



AGENDA

Orange County Council of Governments Board of Directors' Regular Meeting

Orange County Transportation Authority Headquarters
First Floor – Conference Room 154
600 South Main Street, Orange, California
Thursday, February 25, 2010 - 10:30 a.m. to 12:00 p.m.

Board Members

Cheryl Brothers, Chair, District 15 Alternate
Mark Waldman, Vice Chair, OCSD
Paul Glaab, District 12
Richard Dixon, District 13
Beth Krom, District 14
Michele Martinez, District 16
John Nielsen, District 17
Leroy Mills, District 18
Bob Hernandez, District 19
Andy Quach, District 20
Sharon Quirk-Silva, District 21
John Beauman, District 22

Gil Coerper, District 64
Bob Ring, Cities At-Large
John Moorlach, County At-Large
Phil Anthony, ISDOC
Art Brown, OCTA
Vacant, SCAG – County Representative
Bill Campbell, SCAGMD – County Representative
Bert Hack, TCA
Peter Herzog, OCD, LOCC
Kristine Thalman, Building Industry
Vacant, University Representative

Agenda descriptions are intended to give notice to members of the public by providing a general summary of items of business to be transacted or discussed. The listed Recommended Action represents staff's recommendation. The Board of Directors may take any action which it deems appropriate on the agenda item and is not limited in any way by the recommended action.

Call to Order

Chair Brothers

Roll Call

Deputy Clerk of the Board, Allison Cheshire

Pledge of Allegiance

Vice Chair Waldman

Public Comments

At this time, members of the public may address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors which are not separately listed on this agenda. Members of the public will have an opportunity to speak on agendized items at the time the item is called for discussion. No action may be taken on items not listed on the agenda unless authorized by law. Comments shall be limited to three minutes per person and an overall time limit of twenty minutes for the Public Comments portion of the agenda.

Any person wishing to address the Board on any matter, whether or not it appears on this agenda, is requested to complete a "Request to Speak" form available at the door. The completed form is to be submitted to the Clerk of the Board prior to an individual being heard. Whenever possible, lengthy testimony should be presented to the Board of Directors in writing and only pertinent points presented orally.



AGENDA

Orange County Council of Governments Board of Directors' Regular Meeting

Consent Calendar

All matters listed under the Consent Calendar are routine and will be enacted by one vote without separate discussion unless Members of the Board, the public, or staff request specific items be removed for separate action or discussion.

1. Approval of Minutes of the January 28, 2010, Board of Directors' meeting

Recommended Action: Approve the Minutes of the January 28, 2010, Board of Directors' meeting, as presented or amended.

2. 2010 Southern California Association of Governments (SCAG) Regional Council District Representative Elections

David Simpson, Deputy Executive Director

Recommended Actions:

1. Direct staff to follow SCAG election procedures for Regional Council Representatives which include sending a notice of elections to all Orange County mayors, city council members and city clerks.
2. Select March 25, 2010, (next OCCOG Board meeting) as the date for the 2010 SCAG Regional Council District elections.

Regular Items

3. Election of Orange County Council of Governments' Board Officers

Chair Brothers

Recommended Actions:

1. Receive nominations and elect the Vice Chair.
2. Receive nominations and elect the Chair.

4. Expansion of Non-Voting Ex-Officio Members of the Orange County Council of Governments' Board

Kristine L. Murray, Executive Director

Recommended Action: Approve the staff recommendation to expand the OCCOG Board of Directors to include a Non-Voting Ex-Officio member representing the Orange County business community, healthcare/hospital industry, and a housing (non-profit) representative. Staff also recommends the Board appoint the named individuals in the staff report.

5. Update on Memorandum of Understanding Between Southern California Association of Governments and Orange County Council of Governments/Orange County Transportation Authority to Conduct an Orange County Sustainable Communities Strategy

Kristine L. Murray, Executive Director

Recommended Action: Receive and file.



AGENDA

Orange County Council of Governments Board of Directors' Regular Meeting

Reports

6. **Report from Board Chair (Verbal)**
Chair Brothers
7. **Report from Executive Director**
Kristine L. Murray
8. **Report from the Orange County Council of Governments' Technical Advisory Committee Chair**
Marika Modugno, City of Irvine
9. **Update of South Coast Air Quality Management District's Proposed Rule 2301**
Tracy Sato, City of Anaheim
10. **2010 Census Update**
Rosa Rendón, U.S Census
11. **Matters from Board Members**
12. **Matters from Member Agencies**
13. **Matters from Staff**
14. **Adjournment**

The next regularly scheduled meeting of this Board will be held from **10:30 a.m. to 12:00 p.m. on Thursday, March 25, 2010**, at the Orange County Transportation Authority Headquarters.



MINUTES

Orange County Council of Governments Board of Directors' Meeting

Call to Order

The regular meeting of the Orange County Council of Governments was called to order by Chair Brothers at 10:35 a.m. on Thursday, January 28, 2010, at the Orange County Transportation Authority Headquarters, 600 South Main Street, Conference Room #154, Orange, California.

Roll Call

BOARD MEMBERS PRESENT

Cheryl Brothers, Chair, District 15 Alternate
Mark Waldman, Vice Chair, OCSD
Michelle Martinez, District 16
John Nielsen, District 17
Leroy Mills, District 18
Bob Hernandez, District 19
Any Quach, District 20
Sharon Quirk-Silva, District 21
Gil Coerper, District 64
Bob Ring, Cities At-Large
John Moorlach, County At-Large
Phil Anthony, ISDOC
Art Brown, OCTA
Bill Campbell, SCAQMD – County Representative
Bert Hack, TCAs
Peter Herzog, OCD, LOCC (Ex Officio)
Kristine Thalman, Private Sector (Ex Officio)

BOARD MEMBERS ABSENT

Paul Glaab, District 12
Richard Dixon, District 16
Beth Krom, District 14
Leslie Daigle, District 15
John Beaman, District 22

VACANT

SCAG – County Representative
University Representative

STAFF PRESENT

Kristine L. Murray, Executive Director
David Simpson, Deputy Executive Director
Wendy Knowles, OCTA Clerk of the Board
Allison Cheshire, OCTA Deputy Clerk of the Board
Fred Galante, General Counsel

Pledge of Allegiance

The pledge of allegiance was led by Board Member Brown.

