



Measure M
Taxpayers Oversight Committee
at the Orange County Transportation Authority
600 S. Main Street, Orange CA
August 11, 2009
6:00 p.m.



AGENDA

- 1. Welcome**
- 2. Pledge of Allegiance**
- 3. Approval of Minutes/Attendance Report for June 16, 2009**
- 4. Chairman's Report**
- 5. Action Items – none**
- 6. Presentation Items**
 - A. Revenue Forecast
Presentation – Ken Phipps, Acting Executive Director, Finance and Administration
 - B. Freeway Program Update
Presentation – Tom Bogard, Director, Highway Project Delivery
 - C. Combined Transportation Funding Programs (CTFP) Update
Presentation – Roger Lopez, Manager, Local Measure M Programs
 - D. Smart Street Update
Presentation – Roger Lopez, Manager, Local Measure M Programs
- 7. Growth Management Subcommittee Report**
- 8. Audit Subcommittee Report**
- 9. Committee Member Reports**
- 10. OCTA Staff Update**
- 11. Public Comments***
- 12. Next Meeting Date – October 13, 2009**
- 13. Adjournment**

*Public Comments: At this time, members of the public may address the Taxpayers 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 five (5) minutes per person and 20 minutes for all comments, unless different time limits are set by the Chairman, subject to the approval of the TOC.

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

3.

**APPROVAL OF MINUTES/
ATTENDANCE REPORT FOR
JUNE 16, 2009**

Measure M Taxpayers Oversight Committee

**June 16, 2009
Meeting Minutes**

Committee Members Present:

David Sundstrom, County Auditor-Controller, Chairman
Narinder Mahal, First District Representative
Charles Smith, First District Representative
Howard Mirowitz, Second District Representative
Gilbert Ishizu, Second District Representative
C. James Hillquist, Third District Representative
Edgar Wylie, Third District Representative
Frederick Von Coelin, Fourth District Representative
Rose Coffin, Fourth District Representative
James Kelly, Fifth District Representative
Hamid Bahadori, Fifth District Representative

Committee Members Absent:

No members were absent

Orange County Transportation Authority Staff Present:

Ellen Burton, Executive Director of External Affairs
Monica Giron, Transportation Analyst
Janice Kadlec, Public Reporter
Roger Lopez, Project Delivery Section Manager
Kia Mortazavi, Executive Director of Development
Andy Oftelie, Measure M Program Office Acting Director
Tresa Oliveri, Transportation Analyst
Ken Phipps, Interim Executive Director of Finance and Administration
Alice Rogan, Community Relations Officer
David Simpson, Principal Local Government Relations Representative

Guests

Paul Rodriguez, Urban Crossroads

1. Welcome

Chairman David Sundstrom welcomed everyone to the meeting.

2. Pledge of Allegiance

Chairman David Sundstrom led everyone in the pledge of allegiance.

3. Approval of Minutes/Attendance Report for April 14 2009

Chairman David Sundstrom asked if there were any additions or corrections to the April 14, 2009 minutes and attendance report. There were no corrections requested. A motion was made by Charles Smith and seconded by Edgar Wylie to approve the April 14, 2009 minutes and attendance report as presented. The motion passed unanimously.

4. Chairman's Report

Chairman David Sundstrom said he had nothing to report at this time. Committee member Hamid Bahadori congratulated Chairman Sundstrom on his appointment to the national Government Accounting Standards Board (GASB).

5. Co-Chair Election

Chairman David Sundstrom asked for nominations for the TOC Co-Chair position. Chairman Sundstrom nominated committee member Rose Coffin for the position. There were no further nominations. A motion was made by Chairman Sundstrom and seconded by Edgar Wylie to appoint Rose Coffin as the Co-Chair of the TOC.

6. Subcommittee Selection

The following committee members were selected for subcommittee positions:

Audit Subcommittee

Chairman David Sundstrom
Howard Mirowitz
C. James Hillquist
Vacant
Vacant

Growth Management Subcommittee

Hamid Bahadori
Edgar Wylie
Charles Smith
Vacant
Vacant

Environmental Oversight Committee

Rose Coffin

Alice Rogan said four new members would be selected to the TOC next week and they will fill the vacant positions on the subcommittees.

7. Action Items

A. Quarterly Measure M Revenue and Expenditure Report – March 2009

Ken Phipps gave a brief overview of the Quarterly Measure M Revenue and Expenditure Report – March 2009. Ken said he would not spend a great deal of time on the report because it is already obsolete. Unfortunately sales tax revenues continue to decline and the numbers in the March report do not reflect the current status.

A motion was made by Gilbert Ishizu and seconded by Edgar Wylie to receive and file the Quarterly Measure M Revenue and Expenditure Report – March 2009. The motion passed unanimously.

8. Presentation Items

A. Sales Tax Forecast Update

Ken Phipps presented an update on the sales tax forecast. Ken's presentation included sales tax reports from the State Board of Equalization (SBOE); a sales tax net cash receipts analysis (Bradley Burns 1%); and Measure M Sales Tax Extension Revenue Forecasts. In conclusion Ken presented a graph comparing the Renewed Measure M Sales Tax forecasts 2005 versus 2009. The current forecast indicated a \$9.6 billion expected drop in sales tax revenues as compared to the 2005 forecast.

Committee member Hamid Bahadori asked how reliable are the SBOE forecasts? Ken said the SBOE forecasts have recently proven more reliable than the University forecasts usually used. Currently OCTA is relying on the SBOE forecast through fiscal year 2011 and the SBOE forecast indicates the recession will last longer and go deeper.

Chairman David Sundstrom asked why are the Universities' (Chapman, UCLA, and Cal State Fullerton) and SBOE forecasts not the same? Ken said OCTA is using the long term Universities' forecast after 2011, but in the short term, the SBOE forecast is being used.

Committee member James Hillquist asked if there was a Measure M1 revenue forecast to actual comparison graph. Ken said the Measure M1 revenue forecast to actual was just about dead on; there was only one negative year right after 9/11. In order to get the M2 revenue stream back to the original forecast amount of \$24.3 billion, the sales tax revenue would have to experience over a 7% growth for all thirty years.

Chairman David Sundstrom asked what the OCTA Board is doing with the Early Action Plan, are they looking to revise it? Ken said there would be a Metrolink report later in the meeting, but M1 money was used to fund the capital program and M2 money was slated for operations. Both programs have changed dramatically. The Freeway side of the program will be revisited. Unexpected Stimulus money came in, Prop 1B was not anticipated, some State money is still available, and there will also be Federal money. OCTA is looking to cut bus service by close to 30%.

Narinder Mahal asked if there was a risk the State would try and grab M2 money. Chairman David Sundstrom said Measure M money cannot be touched. They will probably grab as much State transportation money as they can.

B. Metrolink Program Assumptions

Andy Oftelie presented an update on the Metrolink Program Assumptions. In 2005, the OCTA Board of Directors officially canceled the Measure M1 Centerline project and reallocated the revenue from this program to Metrolink. The general strategy at the time was to use M1 money to provide rolling stock and make the capital improvements needed to expand Metrolink. M2 was to provide operating funds to sustain the new service. Andy said there is enough money to fund the capital program, but, because of the decreased revenue stream, the expansion program will need to be cut back from an increase of 32 trains per day to an increase of 14 trains per day.

Chairman David Sundstrom asked is OCTA had explored canceling some of the orders for rolling stock? Andy said all the rolling stock has been purchased. This will create an issue at some point about trains that won't be in service, but OCTA is exploring options and there may be potential to lease the trains to other agencies.

Committee member Charles Smith asked if the expanded service would need track upgrades? Andy said yes, the increased service would entail buying right-of-way and doing track repair. Kia Mortazavi said most of the proposed expansion is possible within the existing right-of-way.

Committee member Hamid Bahadori said assuming High Speed Rail will be coming to Orange County, how much of the track improvement can wait to be added to this project. Kia said Metrolink improvements could be made within the existing right-of-way. High Speed Rail will require additional track regardless.

Committee member Hamid Bahadori asked if there is an opportunity to get money from the TIGER program? Kia said the TIGER program is \$1.5 billion national grant program; the maximum for any state is \$300 million, but it is unlikely any one state will get that amount. OCTA is looking at this program along with the High Speed Rail stimulus money.

Committee member James Hillquist asked if there really was a need for an increase to 76 trains per day; maybe the number should have been 68 trains per day? Andy said it is possible the increase to 76 trains will not be necessary, but going from 44 to 56 trains would have been a good scenario regardless of how much money was available based on the ridership figures. OCTA plans to keep aware of increases in ridership demands for opportunities for future increases.

Committee member James Hillquist asked if OCTA is predicting relief from decreases in supplies, parts, and construction? Andy said there may be some relief in the Freeway Program but it is not anticipated for the Metrolink Program.

C. Project T+ Overview

Roger Lopez gave an overview of the status Project T+ program. The focus of the program is to create regional gateways to High Speed Rail.

Committee member Hamid Bahadori asked if the cities of Irvine and Anaheim understand the program is not fully funded. Roger said yes, they are expanding the transit center with the option of High Speed Rail coming in. Committee member Hamid Bahadori said High Speed Rail is having a very hard time getting a good reception. Roger said the criteria staff was given by the OCTA Board of Directors was to plan for either designated or proposed rail service and High Speed Rail is still on the table.

D. M2 Eligibility Process

Tresa Oliveri introduced Monica Giron who will be assisting with the Growth Management Plan (GMP) Subcommittee in the eligibility determination process. Monica gave a status report on the eligibility process and changes for the new year. Monica reported along with the standard requirements of Maintenance of Effort (MOE), Capital Improvement Plan (CIP), compliance with the Master Plan of Arterial Highways (MPAH), and program Audit, M2 GMP will require a Congestion Management Plan (CMP), Signal Synchronization Plan, and an Expenditure Plan.

Committee member Hamid Bahadori asked what the process was for taking the guidance manual to the Board? Also has OCTA developed a standard Signal Synchronization Plan? Monica said the object is to have everyone use the same software and staff has used OCTA's Information Systems Department to devise software that would be compatible to all cities. Kia Mortazavi said OCTA did its own independent assessment of the standard programs available. They looked into one management program that served the needs of a cross section of cities both small and large. With respect to the Signal Master Plan, OCTA is developing a master plan, once the plan is developed the standards will be set from the plan.

9. Growth Management Subcommittee Report

There was nothing to report from the Growth Management Subcommittee

10. Audit Subcommittee Report

Chairman David Sundstrom gave an overview of the recent Audit Subcommittee meeting. The primary item discussed was the District Attorney's inquiry into the On Track project in Placentia. Supplemental to this was the use of M2 funds as spent by the On Tract Program. Specifically, Placentia's use of a Certificate of Participation (COPs) note secured by future Measure M2 revenues. The investigator does not seem to think this is appropriate. OCTA Legal Counsel was at the Audit Committee meeting and said Measure M is silent to this and it would not have been considered an inappropriate move on the part of the City of Placentia. The Audit Committee asked to have a recommendation forwarded to the Board of Directors to establish a policy in the area of loans, advances, and the appropriateness of interest being charged. Chairman Sundstrom also suggested staff write to the District Attorney from the Board regarding this issue to make sure the County understood what their investigators are doing.

Alice Rogan said the Board of Directors did ask staff to seek amendments to the Measure M Ordinance clarifying policy if necessary.

