Project I	Capital Programs - Highways	30-year	Not yet required	Rose Casey	There are a total of two projects for Project I: the portion between SR-55 and Tustin Avenue, which was completed in July 2016, and the portion from west of State College Boulevard to east of Lakeview Avenue, which provides SR-91 freeway mainline widening in the eastbound direction, and modifications to various interchanges, connectors, ramps, and intersections. This project began the environmental phase in January 2015, with an expected phase completion in June 2020.
71.00	On the SR-91, has capacity been added between the SR-55 and the SR-57?	Att. A, p. 11, Project I	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>See notes Item 70.00. The portion of Project I between SR-55 and Tustin Avenue added a westbound auxiliary lane from the westbound SR-55/ westbound SR-91 connector to Tustin Avenue off-ramp and an exit bypass lane on westbound SR-91 to Tustin Avenue off-ramp. This portion of Project I began construction in November 2013 and completed in July 2016.</p> <p>Please reference:  "Plan Sheets" on the <a href="#">Caltrans' website</a> using Contract No. 12-OC5604, Invitation for Bids dated June 17, 2013.  <a href="#">"FI102 Project Master Schedule Complete,"</a> Project Controls Schedule dated August 16, 2016.</p> <p>The portion of the Project I from west of State College Boulevard to east of Lakeview Avenue provides the SR-91 freeway mainline widening in the eastbound direction, and modifications to various interchanges (including major modifications for the westbound SR-91 at both SR-57 and from Lakeview Avenue to SR-55), connectors, ramps, and</p>



ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2021							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							intersections. The environmental phase of this project began in January 2015 and completed in June 2020. The project was segmented into three segments for the design and construction phases. With the environmental phase completed, the design phase for all three segments have been initiated and began in 2020. The next phases will be funded using net excess 91 Express Lanes revenue as directed by the Board on November 14, 2016. The 91 Express Lanes revenue accelerates project completion, reducing risk and escalation cost. Please reference: <a href="#">"Measure M2 Delivery Plan – Next 10,"</a> dated November 14, 2016. <a href="#">"Measure M2 Updated Next 10 Delivery Plan,"</a> dated November 13, 2017.
72.00	Project J						
73.00	Have up to four new lanes on SR-91 between SR-241 and the Riverside County Line been added?	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>There are a total of three project segments for Project J. The first project segment between State Route 241 and SR-71 added one eastbound lane and is complete. The second project segment between SR-55 and SR-241 added two lanes - one in each direction - and is also complete. Please reference: "FJ100 Plans Sheets" can be found on <a href="#">Caltrans' website</a> using Contract No. 12-OG0404, Invitation for Bids dated June 8, 2009. "FJ100 Project Master Schedule Complete," Project Controls Schedule dated February 24, 2011.</p> <p>"FJ101 Plans Sheets" can be found on <a href="#">Caltrans' website</a> using Contract No. 12-OG3304, Invitation for Bids dated February 22, 2011. "FJ101 Project Master Schedule Complete," Project Controls Schedule dated April 15, 2013.</p> <p>The remaining project segment will add a sixth lane between SR-241 and the Riverside County line to match up with an additional lane to be added by RCTC from the County line to SR-71. OCTA and RCTC are working together ensuring synchronization between the two counties. See item 75.00 for a link to the latest SR-91 Implementation Plan. Construction is underway for the sixth lane in the westbound direction as part of the SR-91 Corridor Operations Project (COP) between Green</p>



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							River Road and SR-241 and is anticipated to be completed in January 2022. An alternatives analysis study of the eastbound direction began in April 2020 to better understand possible improvements given the difficult topography and other constraints. The study was completed in December 2021.
74.00	Was the following taken into consideration: Making best use of available freeway property, adding reversible lanes, building elevated sections, and improving connections to SR-241?	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Not yet required	Rose Casey	When a project goes through the environmental phase, all viable alternatives are considered, and the best alternative is determined at that time. This is true for this project. OCTA is also working with the TCA, who is the named lead on the design and construction of the SR-91/SR-241 Direct Connector Project. Please reference: <a href="#">"Framework for Implementation of the State Route 241/91 Express Lanes Connector,"</a> dated October 28, 2019.
75.00	Were the projects constructed with similar coordinated improvements in Riverside County extending to I-15 with the funding for those in Riverside County paid for from other sources?	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The SR-91 Implementation Plan, required by the state legislature to be updated annually, requires coordination between the two counties. Orange County and Riverside County are working cooperatively on all SR-91 projects. Project improvements within Riverside County limits are not paid for by Measure M. Please reference: <a href="#">"Draft 2021 State Route 91 Implementation Plan,"</a> dated June 14, 2021.
76.00	Also, was one new lane added in each direction on SR-91 between SR-241 and SR-55 and were the interchanges improved?	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Done to Date	Rose Casey	Yes. This project was completed in March 2013. Improvements to Lakeview Interchange, Imperial Highway and Weir Canyon were included in this project. See Item 73.00 notes.
77.00	Project K						
78.00	Have new lanes been added to the San Diego Freeway (I-405) between the I-605 and the SR-55?	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The environmental phase was completed in May 2015. OCTA is implementing the preferred alternative from the EIR/EIS using the design-build delivery method and will acquire all necessary ROW. The addition of one general-purpose lane in each direction is M2 Project K. The addition of a second lane in the median, which when combined with the existing HOV lane, becomes the two-lane express facility in each direction, will be funded with non-M2 funding sources. The Board awarded the design-build construction contract in November 2016. Construction began in January 2017. Substantial completion and opening of the 405 Express Lanes are anticipated in late 2023. .



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
79.00	Has the project made best use of available freeway property, updated interchanges and widened all local overcrossings according to city and regional master plans?	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Not yet required	Rose Casey	Yes. The majority of the ROW needed are temporary construction easements and some partial fee acquisitions. Local interchanges and overcrossings will be improved and widened according to city and regional master plans. Design of the local facilities has been closely coordinated with each corridor city.
80.00	Have the improvements been coordinated with other planned I-405 improvements in the I-405/SR-22/I-605 interchange area to the north and I-405/SR-73 improvements to the south?	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Not yet required	Rose Casey	Yes. The I-405 improvements have been coordinated with the West County Connector improvements at the I-405/SR-22/I-605 interchange that have been completed. There will be a direct connector linking the I-405 Express Lanes with SR-73 to the south.
81.00	Have the improvements adhered to recommendations of the Interstate 405 Major Investment Study adopted by the Board of Directors on October 14, 2005?	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Not yet required	Rose Casey	Yes. The improvements will add one general-purpose lane in each direction as recommended in the I-405 Major Investment Study.
82.00	Project L						
83.00	Have new lanes been added to the San Diego Freeway (I-405) between the SR-55 and the I-5?	Att. A, p. 14, Project L	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>A project study report was completed in 2013. The environmental phase began in December 2014 and was completed in August 2018. The project is ready to move into design and construction but per Board direction to avoid planned construction of the parallel project (Project B/I-5) to prevent unnecessary burden on the travelling public.</p> <p>Please reference:</p> <p><a href="#">“Measure M2 Delivery Plan – Next 10,”</a> dated November 14, 2016.</p> <p><a href="#">“Measure M2 Updated Next 10 Delivery Plan,”</a> dated November 13, 2017.</p> <p><a href="#">“Measure M2 2018 Update: Next 10 Delivery Plan,”</a> dated September 10, 2018.</p> <p><a href="#">“Measure M2 2019 Update: Next 10 Delivery Plan,”</a> dated November 11, 2019.</p> <p><a href="#">“Measure M2 2020 Update: Next 10 Delivery Plan,”</a> dated April 12, 2021.</p> <p><a href="#">“Measure M2 2021 Update: Next 10 Delivery Plan,”</a> dated December 13, 2021.</p>
84.00	Have chokepoints at interchanges been improved and merging lanes added near on/off ramps such as Lake Forest Drive, Irvine Center Drive and SR-133 to improve the overall freeway operations in the I405/I-5 El Toro "Y" area?	Att. A, p. 14, Project L	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The project includes on- and off-ramp realignment at various locations, as well as auxiliary lanes between on- and off-ramps where required. See notes in Item 83.00.



ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2021							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
85.00	Project M						
86.00	Have freeway access and arterial connections to I-605 serving the communities of Los Alamitos and Cypress been improved?	Att. A, p. 15, Project M	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The project study report was approved in May 2015. The environmental phase began in August 2016 and was completed in October 2018. Final design began in December 2020 with construction anticipated to begin in mid-2023.
87.00	Has the project been coordinated with other planned improvements to the SR-22 and I-405?	Att. A, p. 15, Project M	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The project takes into consideration the I-405 Design-Build construction project and other projects as identified during the environmental phase.
88.00	Project N						
89.00	Are basic freeway service patrols available Monday through Friday during peak commute hours?	Att. A, p. 15, Project N	Executive Office	30-year	Done to date	Patrick Sampson	<p>Yes. Freeway Service Patrol (FSP) operates service on all Orange County Freeways during peak commute hours. Midday and weekend service was added in June 2012, and construction service to support the widening of the I-405 was added in July 2018.</p> <p>A statewide benefit/cost analysis is performed annually and is incorporated into future service planning. Recent modifications include reallocating service hours from peak-hour to midday service to address changes in commute traffic patterns. Four contracted tow companies provide FSP service through agreements that were competitively procured. Current FSP agreements provide FSP services through December 1, 2023, and October 2, 2027.</p> <p>Measure M2 funds supplement Caltrans State Highway Account (SHA), Caltrans Road Repair and Recovery Act of 2017 (SB1), and Orange County Service Authority for Freeway Emergencies (SAFE) funds as the last dollars in, to ensure that appropriate service levels are maintained.</p>
90.00	Requirements for Eligible Jurisdictions						
91.00	In order to be eligible to receive Net Revenues, has each jurisdiction satisfied the following requirements?	Att. B, Sec. III.A	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	See below for more on each eligibility items conclusions, listed under Item 91.



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
91.01	Complied with the conditions and requirements of the Orange County Congestion Management Program (CMP)?	Att. B, Sec. III.A.1	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. Required in odd years only. This requirement was submitted to OCTA and was presented to the Board on December 13, 2021, as part of the Annual Eligibility Review. The next CMP submittal is due in 2023. Please reference: <a href="#">“Measure M2 Annual Eligibility Review,”</a> dated December 13, 2021.
91.02	Assessed traffic impacts of new development and required new development to pay a fair share of improvements attributable to it?	Att. B, pp B-7 to 10, Sec. III.A.2	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. This is required biennially except when there is an updated mitigation fee program. This requirement was submitted to OCTA and was presented to the Board on December 13, 2021, as part of the Annual Eligibility Review. The next submittal is due in 2023 unless there is an updated mitigation fee program. Please reference: <a href="#">“Measure M2 Annual Eligibility Review,”</a> dated December 13, 2021.
91.03	Adopted and maintained a Circulation Element of its General Plan consistent with the MPAH?	Att. B, Sec. III.A.3	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. This is required biennially. This requirement was submitted to OCTA and was presented to the Board on December 13, 2021, as part of the Annual Eligibility Review. The next submittal is due in 2023. Please reference: <a href="#">“Measure M2 Annual Eligibility Review,”</a> dated December 13, 2021.
91.04	Adopted and updated biennially a Capital Improvement Program that includes all capital transportation projects?	Att. B, Sec. III.A.4	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. OCTA is requiring an annual 7-year CIP. This requirement was submitted to OCTA and was presented to the Board on December 13, 2021, as part of the Annual Eligibility Review. Please reference: <a href="#">“Measure M2 Annual Eligibility Review,”</a> dated December 13, 2021.
91.05	Participated in Traffic Forums as described in Attachment B?	Att. B, Sec. III.A.5	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. This is an annual requirement. Local jurisdictions must attend at least one traffic forum on an annual basis to remain eligible for M2 net revenues. This requirement was presented to the Board on December 13, 2021, as part of the Annual Eligibility Review. Please reference: <a href="#">“Measure M2 Annual Eligibility Review,”</a> dated December 13, 2021.
91.06	Adopted and maintained a Local Traffic Signal Synchronization Plan that identifies signalization street routes and signals; a three-year plan showing costs, available funding and phasing of capital, operations and maintenance of the street routes and traffic signals; and included information on how the street routes and signals may be synchronized with signals and routes	Att. B, Sec. III.A.6	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. This is required every three years. This requirement was adopted by local jurisdictions’ governing bodies and was presented to the Board on December 14, 2020, as part of the Annual Eligibility Review. The next submittal is due in 2023. Please reference: <a href="#">“Measure M2 Annual Eligibility Review,”</a> dated December 14, 2020.