Public Comments

No public comments were offered.

Consent Calendar

1. Approval of Minutes for the November 19, 2009, Meeting of the OCCOG Board of Directors

A motion was made by Board Member Coerper, seconded by Board Member Martinez, and declared passed by those present, to approve minutes of the November 19, 2009, meeting.

Board Members Moorlach and Quach abstained from voting on this item.



MINUTES

Orange County Council of Governments Board of Directors' Meeting

2. Fiscal Year Ended June 30, 2009, Basic Financial Statements and Auditor Communications

This item was pulled by Board Member Mills, who requested that in the future, conclusions made in audit reports be reflected at the beginning of the report.

Board Member Moorlach inquired as to why the audit was conducted and the cost.

Board Member Brown commented that the audit was requested by Southern California Association of Governments due to the scrutiny of Caltrans and was conducted in order to show that OCCOG is no longer high-risk.

Kristine Murray, Executive Director, commented the intent of the audit is to show quality accounting in order to get OCCOG back in good standing as a state and federal grant recipient. The audit was conducted by Mayer Hoffman McCann for a cost of \$2,000.

A motion was made by Board Member Mills, seconded by Board Member Anthony, and declared passed by those present, to receive and file the Fiscal Year Ended June 30, 2009, Basic Financial Statements and Auditor Communication.

Discussion Items

3. Appoint OCCOG Members to the Sustainable Communities Strategy Working Group

Chair Brothers reported that Orange County Transportation Authority (OCTA) Chairman Jerry Amante has appointed Directors Peter Buffa, Carolyn Cavecche, and Richard Dixon to the Sustainable Communities Strategy (SCS) Working Group as representatives for OCTA. The working group will be comprised of three members from OCCOG and three members from OCTA. The proposed meeting schedule for the group is the fourth Thursday of the month prior to the OCCOG Board meeting. Chair Brothers suggested the appointment of Board Members Herzog, Quirk-Silva, and herself as representatives of OCCOG to the SCS Working Group.

A motion was made by Board Member Brown, seconded by Board Member Coerper, and declared passed by those present, to appoint Cheryl Brothers, Peter Herzog, and Sharon Quirk-Silva as representatives of the Orange County Council of Governments to the Sustainable Communities Strategy Working Group.



MINUTES

Orange County Council of Governments Board of Directors' Meeting

4. Expand OCCOG Board of Directors to Include an Ex-Officio representative of the Orange County Business Community, Health Care/Hospital Industry, and Housing (non-developer) Representative.

Chair Brothers reported that she has been in discussions with staff regarding the expansion of the Board to include additional ex-officio representatives, especially as work on the Sustainable Communities Strategy moves forward. Chair Brothers suggested a member representative from the following agencies: Local Agency Formation Commission, the Orange County Housing Authority, the Hospital Association of Southern California, and the Orange County Business Council.

Fred Galante, General Counsel, commented an addition of ex-officio members does not require a change to the bylaws or the joint powers authority, as the positions are classified as non-dues paying and non-voting.

Kristine Murray, Executive Director, recommended that the term of the ex-officio members be kept in line with the ex-officio seats currently on the Board, which serve a two-year term.

Chair Brothers requested that Ms. Murray contact agencies to invite representatives to participate.

Mr. Galante suggested that staff bring letters of interest back to the Board for formal ratification.

A motion was made by Board Member Coerper, seconded by Board Member Anthony, and declared passed by those present, to:

- A. Expand the Orange County Council of Governments Board of Directors to include an ex-officio representative of the Orange County business community, health care/hospital industry, and housing (non-developer) representative.
- B. Authorize the Chair, with the assistance of staff, to bring back a list of specific organizations and representatives for consideration as ex-officio members.



MINUTES

Orange County Council of Governments Board of Directors' Meeting

Reports

5. Report from OCCOG Board Chair

Chair Brothers reported on the following:

- Election of OCCOG officers to be held at the February 25, 2010, meeting;
- Southern California Association of Governments Orange County Sustainable Communities Strategies stakeholder workshop to be held on February 3, 2010; and
- San Diego Association of Governments (SANDAG) received an extension on their Sustainable Communities Strategy by the Legislature.

Board Member Thalman commented that SANDAG received the extension based on their housing element timing.

A motion was made by Board Member Coerper, seconded by Board Member Nielsen, and declared passed by those present, to receive and file this information item.

6. Report from OCCOG Executive Director

Executive Director, Kristine Murray, reported on the following:

- Senate Bill 375 Implementation Update;
- Status of the Caltrans audit;
- Status of federal funding grants to fund the implementation of the Sustainable Communities Strategy (SCS);
- Timeline of the Long Range Transportation Plan and SCS and how they will be integrated;
- Update on the Joint Powers Agreements; and
- Orange County Transportation Authority staff assigned to OCCOG, including the appointment of David Simpson as Deputy Executive Director.

Board Member Moorlach inquired as to what necessitated the Caltrans audit.

Board Member Anthony commented that in the past, sizeable grants were run through the organization and Caltrans was not happy with some of the procedures.

Board Member Brown commented that Caltrans reported that funds were used properly and the issue was with how the funds were tracked.

