

Overcoming Challenges. Building Mobility.



Annual Report 2010





Dear Friends,

It's no secret that this past year saw continued challenges for us all. Many of us were impacted both personally and professionally, and that certainly includes those of us at Orange County Transportation Authority (OCTA).

With the loss of State Transit Assistance funding and declining sales tax revenues for the second straight year, we had less and less to work with, and more and more to accomplish. Yet it's not in our nature here at OCTA to sit on the sidelines, just waiting for the economic situation to turn around. We have an incredibly dedicated team whose attitude is to roll up their sleeves and get to work, no matter what the obstacles. We realize the residents of Orange County are counting on us to keep freeways flowing and buses and trains running, and we are ready to meet the challenges we face.

And so we sharpened our pencils and continued to work. We evaluated every need and every project, and prioritized strategically. We scrutinized every expenditure even more than usual.

In doing so, we were able to accomplish a tremendous amount this year, and that speaks to the efforts of our entire team. Many of this year's achievements are highlighted on the following pages, and many more are detailed on our website. Throughout the report, you'll notice the continuing impact of Measure M, even as funding from M1 winds down, and funding from M2 begins. Those projects impacted by Measure M feature icons next to them.

The theme of this year's annual report is "Overcoming Challenges. Building Mobility." Though that was indisputably true in 2010, it is also true that Orange County is still one of the finest places in all the world to work or make one's home, and we're working hard every day to ensure it stays that way.

Sincerely,

A handwritten signature in black ink that reads "Will Kempton". The signature is written in a cursive style and is followed by a long horizontal line that extends to the right.

Will Kempton
Chief Executive Officer, OCTA

FREEWAYS






Keeping Orange County mobile is a task that demands commitment and foresight.

Orange County's freeways are the arteries of our county. So many people depend on them every day for vital things like going to work or caring for sick relatives, and also for fun things like going to a soccer game or a school dance. That's why, challenging times or not, it's critical that we at OCTA continue to keep Orange County mobile by wisely allocating funds toward immediate improvements, as well as toward long-term planning that will keep both our current and our future residents moving smoothly. This past year saw the continuation of many projects, the completion of several, and the planning of many more.

60,865

The Freeway Service Patrol (a joint effort between OCTA, Caltrans and the CHP) and its 35 roving tow trucks assisted 60,865 drivers by fixing a flat, supplying a gallon of gas, or towing a vehicle to safety.



- The I-5 Gateway Project to widen the Santa Ana Freeway (I-5) was completed and opened in September 2010. The project removed a bottleneck near the Los Angeles/Orange County line and improved surface traffic by rebuilding and widening the Beach Boulevard, Stanton and Western Avenue overpasses, and the Artesia Boulevard underpass. 
- The eastbound lane addition to the Riverside Freeway (SR-91) to ease congestion between the SR-241 and the SR-71 reached 60 percent completion and was opened December 2010. 
- Construction began on the first phase of the West County Connectors Project to add a direct HOV connector between the Garden Grove Freeway (SR-22) and Interstate 405 (I-405).
- Motorists on Orange County freeways and highways summoned help a total of 4,138 times, using the 630 call boxes provided by the Service Authority for Freeway Emergencies (SAFE).
- The OCTA Board of Directors authorized staff to begin negotiations to acquire up to \$42 million worth of preserved open space through the M2 Freeway Mitigation Program. The program will allow higher-value environmental benefits in exchange for streamlined project approvals for 13 M2 freeway projects. 



STREETS AND ROADS



Smooth-moving streets and roads will help Orange County remain one of the best places in the world to live.

As one of the world's most desirable places to live, Orange County's neighborhoods are constantly growing. And a large part of OCTA's job is to make sure our surface streets and roads are able to handle traffic not only now, but also tomorrow. We continually analyze data to determine if today's quiet neighborhood streets will become tomorrow's feeder streets for new neighborhoods. We look for ways to improve traffic flow on major thoroughfares, through methods like traffic light synchronization. In short, we're always investing time and resources into local streets and roads to keep our residents safe and moving.