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
	in adjoining jurisdictions; and is consistent with the Traffic Signal Synchronization Master Plan?						
91.07	Adopted and updated biennially a Pavement Management Plan (PMP) and issued, using a common format approved by the Authority, a report every two years regarding the status of road pavement conditions and implementation of the Pavement Management Plan?	Att. B, Sec. III.A.7	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. 14 jurisdictions update PMPs on odd-year cycle, while 21 jurisdictions update on an even-year cycle as part of the Measure M2 Annual Eligibility Review.</p> <p>Even-year cycle reports were presented to the Board on December 14, 2020, as part of the Measure M2 Annual Eligibility Review. Odd-year cycle reports were presented to the Board on December 13, 2021. All prior reports to date have been submitted and approved per the requirements and noted in the previous year's tracking matrix. Please reference:  <a href="#">"Measure M2 Annual Eligibility Review,"</a> dated December 14, 2020 (for even-year agencies).  <a href="#">"Measure M2 Annual Eligibility Review,"</a> dated December 13, 2021. (for odd-year agencies).</p>
91.08	<p>Included in its PMP:</p> <ul style="list-style-type: none"> <li>-Current status of pavement on roads</li> <li>-Six-year plan for road maintenance and rehabilitation, including projects and funding</li> <li>-Projected road conditions resulting from the maintenance and rehabilitation plan</li> <li>-Alternative strategies and costs necessary to improve road pavement conditions</li> </ul>	Att. B, Sec. III.A.7.b-c	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. All local jurisdictions have adopted PMPs fully compliant with Att. B, Sec. III. A. 7. a. b. c., inclusive. All prior reports to date have been submitted and approved per the requirements and noted in previous year tracking matrix. Please reference:  <a href="#">"Measure M2 Annual Eligibility Review,"</a> dated December 14, 2020 (for even-year agencies).  <a href="#">"Measure M2 Annual Eligibility Review,"</a> dated December 13, 2021. (for odd-year agencies).</p>
91.09	Adopted an annual Expenditure Report to account for Net Revenues, developer/traffic impact fees, and funds expended by the Eligible Jurisdiction which satisfy the MOE requirements?	Att. B, Sec. III.A.8	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. The Board was presented with the Annual Expenditure Reports for FY 2019-20 on June 14, 2021, for all local jurisdictions. Please reference:  <a href="#">"Measure M2 Eligibility Review Recommendations for Fiscal Year 2019-20 Expenditure Reports,"</a> dated June 14, 2021.</p>
91.10	Submitted the Expenditure Report by the end of six months following the end of the jurisdiction's FY and included all Net Revenue fund balances and interest earned, and expenditures identified by type and program and project?	Att. B, Sec. III.A.8	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. All local agencies have submitted the expenditure reports by the end of six months following the end of the jurisdiction's FY. Please reference:  <a href="#">"Measure M2 Eligibility Review Recommendations for Fiscal Year 2019-20 Expenditure Reports,"</a> dated June 14, 2021.</p>



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

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



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

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



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
91.18	Considered as part of its General Plan, land use planning strategies that accommodate transit and non-motorized transportation?	Att. B, Sec. III.A.13	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. This is required annually. This was last presented to the Board for approval on December 13, 2021, as part of the Annual Eligibility Review. Please reference: “ <a href="#">Measure M2 Annual Eligibility Review</a> ,” dated December 13, 2021.
92.00	Has the Authority, in consultation with the Eligible Jurisdictions, defined a countywide management method to inventory, analyze and evaluate road pavement conditions and a common method to measure improvement of road pavement conditions?	Att. B, Sec. III.A.7.a	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. The Countywide Pavement Management Program Guidelines which implement Att. B, Sec. III. A.7.a. b. and c. were developed by OCTA staff in consultation with the Technical Advisory Committee and approved by the Board of Directors on May 24, 2010.  The PMP guidelines were last revised and approved by the Board on April 13, 2020. Please reference: “ <a href="#">Fiscal Year 2020-21 Updates to the Measure M2 Eligibility, Local Signal Synchronization Plan, and Pavement Management Plan Guidelines</a> ,” dated April 13, 2020.
93.00	<b>Requirements Related to Specific Streets and Roads Projects</b>						
94.00	<b>Project O - Regional Capacity Program</b>						
95.00	Prior to the allocation of Net Revenues for any Street and Road Project, has the Authority, in cooperation with affected agencies, determined the entity(ies) to be responsible for the maintenance and operation thereof, utilizing maintenance and operating agreements with each agency receiving streets and roads funding?	Att. B, Sec. II.C	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. OCTA relies on California Streets and Highways Code Sections 900-909 and 1800-1813 for Counties and Cities, respectively, which establishes the authority and obligations of local agencies to construct, maintain, and operate local streets and roads. For road projects implemented by OCTA on behalf of local agencies (e.g., select grade separations), OCTA enters cooperative agreements for construction and maintenance prior to implementation.
96.00	Has each eligible jurisdiction contributed local matching funds equal to 50 percent of Project O project or program costs?	Att. A, p. 18, Project O and Att. B, p. B-12, Sec. V.A.1	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. Except when a match reduction has been approved. Funding recommendations for 2021 Call for Projects were approved by the Board on May 10, 2021. Additional information on each fund source and percentage is available online on OC Fund Tracker. Please reference: “ <a href="#">Comprehensive Transportation Funding Programs - 2021 Call for Projects Programming Recommendations</a> ,” dated May 10, 2021.



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
97.00	Alternatively, jurisdictions qualified for a ten- and/or five-percent reductions as provided in Attachment B have met those reduced match levels?	Att. A, p. 18, Project O and Att. B, Sec. V.A.1.a-c	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. Funding recommendations for 2021 Call for Projects were approved by the Board on May 10, 2021. Additional information on each fund source and percentage is available online on OC Fund Tracker. Please reference: <a href="#">“Comprehensive Transportation Funding Programs - 2021 Call for Projects Programming Recommendations,”</a> dated May 10, 2021.
98.00	Has a countywide competitive procedure for Project O been adopted by the Authority?	Att. B, Sec. V.A.2	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. The Board approved the revised Comprehensive Transportation Funding Program (CTFP) Guidelines and issued the 2022 CTFP Annual Calls for Projects on August 9, 2021. Please reference: <a href="#">“Measure M2 Comprehensive Transportation Funding Programs - 2022 Annual Call for Projects,”</a> dated August 9, 2021.
99.00	Have eligible Jurisdictions been consulted by the Authority in establishing criteria for determining priority for Project O allocations?	Att. B, Sec. V.A.2	Planning	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	Yes. The Technical Advisory Committee (TAC) recommended approval of modifications to the 2022 CTFP Guidelines on June 23, 2021, prior to the Board’s action in August. Please reference: <a href="#">“TAC Agenda Packet,”</a> dated October 27, 2021, for the June 23, 2021, meeting minutes.
100.00	Has funding under Project O been provided for construction of railroad over or underpass grade separations where high volume streets are impacted by freight trains along the Burlington Northern Santa Fe Railroad in northern Orange County?	Att. A, p. 18, Project O	Capital Programs, Planning	30-year	Done	Rose Casey & Adriann Cardoso	Yes. The Board authorized use of \$152.6 million in M2 funds as match for TCIF funding for seven grade separation projects. Please reference: <a href="#">“Capital Programming Update,”</a> dated September 13, 2021.  All seven grade separations have been completed and are open to traffic. Please reference: <a href="#">“OC Bridges Railroad Grade Separation Completion,”</a> staff presentation dated December 11, 2017.
101.00	Project P - Regional Traffic Signal Synchronization Program						
102.00	Have the Cities, the County of Orange and Caltrans, as required, worked together to prepare a common Traffic Signal Synchronization Master Plan and the necessary governance and legal arrangements before receiving funds, and has the	Att. A, p. 19, Project P and Att. B, Sec. V.B.1	Planning	One-time, start-up	Done	Anup Kulkarni	Yes. Please reference: <a href="#">“Revisions to the Measure M2 Eligibility Guidelines,”</a> dated April 12, 2021.