Committee member Howard Mirowitz asked if the response would be from the TOC? Chairman Sundstrom said the TOC would not respond as a committee.

Committee member James Hillquist asked what the Board was going to respond to? Alice said there are two actions being requested: 1) a policy clarification from the Board, and 2) the OCTA auditor send a letter to the District Attorney. Chairman Sundstrom said he would rather have the letter to the District Attorney from the OCTA CEO.

Committee member James Hillquist asked if the TOC would be copied? Alice said she would send a draft copy to the Audit Subcommittee members. Chairman Sundstrom suggested sending the draft copy to the all TOC members.

Chairman David Sundstrom said the Audit Subcommittee also discussed the Triennial Audit and the report on turnback balances, specifically the excess balance by the City of Costa Mesa.

11. Committee Member Reports

There were no Committee Member Reports.

12. OCTA Staff Update

Alice reported this would be the last meeting for Narinder Mahal, Gilbert Ishizu, Frederick Von Coelin, and James Kelly. She reported James Kelly has reapplied to the TOC and if selected, will be back. The selection will be made on Monday, June 22, at the OCTA Board meeting.

Committee member James Kelly said he enjoyed his time on the TOC. He developed a tremendous respect for OCTA; he felt the OCTA staff was very professional and committed to their jobs. He felt the TOC members have done a remarkable job.

13. Public Comments

No one from the public spoke.

14. Adjournment to next meeting – August 11, 2009



Taxpayers Oversight Committee Fiscal Year 2008-2009 Attendance Record



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

Meeting Date	8-Jul	12-Aug	9-Sep	14-Oct	11-Nov	9-Dec	13-Jan	10-Feb	10-Mar	14-Apr	12-May	16-Jun
Hamid Bahadori		E		X		X		X		X		X
Rose Coffin		X		X		X		X		E		X
C. James Hillquist		X		E		X		X		E		X
Gilbert Ishizu		X		X		X		E		X		X
James Kelly		X		X		X		X		X		X
Narinder Mahal		X		X		X		X		X		X
Howard Mirowitz		X		X		X		X		X		X
Chuck Smith		X		X		X		E		X		X
David Sundstrom		X		X		X		X		E		X
Edgar Wylie		X		X		X		X		X		X
Frederick von Coelin		X		X		X		X		X		X

Absences Pending Approval

Meeting Date Name Reason

6.

PRESENTATION ITEMS



BOARD COMMITTEE TRANSMITTAL

July 27, 2009

To: Members of the Board of Directors

From: *JK* Wendy Knowles, Clerk of the Board

Subject: Combined Transportation Funding Program – March 2009
Semi-Annual Review

Highways Committee Meeting of July 20, 2009

Present: Directors Amante, Cavecche, Dixon, Green, Mansoor, Norby,
and Pringle

Absent: Director Glaab

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Approve adjustments to the Combined Transportation Funding Program project allocations as presented.



July 20, 2009

To: Highways Committee

From: James Kenan, Interim Chief Executive Officer 

Subject: Combined Transportation Funding Program – March 2009
Semi-Annual Review

Overview

The Orange County Transportation Authority recently completed the semi-annual review of projects funded through the Combined Transportation Funding Program. This process reviews the status of grant-funded streets and roads projects and provides an opportunity for local agencies to update project information. The requested changes and recommendations are provided for Board of Directors' review and approval.

Recommendation

Approve adjustments to the Combined Transportation Funding Program project allocations as presented.

Background

The Combined Transportation Funding Program (CTFP) is the mechanism the Orange County Transportation Authority (OCTA) uses to administer funding for streets and roads projects throughout Orange County. The CTFP contains a variety of funding programs and sources including Measure M local and regional streets and roads revenues, as well as federal Regional Surface Transportation Program (RSTP) funds. The CTFP provides local agencies with a comprehensive set of guidelines for administration and delivery of various transportation funding grants.

Consistent with the CTFP guidelines, OCTA staff meets with representatives from all local agencies twice each year to review the status of projects and proposed changes. This process is commonly referred to as the semi-annual review (SAR). The goals of the SAR process are to review project status, determine the continued viability of projects, and address local agency issues.

In an effort to improve timely delivery of Measure M project allocations the OCTA Board of Directors (Board) adopted a time extension policy in November 2004. Since federal RSTP funds are programmed by OCTA and administered through the state, projects funded with RSTP funds are governed by state and federal timely use provisions requiring funds to be obligated within the programmed year. Therefore, OCTA has very limited flexibility in accommodating delay or advancement requests for these projects.

Since 1991, OCTA has competitively awarded approximately \$705 million in Measure M funds and approximately \$339.3 million of federal RSTP funds to local agencies through the CTFP program. These projects are programmed for fiscal years 1992-93 through 2010-11. The federal programming amount has been adjusted since the last SAR to include all of the rehabilitation projects from 1995 forward. Previous SAR reports included only federally-funded rehabilitation allocations from 2005 forward.

Discussion

During the March 2009 SAR, 19 agencies requested 80 various adjustments to Measure M-funded and RSTP-funded projects. Detailed information for requested changes, justifications, and project details are shown in Attachment A. These changes were reviewed and recommended for approval by the Technical Advisory Committee on June 24, 2009. Staff recommends Board approval as described in Attachment A.

During the SAR, the status of all projects is reviewed. Projects may fall into four categories. Current allocations by status are outlined in the table below:

Status	Definition	Measure M Allocations (millions)	RSTP Allocations (millions)
Completed	Project work is complete, final report is filed, approved, and the final payment has been made.	\$ 389.5	\$ 239.9
Pending	Project work has been completed and only final report submittal/approval is pending.	49.0	31.9
Started	Project has begun and the funds have been obligated.	95.7	38.2
Planned	Projects are planned but have not entered the program year or a delay has been requested.	171.1	29.3
	TOTAL PROJECT ALLOCATIONS	\$ 705.3	\$ 339.3

In summary, requested adjustments to Measure M-funded projects include the following:

- Three project allocations, totaling \$465,000, requested project advancement
- Thirteen project allocations, totaling \$2,001,003, requested cancellation
- Seven new project allocations, totaling \$950,827, were requested
- Forty-one project allocations, totaling \$14.4 million, requested a project delay
- Fourteen miscellaneous project allocation adjustments were requested. These included transferring funds between project phases, changes in lead agency status, and minor revisions to project scope

The frequent project delay requests that occur during the SAR have been recognized as a concern. With less than three years until the CTFP contract award deadline of March 31, 2011, an intensive effort was made to work with the local agencies on realistically assessing the continued viability of projects on which delay requests were being made. Additionally, much discussion went into the specific issues that caused the delay requests and how these could be mitigated. This was done in an effort to minimize the delay requests received as part of the SAR and to ensure that the program continues to deliver projects as promised.

Through these discussions, the grounds for the 41 delay requests that were made as part of the current SAR were reviewed and discussed with each local agency. The following provides an explanation of these requests as reported by the agencies.

- Eighteen delay requests to allow local agencies to coordinate the project with utility companies, other local projects, and other agencies
- Four delay requests for additional time to acquire right-of-way (ROW)
- Eleven delay requests to allow the local agency to address budget constraints and/or obtain additional funding
- Eight delay requests to allow local agencies to receive the California Department of Transportation's approval to proceed

Staff performed a detailed review of each of these requests with the respective local agencies and recommends the approval of all changes. This recommendation is based on the delivery commitments made by the local agencies in question, as well as understanding of the project issues involved. The requested changes are consistent with CTFP program guidelines and the Board-approved time extension policy. All delay requests are subject to approval by each jurisdiction's council and the OCTA Board.

Less than two years remain until the March 2011 obligation deadline. Approximately \$171 million in planned allocations remain. If project delay requests continue to be an issue, staff will return to the Board after the September SAR with specific actions to address this.

Adjustments for federal RSTP-funded projects are governed by state and federal timely use requirements. As previously stated, OCTA has limited ability to grant time extensions to these projects due to the strict state and federal “use it or lose it” provisions associated with these programs. As such, time extension and change requests for RSTP-funded projects may be accommodated on a case-by-case basis.

Recommended adjustments to federally funded projects include:

- One RSTP-funded Master Plan of Arterial Highways (MPAH) project requested a funds transfer from construction to ROW
- One RSTP-funded MPAH project requested a one year delay

Summary

OCTA has recently completed a semi-annual review of projects funded through the CTFP. In total, 19 agencies requested 80 project allocation adjustments. The next semi-annual review is scheduled for September 2009. Staff recommends approval of the adjustments to the CTFP project allocations as presented.

Attachment

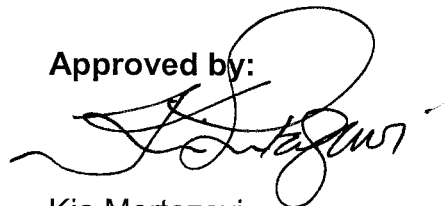
- A. Combined Transportation Funding Program - March 2009 Semi-Annual Review Adjustment Requests

Prepared by:



Roger M. Lopez
Section Manager, Project Delivery
(714) 560-5438

Approved by:



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

**Combined Transportation Funding Program
March 2009 Semi-Annual Review Adjustment Requests**

Agency	Project #	Program	Project Title	Phase	Current FY	Months	Proposed FY	Amount	Action Request	Proposed Amount	Reason
Request For Advance											
BUENA PARK	08-BPRK-GMA-3050	GMA	Beach Boulevard/Riverside Freeway (State Route 91) Eastbound Ramp Widening	C	10/11	12	09/10	\$90,000.00	ADVANCE	\$90,000.00	City is requesting to advance the construction phase from fiscal year (FY) 10/11 to FY 09/10. Advance funding will enable the City to maximize all the funding sources. Previous allocation for this project is 08-BPRK-RIP-2656. Letter submitted to the Elected Officials.
DANA POINT	00-DPNT-GMA-3058	GMA	Pacific Coast Highway Improvements (Town Center)	E	09/10	12	08/09	\$125,000.00	ADVANCE	\$125,000.00	The City has finalized the Town Center Specific Plan and secured Coastal Commission approval, but only in recent months. Immediately following the approval, the City's design consultants and City staff have embarked on the preliminary design, and obtained Council approval on March 31, 2009, to begin the final design process.
Sub-Total GMA Program Advance (2)											\$215,000.00
NEWPORT BEACH	08-NBCH-SIP-2999	SIP	Airport Area Traffic Signal Modernization Project	C	09/10	12	08/09	\$250,000.00	ADVANCE	\$250,000.00	Construction was combined with Jamboree Road Corridor Project (08-NBCH-SIP-2975). Request to be pulled forward into FY 2008-2009.
Sub-Total SIP Program Advance (1)											\$250,000.00
Advance - Total All Measure M Programs (3)											\$465,000.00
Request For Delay											
ALISO VIEJO	05-ALSO-GMA-2328	GMA	Aliso Creek and Pacific Park Intersection	C	08/09	12	09/10	\$240,000.00	DELAY	\$240,000.00	Project delay is due to necessity to relocate utilities discovered during the design phase.
ANAHEIM	05-ANAH-GMA-2705	GMA	Broadway East Interactive Traffic System (ITS) - Loara Street to East Street	C	08/09	12	09/10	\$60,000.00	DELAY	\$60,000.00	Project start was delayed due to budget constraint. Growth Management Area (GMA) match to State Improvement Plan (SIP) funding - updated to FY 09/10 in current Capital Improvement Program (CIP).
ANAHEIM	05-ANAH-GMA-2706	GMA	Brookhurst Street ITS - Falmouth Avenue to Ball Road	C	08/09	12	09/10	\$100,000.00	DELAY	\$100,000.00	Project start was delayed due to budget constraint. Project updated in CIP for FY 09/10. Design already started. GMA match to approved SIP project.
ANAHEIM	08-ANAH-GMA-3010	GMA	Southern California Edison (SCE) Right-of-Way (ROW) Bike Path - La Palma to Cerritos	E	08/09	12	09/10	\$50,000.00	DELAY	\$50,000.00	City's Transportation Demand Management (TDM) application for this project was not funded. Safe route to school and bicycle transit account applications for funding and construction phases are pending approval July 2009. GMA allocation of \$50,000 is not adequate to start the design phase - potential in-house design.
ANAHEIM	05-ANAH-GMA-2707	GMA	Knot Avenue ITS - Ball Road to Crescent Avenue	C	08/09	12	09/10	\$100,000.00	DELAY	\$100,000.00	Project start was delayed due to budget constraint. Project updated in CIP for FY 09/10. Design already started. GMA match to approved SIP project.
ANAHEIM	08-ANAH-GMA-3022	GMA	Railroad Crossings Safety Improvements	C	08/09	12	09/10	\$200,000.00	DELAY	\$200,000.00	Issuance of notice to proceed (NTP) to the contractor was delayed by OCTA/Metrolink. City's construction match is moved to July 09 reflecting this postponement.
BREA	03-BREA-GMA-1029	GMA	Rose Drive Widening Preliminary Engineering	E	08/09	12	09/10	\$30,000.00	DELAY	\$30,000.00	Waiting for approval of as-needed engineering consulting firms to perform the current and proposed CIP for the City of Brea. Council approval is scheduled for June 2009. In addition, the City intends to incorporate this preliminary engineering study with the final engineering phase of the Rose Drive widening.
BREA	08-BREA-GMA-3053	GMA	Rose Drive Widening	E	08/09	12	09/10	\$300,000.00	DELAY	\$300,000.00	Waiting for the approval of as-needed engineering consulting firms to perform the current and proposed CIP for the City of Brea. Council approval is scheduled for June 2009. In addition, the City intends to incorporate this final engineering study with the preliminary engineering phase of the Rose Drive widening.
BUENA PARK	05-BPRK-GMA-2739	GMA	Beach Boulevard/Malvern Avenue/La Mirada Improvements	C	07/08	24	09/10	\$120,000.00	DELAY	\$120,000.00	Additional time needed to obtain the California Department of Transportation (Caltrans) permit. City is requesting to delay the construction phase from FY 07/08 to FY 09/10.
BUENA PARK	08-BPRK-GMA-3024	GMA	Beach Boulevard/Malvern Avenue-La Mirada Intersection Improvements	C	08/09	24	10/11	\$245,000.00	DELAY	\$245,000.00	Additional time needed to obtain Caltrans permit. City is requesting to delay the construction phase from FY 08/09 to FY 10/11.
BUENA PARK	05-BPRK-GMA-2750	GMA	Bus Bays on Beach Boulevard (Santa Ana Freeway (Interstate 5) to Rosecrans Avenue)	C	08/09	24	10/11	\$58,000.00	DELAY	\$58,000.00	City is requesting to delay the construction phase from FY 08/09 to FY 10/11 in order to combine the construction of two bus bays projects together.

**Combined Transportation Funding Program
March 2009 Semi-Annual Review Adjustment Requests**

Agency	Project #	Program	Project Title	Phase	Current FY	Months	Proposed FY	Amount	Action Request	Proposed Amount	Reason
IRVINE	05-IRVN-GMA-1116	GMA	Barranca Parkway/Redhill Avenue Intersection	C	08/09	12	09/10	\$200,000.00	DELAY	\$200,000.00	This extension is requested due to additional required ROW coordination with SCE resulting in a revised ROW completion date of November 2009. The right of way process has also been lengthened due to negotiation with 3 separate property owners. With this extension the construction contract will be awarded prior to June 30, 2010. The City Council approved CIP will be submitted to OCTA to indicate programmed funds in FY 2009/10.
IRVINE	99-LHLL-GMA-1100	GMA	Barranca Parkway/Dyer Road Intersection and Redhill Avenue	C	08/09	12	09/10	\$125,000.00	DELAY	\$125,000.00	This extension is requested due to additional required right of way coordination with SCE resulting in a revised ROW completion date of November 2009. The ROW process has also been lengthened due to negotiation with 3 separate property owners. With this extension the construction contract will be awarded prior to June 30, 2010. The City Council approved CIP will be submitted to OCTA to indicate programmed funds in FY 2009/10.
LA HABRA	99-LHAB-GMA-1114	GMA	Harbor Boulevard at Lambert Road Intersection Widening	E	08/09	12	09/10	\$151,000.00	DELAY	\$151,000.00	The \$151,000 from City of Fullerton was listed by mistake in the FY 08/09 construction phase. The City can't construct the project before completing the design and acquire the ROW. Therefore, the City is requesting that GMA 1 change it to the engineering phase for FY 09/10.
LAGUNA HILLS	05-LHLL-GMA-2120	GMA	La Paz Road at Interstate 5 (I-5)	C	08/09	13	09/10	\$100,000.00	DELAY	\$100,000.00	Due to the fact that this project is under Caltrans oversight, there have been substantial delays for plan approvals. The plans are currently near approval, and the City plans to go to bid for this project in Fall 2009. Award of contract is anticipated in December 2009.
COUNTY OF ORANGE	07-ORCO-GMA-2834	GMA	Oso Parkway/Antonio Parkway Intersection Improvement	E	08/09	24	10/11	\$280,000.00	DELAY	\$280,000.00	County is waiting the outcome of the Foothill Transportation Corridor (State Route 241) project that is in the environmental stage - it impacts proposed improvements at this intersection.
ORANGE	08-ORNG-GMA-3056	GMA	Chapman Avenue/Cannon Street Traffic Signal Upgrade	C	08/09	12	09/10	\$43,000.00	DELAY	\$43,000.00	Coordination of rehabilitation project improvements will affect signal work. Request delay of construction to FY 09/10.
ORANGE	03-ORNG-GMA-1185	GMA	Main Street Widening (Culver Road to 260 N/O Palmyra Avenue)	R	08/09	12	09/10	\$114,000.00	DELAY	\$114,000.00	Environmental certification expected May 2009. Request delay in construction to FY 10/11. Delay is requested due to expected length of upcoming ROW phase. Project includes the partial take of 17 different properties. The appraisal, negotiation, and purchase of the 17 properties is expected to be completed in May 2010, pushing the construction phase to FY 10/11.
PLACENTIA	05-PLAC-GMA-2548	GMA	Richfield Road Widening	C	08/09	12	09/10	\$80,000.00	DELAY	\$80,000.00	The project includes Regional Surface Transportation Program (RSTP) funding and requires a change in the Regional Transportation Improvement Program (RTIP). The RTIP did not fully address what is actually in the field and the City has requested OCTA change the project description in the RTIP. The project description change is currently pending, causing the environmental approval process through Caltrans to be delayed.
SAN JUAN CAPISTRANO	08-SJCP-GMA-3072	GMA	Junipero Serra/Rancho Viejo Road Project	C	08/09	12	09/10	\$200,000.00	DELAY	\$200,000.00	The project is currently in the encroachment permit process with Caltrans. Issues related to processing with Caltrans and private entity involving land acquisition and/or easement dedication to facilitate proposed driveway into the existing park and ride facility across from Malaspina Road on Rancho Viejo Road are causing delays with finalizing plans and specs.
SANTA ANA	05-SNTA-GMA-2797	GMA	First Street Bridge Widening	C	08/09	12	09/10	\$400,000.00	DELAY	\$400,000.00	Request delay in construction funds from FY 08/09 to FY 09/10 due to delay of high bridge rehabilitation and replacement (HBRR) matching funds from Caltrans. Caltrans E-76 form (E-76) pending approval.
STANTON	05-STAN-GMA-2878	GMA	Dale Avenue/Katella Avenue Improvements	C	08/09	24	10/11	\$40,000.00	DELAY	\$40,000.00	This project has been on hold so that the City of Stanton could deliver the Katella Smart Street project. The City of Stanton requests delay of this project for 2 years to FY 10-11.
Sub-Total GMA Program Delays (22)								\$3,236,000.00		\$3,236,000.00	
ALISO VIEJO	08-ALSO-IIP-3015	IIP	Aliso Creek and Pacific Park Intersection Widening	C	08/09	12	09/10	\$285,000.00	DELAY	\$285,000.00	Design completion has been extended due to utility coordination - some utilities needing to be relocated.
BUENA PARK	03-BPRK-IIP-1039	IIP	Beach Boulevard/Malvern Avenue Improvement	C	08/09	12	09/10	\$134,480.00	DELAY	\$134,480.00	Additional time needed to obtain Caltrans permit. City is requesting to delay the construction phase from FY 07/08 to FY 09/10.

Combined Transportation Funding Program March 2009 Semi-Annual Review Adjustment Requests