Ms. Murray also commented that the corrective measures outlined should be completed and submitted to Caltrans within the next few weeks.

A motion was made by Board Member Nielsen, seconded by Board Member Anthony, and declared passed by those present, to receive and file this information item.



MINUTES

Orange County Council of Governments Board of Directors' Meeting

7. Report from OCCOG TAC Chair

David Simpson, Deputy Executive Director, reported that the TAC has met twice since the last Board meeting and noted that the minutes from those meetings are in the agenda packet.

A motion was made by Board Member Quach, seconded by Board Member Nielsen, and declared passed by those present, to receive and file this information item.

8. Matters from Board Members

Chair Brothers reminded Members to choose an alternate if they have not already done so.

Chair Brothers reported that there will be a Transit Forum held in February.

Board Member Hack reported that the Southern California Water Committee passed support for the water bond issues.

9. Matters from Members' Agencies

No reports were offered.

10. Matters from Staff

No reports were offered.

11. Adjournment

The meeting was adjourned at 11:25 a.m.

The next regularly scheduled meeting of this Board will be held from **10:30 a.m. to 12:00 p.m. on Thursday, February 25, 2010**, at the Orange County Transportation Authority Headquarters.

ATTEST

Allison Cheshire
OCTA Deputy Clerk of the Board

Cheryl Brothers
OCCOG Chair



ORANGE COUNTY

COUNCIL OF GOVERNMENTS

February 25, 2010

**Subject: 2010 Southern California Association of Governments
Regional Council District Representative Elections**

Summary: The time is approaching for SCAG Regional Council District Representative elections for even-numbered districts. Subregional organizations such as OCCOG are responsible for elections of the region's district representatives. The term of office for current Regional Council Members representing even-numbered districts will expire at the conclusion of SCAG's General Assembly scheduled to occur on May 6, 2010.

Background: All elected officials serving on city councils from SCAG member cities within the Regional Council District are eligible candidates. SCAG is requesting that the Regional Council District elections take place no later than one month prior to the annual General Assembly meeting, scheduled for May 6, 2010. In order to meet this election schedule, the OCCOG Board of Directors (Board) should vote on Regional Council District Representatives at the March 25, 2010 Board meeting.

It should be noted that if there is only one candidate for a Regional District seat, that individual shall be declared the Regional Council District Representative without the need to conduct a vote for that seat.

The following SCAG Regional Council Representatives terms expire May 6, 2010:

District 12: Councilmember Paul Glaab, representing the cities of Aliso Viejo, Dana Point, Laguna Beach, Laguna Niguel, San Clemente and San Juan Capistrano.

District 14: Mayor Sukhee Kang, representing the City of Irvine.

District 16: Council Member Michelle Martinez, representing the City of Santa Ana.

District 18: Councilmember Leroy Mills, representing the cities of Cypress, Garden Grove and La Palma.

District 20: Councilmember Andy Quach, representing the cities of Los Alamitos, Seal Beach, Stanton and Westminster.

District 22: Councilmember John Beaman, representing the cities of Brea, La Habra, Placentia and Yorba Linda.

District 64: Councilmember Gil Coerper, representing the City of Huntington Beach.

Recommendation: Direct staff to follow SCAG election procedures for Regional Council Representatives which includes sending a notice of elections to all Orange County mayors, city council members and city clerks and select March 25, 2010, (next OCCOG Board meeting) as the date for the 2010 SCAG Regional Council District elections.

Staff Contact: Dave Simpson
(714) 560-5570
DSimpson@octa.net



ORANGE COUNTY

COUNCIL OF GOVERNMENTS

February 25, 2010

Subject: Election of Orange County Council of Governments' Board Officers

Summary: The terms of the Orange County Council of Governments (OCCOG) Chair and Vice Chair have reached their conclusion. The OCCOG Board is asked to nominate and elect officers.

Background: Per OCCOG bylaws, OCCOG officers consist of Chair and Vice Chair and are selected annually by a majority of OCCOG Board Members in attendance.

At the January 28, 2010, OCCOG Board meeting, Chair Brothers asked that names for the officer positions be submitted directly to the Chair or to OCCOG Executive Director by February 15, 2010, so that those names could be placed on the agenda for consideration. Nominations from the floor are also permitted.

The following nominations have been submitted for consideration:

Chair: Mark Waldman, City of La Palma

Vice Chair: Sharon Quirk-Silva, City of Fullerton

Recommendations:

1. Receive nominations and elect the Vice Chair.
2. Receive nominations and elect the Chair.

Staff Contact: Dave Simpson
(714) 560-5570
dsimpson@octa.net



**ORANGE COUNTY
COUNCIL OF GOVERNMENTS**

February 25, 2010

Subject: **Expansion of Non-Voting Ex-Officio Members of the Orange County Council of Governments' Board**

Summary: Expand the Orange County Council of Governments' (OCCOG) Board of Directors to include a Non-Voting Ex-Officio member representing the Orange County business community, health care/hospital industry, and a housing (non-profit) community.

Background: At the January 28, 2010, OCCOG Board meeting, Chair Cheryl Brothers made a recommendation to expand the OCCOG Board of Directors to include a Non-Voting Ex officio member representing the Orange County business community, health care/hospital industry, and a housing (non-profit) community.

The Board considered this item and discussed at length the pros and cons of adding additional representatives of these stakeholder communities and directed staff to bring the item back at the next meeting with specific recommendations of individuals to serve in these roles. According to the OCCOG bylaws, the Non-Voting Ex-Officio member shall mean a member of the OCCOG Board of Directors who does not have a vote in governing decisions and whose presence shall not be counted in determining whether a quorum exists.