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
	Authority adopted and maintained the Master Plan which was a part of the MPAH?						
103.00	Does the Master Plan include synchronization of street routes and traffic signals within and across jurisdictional boundaries and the means of implementing, operating and maintaining the programs and projects including necessary governance and legal arrangements?	Att. A, p. 19, Project P and Att. B,V.B.1	Planning	One-time, start-up	Done	Anup Kulkarni	Yes. Please reference: “ <a href="#">Revisions to the Measure M2 Eligibility Guidelines</a> ,” dated April 12, 2021.
104.00	Has a countywide, competitive procedure been adopted by the Authority in consultation with eligible jurisdictions in establishing criteria for determining priority for allocations?	Att. B, Sec. V.B.2.a	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Procedures are developed by staff in consultant with the local jurisdictions and then approved by the Board for each Call for Projects with the priority for allocation updated as well. Please reference: “ <a href="#">Measure M2 Comprehensive Transportation Funding Programs - 2022 Annual Call for Projects</a> ,” dated August 9, 2021, see "Comprehensive Transportation Funding Program Guidelines," chapter 8 in Attachment B.
105.00	Has the Authority given priority to programs and projects which include two or more jurisdictions?	Att. B, Sec. V.B.2.b	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Please reference: “ <a href="#">Measure M2 Comprehensive Transportation Funding Programs - 2022 Annual Call for Projects</a> ,” dated August 9, 2021, see “Comprehensive Transportation Funding Program Guidelines – 2022 Call for Projects,” chapter 8, page 8-15 in Attachment B.
106.00	Has the Authority encouraged the State to participate in the Regional Traffic Signal Synchronization Program and given priority to use of transportation funds as match for the State's discretionary funds used for implementing Project P?	Att. B, Sec. V.B.2.c	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Project P allows state participation and allows for match to be fulfilled with both in-kind and cash. Match beyond 20 percent (including State discretionary funds) is provided additional priority in the evaluation. Please reference: “ <a href="#">Measure M2 Comprehensive Transportation Funding Programs - 2022 Annual Call for Projects</a> ,” dated August 9, 2021, see “Comprehensive Transportation Funding Program Guidelines – 2022 Call for Projects,” chapter 8, page 8-5, 8-15, and 8-17 in Attachment B.
107.00	Has each local jurisdiction contributed matching local funds equal to 20 percent of the program or project cost? (May be satisfied all or in part with in-kind services provided by the Eligible Jurisdiction including salaries and benefits)	Att. A, p. 19, Project P and Att. B,V.B.3	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Project P requires a minimum 20 percent match. Please reference: “ <a href="#">Measure M2 Comprehensive Transportation Funding Programs - 2022 Annual Call for Projects</a> ,” dated August 9, 2021, see “Comprehensive



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							Transportation Funding Program Guidelines – 2022 Call for Projects,” chapter 8, page 8-17 in Attachment B.
108.00	Has the project provided funding for ongoing maintenance and operation of the synchronization plan?	Att. A, p. 19, Project P	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Project P requires ongoing maintenance and monitoring of the synchronization and provides funding for this task. Please reference: “ <a href="#">Measure M2 Comprehensive Transportation Funding Programs - 2022 Annual Call for Projects</a> ,” dated August 9, 2021, see “Comprehensive Transportation Funding Program Guidelines – 2022 Call for Projects,” chapter 8, page 8-2 in Attachment B.
109.00	Have local jurisdictions publicly reported on the status and performance of their signal synchronization efforts at least every three years?	Att. A, p. 19, Project P and Att. B, Sec. V.B.4	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Status and performance of their signal synchronization efforts were reported in the Local Signal Synchronization Plan Updates that were completed June 30, 2020. The next submittal is due June 2023. Please reference: “ <a href="#">Measure M2 Annual Eligibility Review</a> ,” dated December 14, 2020.
110.00	Has signal equipment to give emergency vehicles priority at intersections been an eligible expense for projects implemented as part of this program?	Att. A, p. 19, Project P	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Project P includes signal equipment to give emergency vehicles priority at intersections as an eligible expense. Please reference: “ <a href="#">Measure M2 Comprehensive Transportation Funding Programs - 2022 Annual Call for Projects</a> ,” dated August 9, 2021, see “Comprehensive Transportation Funding Program Guidelines – 2022 Call for Projects,” chapter 8, page 8-13 in Attachment B.
111.00	Have eligible jurisdictions and Caltrans, with the County of Orange and the Orange County Division of League of Cities, established boundaries for Traffic Forums?	Att. B, Sec. III.A.5	Planning	Recurring	Done to date	Anup Kulkarni	Yes. See the guidelines for the preparation of the original Local Signal Synchronization Plans that went to the Board on July 26, 2010, and also see the latest annual eligibility guidelines from April 12, 2021. Please reference: “ <a href="#">Guidelines for the Preparation of the Local Signal Synchronization Plans</a> ,” dated July 26, 2010. “ <a href="#">Revisions to the Measure M2 Eligibility Guidelines</a> ,” dated April 12, 2021.
112.00	Project Q - Local Fair Share Program						
113.00	Are Local Fair Share funds distributed by a formula that accounts for the following factors and weightings: - Population - 50%? - Street mileage - 25%?	Att. A, p. 20, Project Q Att.	Planning, F&A	Recurring	Done to date	Sean Murdock	Yes. See General Accounting payments for Local Fair Share funds for FY 2020-21. Also see the Agreed-Upon Procedures to the Measure M2 Status Report for FY 2020-21 related to Local Fair Share disbursements. Please reference:



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
	- Amount of sales tax collection in each jurisdiction - 25%?	B, Sec. 5.C.1-3					<a href="#">“Fiscal Year 2020-21 Single Audit and Agreed-Upon Procedures Reports,”</a> Attachment D, dated January 24, 2022. <a href="#">M2 Revenue and Expense Report through 6-30-2020</a> <a href="#">M2 Revenue and Expense Report through 6-30-2021</a> <a href="#">FY 2020-21 Project Q Local Fair Share Payments</a>
<b>114.00</b>	<b>General Requirements Related to Transit Projects</b>						
<b>115.00</b>	Have Metrolink extensions been evaluated against well-defined and well-known criteria detailed in the Renewed Measure M Transportation Investment Plan?	Att. A, p.23, Project S	Operations (for Project S)	Recurring	Done to date	Johnny Dunning, Jim Beil & Adriann Cardoso/ Charvalen Alacar	<p>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.</p> <p>Please reference:  <a href="#">“Measure M2 Project S Funding Guidelines for Preliminary Engineering (Guideways Only),”</a> dated September 13, 2010.  <a href="#">“Project S 2012 Guidelines for Bus and Station Van Extension Projects,”</a> dated December 12, 2011.</p>
<b>116.00</b>	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	<p>Yes. Consistent with Board of Directors approved programming policies, OCTA has maximized state and federal transit dollars for rail capital projects, as well as rail rehab projects. To date, OCTA has programmed \$342 million in state, \$731 million in federal and \$89 million in other local funds which will be used for rail capital projects in place of M2 funds. A regular review of project funding and status occurs monthly, and all programming actions are made in accordance with the Board policies to maximize state and federal funding.</p> <p>Please reference:  <a href="#">“Capital Programming Policies Update,”</a> dated December 13, 2021.</p>
<b>117.00</b>	Prior to the allocation of Net Revenues for a Transit Project, has the Authority obtained a written agreement from the appropriate jurisdiction that the project will be constructed, operated and maintained to minimum standards acceptable to the Authority?	Att. B, Sec. II.B.2	Operations & Capital Programs (for Project V)	Recurring	Done to date	Johnny Dunning & Adriann Cardoso/ Charvalen Alacar	<p>Yes. As transit projects are approved for development and/or funding by the Board to be implemented or in any way augmented by OCTA or Board-approved funding, necessary agreements are entered into with each jurisdiction to define roles and responsibilities during project phases as well as post-completion. At any given time, there are multiple agreements in place for projects. To date, there are active agreements in place for all funded capital projects. See example such as the Orange</p>