Agency	Project #	Program	Project Title	Phase	Current FY	Months	Proposed FY	Amount	Action Request	Proposed Amount	Reason
IRVINE	03-IRVN-IIP-1124	IIP	Culver Road/Walnut Avenue Intersection	C	08/09	12	09/10	\$644,144.00	DELAY	\$644,144.00	This request is made due to additional ROW coordination that was required in order to accommodate requests made by residents living adjacent to the project area. The project is within a residential area and several meetings with community members were needed. The ROW schedule completion date is December 2009, and the construction contract will be awarded prior to June 30, 2010. The City Council approved the CIP will be submitted to OCTA to indicate Council approval of programmed funds in FY 2009/10.
ORANGE	03-ORNG-IIP-1186	IIP	Tustin Street and Meats Avenue	C	08/09	24	10/11	\$1,395,801.00	DELAY	\$1,395,801.00	Expect environmental clearance on May 2009. Delay is requested due to expected length of upcoming ROW phase and extended design phase. Utility companies (SCE, AT&T and Time Warner) are requesting 12 months to design utility relocation/undergrounding which will push the construction phase to FY 10/11. Also, project includes the partial take of 16 different properties. The appraisal, negotiation, and purchase of the 16 properties is expected to be completed in May 2010.
Sub-Total IIP Program Delays (4)								\$2,459,425.00		\$2,459,425.00	
LAGUNA HILLS	05-LHLL-MPH-1156	MPAH	La Paz Road (Cabot Drive to I-5)	C	08/09	12	09/10	\$1,051,647.00	DELAY	\$1,051,647.00	Due to the fact that this project is under Caltrans oversight, there have been substantial delays for plan approvals. The plans are currently near approval, and the City plans to go to bid for this project in Fall 2009. Award of contract is anticipated in December 2009.
ORANGE	00-ORNG-MPH-3144	MPAH	Main Street Widening (2600/O Palmyra Avenue to 300 S/O Chapman Avenue)	C	08/09	24	10/11	\$351,508.00	DELAY	\$351,508.00	Expect environmental clearance in May 2009. ROW to start May 2009 and be completed in May 2010. Delay is requested due to expected length of ROW phase. Project includes the partial take of 17 different properties. The appraisal, negotiation, and purchase of the 17 properties is expected to be completed in May 2010.
SANTA ANA	05-SNTA-MPAH-2204	MPAH	First Street Widening - Susan Street to Fairview Road	C	08/09	12	09/10	\$4,496,166.00	DELAY	\$4,496,166.00	Request delay in construction funds from FY 08/09 to 09/10 due to delay of matching HBRR funds from Caltrans. Pending E-76 approval - out to bid December 2009.
Sub-Total MPAH Program Delays (3)								\$5,899,321.00		\$5,899,321.00	
LAGUNA NIGUEL	05-LNIG-RIP-2538	RIP	Crown Valley Parkway Widening (Forbes Road to I-5)	R	08/09	12	09/10	\$308,725.00	DELAY	\$308,725.00	Project Study Report & Environmental (PS&E) clearance is complete. PS&E is currently underway with expected completion & Caltrans approval by January 2010. The City has been working with Caltrans to obtain approval but the process is taking longer than anticipated.
Sub-Total RIP Program Delays (1)								\$308,725.00		\$308,725.00	
ANAHEIM	08-ANAH-SIP-3023	SIP	Anaheim Boulevard ITS (NCL to SCL)	C	08/09	12	09/10	\$200,000.00	DELAY	\$200,000.00	Project start was delayed due to budget constraint. Construction delayed to FY 09/10 - updated in current CIP.
ANAHEIM	05-ANAH-SIP-2726	SIP	Broadway East ITS - Loara Street to East Street	C	08/09	12	09/10	\$220,000.00	DELAY	\$220,000.00	Project start was delayed due to budget constraint. Construction delayed to FY 09/10 - updated in current CIP.
ANAHEIM	05-ANAH-SIP-2729	SIP	Brookhurst Street ITS - Falmouth Avenue to Ball Road	C	08/09	12	09/10	\$207,700.00	DELAY	\$207,700.00	Project start was delayed due to budget constraint. Project updated in CIP for FY 09/10. Design already started.
ANAHEIM	05-ANAH-SIP-2727	SIP	Knott Avenue ITS - Ball Road to Crescent Avenue	C	08/09	12	09/10	\$220,000.00	DELAY	\$220,000.00	Project start was delayed due to budget constraint. Project updated in CIP for FY 09/10. Design already started.
ANAHEIM	08-ANAH-SIP-3026	SIP	Kraemer Boulevard ITS (La Jolla Street to Frontera Road)	C	08/09	12	09/10	\$250,000.00	DELAY	\$250,000.00	Project start was delayed due to budget constraint. In addition, this project should commence once the Kraemer/La Palma intersection widening project is completed.
GARDEN GROVE	08-GGRV-SIP-2870	SIP	Brookhurst Street/Magnolia Avenue/Garden Grove Boulevard Traffic Signal Coordination	E	08/09	24	10/11	\$100,000.00	DELAY	\$100,000.00	In March 2009, the City executed a consultant contract to design Phase II of the Traffic Management Center (TMC). In addition to enhancing the field elements and installing CENTRACS, the project will construct the newly relocated TMC. Construction is scheduled to be completed in Spring 2010. The City would like to push this project back to FY 10/11 at which time the TMC would be completed and we can better implement and realize the traffic signal coordination improvements that this project promises.
Sub-Total RIP Program Delays (1)								\$1,197,700.00		\$1,197,700.00	

Combined Transportation Funding Program March 2009 Semi-Annual Review Adjustment Requests

Agency	Project #	Program	Project Title	Phase	Current FY	Months	Proposed FY	Amount	Action Request	Proposed Amount	Reason
ALISO VIE/O	05-ALSO-TDM-2330	TDM	Bike Trail in SCE ROW	C	08/09	12	09/10	\$196,914.00	DELAY	\$196,914.00	Coordinating with SCE for encroachment permit.
ALISO VIE/O	03-ALSO-TDM-1008	TDM	San Joaquin Transportation Corridor (State Route 73) Park-n-Ride at Aliso Creek	E	08/09	12	09/10	\$45,000.00	DELAY	\$45,000.00	OCTA recently approved a grant for 'Go Local' Step 2 technical studies. The City will use the TDM funds to study a location and perform preliminary engineering for a park-n-ride facility in the proposed shuttle route. The project was delayed pending the completion and approval of the Go Local Studies.
ANAHEIM	08-ANAH-TDM-2950	TDM	Anaheim Regional Intermodal Center (ARTIC) to West Anaheim Commuter Shuttle Service	C	08/09	12	09/10	\$500,000.00	DELAY	\$500,000.00	The City of Anaheim executed a cooperative agreement with OCTA to advance the ARTIC to West Anaheim Commuter Shuttle onto Step 2 detailed service planning under the Go Local Program. The City recommends deferring implementation until completion of the Step 2 Go Local Bus/Shuttle Service Planning study. In addition, project implementation is being deferred to the start-up of the expanded Metrolink services anticipated in 2010.
IRVINE	05-IRVN-TDM-2124	TDM	Walnut Trail Extension	E	08/09	12	09/10	\$200,000.00	DELAY	\$200,000.00	The commencement of the preliminary engineering/feasibility study phase of this project was delayed in order to allow for sufficient development of the Sand Canyon Grade Separation project design since this project will tie into it. Additionally, sufficient time was needed to allow for the development of the Orange County Great Park circulation pattern since this trail will also tie into the park's comprehensive trail system. The design contract will be awarded prior to the June 30, 2010.
ORANGE	00-ORNG-TDM-3148	TDM	Tustin Branch Trail	C	08/09	12	09/10	\$400,000.00	DELAY	\$400,000.00	Transportation Enhancement Activities (TEA) funding could not be obligated until FY 09/10. Request delay in construction to FY 09/10 to correspond to federal funds.
Sub-Total TDM Program Delays (41)								\$1,341,914.00		\$1,341,914.00	
Delays - Total All Measure M Programs (41)								\$14,443,085.00		\$14,443,085.00	
Cancellation											
FOUNTAIN VALLEY	06-FVLY-GMA-2917	GMA	Talbert Avenue/MacArthur Bridge Widening @ Santa Ana River	E	09/10	N/A	N/A	\$675,000.00	CANCEL	\$0.00	The County of Orange committed to the implementation to capacity improvements along the Talbert/MacArthur Bridge, via restriping, as a low cost interim improvement to the Talbert/MacArthur Bridge Widening project identified in the Garfield/Gisler memorandum of understanding. With these improvements, the commencement of engineering and permitting for the widening of the Talbert/MacArthur Bridge is not necessary at this time.
HUNTINGTON BEACH	06-HBCH-GMA-3069	GMA	Bushard Street and Adams Avenue Intersection	E	08/09	N/A	N/A	\$135,000.00	CANCEL	\$0.00	At the GMA#6 Elected Officials meeting held on 4/29/09, the officials voted to cancel this project and reallocate the \$135,000 in GMA funds to other City of Huntington Beach projects. This project is not feasible at this time.
HUNTINGTON BEACH	05-HBCH-GMA-2803	GMA	Left Turn Modification at Pacific Coast Highway/Brookhurst Street	E	08/09	N/A	N/A	\$150,000.00	CANCEL	\$0.00	At the GMA#6 Elected Officials meeting held on 4/29/09, the officials voted to cancel this project and reallocate the \$135,000 in GMA funds to other City of Huntington Beach projects. GMA funds were intended to be used as matching funds, but the application for competitive funding was denied.
IRVINE	05-IRVN-GMA-2033	GMA	Ridgeline Roadway/University Roadway Improvement	E	08/09	N/A	N/A	\$150,000.00	CANCEL	\$0.00	Staff is requesting cancellation of this project due to the sensitive nature of this project to add a 3rd eastbound lane and the potential environmental impacts to the adjacent County of Orange channel (Sand Canyon Wash). At the March 12, 2009, GMA 8 technical staff meeting, this cancellation request was approved.
IRVINE	00-IRVN-GMA-3095	GMA	San Diego Creek and Culverdale Bike Trail Lighting	C	08/09	N/A	N/A	\$150,000.00	CANCEL	\$0.00	Staff is requesting cancellation of this project due to insufficient funds and increased costs. At the March 12, 2009, GMA 8 technical staff meeting, this cancellation request was approved.
IRVINE	06-IRVN-GMA-3041	GMA	Leguna Canyon/San Diego Freeway (State Route 405) Widening	C	10/11	N/A	N/A	\$130,000.00	CANCEL	\$0.00	The City has programmed construction funds in its Strategic Business Plan in FY 11/12 and will not award the construction contract by March 31, 2011. The City requests cancellation of this allocation and re-allocation of this \$130,000 to the Walnut Trail Extension Project (GMA 9) for construction in FY 10/11, pending approval in June 2009's GMA 9 elected officials meeting.
COUNTY OF ORANGE	05-ORCO-GMA-2084	GMA	Red Hill Avenue	C	09/10	N/A	N/A	\$290,000.00	CANCEL	\$0.00	GMA funds will no longer be needed for this project. Funding will be reallocated to GMA 7.

Combined Transportation Funding Program March 2009 Semi-Annual Review Adjustment Requests