- Even in a year of tough economic conditions, OCTA was able to provide \$31.7 million through Measure M1 to Orange County's 34 cities and the county for street and road improvements in their communities, such as filling potholes, improving intersections and adding lanes to enhance traffic flow. 
- The OC Bridges Program was well underway with the Placentia Ave. and Kraemer Blvd. underpasses in final design, and the right-of-way process in full swing on the Orangethorpe Ave. and Tustin Ave./Rose Dr. projects.
- OCTA completed Phase 1 of the Traffic Light Synchronization Program, with optimized signal timings on three of the ten planned corridors: Alicia Parkway, Beach Boulevard and Chapman Avenue. In addition, OCTA's traffic signal synchronization master plan received a Project of the Year Award from the Southern California chapter of the American Public Works Association. 
- The Orange County Tax Administration Program (OCTAP) administered by OCTA relieved Orange County's 34 cities of the task of regulating taxi operations. OCTAP inspected and issued permits for 27 taxi companies, 846 taxi cabs and 1,325 taxi drivers in fiscal year 2009-10.



1,306

The Service Authority for Abandoned Vehicles (SAAV) removed more than 1,306 unsafe and abandoned vehicles from streets and roads around Orange County during the fiscal year.



91 EXPRESS LANES

Rush hour seemed as busy as ever last year.

Though unemployment was up last year, millions of people still went to work. And last year, millions of people still wanted to save time. In 2010, drivers took more than 12.7 million trips on the 91 Express Lanes, a 5.2 percent increase over 2009. Carpooling grew by 6.3 percent, with three or more people per vehicle taking 2.9 million trips in the HOV3+ lane. The 91 Express Lanes were a convenient way for Orange County and Inland Empire residents to get more time out of their day, while at the same time, enjoying a safer, more stress-free commute.





- Carpooling grew steadily by 6.3 percent, with three or more people per vehicle taking 2.9 million trips in the HOV3+ lane.
- OCTA invested \$1.8 million to upgrade the computers, transponder readers and toll plaza cameras used for toll collection.
- OCTA authorized \$1.2 million in 91 Express Lanes funds for the eastbound lane addition to the Riverside Freeway (SR-91) to help relieve congestion between the SR-241 and the SR-71.
- The major investment services *Moody's Investors Service*, *Fitch Ratings* and *Standard and Poor's* all gave the 91 Express Lanes high ratings.

12.7 Vehicle trips increased to 12.7 million, a 5.2 percent increase over the previous year.



BUS TRANSIT



Planning where the bus would go in 2010 began well before 2010.

As transit funding declined across the country last year, OCTA's foresight served us in good stead. Our timely heeding of the warning signs and our careful early planning were critical factors in being able to soften the blow. Despite the drastic reduction in funding, we were still able to keep the majority of bus routes intact. That was immeasurably important to those residents who relied on OCTA to provide them transportation to and from their jobs.



1.3

OCTA's ACCESS bus service for persons with disabilities provided 1.3 million passenger trips during the fiscal year.

- OCTA's fixed-route bus service recorded a total of 53.4 million trips during the past fiscal year.
- Through early action and cost-saving measures, OCTA was able to reduce bus service by 150,000 hours in March 2010 instead of the proposed 300,000 hours to adjust for the elimination of state funding and significant drops in sales tax and fare revenues.
- OCTA launched Text4Next, its award-winning text messaging program that lets bus customers use their cell phones to get the next three scheduled times the bus will arrive at their bus stop. In just six months, OCTA was texting an average of more than 150,000 schedules every month.
- The online eBusbook web page received more than 525,000 hits from customers looking for bus schedules online, and more than 77,000 customized eBusbooks were created, providing customers with only the specific route information they needed.
- More than 400 attended the Southern California Transit Forum, to explore issues surrounding the current transit funding crisis and offer solutions to protect the millions of impacted riders and industry employees statewide.



RAIL TRANSIT



24

By fiscal year end, 24 cities were participating in phase two of the Go Local program to enhance connections between Metrolink stations and surrounding communities through the use of bus, shuttle and fixed-guideway services.



Continuing to move toward the future.

If there's anything we've learned in all of our years keeping Orange County moving, it's that even in challenging times, we must continually look toward the future. Orange County will continue to grow, and as the economy improves, that growth may well be explosive. By continuing to plan for Metrolink service expansion, we continue to fulfill our mission of providing Orange County residents and commuters safe, efficient alternatives.

- A new pedestrian walkway was completed at the Tustin Metrolink station to provide passengers with easier access to the arrival and departure platforms. Construction began on a new parking structure that will provide approximately 850 new parking spaces.
- As part of the railroad crossing safety enhancement project, pedestrian gate foundations, sidewalk improvements, raised medians and pedestrian swing gates were completed for most crossings in Orange and Anaheim. 
- Turnback facilities were nearing completion at the Laguna Niguel and Fullerton stations. Track and signal improvements were also under way to prepare for increased Metrolink service between Fullerton and Laguna Niguel/Mission Viejo.
- The Anaheim Regional Transportation Intermodal Center (ARTIC) project received environmental clearance from the city of Anaheim and entered the design phase.