Staff has communicated with the following individuals and sought their commitment to serve a two year term as a Non-Voting Ex officio member of the OCCOG Board. Staff recommends the board consider a two year term for the non-voting ex-officio representatives to ensure continuity throughout the development of the Orange County Sustainable Communities Strategy (SCS). Following the completion of the SCS, the board could reappoint with shorter terms if it desired. All have agreed to serve and will commit to attending the OCCOG board meetings and contributing to the issues in a substantive way considered by the Board. Those individuals are:

1. Non-voting Ex-Officio representative of the business community: Kate Klimow, Vice President of Government Relations, Orange County Business Council.
2. Non-voting Ex-Officio representative of the health care/hospital community: Julie Puentes, Executive Director, Hospital Association of California, Orange County Chapter.
3. Non-voting Ex-Officio representative of the housing (non-profit) community: Karen Roper, Director of OC Community Services, County of Orange.

Recommendation: Approve the staff recommendation to expand the OCCOG Board of Directors to include a Non-Voting Ex-Officio member representing the Orange County business community, health care/hospital industry, and a housing (non-profit) representative. Staff also recommends the Board appoint the named individuals in the staff report.

Staff Contact: Kristine Murray
(714) 560-5908
kmurray@octa.net



**ORANGE COUNTY
COUNCIL OF GOVERNMENTS**

February 25, 2010

Subject: **Update on Memorandum of Understanding Between Southern California Association of Governments and Orange County Council of Governments/Orange County Transportation Authority to Conduct an Orange County Sustainable Communities Strategy**

Summary: Orange County Council of Governments (OCCOG), Orange County Transportation Authority (OCTA), and Southern California Association of Governments (SCAG) staff have met to discuss terms for the development of a Memorandum of Understanding (MOU) between SCAG and OCCOG/OCTA to define roles and responsibilities to conduct an Orange County Sustainable Communities Strategy (SCS). Those discussions went very well and staff is now in the process of finalizing language for the board to consider in preparation for drafting the formal MOU.

Background: The enactment of SB 375 (Chapter 728, Statutes of 2008) provided for subregional councils of governments in the SCAG region to work with their respective county transportation commissions to develop transportation and land use strategies to meet greenhouse gas reduction targets. This legislation presented a unique opportunity for OCTA and OCCOG staffs to discuss compliance with SB 375 along with administrative responsibilities for the OCCOG.

SB 375 authorizes a subregional council of governments and the county transportation commissions in the SCAG region to work together to propose the SCS and an alternative planning strategy (APS), if needed. As of December of 2009, both the OCCOG and OCTA Board of Directors have formally adopted the Cooperative Agreement No. C-9-0496 specifying their respective roles and responsibilities in complying with the provisions of SB 375.

SCAG is required to include the subregional SCS within its regional SCS to the extent that it is consistent with existing state and federal law, and approve the APS if consistent with SB 375. A meeting with SCAG's Executive Director and his staff was held on the afternoon of February 3, 2010, to discuss initial terms for the MOU. The technical staff of OCCOG and OCTA were involved in the drafting of those terms. At this time, SCAG staff gave a verbal agreement to the terms proposed by OCCOG/OCTA.

A verbal report and outline of the draft terms between Orange County and SCAG will be provided at the OCCOG Board of Directors' meeting on February 25, 2010.

Recommendation: Receive and file.

Staff Contact: Kristine Murray
Executive Director
714-560-5908
kmurray@octa.net



**ORANGE COUNTY
COUNCIL OF GOVERNMENTS**

February 25, 2010

Subject: Report from Executive Director

Summary: The Executive Director's report provides the OCCOG Board of Directors (Board) an update on staff activities pertaining to resolving the California Department of Transportation audit.

Background: OCCOG has been responding for several years to an audit conducted by the California Department of Transportation (Caltrans), which resulted in OCCOG receiving a high risk designation by the Caltrans due to failure by OCCOG to maintain an effective financial management system, the issues in question included: inappropriate billing, unsupported costs, separation of duties, ineffective audit systems, lack of time reporting, redundant cost reimbursements by multiple agencies, and other fiscal provisions.

At this time, OCCOG staff is working with Caltrans to complete the audit process and remove OCCOG from the high-risk agency designation. OCCOG staff met with Maureen El Harake, Regional and Public Transportation Branch Chief, Caltrans District 12 on Wednesday, February 17 to review the outstanding audit items and discuss next steps to formally return OCCOG to good standing as a grant recipient. That meeting went very well and OCCOG is in the process of finalizing documentation needed by Caltrans and Southern California Association of Governments (SCAG), which should be complete in the next two-three weeks. Beyond that date, the timeline should move rather quickly with a review process by Caltrans audit of the formal documentation and if all goes well and minimal changes are needed, we will be able to return OCCOG to good standing within a relatively short timeframe.

The remaining actions required by the Caltrans audit include:

1. Creation of an organizational plan, which should include a statement about the transition to future administration and financial oversight to the Orange County Transportation Authority (OCTA), the new organizational breakdown with related responsibilities and whether or not those activities will be paid for or in-kind. Whether paid or in-kind, it will still require an estimation of workload and the monetary value attached to that work.
2. OCCOG should ensure that a proper job cost system is implemented that incorporates timesheets to capture/record the hours employees spend on tasks and projects. The OCCOG accounting system and job cost system should include a coding structure that is capable of accumulating and segregating project costs and direct and indirect costs. The employee timesheets should be set up to require employees to record the hours worked with the correct project coding.