Agency	Project #	Program	Project Title	Phase	Current FY	Months	Proposed FY	Amount	Action Request	Proposed Amount	Reason
COUNTY OF ORANGE	00-ANAH-GMA-1007	GMA	Lincoln Avenue/Santa Ana River Bridge Railing	C	08/09	N/A	N/A	\$25,000.00	CANCEL	\$0.00	Due to change in the nature of the project, County would like to transfer this grant to 05-ORCO-GMA-3036.
STANTON	00-STAN-GMA-3187	GMA	Beach Boulevard/Stanford Avenue Intersection Improvements	C	09/10	N/A	N/A	\$60,000.00	CANCEL	\$0.00	The City is in a financial crisis and cannot deliver the matching requirements of the project. This project cannot be delayed further without Board of Directors action. The City would like to reapply in the future after economic conditions improve.
STANTON	06-STAN-GMA-2860	GMA	Traffic Signal Interconnect and Synchronization, Segment 2	C	08/09	N/A	N/A	\$22,500.00	CANCEL	\$0.00	This grant was submitted as matching contribution for an SIP grant that was not awarded. The City of Stanton requests cancellation of this project and transfer of the funds into 05-STAN-GMA-2678.
STANTON	06-STAN-GMA-2959	GMA	Traffic Signal Interconnect and Synchronization, Segment 1	C	08/09	N/A	N/A	\$22,500.00	CANCEL	\$0.00	This grant was submitted as matching contribution for an SIP grant that was not awarded. The City of Stanton requests cancellation of this project and transfer of the funds into 05-STAN-GMA-2678.
Sub-Total GMA Program Cancel (11)								\$1,810,000.00		\$0.00	
STANTON	03-STAN-IIP-1219	IIP	Beach Boulevard/Stanford Avenue Intersection Improvement Project	C	09/10	N/A	N/A	\$124,000.00	CANCEL	\$0.00	The City is in a financial crisis and cannot deliver the matching requirements of the project. This project cannot be delayed further without board action. The City would like to reapply in the future after economic conditions improve.
Sub-Total IIP Program Cancel (1)								\$124,000.00		\$0.00	
IRVINE	00-IRVN-TDM-3108	TDM	San Diego Creek and Cuverdale Bicycle Trail Lighting	C	08/09	N/A	N/A	\$67,003.00	CANCEL	\$0.00	The bids for construction came in significantly higher than anticipated and the City continues to search for additional sources of funding to complete the construction.
Sub-Total TDM Program Cancel (1)								\$67,003.00		\$0.00	
Cancellation - Total All Measure M Programs (13)								\$2,001,003.00		\$0.00	
Miscellaneous Adjustments											
ANAHEIM	03-ANAH-IIP-1016	IIP	Kraemer Boulevard/La Palma Avenue Intersection	E	05/06	N/A	05/06	\$175,000.00	TRANSFER	\$355,000.00	City requests to transfer ROW savings to engineering and construction phases.
ANAHEIM	03-ANAH-IIP-1016	IIP	Kraemer Boulevard/La Palma Avenue Intersection	R	06/07	N/A	06/07	\$1,283,053.00	TRANSFER	\$533,053.00	City requests to transfer ROW savings to engineering and construction phases.
ANAHEIM	03-ANAH-IIP-1016	IIP	Kraemer Boulevard/La Palma Avenue Intersection	C	07/08	N/A	07/08	\$598,181.00	TRANSFER	\$1,168,181.00	City requests to transfer ROW savings to engineering and construction phases.
Sub-Total IIP Program Transfer Adjustments (3)								\$2,056,234.00		\$2,056,234.00	
ANAHEIM	05-ANAH-GMA-2565	GMA	Kraemer Boulevard/La Palma Avenue Intersection	R	06/07	N/A	06/07	\$660,000.00	TRANSFER	\$0.00	City requests to transfer ROW allocation to construction phase.
ANAHEIM	05-ANAH-GMA-2565	GMA	Kraemer Boulevard/La Palma Avenue Intersection	C	06/07	N/A	09/10	\$0.00	TRANSFER	\$660,000.00	City requests to transfer ROW allocation to construction phase.
HUNTINGTON BEACH	08-HBCH-GMA-3070	GMA	Beach Boulevard/Warner Avenue	E	N/A	N/A	08/09	\$135,000.00	TRANSFER	\$300,000.00	This project was on hold because there were inadequate funds available to undertake the PS&E. ROW engineering and environmental study efforts. At the GMA#6 elected officials meeting on 4/29/09, the City of Huntington Beach was allocated additional funding to commence this effort.
HUNTINGTON BEACH	08-HBCH-GMA-3071	GMA	Brookhurst Street/Adams Avenue	E	N/A	N/A	09/10	\$205,000.00	TRANSFER	\$450,000.00	This money was intended to be seed money for a CTFP application which would fully fund the engineering, environmental and ROW studies. At the GMA#6 elected officials meeting on 4/29/09, the City of Huntington Beach was allocated additional funding to commence this effort.
IRVINE	06-IRVN-GMA-2869	GMA	Lambrose Road/Interstate 5 (I-5) (GMA 7)	R	N/A	N/A	09/10	\$44,435.00	TRANSFER	\$164,435.00	Additional funding from GMA 7 approved - \$120,000 for ROW.
IRVINE	05-IRVN-GMA-2150	GMA	Walnut Trail Extension	E	N/A	N/A	09/10	\$80,000.00	TRANSFER	\$210,000.00	During the GMA 9 technical staff meeting, the City requested an allocation of \$130,000 in engineering for FY 09/10, pending approval in the June 2009 GMA 9 elected officials meeting.
IRVINE	08-IRVN-GMA-2953	GMA	Culver Avenue (Scottsdale to I-5) Widening Improvement	E	N/A	N/A	09/10	\$120,000.00	TRANSFER	\$295,000.00	During the GMA 8 technical staff meeting, the City requested an allocation of \$175,000 in engineering for FY 09/10, pending approval in the June 2009 GMA 8 elected officials meeting.

**Combined Transportation Funding Program
March 2009 Semi-Annual Review Adjustment Requests**

Agency	Project #	Program	Project Title	Phase	Current FY	Months	Proposed FY	Amount	Action Request	Proposed Amount	Reason
COUNTY OF ORANGE	00-ORCO-GMA-3036	GMA	Lincoln Avenue Bridge (at SAR)	E	N/A	N/A	09/10	\$204,000.00	TRANSFER	\$229,000.00	County would like to add funds from 99-ANAH-GMA-1007 to this project. Approved by GMA technical staff.
COUNTY OF ORANGE	08-ORCO-GMA-3073	GMA	Alton Parkway Extension - Irvine Boulevard to Commerce Centre	C	N/A	N/A	09/10	\$101,000.00	TRANSFER	\$331,534.00	Move engineering allocation to construction phase per GMA #9 request. County of Orange also received an additional allocation of \$231K at the same GMA #9 meeting.
SAN JUAN CAPISTRANO	08-SJCP-GMA-3072	GMA	Junipero Serra/Rancho Viejo Road Project	C	N/A	N/A	09/10	\$200,000.00	TRANSFER	\$277,000.00	The project is currently in the encroachment permit process with Caltrans. Issues related to processing with Caltrans and private entity involving land acquisition and/or easement dedication to facilitate proposed driveway into the existing park-and-ride facility across from Malasigna Road on Rancho Viejo Road are causing delays with finalizing plans and specs.
STANTON	05-STAN-GMA-2678	GMA	Dale Avenue/Katella Avenue Improvements	C	N/A	N/A	10/11	\$40,000.00	TRANSFER	\$145,000.00	GMA grants were submitted as matching contribution for an SIP grant that was not awarded. The City of Stanton requests that the cancelled allocations be transferred to 05-STAN-GMA-2678.
Sub-Total GMA Program Transfer Adjustments (11)										\$3,061,969.00	
COUNTY OF ORANGE	09-ORCO-GMA-3400	GMA	Talbert Avenue/MacArthur Avenue Capacity Improvement Project	E	N/A	N/A	09/10	\$15,000.00	NEW PROJECT	\$15,000.00	Approved at 2009 GMA #6 Elected Officials meeting.
COUNTY OF ORANGE	09-ORCO-GMA-3400	GMA	Talbert Avenue/MacArthur Avenue Capacity Improvement Project	C	N/A	N/A	09/10	\$65,000.00	NEW PROJECT	\$65,000.00	Approved at 2009 GMA #6 Elected Officials meeting.
COSTA MESA	09-CMSA-GMA-3403	GMA	Costa Mesa Freeway (State Route 55) Access Study	E	N/A	N/A	09/10	\$100,000.00	NEW PROJECT	\$100,000.00	Approved at 2009 GMA #8 elected officials meeting.
FOUNTAIN VALLEY	09-FVLY-GMA-3402	GMA	Citywide ITS Video Detection Upgrades	C	N/A	N/A	09/10	\$450,000.00	NEW PROJECT	\$450,000.00	Approved at 2009 GMA #6 elected officials meeting.
MISSION VIEJO	09-MVJO-GMA-1181	GMA	Oso Parkway	R	N/A	N/A	09/10	\$77,000.00	NEW PROJECT	\$77,000.00	Approved at 2009 GMA #9 Technical Steering Committee (TSC) meeting.
SANTA ANA	09-SNTA-GMA-1134	GMA	Alton Overcrossing	E	N/A	N/A	09/10	\$203,827.00	NEW PROJECT	\$203,827.00	Approved at 2009 GMA #7 TSC meeting.
SANTA ANA	09-SNTA-GMA-3404	GMA	Traffic Signal Upgrade	C	N/A	N/A	09/10	\$40,000.00	NEW PROJECT	\$40,000.00	Approved at 2009 GMA #3 TSC meeting.
Sub-Total GMA Program New Project Adjustments (5)										\$950,827.00	
Miscellaneous Adjustment - Total All Measure M Programs (17)										\$4,796,496.00	
Federal Funded Projects											
SANTA ANA	05-SNTA-MPAH-2751	RSTP	Grand Avenue Widening	R	N/A	N/A	09/10	\$5,442,640.00	TRANSFER	\$6,594,366.00	There is a \$2 million shortfall in the ROW phase. City is requesting additional funding from OCTA. Transfer request of construction funding to ROW. City will pursue Renewed Measure M (M2) funds for construction. ROW is pending environmental approval.
Total Federal Funded Project Miscellaneous Adjustment (1)										\$5,442,640.00	
SANTA ANA	05-SNTA-MPAH-2751	RSTP	Grand Avenue Widening	R	08/09	12	09/10	\$6,594,366.00	DELAY	\$6,594,366.00	There is a \$2 million shortfall in the ROW phase. City is requesting additional funding from OCTA. Transfer request of construction funding to ROW. City will pursue M2 funds for construction. ROW is pending environmental approval.
Total Delays Federal Funded Project Adjustment (1)										\$6,594,366.00	
Total Federal Funded Project Adjustments (2)										\$6,594,366.00	

INFORMATION ITEMS



BOARD COMMITTEE TRANSMITTAL

June 22, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Metrolink Ridership and Revenue Quarterly Report

Transit Committee Meeting of June 11, 2009

Present: Directors Brown, Dalton, Dixon, Green, Nguyen, and Winterbottom
Absent: Director Pulido

Committee Vote

No action was taken.


Staff Recommendation

Receive and file as an information item.



June 11, 2009

To: Transit Committee

From:  James S. Kenan, Interim Chief Executive Officer

Subject: Metrolink Ridership and Revenue Quarterly Report

Overview

The Southern California Regional Rail Authority, a five-member joint powers authority, operates Southern California's five-county, 400-mile commuter rail system known as Metrolink. A report on Metrolink ridership and revenue for service in Orange County, covering the third quarter of fiscal year 2008-09 is provided.

Recommendation

Receive and file as an information item.

Background

Metrolink's five-agency membership includes the Los Angeles County Metropolitan Transportation Authority, the Orange County Transportation Authority (OCTA), the Riverside County Transportation Commission (RCTC), the San Bernardino Associated Governments (SANBAG), and the Ventura County Transportation Commission. Metrolink operates 149 daily trains on seven lines, serving 55 stations, and carries more than 45,000 riders per day.

There are three lines that provide service to Orange County. The Orange County (OC) Line service began in 1994, followed by the Inland Empire – Orange County (IEOC) Line in 1995, and the 91 Line in 2002. The three lines serving Orange County provide a total of 44 daily weekday trains serving 11 Orange County stations. The OC and IEOC lines have provided weekend service year-round for the past four years. The OC Line provides four round trips on Saturday and Sunday and is funded by OCTA. The IEOC Line weekend service operates three round trips on Saturday and two round trips on Sunday, and is jointly funded by OCTA, RCTC, and SANBAG.

The Rail 2 Rail Program, which began in 2003, allows Metrolink monthly pass holders the option of riding Amtrak Pacific Surfliner trains at no additional charge, provided the pass holder travels within the designated stations identified on the monthly pass. In Orange County, a valid Metrolink ticket or pass permits free transfer connections to local OCTA bus routes.

Discussion

This report provides the third quarter (January, February, March) fiscal year (FY) 2008-09 update on weekday and weekend ridership, revenue, and on-time performance.

Ridership and Revenue

Total Ridership and Revenue

Total FY 2008-09 third quarter ridership for the three Metrolink lines serving Orange County, including Rail 2 Rail passengers, has decreased by 3.2 percent compared to the same period last year and has dropped 3.1 percent from last quarter. Third quarter passenger fare revenues of \$6.4 million are 1.7 percent lower than the same period last year. Detailed ridership and revenue data by route is included in Attachment A.