RIDESHARE AND VANPOOL

OCTA provides options for commuters who care about the environment.

2010 proved to be the year many people began to mitigate the effects of their carbon footprints by taking advantage of OCTA's Rideshare and Vanpool programs. The programs provide employers with easy commuting options to offer their employees, as we all work together to keep Orange County green.





16,000

OCTA provided ridematching information for nearly 16,000 commuters to help reduce the number of vehicles on Orange County highways.

- At the end of the fiscal year, 286 vanpools were enrolled in OCTA's vanpool program.
- Averaging 74.5 miles per day, OCTA vanpools logged more than 5.4 million miles, provided 848,747 passenger trips and saved 24.7 million vehicle miles traveled.
- OCTA helped 128 Orange County employers comply with local air quality regulations.
- Rideshare Week, a statewide effort to encourage commuters to give up driving alone and share the ride with fellow commuters, took place from October 5 through October 9. Orange County drew 10,952 participants, each of whom shared their commute an average of 4.9 days out of the week.
- Over 50 cyclists joined the OCTA Bike Rally on Friday, May 21, as Bike to Work Week activities came to a close. OCTA's CEO Will Kempton and Deputy CEO Darrell Johnson led the three-mile ride from the Orange Metrolink Station to OCTA Headquarters, where funding for bicycle and pedestrian improvement was announced. Bicycle commuters countywide pedaled over 20,000 miles that week, relieving congestion, helping the environment and staying fit at the same time.



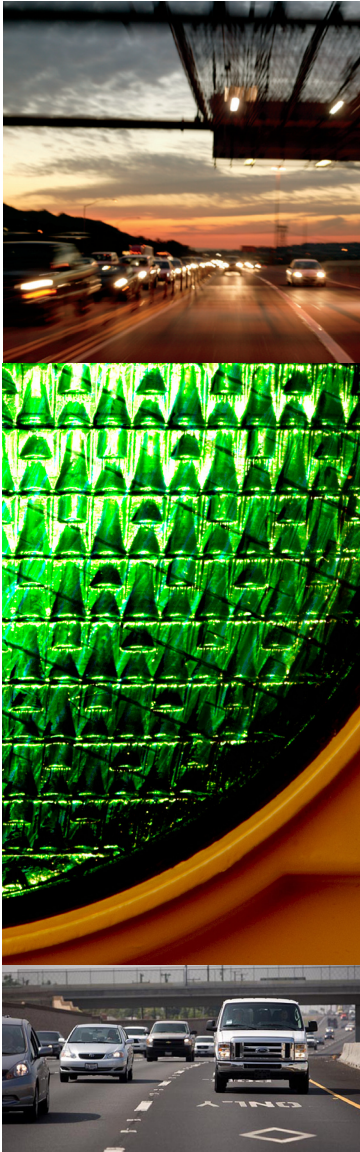


Statement of Net Assets (thousands)

June 30, 2010

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 534,677	\$ 218,478	\$ 753,155
Receivables:			
Interest	1,920	2,252	4,172
Operating grants	3,233	8,794	12,027
Capital grants	2,647	162	2,809
Other	111	10,284	10,395
Internal balances	9,197	(9,197)	-
Due from other governments	84,524	9,485	94,009
Condemnation deposits	1,682	-	1,682
Inventory	-	6,560	6,560
Restricted cash and investments:			
Cash equivalents	44,453	38,854	83,307
Investments	28,616	-	28,616
Prepaid retirement	4,024	14,436	18,460
Other assets	8,073	8,807	16,880
Assets held for resale	6,623	-	6,623
Capital assets, net:			
Nondepreciable	176,071	55,129	231,200
Depreciable and amortizable	4,060	420,329	424,389
Total Assets	909,911	784,373	1,694,284
Liabilities			
Accounts payable	27,196	20,294	47,490
Accrued payroll and related items	1,829	5,211	7,040
Accrued interest payable	1,755	8,910	10,665
Due to other governments	61,723	656	62,379
Unearned revenue	15,259	21,662	36,921
Other liabilities	59	438	497
Commercial paper notes	100,000	-	100,000
Derivative instrument liability	-	19,672	19,672
Noncurrent liabilities:			
Due within one year	85,171	17,798	102,969
Due in more than one year	113	167,151	167,264
Total Liabilities	293,105	261,792	554,897
Net Assets			
Invested in capital assets, net of related debt	180,131	331,460	511,591
Restricted for:			
Measure M program	184,772	-	184,772
Debt Service	109,655	6,877	116,532
Motorist services	9,178	-	9,178
Capital	-	10,116	10,116
Other purposes	-	3,226	3,226
Unrestricted	133,070	170,902	303,972
Total Net Assets	\$ 616,806	\$ 522,581	\$ 1,139,387