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							Transportation Center Parking Structure contract <a href="#">C-3-2065</a> . Agreements for all transit projects can be found in the M2 Document Center.
<b>118.00</b>	<b>Requirements Related to Specific Transit Projects</b>						
<b>119.00</b>	<b>Has a series of new, well-coordinated, flexible transportation systems, each one customized to the unique transportation vision the station serves, been developed?</b>	Att. A, p. 21 - General Transit, Att. A, p. 23, Project S	Capital Programs & Operations (for Project S)	30-year	Not yet required	Jim Beil & Adriann Cardoso/Charvalen Alacar	<p>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 (<a href="#">C-1-3115</a>) with City of Anaheim to conclude all planning efforts on their fixed-guideway project. The Santa Ana-Garden Grove OC Streetcar project has an executed Full Funding Grant Agreement with FTA and is in the construction phase. On July 23, 2012, four rubber-tire projects were approved for the first call for projects. Three projects were cancelled and one (City of Anaheim) was implemented and completed (as of June 30, 2020). The City of Anaheim project has continued (as of July 1, 2020) under a Project V grant. No other rubber-tire project calls are anticipated at this time.</p> <p>Please reference:  <a href="#">“Measure M2 Project S Programming Recommendations,”</a> dated November 22, 2010.  <a href="#">“Project S Bus and Station Van Extension – 2012 Call for Projects Programming Recommendations,”</a> dated July 23, 2012.  <a href="#">“Comprehensive Transportation Funding Programs Semi-Annual Review – September 2015,”</a> dated December 14, 2015.  <a href="#">“Anaheim Rapid Connection and Future Transit Connectivity to OC Streetcar,”</a> dated June 27, 2016.</p>
<b>120.00</b>	<b>Project R - High Frequency Metrolink Service</b>						
<b>121.00</b>	<b>Has Project R increased rail services within the county and provided frequent Metrolink service north of Fullerton to Los Angeles?</b>	Att. A, p. 23, Project R	Operations	30-year	Done to date	Johnny Dunning	<p>Yes. Through the completion of the Metrolink Service Expansion Program (MSEP) capital activities, additional service has been added, providing more intra-county trains. MSEP improvements have added infrastructure to support as many as 76 trains a day, but the Comprehensive Business Plan currently shows that only 59 are sustainable based on projected revenues and operating funds, and that</p>



ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2021							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							<p>number has been added over the past several years. Ten intra-county trains and two Inland Empire-OC trains have been added since July 2011.</p> <p>Effective October 14, 2019, two of the existing MSEP trains serving Laguna Niguel to Fullerton were extended to serve Los Angeles. A new round trip on the 91 Line was also implemented, providing additional service between Los Angeles and Riverside via Fullerton.</p> <p>In March 2020, all Metrolink services were impacted by the statewide enforcement of stay-at-home orders that resulted from the COVID-19 pandemic. Metrolink implemented temporary service reductions in March and November 2020 due to the decline in ridership. As of December 31, 2021, the three lines serving Orange County (Orange County, Inland Empire-Orange County, and the 91/Perris Valley lines) are operating 41 trains, a 24 percent reduction from the 54 daily trains being run prior to the pandemic. Once ridership recovers following the pandemic, Metrolink and OCTA will reassess the service needs in Orange County and reinstate various trains.</p> <p>Please reference: <a href="#">“Metrolink Service Expansion Program Update,”</a> dated November 26, 2012. <a href="#">“Proposed Fiscal Year 2019-20 (FY20) Southern California Regional Rail Authority Budget,”</a> dated May 13, 2019. <a href="#">“Metrolink Update – Performance Overview, COVID-19 Response, Budget Development,”</a> dated May 11, 2020. <a href="#">“Metrolink Fiscal Year 2020-21 Performance Report,”</a> dated September 13, 2021.</p>
122.00	Has Project R provided for track improvements, more trains, and other related needs to accommodate the expanded service?	Att. A, p. 23, Project R	Capital Programs - Rail	30-year	Done to date	Jim Beil	<p>Yes. Project R has made numerous improvements to passenger rail infrastructure, with more on the way. This is an ongoing program of improvements as needed, based on available Project R and state and federal funding. Current projects include track, signal, and rail crossing improvements to enhance rail operations and safety. Construction of the Laguna Niguel to San Juan Capistrano passing siding was completed in November 2020, environmental clearance work for the Orange County Metrolink Maintenance Facility Station is underway, design for</p>



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							<p>replacement of the San Juan Creek railroad bridge is underway, various safety and security improvements, and work to finalize a south County rail corridor climate change assessment was completed in January 2021. Project development began on numerous Metrolink Southern California Optimized Rail Service (SCORE) project in Orange County which include numerous track and signal improvements to increase rail operations capacity.</p> <p>For 2021 status of Project R improvements, please reference: <a href="#">“Capital Programs Division - Second Quarter Fiscal Year 2021-22 Capital Action Plan Performance Metrics Report,”</a> dated February 14, 2022.</p>
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	Yes. Construction has been completed on the Orange Metrolink Station parking structure (February 2019), pedestrian access improvements to the undercrossing at Laguna Niguel/Mission Viejo (LN/MV) Station (September 2017), a new second elevator at the Fullerton Station (May 2019) and lighting enhancements at San Clemente Pier (March 2017) new and rehabilitated detectable tiles were installed on train platforms at all stations (June 2021). Project development is underway on a new Metrolink station in the City of Placentia, construction is underway on additional passenger platforms and station track at Anaheim Canyon Station, and environmental clearance work began on the Irvine Station reconfiguration (which is part of the Metrolink SCORE program).
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	Awaiting Funding Availability	Jason Lee/Jim Beil	Yes. Grade separation environmental documents are completed for the 17th Street grade separation project in Santa Ana, and State College Boulevard project in Anaheim. There are five other grade separations with PSR or PSR equivalents completed and awaiting funding to proceed further.
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	Adriann Cardoso/Charvalen Alacar	Yes. Project S Guidelines were developed for both fixed guideway and rubber tire projects and are included in OCTA's Comprehensive Funding Program (CTFP) Guidelines which specifies the criteria for projects to be evaluated when competing for funding. The CTFP Guidelines are updated annually, with the latest revision to the Project S guidelines in August 2017.



ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2021							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							Please reference: “ <a href="#">Measure M2 Comprehensive Transportation Funding Programs – 2018 Annual Call for Projects</a> ,” dated August 14, 2017.
127.00	<p>Have proposals for extensions been developed and supported by local jurisdictions and evaluated against well-defined and well-known criteria as follows:</p> <ul style="list-style-type: none"><li>-Traffic congestion relief?</li><li>-Project readiness with priority to projects that can be implemented within the first five years of the Plan?</li><li>-Local funding commitments and the availability of right of way?</li><li>-Proven ability to attract other financial partners, both public and private?</li><li>-Cost-effectiveness?</li><li>-Proximity to jobs and population centers?</li><li>-Regional as well as local benefits?</li><li>-Ease and simplicity of connections?</li><li>-Compatible, approved land uses?</li><li>-Safe and modern technology?</li><li>-A sound, long-term operating plan?</li></ul>	Att. A, p. 23, Project S	Planning	30-year	Done to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. Following the criteria identified in the Ordinance as well as the guidelines specified for Project S in the CTFP Guidelines adopted by the Board, the first round of applications for fixed guideway funding were evaluated on November 22, 2010. The same process was followed for the Rubber Tire call for projects under Project S. The Board approved the Project S Guidelines for the Bus and Station Extension Projects Linking to the Metrolink Corridor on December 12, 2011. All projects recommended to move forward and those not recommended to move forward are presented to the Board as part of Call for Project Programming Recommendations Staff Reports. On June 27, 2016, the Board approved an amendment to Agreement <a href="#">C-1-3115</a> with City of Anaheim to conclude all planning efforts on their fixed-guideway project.</p> <p>Please reference:</p> <p>“<a href="#">Measure M2 Project S Funding Guidelines for Preliminary Engineering (Guideways Only)</a>,” dated September 13, 2010.</p> <p>“<a href="#">Project S 2012 Guidelines for Bus and Station Van Extension Projects</a>,” dated December 12, 2011.</p> <p>“<a href="#">Project S Bus and Station Van Extension - 2012 Call for Projects Programming Recommendations</a>,” dated July 23, 2012.</p> <p>“<a href="#">Fixed-Guideway Policy Decisions Overview</a>,” dated May 12, 2014.</p> <p>“<a href="#">Santa Ana/Garden Grove Fixed-Guideway Proposed Financial and Implementation Plans</a>,” dated August 11, 2014.</p> <p>“<a href="#">Memorandum of Understanding with the City of Santa Ana for the Santa Ana/Garden Grove Streetcar Project</a>,” dated July 13, 2015.</p> <p>“<a href="#">Anaheim Rapid Connection and Future Transit Connectivity to OC Streetcar</a>,” dated June 27, 2016.</p>



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

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



ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2021							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							<a href="#">“Project S Bus and Station Van Extension - 2012 Call for Projects Programming Recommendations,”</a> dated July 23, 2012.
128.00	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?	Att. B, Sec. VI.A.2	Planning & Capital Programs - Rail	Recurring	Done to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. Upon each award of funding from the Board, a cooperative agreement has been executed with each agency to define roles, responsibilities, and terms of funding.</p> <p>On March 14, 2011, and May 20, 2011, respectively, agreements were executed with the cities of Anaheim (<a href="#">C-1-2448</a>) and Santa Ana (<a href="#">C-1-2447</a>) to define roles and responsibilities related to funding the preliminary engineering phase of their respective proposed fixed-guideway projects (Anaheim Rapid Connection [ARC] and OC Streetcar).</p> <p>On August 11, 2014, the Board authorized the CEO to negotiate and execute a cooperative agreement with the Cities of Santa Ana and Garden Grove to define roles and responsibilities for project development through construction of the OC Streetcar (Santa Ana/Garden Grove Fixed-Guideway Project). On August 1, 2015 and May 9, 2016, respectively, agreements were executed with the cities of Santa Ana (<a href="#">C-5-3583</a>) and Garden Grove (<a href="#">C-5-3807</a>) to define roles for the design phase of the OC Streetcar project. On March 17, 2017, an agreement was executed with the City of Santa Ana (<a href="#">C-6-1433</a>) for use of public ROW for the construction, operations and maintenance of the OC Streetcar Project. On April 18, 2017 and May 8, 2017, respectively, agreements were executed with the cities of Santa Ana (<a href="#">C-6-1516</a>) and Garden Grove (<a href="#">C-7-1556</a>) to define roles for the construction phase of the OC Streetcar Project. On June 1, 2017, an amended and restated agreement was executed with the City of Santa Ana (<a href="#">C-94-859</a>) for the Santa Ana Regional Transportation Center and the OC Streetcar.</p>



ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2021							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							<p>On December 14, 2016, an amendment was executed with the City of Anaheim (<a href="#">C-1-3115</a>) to conclude all planning efforts on the ARC fixed-guideway project, and to determine OCTA would serve as the lead agency for any future phases of the project.</p> <p>For the Rubber Tire Program, Cooperative Agreements were established in 2012 with City of Anaheim (<a href="#">C-2-1668</a>) and City of Lake Forest (<a href="#">C-2-1667</a>). As of 2020, all agreements have either been cancelled or completed.</p> <p>Note: The Anaheim project was extended under the Project V program.</p>
129.00	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	Adriann Cardoso/ Charvalen Alacar	<p>Yes. Project S Guidelines were developed for both fixed guideway and rubber tire projects in consultation with local jurisdictions.</p> <p>On September 13, 2010, the Board approved Project S funding guidelines for fixed-guideway projects, and on November 22, 2010, the Board evaluated and awarded funds to Anaheim and Santa Ana for preliminary engineering of fixed-guideway projects.</p> <p>The same process was followed for the rubber tire projects under Project S. On December 12, 2011, the Board approved the Project S Guidelines for the Bus and Station Extension Projects Linking to the Metrolink Corridor, and on July 23, 2012, funds were awarded to Anaheim and Lake Forest based on Board-approved criteria.</p> <p>Please reference: <a href="#">“Measure M2 Project S Funding Guidelines for Preliminary Engineering (Guideways Only),”</a> dated September 13, 2010. <a href="#">“Measure M2 Project S Programming Recommendations,”</a> dated November 22, 2010. <a href="#">“Project S 2012 Guidelines for Bus and Station Van Extension Projects,”</a> dated December 12, 2011. <a href="#">“Project S Bus and Station Van Extension - 2012 Call for Projects Programming Recommendations,”</a> dated July 23, 2012.</p>



ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2021							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
130.00	Project T - Convert Metrolink Stations to Regional Gateways						
131.00	Has the program provided local improvements necessary to connect planned future high speed rail systems to stations on the Orange County Metrolink route?	Att. A, p. 24, Project T	Planning & Capital Programs - Rail	30-year	Done to date	Jim Beil & Adriann Cardoso/Charvalen Alacar	<p>Yes. ARTIC, designed to accommodate future High-Speed rail service and will serve as the southern terminus for the California High Speed Rail in Orange County, opened in December 2014.</p> <p>Upon completion, the Board moved the remainder of Project T funding to Project R and Project U. Please reference: <a href="#">“Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan Amendment Update,”</a> 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 construction, ownership, operation and maintenance of the facilities?	Att. B, Sec. VI.B.2	Capital Programs - Rail	Recurring	Done to date	Jim Beil/Dinah Minter	<p>Yes. As part of each project’s development process, OCTA enters into cooperative agreements with host cities. These agreements define roles and responsibilities for the representative phase as well as ongoing maintenance of improvements. All train stations have an operations agreement with the respective cities.</p>
133.00	Has a countywide competitive procedure for Project T been prepared in consultation with eligible jurisdictions and adopted by the Authority which included an evaluation process and methodology applied equally to all candidate projects?	Att. B, Sec. VI.B.3	Planning	One-time	Done	Adriann Cardoso/Charvalen Alacar	<p>Yes. A Call for Projects was issued in consultation with local jurisdictions and funds were awarded based on Board-approved criteria on January 26, 2009. Please reference: <a href="#">“Renewed Measure M Project T Funding Guidelines.”</a></p> <p>These guidelines were modified on February 14, 2011. Please reference: <a href="#">“Measure M2 Project T Program Guideline Modifications.”</a></p> <p>On December 14, 2015, an Ordinance Amendment was approved by the Board to closeout Project T. Please reference:</p>



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

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



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

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



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

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



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

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



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

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
149.00	Have amenities been provided at the 100 busiest transit stops across the County? Were they designed to ease transfer between bus lines and provide amenities such as improved shelters, lighting, current information on bus and train timetables and arrival times, and transit ticket vending machines?	Att. A, p. 25, Project W	Planning	30-year	Done to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. The Board approved Project W CTFP Guidelines revisions and also approved the issuance of 2019 Project W call for projects, in order to allocate funds for the Top 100 Busiest Stops in Orange County. Please reference:  <a href="#">“2019 Project W Safe Stops Call for Projects,”</a> dated October 22, 2018.</p> <p>On June 24, 2019, Board approved Project W funds for 36 stops. Please reference:  <a href="#">“Measure M2 Project W Safe Transit Stops – 2019 Programming Recommendations,”</a> dated June 24, 2019.</p> <p>Project W funding is eligible for projects that install new transit shelters at locations where there are no shelters at present, and replace aging shelters, shade, and amenities that have become run down over time. The Board directed staff to issue another Project W call in 2020 to again consider the needs at the 100 busiest bus stops in order to ensure that all eligible entities have another opportunity to apply for funding and improve bus stops. On September 10, 2020, the Board approved a third allocation of Project W funds. Please reference:  <a href="#">“Measure M2 Project W Safe Transit Stops – 2020 Programming Recommendations,”</a> dated September 14, 2020.</p> <p>Please also reference:  <a href="#">“Measure M2 Project W Safe Transit Stops,”</a> dated March 10, 2014.  <a href="#">“Measure M2 Project W Safe Transit Stops – 2014 Programming Recommendations,”</a> dated July 14, 2014.  <a href="#">“Comprehensive Transportation Funding Programs Semi-Annual Review – March 2016,”</a> dated June 13, 2016.</p>
150.00	<b>Requirements Related to Project X</b>						
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 Board has authorized several countywide competitive calls for projects for both a Tier 1 and Tier 2 environmental cleanup program providing funding to improve water quality. To date, 11 rounds of funding under the Tier 1 grants program have been awarded by the Board. A total of 199 projects in the amount of just over \$30 million have</p>



<p style="text-align: center;"><b>ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY</b>  <b>Ordinance No. 3 Tracking Matrix</b>  <b>For Period Ending December 31, 2021</b></p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							<p>been awarded since 2011. There have been two rounds of funding under the Tier 2 grants program. A total of 22 projects in the amount of \$27.89 million have been awarded by the Board since 2013. To date, all Orange County cities plus the County of Orange have received funding under this program. The next Tier 1 Call for Projects is anticipated in spring 2022. As OCTA continues coordination efforts with the County to assist local jurisdictions in further developing Tier 2-type projects, it is anticipated that there may be sufficient funds to issues two calls during the next decade. Staff anticipates the next Tier 2 call in FY 2022-23, dependent on projected cash flow and local jurisdictions’ interest in potential viable Tier 2 projects.</p> <p>For the most recent Tier 1 and Tier 2 guidelines, please reference: <a href="#">“Measure M2 Environmental Cleanup Allocation Program - Tier 1 Grant Program Call for Projects,”</a> dated February 8, 2021. <a href="#">“Measure M2 Environmental Cleanup Allocation Program – Funding Program Guidelines Revisions and Tier 2 Grant Program Call for Projects,”</a> dated June 10, 2013.</p>
152.00	Does the program augment, not replace existing transportation related water quality expenditures and emphasize high impact capital improvements over local operations and maintenance costs?	Att. A, p. 27, Project X	Planning	30-year	Done to date	Dan Phu	<p>Yes. Requirement is specified in Chapter 11 of the Comprehensive Transportation Funding Guidelines. As a note, Chapter 11 of the CTFP guidelines gets periodic updates to improve on the process. Please reference: <a href="#">“2021 Measure M2 Environmental Cleanup Program Call for Projects,”</a> dated February 8 2021, see attached Guidelines Chapter 11.</p>
153.00	Has a comprehensive countywide capital improvement program for transportation related water quality improvements been developed?	Att. A, p. 27, Project X	Planning	One-time, start-up	Done	Dan Phu	<p>Yes. The Board approved a two-tiered funding program for water quality improvement projects. These guidelines are incorporated into Chapter 11 of the Comprehensive Transportation Funding Programs guidelines. To date, 11 rounds of funding under the Tier 1 program and two rounds under the Tier 2 have been allocated for these purposes. Please reference: See Item 151.00 for Tier 1 and Tier 2 Guideline Revisions and Call for Projects. <a href="#">Measure M2 Environmental Cleanup Program – A Two-Tier Grant Funding Approach,”</a> dated May 24, 2010. <a href="#">“2021 Measure M2 Environmental Cleanup Program Call for Projects,”</a> dated February 8, 2021, see attached Guidelines chapter 11.</p>



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

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



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

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
	<ul style="list-style-type: none"> <li>- Two representatives of water or wastewater public entities?</li> <li>- One representative of the development industry?</li> <li>- One representative of private or non-profit organizations involved in water quality protection/enforcement matters?</li> </ul>						<a href="#">“Status Report on Renewed Measure M Environmental Programs,”</a> dated August 25, 2008. <a href="#">“ECAC Roster 2021”</a>
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: <a href="#">“Measure M2 Environmental Cleanup Program Updates and Next Steps,”</a> dated December 11, 2017. <a href="#">“ECAC Roster 2021”</a>
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: <a href="#">“Measure M2 Environmental Cleanup Allocation Program - Incorporation into the Comprehensive Transportation Funding Program and Tier 1 Grant Program 2011 Call for Projects,”</a> dated February 14, 2011. <a href="#">“2021 Measure M2 Environmental Cleanup Program Call for Projects,”</a> dated February 8, 2021, see attached Guidelines chapter 11.
161.02	A process requiring that allocated Environmental Cleanup Revenues supplement and not supplant other applicable funding sources.	Att. B, Sec. VII.B.2.b	Planning	One-time, start-up	Done	Dan Phu	Yes. The ECAC ensures that as part of the application process that projects meet the criteria specified in the Ordinance. This is part of the guidelines which are included in Chapter 11 of the CTFP. Please reference: <a href="#">“2021 Measure M2 Environmental Cleanup Program Call for Projects,”</a> dated February 8, 2021, see attached Guidelines chapter 11.
161.03	Allocation of Environmental Cleanup Revenues for proposed projects and programs.	Att. B, Sec. VII.B.2.c	Planning	Recurring	Done to date	Dan Phu	Yes. The ECAC reviews applications and makes recommendations on funding allocation, which is then approved by the Board. Please reference:



ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2021							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
							<a href="#">“Comprehensive Transportation Funding Programs - Project X, Tier 1 Fiscal Year 2021-22 Call for Projects Programming Recommendations,”</a> dated August 9, 2021.
161.04	An annual reporting procedure and method to assess water quality benefits provided by the projects and programs.	Att. B, Sec. VII.B.2.d	Planning, External Affairs	Recurring	Done to date	Dan Phu	<p>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.</p> <p>Please reference:  <a href="#">“ECAC Agenda 12-11-2014”</a>  <a href="#">“OCTA Measure M2 Tier 1 and Tier 2 – Potential Water Resources Benefits of Funded Projects Memo from Geosyntec Consultants 4-22-2015”</a>  <a href="#">“Measure M2 Environmental Cleanup Program Updates and Next Steps,”</a> dated December 11, 2017.</p>
162.00	<b>Safeguards and Audits</b>						
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	<b>Requirements Related to the Taxpayers Oversight Committee (TOC)</b>						
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	<p>Yes. The TOC updated the former procedures from the M1 COC to accommodate additional responsibilities under M2 in August 2007.</p> <p>Please reference:  <a href="#">“TOC Agenda Packet,”</a> dated August 28, 2007.</p>
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	<p>Yes. The TOC is governed by 11 members and the provisions relating to membership (including initial and ongoing appointment, geographic balance, terms, resignation, removal, reappointment, and vacancies), are consistent with Attachment C of the Ordinance.</p> <p>Please reference:</p>



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



ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2021							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
						Charvalen Alacar	<a href="#">"TOC Agenda Packet,"</a> dated October 12, 2021.
167.04	Congestion Management Program?	Att. C, Sec. IV.C.1 and Att. B, Sec. III.A.1	Planning, External Affairs	Recurring	Done to date	Alice Rogan & Adriann Cardoso/ Charvalen Alacar	This is required on odd numbered years. The TOC reviewed the Congestion Management Program on October 12, 2021. Eligibility determination was presented to the Board on December 13, 2021, as part of the Measure M2 Annual Eligibility Review. The next submittal is due in 2023. Please reference: <a href="#">"TOC Agenda Packet,"</a> dated October 12, 2021. <a href="#">"Measure M2 Annual Eligibility Review,"</a> dated December 13, 2021.
167.05	Mitigation Fee Program?	Att. C, Sec. IV.C.2 and Att. B, Sec. III.A.2	Planning, External Affairs	Recurring	Done to date	Alice Rogan & Adriann Cardoso/ Charvalen Alacar	This is required on a biennial basis. The TOC reviewed the Mitigation Fee Program on October 12, 2021. Eligibility determination was presented to the Board on December 13, 2021, as part of the Measure M2 Annual Eligibility Review. The next submittal is due in 2023. Please reference: <a href="#">"TOC Agenda Packet,"</a> dated October 12, 2021. <a href="#">"Measure M2 Annual Eligibility Review,"</a> dated December 13, 2021.
167.06	Expenditure Report?	Att. C, Sec. IV.C.3 and Att. B, Sec. III.8	Finance and Administration, External Affairs	Recurring	Done to date	Alice Rogan & Sean Murdock	Yes. The TOC reviewed the FY 2019-20 Expenditure Reports on April 13, 2021, for all 35 local agencies. Eligibility determination was presented to the Board on June 14, 2021. At the October 12, 2021, TOC meeting, all local agencies were found conditionally eligible to receive net Measure M2 revenues for FY 2021-22. Eligibility determination was presented to the Board on December 13, 2021. Please reference: <a href="#">"TOC Agenda Packet,"</a> dated April 13, 2021. <a href="#">"Measure M2 Eligibility Review Recommendations for Fiscal Year 2019-20 Expenditure Reports,"</a> dated June 14, 2021. <a href="#">"TOC Agenda Packet,"</a> dated October 12, 2021. <a href="#">"Measure M2 Annual Eligibility Review,"</a> dated December 13, 2021.



ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2021							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2021 Response
167.07	Local Traffic Synchronization Plan?	Att. C, Sec. IV.C.4 and Att. B, Sec. III.A.6	Planning, External Affairs	Recurring	Done to date	Alice Rogan & Adriann Cardoso/Charvalen Alacar	Yes. This is required every three years. The last Local Signal Synchronization Plan review was received and reviewed by the TOC on October 13, 2020, and was presented to the Board on December 14, 20120, as part of the Annual Measure M2 Eligibility Review. The next submittal is due in 2023. Please reference: <a href="#">"TOC Agenda Packet,"</a> dated October 13, 2020. <a href="#">"Measure M2 Annual Eligibility Review,"</a> dated December 14, 2020.
167.08	Pavement Management Plan?	Att. C, Sec. IV.C.5 and Att. B, Sec. III.7	Planning, External Affairs	Recurring	Done to date	Alice Rogan & Adriann Cardoso/Charvalen Alacar	Yes. 14 agencies update PMPs on odd-year cycle, while 21 agencies update on even-year cycle as part of the Annual Eligibility Review. The TOC reviewed the Pavement Management Plans for even-year agencies on October 13, 2020, and an Eligibility determination was presented to the Board on December 14, 2020, as part of the Measure M2 Annual Eligibility Review. The TOC reviewed the Pavement Management Plans for odd-year agencies on October 12, 2021, and an eligibility determination was presented to the Board on December 13, 2021, as part of the Measure M2 Annual Eligibility Review Please reference: <a href="#">"TOC Agenda Packet,"</a> dated October 13, 2020 (for even-year PMPs). <a href="#">"Measure M2 Annual Eligibility Review,"</a> dated December 14, 2020 (for even-year PMPs). <a href="#">"TOC Agenda Packet,"</a> dated October 12, 2021 (for odd-year PMPs). <a href="#">"Measure M2 Annual Eligibility Review,"</a> dated December 13, 2021 (for odd-year PMPs).
167.09	Has the Committee reviewed yearly audits and held an annual hearing to determine whether the Authority is proceeding in accordance with the Plan?	Att. C, Sec. IV.D	External Affairs	Recurring	Done to date	Alice Rogan	Yes. The last Annual Hearing and Compliance Review was completed on June 8, 2021. Please reference: <a href="#">"Taxpayer Oversight Committee Measure M2 Annual Public Hearing Results and Compliance Findings,"</a> dated June 28, 2021.



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

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