3. As part of the organization plan, OCCOG should provide a detailed budget for each fiscal year. The budget should include all planned revenues and expenditures.
4. In the organizational plan, OCCOG should also include detailed information as to staffing plans (number of staff, staff titles, staff salaries/cost), planned projects/work efforts, planned consultant needs, and other planned expenditures, which all tie to the OCCOG budget. Additionally, if OCTA is providing staffing, services, facilities, etc., this information needs to be provided and be included as part of the OCCOG organization plan. A detailed organization chart should be included as well.
5. The project/work effort plan should include details such as the planned staff hours, consultant costs, and other costs budgeted per project/work effort along with the funding structure.
6. Caltrans has also requested that OCCOG include a proposed schedule of current activities the OCCOG is planning to submit for sub-recipient reimbursement (through SCAG) and the fiscal year the organization is seeking to submit them and must begin the work to identify any grants that OCCOG may apply for directly (other than consolidated planning grants through SCAG).

There are some additional process steps that must be completed to reinstate OCCOG as a recipient of funds facilitated by SCAG and other regional agencies. Once the Caltrans audit is complete, all remaining work in that area should be completed in a timely fashion.

We have established an OCCOG organizational staffing plan and cost coding system for expenditures required by Caltrans and are finalizing a fiscal year 2010-11 OCCOG budget. In addition, staff is developing a scope of work and Request for Proposal (RFP) for an OCCOG consultant to coordinate all statutory requirements and steps for developing a SCS should the county and SCAG finalize and adopt an Memorandum of Understanding (MOU) for subregional delegation. The OCCOG Board will be apprised of any updates as we finalize the audit documentation and preparations for the county to conduct a SCS.

Attachments:

- A. April 2, 2008, Letter to Hasan Ikhata, Executive Director, SCAG from Caltrans re. pre-award audit findings and recommendations.
- B. July 15, 2008, Letter to Dennis Wilberg, Interim Executive Director, OCCOG re. OCCOG Draft Organizational Plan.

Staff Contact:

Kristine Murray
Executive Director
714/560-5908
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DEPARTMENT OF TRANSPORTATION

OFFICE OF THE DIRECTOR – MS-49

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*Flex your power!
Be energy efficient!*

April 2, 2008

Mr. Hasan M. Ikhata
Executive Director
Southern California Association of Governments
818 W Seventh Street, 12th Floor
Los Angeles, California 90017-3435

Dear Mr. Ikhata:

Hasan

This letter sets forth the corrective actions required by the Southern California Association of Governments (SCAG) and the Orange County Council of Governments (OCCOG) as a result of the preaward audit report findings and recommendations issued on May 26, 2006 by the California Department of Transportation (Caltrans) Audits and Investigations. These required corrective actions were determined after consulting with and receiving the concurrence of both the Federal Transit Administration (FTA) and Federal Highway Administration (FHWA).

The preaward evaluation was performed at the request of Caltrans planning staff to determine whether OCCOG had an adequate financial management system to account for a federal Transportation and Community and System Preservation Program grant award. The preaward evaluation noted deficiencies by OCCOG regarding their financial management and time reporting systems. The preaward evaluation identified that as a subrecipient of State and/or federal funds, OCCOG lacked a management system which meets the standards set forth in 49 Code of Federal Regulations (CFR) Part 18. The preaward evaluation recommended that OCCOG be designated a high-risk recipient of State and federal funds and that Caltrans seek reimbursement of costs per Office of Management and Budget (OMB) Circular A-87 (Cost Principles for State, Local and Indian Tribal Governments) and CFR Part 18.12.

In a letter dated October 17, 2007 to Caltrans from Mr. Dennis Wilberg, the OCCOG Executive Director, a number of reforms the agency has undertaken were identified to address the issues discovered in the preaward evaluation. These reforms included the part-time appointment of City of Mission Viejo staff in various interim management and financial oversight positions within OCCOG. In a subsequent letter to Caltrans dated March 7, 2008, Mr. Wilberg provided an overview of the ability of the City of Mission Viejo to handle the financial and administrative responsibilities of OCCOG.

Based on the subsequent corrective actions described above that have been proactively implemented by OCCOG, Caltrans has decided not to seek reimbursement of funds. However, OCCOG will be designated a high-risk agency. Caltrans requires the following corrective actions in order for SCAG and its subregions to continue to receive federal and State transportation funds.

Actions That SCAG Must Comply With:

According to the Master Fund Transfer Agreement (MFTA) between Caltrans and SCAG dated January 1, 2005, SCAG agreed to the following:

- Comply with federal procedures including 49 CFR, Part 18.
- Require all contractors, subcontractors and subrecipients to comply with federal procedures including 49 CFR, Part 18.

As part of its obligation to oversee the MFTA under 49 CFR, Part 18, Caltrans is directing SCAG to comply with the following actions:

1. SCAG will review and approve the OCCOG operational plan (described below) as adopted by the OCCOG Board of Directors.
2. SCAG will provide training to any individuals serving in a capacity as staff to OCCOG to ensure violations of federal regulations does not reoccur regarding the use of federal funds.
3. SCAG will develop an administration manual by May 1, 2008 describing how State and federal transportation planning grant funds are distributed to subrecipients. SCAG staff and subrecipients will use the manual to prevent the reoccurrence of deficiencies with OCCOG and any other federally funded subrecipient within the SCAG region. The administrative manual will identify the procedures that SCAG will follow in the future to avoid future audit related issues with SCAG's subrecipients. It will also identify the subregions responsibilities as subrecipients of State and federal planning funds. SCAG must arrange a meeting with Caltrans, FHWA and FTA staff to review this document once it has been prepared and must also incorporate any comments received from these agencies.
4. SCAG will continue to ensure compliance with 49 CFR, Part 18 and OMB Circular A-87.