For the year ended June 30, 2010	Expenses	Indirect Expense Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Functions/Programs								
Primary government								
Governmental activities:								
General government	\$ 112,138	\$ (46,687)	\$ 121	\$ 27,196	\$ 5,559	\$ (32,575)	\$ -	\$ (32,575)
Measure M program	302,851	14,281	434	32,777	-	(283,921)	-	(283,921)
Motorist services	7,497	599	-	8,042	-	(54)	-	(54)
Commuter rail	29,395	620	574	-	2,720	(26,721)	-	(26,721)
Total governmental activities	451,881	(31,187)	1,129	68,015	8,279	(343,271)	-	(343,271)
Business-type activities:								
Fixed route	210,526	29,052	48,776	82,705	1,641	-	(106,456)	(106,456)
Paratransit	42,999	-	6,568	5,853	200	-	(30,378)	(30,378)
Tollroad	33,713	1,965	43,009	39	-	-	7,370	7,370
Taxicab administration	344	170	565	-	-	-	51	51
Total business-type activities	287,582	31,187	98,918	88,597	1,841	-	(129,413)	(129,413)
Total primary government	\$ 739,463	\$ -	\$ 100,047	\$ 156,612	\$ 10,120	(343,271)	(129,413)	(472,684)
General revenues:								
Property taxes						-	10,220	10,220
Sales taxes						326,005	-	326,005
Unrestricted investment earnings						17,325	4,184	21,509
Other miscellaneous revenue						328	207	535
Transfers						(75,038)	75,038	-
Total general revenues and transfers						268,620	89,649	358,269
Change in net assets						(74,651)	(39,764)	(114,415)
Net assets - beginning, as restated						691,457	562,345	1,253,802
Net assets - ending						\$ 616,806	\$ 522,581	\$ 1,139,387



Statement of Cash Flows - Proprietary Funds (thousands)

	Enterprise Funds				
	OCTD	91 Express Lanes	Non-major Enterprise Funds	Totals	Internal Service Funds
For the year ended June 30, 2010					
Cash flows from operating activities:					
Receipts from customers and users	\$ 50,542	\$ 42,922	\$ 570	\$ 94,034	\$ -
Receipts from interfund services provided	-	-	-	-	6,122
Payments to suppliers	(88,092)	(11,403)	(139)	(99,634)	(1,991)
Payments to claimants	(3)	-	-	(3)	(10,059)
Payments to employees	(123,608)	-	(237)	(123,845)	-
Payments for interfund services used	(28,862)	(1,965)	(170)	(30,997)	(190)
Advertising revenue received	2,966	-	-	2,966	-
Miscellaneous revenue received	810	85	1	896	616
Net cash provided by (used for) operating activities	(186,247)	29,639	25	(156,583)	(5,502)
Cash flows from non-capital financing activities:					
Gas tax exchange received	22,186	-	-	22,186	-
Federal operating assistance grants received	86,964	39	-	87,003	-
Property taxes received	10,220	-	-	10,220	-
Transfers from other funds	119,551	-	1	119,552	-
Transfers to other funds	(28,603)	(1,283)	(14,000)	(43,886)	(996)
Repayment of advances from other funds	-	(17,000)	-	(17,000)	-
Net cash provided by (used for) non capital financing activities	210,318	(18,244)	(13,999)	178,075	(996)
Cash flows from capital and related financing activities:					
Federal capital grants for acquisition and construction of capital assets	10,150	-	-	10,150	-
Proceeds from sale of capital assets	504	-	-	504	-
Principal payment on long-term debt	(3,417)	(4,514)	-	(7,931)	-
Interest paid on long-term debt	(395)	(8,264)	-	(8,659)	-
Acquisition and construction of capital assets	(3,605)	(1,250)	-	(4,855)	-
Net cash provided by (used for) capital and related financing activities	3,237	(14,028)	-	(10,791)	-
Cash flows from investing activities:					
Investment earnings	5,441	1,395	695	7,531	1,342
Net cash provided by investing activities	5,441	1,395	695	7,531	1,342
Net increase (decrease) in cash and cash equivalents	32,749	(1,238)	(13,279)	18,232	(5,156)
Cash and cash equivalents at beginning of year	93,203	81,333	27,306	201,842	42,414
Cash and cash equivalents at end of year	\$ 125,952	\$ 80,095	\$ 14,027	\$ 220,074	\$ 37,258
Non-cash capital, financing and investing activities:					
Increase in interest expense incurred on advances from other funds	-	1,226	-	1,226	-
Increase in investment loss on derivative instrument	-	4,781	-	4,781	-
Amortization of bond premium	-	252	-	252	-
Amortization of bond deferred charges	-	1,068	-	1,068	-