Weekday Ridership

Combined daily average weekday ridership on the OC, IEOC, and 91 lines during this period was 15,126, including Rail 2 Rail. This represents a decrease of 2 percent versus the same period last year and 1.5 percent compared to last quarter. The OC Line daily average ridership is up 2 percent, the IEOC Line is down 11.2 percent, and the 91 Line is down 4.6 percent compared to the same quarter last year. The Rail 2 Rail Program has become more successful over the past few years, reporting a 14.2 percent increase versus last year, mainly due to increased awareness of the service offered to Metrolink monthly pass holders via Amtrak. Average weekday ridership for the third quarter is detailed in the table below.

Third Quarter	OC Line	IEOC Line	91 Line	Rail 2 Rail	Total
FY 2007-08	6,869	4,816	2,320	1,430	15,435
FY 2008-09	7,005	4,275	2,213	1,633	15,126
<i>Percentage Change</i>	2.0%	-11.2%	-4.6%	14.2%	-2.0%

The decline in the IEOC and 91 lines ridership is attributed to deteriorating economic conditions for passengers originating in the Inland Empire. In

March 2009, according to the California Employment Development Department unemployment rates reached over 13 percent in Riverside County and 12.5 percent in San Bernardino County. Statewide unemployment is 11.5 percent and the Orange County rate is 8.5 percent. According to the California Research Bureau, toward the end of calendar year 2008 Los Angeles, Riverside, and San Bernardino counties had the highest foreclosure rates in California. This trend is expected to continue into 2010.

Weekend Ridership

Metrolink weekend service carried a total of 27,347 Orange County riders during the third quarter of FY 2008-09, 9.5 percent above the same period last year, and 5.1 percent less than last quarter. Average daily ridership year over year on the OC Line is up 5.5 percent on Saturday and 20.1 percent on Sunday. Average Saturday ridership on the IEOC Line is up 1.4 percent over last year, while the IEOC Line Sunday ridership is up 23.2 percent. Average weekend ridership is shown in the table below.

Third Quarter	OC Line (Saturday)	OC Line (Sunday)	IEOC Line (Saturday)	IEOC Line (Sunday)	Total
FY 2007-08	729	496	448	230	1,902
FY 2008-09	769	595	454	283	2,101
<i>Percentage Change</i>	5.5%	20.1%	1.4%	23.2%	10.5%

OCTA and Metrolink staff undertook a coordinated effort to promote service to the Annual Swallows Day Parade in San Juan Capistrano on Saturday, March 21, 2009, doubling the OC Line ridership that Saturday.

Revenue

Passenger fare revenue covers roughly half of Metrolink operating expenses, with the remaining component covered by member agency subsidies. Of the five-member agencies, Orange County yields the highest fare recovery by route. In FY 2007-08, passenger fare revenues covered 49 percent of total operating expenses, and are estimated to cover approximately 45 percent of the operating expenses in FY 2008-09.

Total year-to-date (YTD) FY revenue is positive compared to the same period last year for all three lines serving Orange County. The third quarter revenue for the OC Line is up 1.3 percent and the 91 Line is up 1 percent compared to the same period last year; however, the IEOC Line revenues have decreased by 10.3 percent, following the drop in ridership this quarter. While revenue dropped on the IEOC Line this quarter, the total YTD revenue is holding strong

at an average of 7.7 percent despite the economic downturn. Revenue is displayed in the table below.

Third Quarter	OC Line	IEOC Line	91 Line	Total
FY 2007-08	\$ 3,791,562	\$ 1,684,649	\$ 1,041,226	\$ 6,517,437
FY 2008-09	\$ 3,842,526	\$ 1,511,773	\$ 1,051,324	\$ 6,405,623
<i>Percentage Change</i>	1.3%	-10.3%	1.0%	-1.7%

On-Time Performance

On-time performance is a central component of providing quality service. A Metrolink train is considered to be on time if it arrives within five minutes of the scheduled arrival at its end point. Trains can be delayed for a variety of reasons, including equipment issues, unscheduled delays (or “meets”) with other trains, delays from other operators on the tracks, construction or track maintenance, and incidents. Weekend on-time performance is typically lower due to the number of trains operating on weekends is less than those in service during the week, therefore, a few delays can have a larger impact to on-time performance percentages.

Weekday On-Time Performance

Percentage of Weekday Trains Arriving Within Five Minutes of Scheduled Time*			
Month	OC Line	IEOC Line	91 Line
January	94.0%	95.5%	95.8%
February	94.5%	94.4%	96.1%
March	95.5%	96.6%	98.5%

* System total is 94.2 percent, including the Antelope Valley, IEOC, OC, Riverside, San Bernardino, Ventura, and 91 lines.

Weekend On-Time Performance

Percentage of Weekend Trains Arriving Within Five Minutes of Scheduled Time*			
Month	OC Line	IEOC Line	91 Line
January	97.2%	97.8%	N/A
February	87.5%	87.5%	N/A
March	94.4%	97.7%	N/A

* System total is 95 percent, including the Antelope Valley, IEOC, OC, and San Bernardino lines.

Summary

This report provides an update on OCTA commuter rail ridership, revenue, and on-time performance for the third quarter of FY 2008-09. Total average weekday ridership in Orange County is down 2 percent; however, the OC Line ridership is holding strong and showing growth on both weekdays and weekends. Weekday ridership losses on the IEOC and 91 lines continue to reflect economic conditions in the Inland Empire. Third quarter revenue is up compared to last year on the OC and 91 Lines, but is down on the IEOC Line. Average weekday on-time performance was slightly above the 95 percent goal and weekend was slightly below the goal.

Attachment

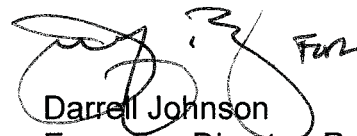
- A. Metrolink Ridership and Revenue

Prepared by:



Megan Taylor
Transportation Analyst
(714) 560-5601

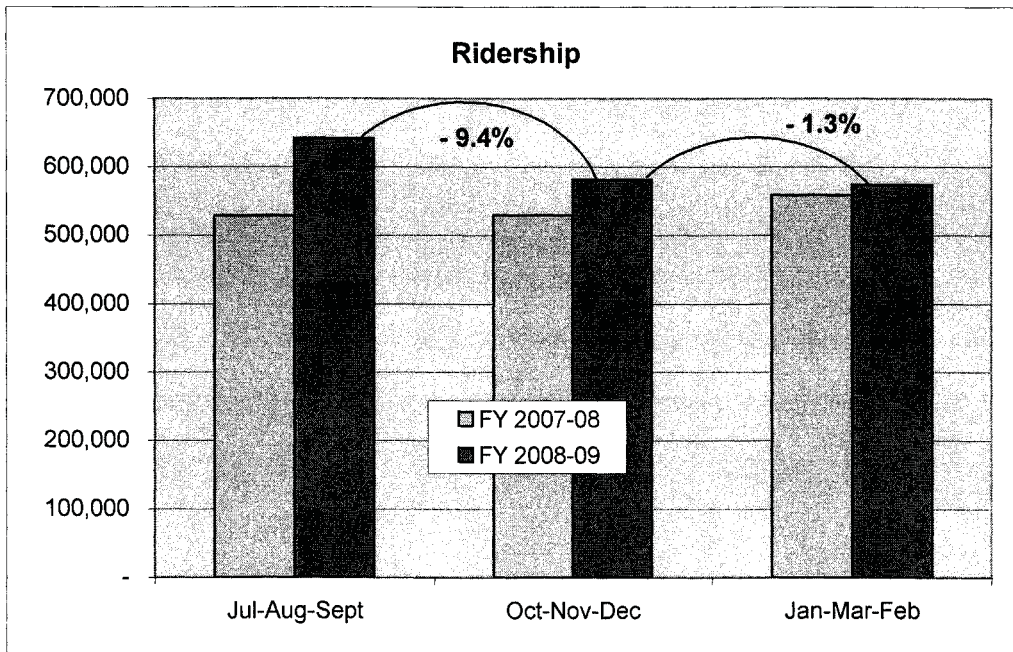
Approved by:



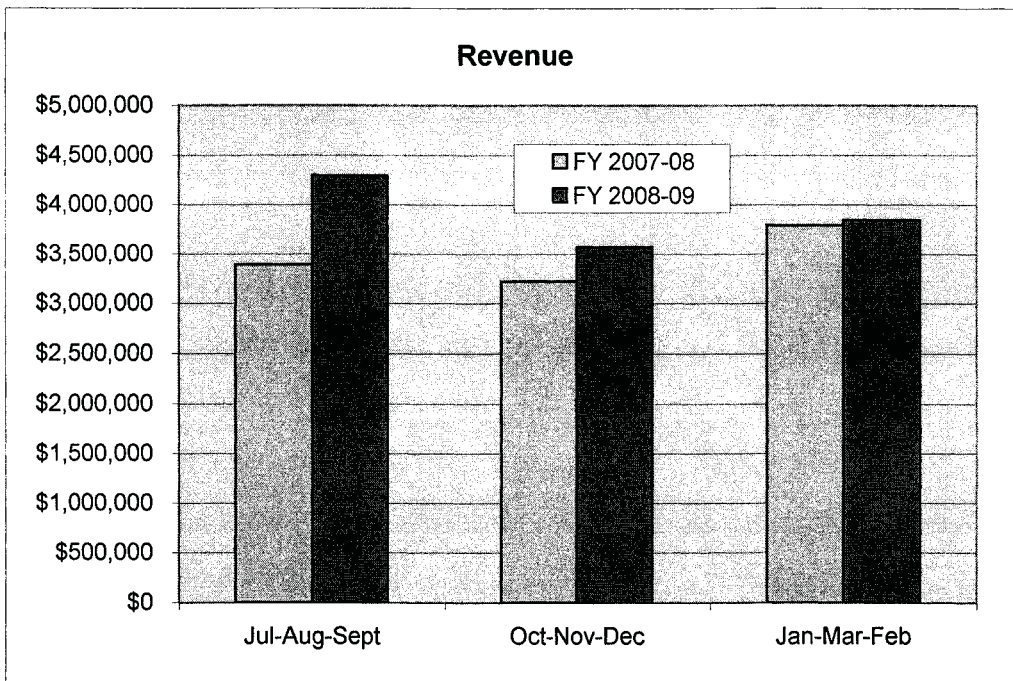
Darrell Johnson
Executive Director, Rail Programs
(714) 560-5343