Actions That OCCOG Must Comply With:

1. OCCOG will be designated a high-risk agency as set forth in 49 CFR Part 18.12. The high-risk designation will remain in affect for a minimum of one year. Once Caltrans has determined OCCOG has complied with the actions identified in this letter, the high-risk agency designation will be repealed.
2. OCCOG will prepare an organizational plan that details the agency's purpose and goals, annual budget, staff resources, anticipated projects/activities, funding sources, and other pertinent information for fiscal years 2008/09 and 2009/10. This plan will also detail the OCCOG Board plans regarding future administrative and financial oversight by the City of Mission Viejo. The position of the Board's future plans concerning the Executive Director

should also be addressed in the plan. A draft organizational plan shall be submitted to SCAG and Caltrans no later than May 30, 2008 for review and comment. SCAG and Caltrans comments will be included or addressed in the final plan. In addition, both SCAG and Caltrans will review the final draft prior to OCCOG Board adoption. OCCOG will not be eligible to receive any State or federal transportation planning funds until its Board adopts the organizational structure.

3. OCCOG will be required to undergo an audit performed by Caltrans Audits and Investigations in fiscal year 2008/09 if any State or federal planning funds are provided by SCAG. The scope of the audit will include a review of OCCOG's financial management system and compliance with State and federal regulations and will include all of OCCOG's contracts with both Caltrans and SCAG. Based on the outcome of the audit and Caltrans program reviews of OCCOG, Caltrans will determine if all of the corrective actions were satisfactorily implemented and consistently followed. Should the Caltrans audit report identify deficiencies or unallowable costs, OCCOG will immediately be ineligible to receive State or federal transportation planning funds and will be required to reimburse all unallowable costs as identified in the audit findings.

OCCOG may participate in the SCAG Overall Work Program as a subrecipient upon approval of the organizational plan by Caltrans and SCAG. Please contact Garth Hopkins of my staff at (916) 654-8175 if you have any questions regarding this audit resolution.

Sincerely,



R. GREGG ALBRIGHT, Deputy Director
Planning and Modal Programs

- c: Honorable Gary Ovitt, President, SCAG Regional Council
Honorable Richard Dixon, Chair, OCCOG Board of Directors
Dennis Wilberg, Interim Executive Director, OCCOG
Ray Sukys, Director, Office of Planning and Program Development, FTA, Region IX
Brenda Bryant, Director, Financial Services, FHWA, California Division
R. Gregg Albright, Deputy Director, Planning and Modal Programs
Joan Sollenberger, Chief, Caltrans Division of Transportation Planning
Terry Abbott, Chief, Caltrans Division of Local Assistance
Cindy Quon, Caltrans District Director, District 12
Doug Failing, Caltrans District Director, District 7
Garth Hopkins, Division of Transportation Planning

STATE OF CALIFORNIA—BUSINESS, TRANSPORTATION AND HOUSING AGENCYARNOLD SCHWARZENEGG**DEPARTMENT OF TRANSPORTATION**

District 12

3337 Michelson Drive, Suite 380

Irvine, CA 92612-8894



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July 15, 2008

Mr. Dennis Wilberg
Interim Executive Director
Orange County Council of Governments
City of Mission Viejo
200 Civic Center
Mission Viejo, CA. 92619

File: Regional Planning

Subject: Orange County Council of Governments Draft Organizational Plan Fiscal Year 2008-09

Dear Mr. Wilberg,

Thank you for the opportunity to review and comment on the Orange County Council of Governments (OCCOG) Draft Organizational Plan Fiscal Year 2008-09. The draft Organizational Plan as directed by the California Department of Transportation (Caltrans) should contain the following details: funding sources, and other pertinent information for fiscal years 2008/09 and 2009/10; OCCOG's purpose and goals; annual budget; staff resources and anticipated projects/activities. This plan will also detail the OCCOG Board plans regarding future administrative and financial oversight by the City of Mission Viejo. The Board's future plans concerning the position of Executive Director should also be addressed in the plan.

Caltrans' staff have reviewed this Organizational Plan and have the following specific comments:

1. This document does not emphasize OCCOG's ability to perform any future planning research work where federal or state transportation funds would be used.
2. There is no discussion about how long the City of Mission Viejo staff will continue to serve in the capacity as staff to OCCOG. Are there any future plans to hire full time OCCOG staff dedicated to the activities of the agency? The plan should address these future-staffing issues.
3. Is OCCOG able to pay any necessary expenses by charging for demographic work? It was Caltrans' understanding that member dues were being collected but this was not mentioned in the document.
4. There is no discussion of procurement procedures for consultant work. OCCOG has a firm doing demographics and legal consultants, but how were they selected?
5. The plan should also address if future OCCOG member dues will be collected in order to

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maintain the solvency of the agency. The plan should contain a schedule that identifies all assets/revenues and all liabilities/expenditures. In addition, OCCOG should provide a listing of member agency dues, in-kind match services and other local sources of materials and/or services.

6. The plan should provide detailed projections of the staff resources (staff hours, staff classifications, pay rates, etc.) needed to accomplish the activities outlined in the plan. Additionally, the budget should include the projected staff costs needed to accomplish the activities in the plan and should tie to the staff resources detail.
7. The plan does not elaborate on accounting procedures, or how consultants would be selected/procured or paid, therefore, the following information may be helpful to OCCOG to ensure it has an adequate financial management system:
 - A system of record keeping which ideally includes the following:
 - A) A General Ledger
 - B) Job cost ledger
 - C) Labor distributions
 - D) Time records
 - E) Subsidiary journals
 - F) Chart of accounts
 - G) Financial statements
 - The ability to accumulate and segregate reasonable, allocable (incurred solely for a project) and allowable (per terms of the contract) costs through the use of a cost accounting system.
 - The following are some of the attributes that would ideally be found in such a system:
 - A) A chart of accounts that includes indirect and direct general ledger accounts.
 - B) Indirect costs are not specifically identified to a project, for example, rent and/or utilities.
 - C) Direct costs are specifically identified with a project, for example, drafting hours and/or design hours.
 - D) Segregation of costs by contact, category of cost and milestones (if applicable).
 - Proper recording of direct and indirect costs. For example, recording of labor costs should provide that non-project indirect hours be recorded on a timesheet and in the accounting records to an administration, vacation, sick leave or other indirect cost account/code. Direct project hours should be recorded on a timesheet and in the accounting records to a direct project cost account/code.
 - Consistent accounting treatment of costs in recording and reporting. For example, if travel expense is charged directly to a project, all travel expense incurred on any project should be considered a direct cost. As a result, project related travel, whether reimbursable per the contract terms or not, should not be included as an indirect cost.
 - Ability to trace from invoices submitted to SCAG/Caltrans to job cost records and original, approved source documents, for example, timesheets, vendor invoices, canceled checks.