For the year ended June 30, 2010	Enterprise Funds				
	OCTD	91 Express Lanes	Non-major Enterprise Funds	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ (228,956)	\$ 20,606	\$ 25	\$ (208,325)	\$ (1,480)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:					
Depreciation expense	37,375	1,741	-	39,116	-
Amortization of franchise agreement	-	7,331	-	7,331	-
Amortization of cost of issuance	-	142	-	142	-
Amortization of prepaid retirement	13,624	-	34	13,658	-
Advertising revenue	2,976	-	-	2,976	-
Miscellaneous	809	85	1	895	-
Insurance recoveries	-	-	-	-	616
Change in assets and liabilities:					
Other receivables	(543)	(48)	17	(574)	(161)
Due from other governments	-	-	(12)	(12)	-
Inventory	895	-	-	895	-
Prepaid retirement	(13,125)	-	(34)	(13,159)	-
Other assets	-	30	-	30	55
Accounts payable	643	(251)	1	393	(163)
Accrued payroll and related items	234	-	-	234	-
Compensated absences	(319)	-	(5)	(324)	-
Claims payable	-	-	-	-	(4,369)
Due to other governments	138	42	(2)	178	-
Unearned revenue	1	(24)	-	(23)	-
Other liabilities	1	(15)	-	(14)	-
Total adjustments	42,709	9,033	-	51,742	(4,022)
Net cash provided by (used for) operating activities	\$ (186,247)	\$ 29,639	\$ 25	(156,583)	(5,502)
Reconciliation of cash and cash equivalents to statement of net assets					
Cash and investments	\$ 125,952	\$ 41,241	\$ 14,027	181,220	37,258
Restricted cash and cash equivalents	-	38,854	-	38,854	-
Total cash and cash equivalents	\$ 125,952	\$ 80,095	\$ 14,027	\$ 220,074	\$ 37,258

Fiscal Year 2010		TOTAL
City		FY 2010
Aliso Viejo	\$	370,445.14
Anaheim		3,401,476.24
Brea		551,759.50
Buena Park		918,773.72
Costa Mesa		1,425,312.54
Cypress		557,217.38
Dana Point		337,237.66
Fountain Valley		638,507.63
Fullerton		1,292,410.30
Garden Grove		1,491,237.72
Huntington Beach		1,936,071.02
Irvine		2,474,139.04
Laguna Beach		261,178.68
Laguna Hills		360,153.28
Laguna Niguel		689,246.59
Laguna Woods		139,879.39
La Habra		543,652.46
Lake Forest		784,229.17
La Palma		203,336.95
Los Alamitos		132,927.86
Mission Viejo		963,648.10
Newport Beach		1,071,929.96
Orange		1,656,625.32
Placentia		473,464.16
Rancho Santa Margarita		430,384.87
San Clemente		568,867.89
San Juan Capistrano		384,696.66
Santa Ana		2,914,200.63
Seal Beach		262,245.42
Stanton		301,007.07
Tustin		848,148.36
Villa Park		53,983.61
Westminster		871,789.55
Yorba Linda		598,921.67
County Unincorporated		1,780,342.92
Totals	\$	31,689,448.46

2011 Board of Directors

Patricia Bates	Chair
Paul G. Glaab	Vice Chair
Jerry Amante	Director
Don Bankhead	Director
Peter Buffa	Director
Bill Campbell	Director
Carolyn V. Cavecche	Director
Larry Crandall	Director
William J. Dalton	Director
Don Hansen	Director
Peter Herzog	Director
John Moorlach	Director
Shawn Nelson	Director
Janet Nguyen	Director
Miguel Pulido	Director
Tom Tait	Director
Gregory T. Winterbottom	Director
Cindy Quon	Governor's Ex-Officio Member

Chief Executive Office

Will Kempton	Chief Executive Officer
--------------	-------------------------

Orange County Transportation Authority

550 S. Main Street
P.O. Box 14184
Orange, CA 92863-1584
(714) 560-OCTA (6282)
www.octa.net