Metrolink Ridership and Revenue

Orange County Line

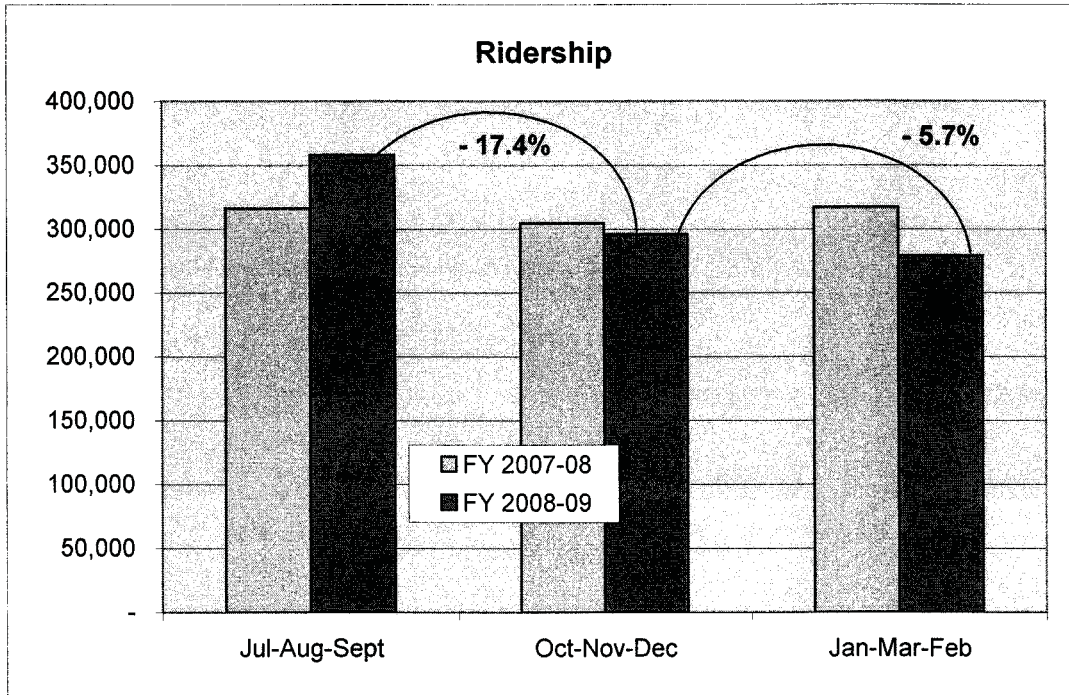


	Jul-Aug-Sept	Oct-Nov-Dec	Jan-Mar-Feb	Total YTD
FY 2007-08	528,367	529,405	558,837	1,616,609
FY 2008-09	641,469	581,201	573,611	1,796,281
% Variance	21.4%	9.8%	2.6%	11.1%

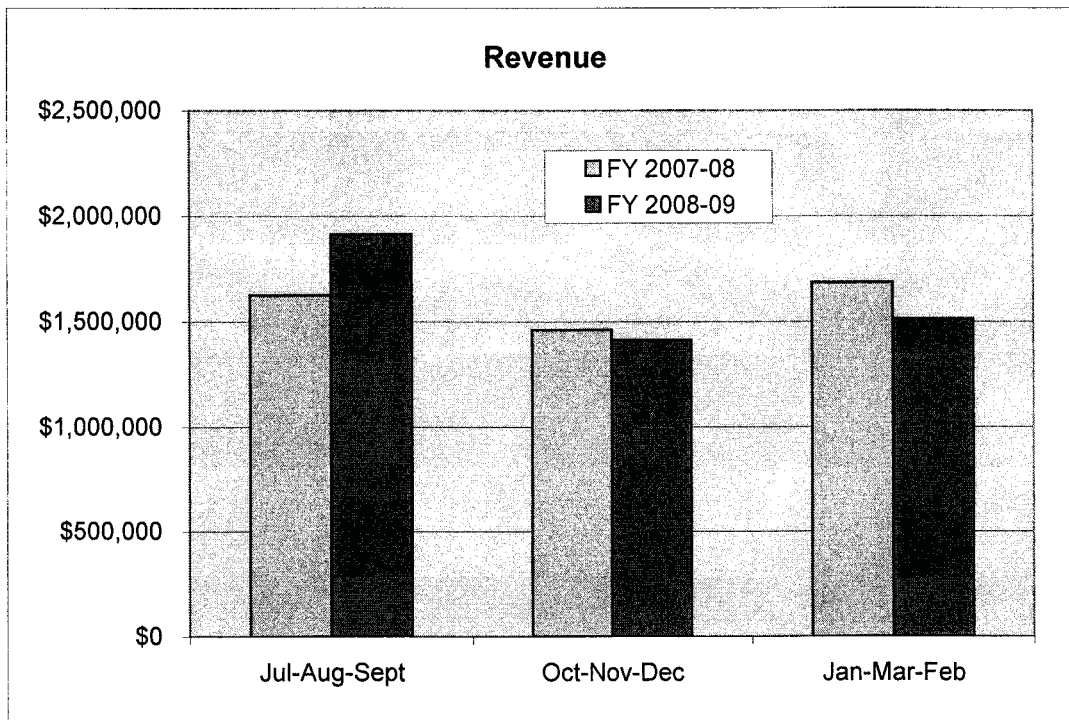


	Jul-Aug-Sept	Oct-Nov-Dec	Jan-Mar-Feb	Total YTD
FY 2007-08	\$3,394,176	\$3,224,158	\$3,791,562	\$10,409,896
FY 2008-09	\$4,290,672	\$3,569,783	\$3,842,526	\$11,702,981
% Variance	26.4%	10.7%	1.3%	12.4%

Inland Empire-Orange County Line

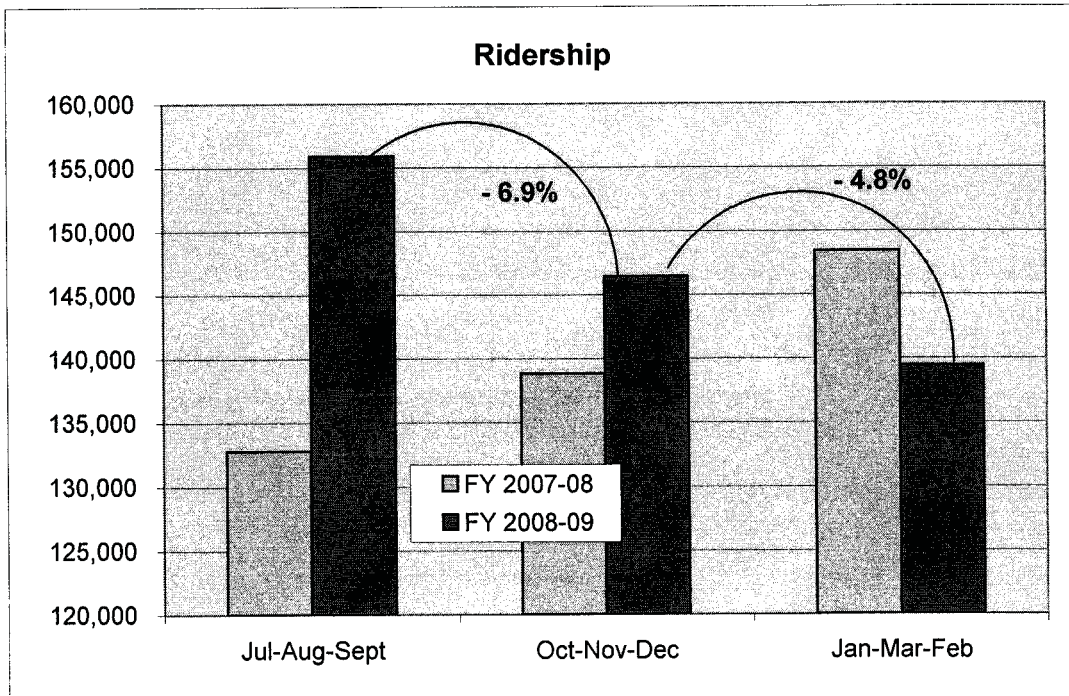


	Jul-Aug-Sept	Oct-Nov-Dec	Jan-Mar-Feb	Total YTD
FY 2007-08	316,044	304,596	317,084	937,724
FY 2008-09	358,011	295,784	278,910	932,705
% Variance	13.3%	-2.9%	-12.0%	-0.5%

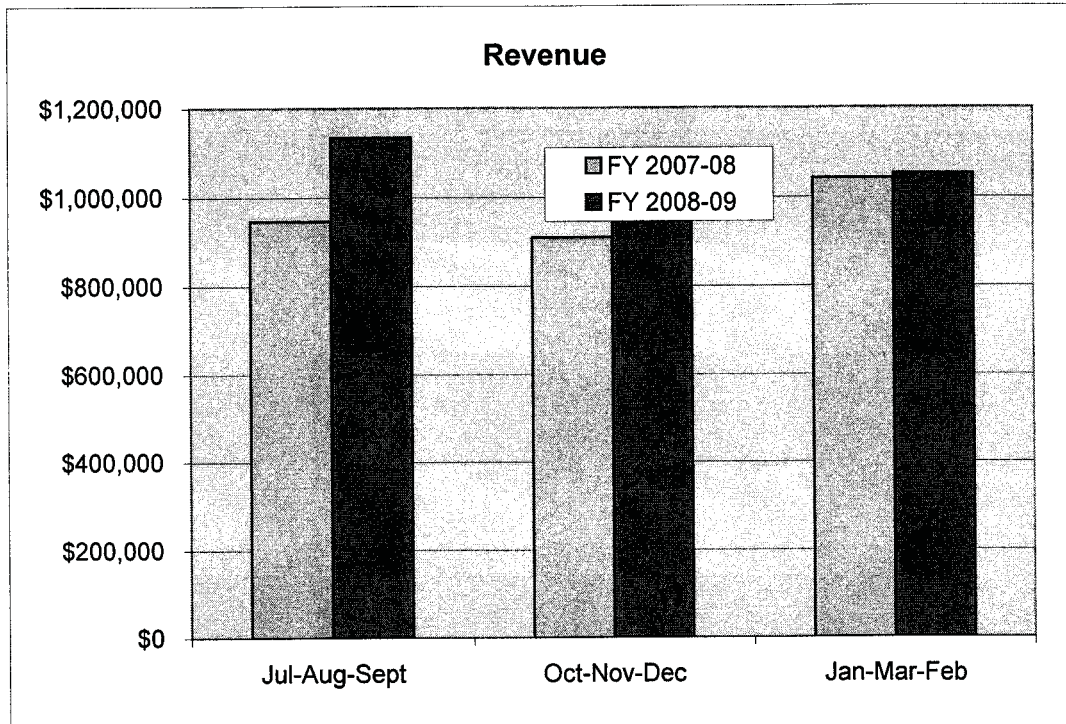


	Jul-Aug-Sept	Oct-Nov-Dec	Jan-Mar-Feb	Total YTD
FY 2007-08	\$1,625,069	\$1,460,003	\$1,684,649	\$4,769,721
FY 2008-09	\$1,913,564	\$1,412,682	\$1,511,773	\$4,838,019
% Variance	17.8%	-3.2%	-10.3%	1.4%

91 Line



	Jul-Aug-Sept	Oct-Nov-Dec	Jan-Mar-Feb	Total YTD
FY 2007-08	132,777	138,813	148,403	419,993
FY 2008-09	155,882	146,431	139,436	441,749
% Variance	17.4%	5.5%	-6.0%	5.2%



	Jul-Aug-Sept	Oct-Nov-Dec	Jan-Mar-Feb	Total YTD
FY 2007-08	\$946,181	\$909,020	\$1,041,226	\$2,896,427
FY 2008-09	\$1,134,269	\$977,551	\$1,051,324	\$3,163,144
% Variance	19.9%	7.5%	1.0%	9.2%