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- Ability to reconcile job cost records to the accounting records.
- Compliance with cost principles described in the 2 Code of Federal Regulations (CFR), Part 225 and administrative requirements of 49 CFR, Part 18.
- If planning to seek reimbursement of indirect costs an indirect cost allocation plan must be prepared in compliance with 2 CFR, Part 225 and the Departments Local Programs Procedures (LPP) 04-10 and approved by the Departments Audits and Investigations prior to submitting for reimbursement. If there is no plan to seek reimbursement of indirect costs, then the budget should identify what funds (other than state and federal) will pay for the indirect costs.

If you have any questions regarding these comments or need to contact us, please do not hesitate to call Maureen El Harake at (949) 724-2086.

Sincerely,

Jane Perez
Acting Deputy District Director of Planning and Local Programs
California Department of Transportation, District 12

✓ c: Garth Hopkins, Caltrans HQ Transportation Planning
✓ Ilene Gallo, Caltrans HQ So. Calif. Regional Planning
✓ David Sosa, Caltrans District 7, Regional Planning
✓ Teresa Greisen, Caltrans HQ,



ORANGE COUNTY

COUNCIL OF GOVERNMENTS

February 25, 2010

Subject: **Report from the Orange County Council of Governments' Technical Advisory Committee Chair**

Summary: The Orange County Council of Governments' (OCCOG) Technical Advisory Committee (TAC) met on February 2, 2010. A copy of the February 2, 2010, meeting agenda is included as Attachment 1.

The OCCOG TAC meeting discussion on February 2, 2010, included an overview of the following items:

- ◆ Agenda preview for the Southern California Association of Governments' (SCAG) Regional Council and Policy Committee meetings of February 4, 2010, and the Subregional Coordinators Group meeting of February 2, 2010;
- ◆ Agenda review of the January 13, 2010, Plans and Programs Technical Advisory Committee;
- ◆ An update on Orange County Projections 2010;
- ◆ An update on the Orange County Sustainable Communities Strategy (SCS) development, including a status update on
 - MOU development status
 - Update on OCCOG's high risk status
 - Orange County SCS timeline
 - Orange County SCS next steps
- ◆ An update on OCTA's Long Range Transportation Plan;
- ◆ Senate Bill 97 and the South Coast Air Quality Management District's proposed greenhouse gas thresholds;
- ◆ An update on Proposed Rule 2301; and
- ◆ The OCCOG Board meeting of January 28, 2010.

The OCCOG TAC agendaized for discussion at its March 2, 2010, meeting the following:

- ◆ Orange County Projections 2010;
- ◆ Orange County Sustainable Communities Strategy (SCS) Development including a report on the status of SCAG's SCS Framework and Guidelines;
- ◆ An update on OCTA's Long Range Transportation Plan;
- ◆ A presentation from Census 2010; and
- ◆ A presentation/demonstration by SCAG staff on the Envision Tomorrow Planning Scenario Tool and Dataset.

OCCOG TAC Chair Marika Modugno, City of Irvine, will be available at the OCCOG Board meeting to overview and clarify items discussed at the February 2, 2010, OCCOG TAC meeting.

Attachments: A. OCCOG TAC Meeting Agenda: Meeting of February 2, 2010

Staff Contact: Marika Modugno, OCCOG TAC Chair, City of Irvine
949/724-6456
mmodugno@cityofirvine.org



**ORANGE COUNTY
COUNCIL OF GOVERNMENTS**
Technical Advisory Committee

Attachment A

Meeting Date / Location

**Tuesday, February 2, 2010
9:00 a.m. – 12:00 p.m.
City of Orange
Conference Room C
300 Chapman Avenue
Orange, California**

Agenda Item

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INTRODUCTIONS

(Chair Marika Modugno)

PUBLIC COMMENTS

(Chair Modugno)

At this time members of the public may address the TAC regarding any items within the subject matter jurisdiction, which are not separately listed on this agenda. Members of the public will have an opportunity to speak on agenda items at the time the item is called for discussion. NO action may be taken on items not listed on the agenda unless authorized by law. Comments shall be limited to three minutes per person and an overall time limit of twenty minutes for the Public Comments portion of the agenda.

Any person wishing to address the TAC on any matter, whether or not it appears on this agenda, is requested to complete a "Request to Speak" form available at the door. The completed form is to be submitted to the TAC Chair prior to an individual being heard. Whenever possible, lengthy testimony should be presented to the TAC in writing and only pertinent points presented orally.

ADMINISTRATION

1.

OCCOG TAC Meeting Minutes

(Secretary Adrienne Gladson)

- ◆ **Draft OCCOG TAC minutes for January 12, 2010 meeting**

Recommended Action: Approve OCCOG TAC minutes of December 1, 2009, as presented or amended

PRESENTATIONS, DISCUSSION AND ACTION ITEMS, REPORTS

2.

Orange County Projections (OCP 2010)

(Deborah Diep,
Center for
Demographic
Research) – 20
minutes

Recommended Action: Receive report.

3.

Orange County Sustainable Communities Strategy (SCS) Development

(David Simpson,
OCCOG Staff) – 30
minutes

- ◆ MOU Development Status
- ◆ Update on OCCOG's high risk status
- ◆ Orange County SCS Timeline

- ◆ Orange County SCS Next Steps – Development of a work plan, Board meetings

Recommended Action: Discussion. Receive report.

4.

SCAG Meetings

(Simpson, OCCOG Staff) – 20 minutes

- ◆ Regional Council and Policy Committee Meetings of February 4, 2010
- ◆ Plans and Programs TAC Meeting of January 12, 2010
- ◆ Subregional Coordinators Group Meeting of February 2, 2010

Recommended Action: Receive report.

5.

SCAG 2012 Regional Transportation Plan and Growth Forecast

(Chair Modugno) – 20 minutes

- ◆ Proposed Envision Tomorrow Tool and Dataset

Recommended Action: Receive report.

6.

OCTA's Long Range Transportation Plan

(Greg Nord, OCTA) – 15 minutes

Recommended Action: Receive report.

7.

Senate Bill 97 and SCAQMD's Proposed Greenhouse Gas Thresholds

(Chair Modugno) – 40 minutes

Recommended Action: Discussion.

8.

OCCOG Board Meeting of January 28, 2010

(Simpson, OCCOG Staff) – 20 minutes

Recommended Action: Receive report.

REPORTS FROM THE CHAIR

(Chair Modugno)

MATTERS FROM OCCOG TAC MEMBERS

OTHER BUSINESS

(Chair Modugno)

- ◆ Proposition 84 "Planning" Grant Program Information
- ◆ Caltrans Transportation Planning Grant Workshop

ITEMS FOR NEXT MEETING

(Chair Modugno)

IMPORTANT DATES OR UPCOMING EVENTS

- ◆ February 3, 2010:
First SB 375 Subregional Workshop Orange County
9:00 a.m. to 12:00 p.m.
First American Title, Garden Room #4
Santa Ana, California

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- ◆ February 5, 2010:
Southern California Transit Forum
8:30 a.m. – 5:00 p.m.
Chapman University
- ◆ February 4, 2010:
SCAG Regional Council and Policy Committee Meetings
- ◆ February 10, 2010:
SCAG Plans and Programs TAC
- ◆ February 16, 2010:
Caltrans Transportation Planning Grant Workshop
Caltrans District 12
6681 Marine Way, Room 242
Irvine, California

ADJOURNMENT

**Adjourn to: March 2, 2010
City of Orange Conference Room C
300 Chapman Avenue
Orange, California**



ORANGE COUNTY

COUNCIL OF GOVERNMENTS

February 25, 2010

Subject: **Update of South Coast Air Quality Management District's Proposed Rule 2301**

Summary: The Orange County Council of Governments has been closely following the development of the South Coast Air Quality Management District's Proposed Rule 2301 (PR 2301). This report provides an update on the status of the rule.

Background: The South Coast Air Quality Management District's (SCAQMD) development of Proposed Rule 2301 (PR 2301) began in February 2008. The proposed rule addresses the Air Quality Management Plan's measure, EGM-01, which implements the 2007 South Coast Air Quality Management Plan's (AQMP) Emission Growth Measure 1 (EGM-01), entitled Emission Reductions from New or Redevelopment Projects. It seeks a reduction of ultra-fine particulate matter (PM_{2.5}), volatile organic compounds (VOC), and nitrous oxide (NO_x) from all new and redevelopment projects.

To facilitate the preparation of the proposed rule language, the SCAQMD formed a stakeholder working group. Local governments are represented by their subregional organization which, for Orange County agencies, is the OCCOG. OCCOG's appointed representatives, Ms. Tracy Sato, City of Anaheim and Mr. Douglas Reilly, City of Laguna Woods have been attending the stakeholder working groups as well as maintaining communication with other stakeholders. Additionally, in May 2008, the OCCOG Board directed the OCCOG's representatives on the Stakeholder Working Group (SWG) to not only monitor the development of PR 2301, but to advocate for consideration of five basic principles in the preparation of any alternatives developed for the rule:

1. The rule should be as simple as possible.
2. The approach for implementation must be concurrent with the development process.
3. The rule should be implemented through the environmental review process under the California Environmental Quality Act (CEQA) as opposed to through a separate process.

4. SCAQMD should not be the agency making the final determination on which mitigation measures will be applied to a project.
5. This rule should not be the vehicle for requiring extensive land use and design changes in the general arena of land use planning and development.

Discussion:

The PR 2301 SWG has not met since summer 2009 in order to allow SCAQMD staff to continue to work on new draft rule language for Proposed Rule 2301. They are focusing on two issues:

- Avoiding requirements that local agencies or developers duplicate work that would already be done to implement SB 375; and
- Minimizing costs to developers and local agencies that would be associated with preparing any required analysis and review for PR 2301.

To this end, air district staff is working closely with SCAG and other agencies to ensure that actions that would reduce GHG emissions for SB 375 purposes would also receive similar PR 2301 credit and that the analysis for one could be used for the other.

SCAQMD staff hopes to have draft language for the SWG to review in the April/May timeframe.

Staff Contact:

Ms. Tracy Sato, City of Anaheim
714/765-4942
tsato@anaheim.net

Mr. Douglas Reilly, City of Laguna Woods
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dreilly@lagunawoodscity.org



ORANGE COUNTY

COUNCIL OF GOVERNMENTS

February 25, 2010

Subject: **2010 Census Update**

Summary: Rosa Rendón, Partnership Specialist from the Local Census Office, has requested to provide a brief update to the OCCOG Board on the U.S. 2010 Census effort.

Staff Contact: Dave Simpson
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 Dsimpson@octa.net