**POWERPOINT
PRESENTATION**

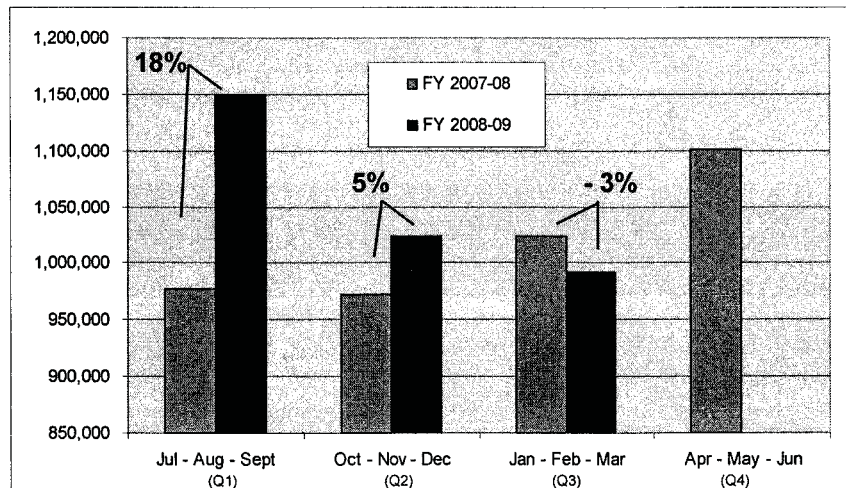


Metrolink Ridership and Revenue Quarterly Report

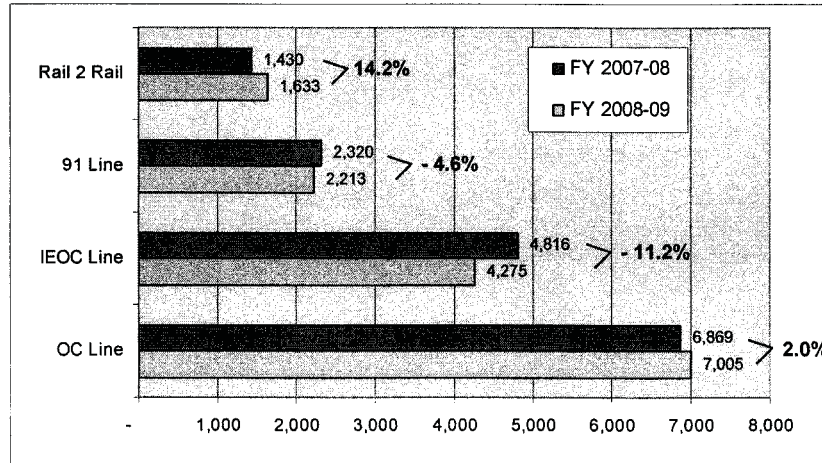


Transit Committee
June 11, 2009

Total Ridership

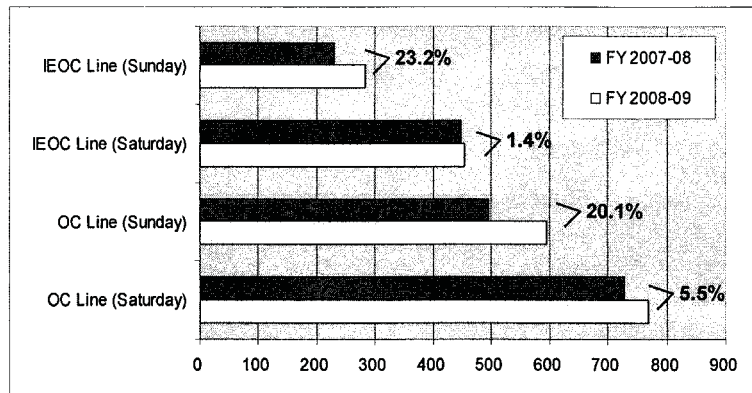


Average Weekday Ridership



3

Average Weekend Ridership



OC Line ridership doubled on March 21, 2009
Annual Swallows Day Parade

4

Revenue



Passenger fare revenues are estimated to cover 45% of FY 2008-09 operating budget

3rd Quarter	OC Line	IEOC Line	91 Line	Total
FY 2007-08	\$ 3,791,562	\$ 1,684,649	\$ 1,041,226	\$ 6,517,437
FY 2008-09	\$ 3,842,526	\$ 1,511,773	\$ 1,051,324	\$ 6,405,623
% Change	1.3%	-10.3%	1.0%	-1.7%

5

On-Time Performance



- Weekday
 - OC Line – 94.7%
 - IEOC Line – 95.5%
 - 91 Line – 96.8%
 - Systemwide – 94.6%
- Weekend
 - OC Line – 93%
 - IEOC Line – 94.3%
 - Systemwide – 95.0%



6



BOARD COMMITTEE TRANSMITTAL

June 22, 2009

To: Members of the Board of Directors
WK
From: Wendy Knowles, Clerk of the Board
Subject: Renewed Measure M Progress Report

Transportation 2020 Committee Meeting of June 15, 2009

Present: Directors Amante, Buffa, Campbell, and Pringle
Absent: Directors Brown, Cavecche, and Dixon

Committee Vote


This item was passed by all Committee Members present.

Committee Recommendation

Receive and file as an information item.



June 15, 2009

To: Transportation 2020 Committee
From:  James S. Kenan, Interim Chief Executive Officer
Subject: Renewed Measure M Progress Report

Overview

Staff has prepared a Renewed Measure M progress report for January 2009 through March 2009 for review by the Orange County Transportation Authority Board of Directors. Despite worsening economic conditions, implementation of Renewed Measure M continues at a fast pace. The report highlights progress on Renewed Measure M projects and programs and is made available to the public via the Orange County Transportation Authority website.

Recommendation

Receive and file as an information item.

Background

Measure M Ordinance No. 3 requires quarterly status reports regarding the major projects detailed in the Renewed Measure M Transportation Investment Plan be filed with Orange County Transportation Authority (OCTA) Board of Directors (Board). All Renewed Measure progress reports are posted online for public review.

Discussion

Voter safeguards are a critical factor for public acceptance of Renewed Measure M (M2). The quarterly report is an opportunity to show progress in implementing the M2 Transportation Investment Plan. In order to be cost-effective and improve the accessibility of information to stakeholders and the public, all M2 progress reports are web-based; however, hard copies are mailed upon request. The report reflects progress being made on Board-approved Early Action Plan (EAP) projects and programs. Each item features a brief paragraph that provides an overview of significant progress for

the time period, with a web link to more information including staff reports and project descriptions (Attachment A).

Highlights of the M2 progress report in this quarter include:

- Completed a project study that identifies options for increasing capacity along the Santa Ana Freeway (Interstate 5) between Avenida Pico and Pacific Coast Highway, through the communities of San Clemente and Dana Point.
- The City of San Juan Capistrano and Federal Highway Administration approved the environmental document for improvements to the Interstate 5 (I-5)/Ortega Highway interchange.
- Continued work on the environmental analysis to add a new northbound lane on the Orange Freeway (State Route 57) between Katella Avenue and Lincoln Avenue in the Anaheim area.
- Advanced work on the environmental document to add a new westbound lane to the Riverside Freeway (State Route 91) between I-5 and State Route 57 in Anaheim.
- Completed final design and secured American Recovery and Reinvestment Act funds for a new eastbound lane on State Route 91 between Foothill-South Toll Road (State Route 241) and the Corona Expressway (State Route 71) in Riverside County.
- Began environmental study to add one or two new lanes each way on the San Diego Freeway (Interstate 405) between the Costa Mesa Freeway (State Route 55) and the San Gabriel Freeway (Interstate 605).
- In late March, the Southern California Regional Rail Authority awarded a construction management contract to support the Metrolink Service Expansion Program and Grade Crossing Safety Enhancements.
- Continued progress with the two Board-approved Go Local fixed-guide way project concepts in Anaheim and Santa Ana and advanced two additional Go Local bus/shuttle proposals from the cities of Aliso Viejo and Fullerton.
- The OCTA Board of Directors approved the Environmental Oversight Committee's recommended draft master agreement and draft planning agreement.

To encourage the public review of the quarterly report online, information will be placed in OCTA's existing "Transportation Update" advertisement that appears approximately every three weeks in the *Orange County Business Journal*, *Orange County Register*, *Excelsior*, *The Korean Daily*, *The Chinese Daily News*, and *Nguoi Viet Daily News*. Staff also will notify all Orange County cities and use other existing communication tools such as project newsletters and Board action updates to notify the public about the online availability of the M2 progress report. Because the public may view both the original Measure M and M2 as one program, the original Measure M annual report also includes an update on the progress of M2.

Summary

As required by Measure M Ordinance No. 3, a quarterly report covering activities from January 2009 through March 2009 is provided to update progress in implementing the M2 Transportation Investment Plan. To facilitate accessibility and transparency of information available to stakeholders and the public, the M2 progress report is presented on the OCTA website.

Attachment

- A. Renewed Measure M (M2) Quarterly Progress Report for January – March 2009

Prepared by:



Dave Simpson
Manager, Local Government Relations
(714) 560-5570

Approved by:



Andrew Oftelie
Acting Director, Program Management
(714) 560-5649

**Renewed Measure M (M2) Quarterly Progress Report
January – March 2009**

The following is a summary of the progress made on the Renewed Measure M (M2) Early Action Plan (EAP) covering the first quarter (January – March) of 2009.

Highway Projects

Tom Bogard (714) 560-5918

Project A – The California Department of Transportation (Caltrans) is preparing a project study report to identify ways to relieve freeway congestion along the San Diego Freeway (Interstate 5) between the Costa Mesa Freeway (State Route 55) and the Orange Freeway (State Route 57) in Santa Ana. The study is looking to increase capacity and improve traffic flow through this section of Interstate 5 (I-5) that connects four of the major freeways in central Orange County. The study is expected to be completed in late 2009.

Project C – Caltrans recently completed a project study report that identifies options for increasing capacity along I-5 between Avenida Pico and Pacific Coast Highway, through the communities of Dana Point and San Clemente. This study evaluates the benefits of extending the current High Occupancy Vehicle lanes on I-5 that presently end at the Pacific Coast Highway interchange, all the way down to Avenida Pico in San Clemente.

Additionally, OCTA is preparing a project study report to look at ways to improve traffic flow along I-5 between State Route 73 and El Toro Road through the communities of Laguna Hills, Lake Forest and Mission Viejo. The study will look at capacity enhancements and interchange improvements to ease the flow of traffic through this area. The study is expected to be completed in mid 2010.

Project D - The City of San Juan Capistrano and Federal Highway Administration recently approved the environmental document for improvements to the I-5/Ortega Highway interchange. The project will improve local traffic flow on Ortega Highway and other adjacent streets leading to the freeway. Caltrans is just now beginning final design for the project.

Project G - OCTA is preparing the final design for a new northbound lane on the State Route 57 (SR-57) freeway from Orangethorpe Avenue to Lambert Avenue through the communities of Brea and Fullerton. The widening of the freeway in the northbound direction can be accommodated within the existing right of way. Construction is expected to begin in early 2010.

OCTA is also preparing an environmental analysis for Project G to add a new northbound lane on the SR-57 between Katella Avenue and Lincoln Avenue in the Anaheim area. This study will identify any potential environmental impacts of the project and will propose mitigation measures to minimize any unavoidable impacts.

Project H – OCTA is preparing an environmental document to add a new westbound lane to the Riverside Freeway (State Route 91) between I-5 and SR-57 in Anaheim. This effort is looking at the environmental and design issues related to adding a new general-purpose lane and will identify the most practical approach that has the least impact on existing properties along the freeway.

Project I - Caltrans is preparing an environmental document to improve traffic flow through the SR-55 and State Route 91 (SR-91) interchange. The improvements to the interchange will focus on the northbound to westbound connector between the two freeways and the traffic flow along westbound SR-91 in this area.

Project J - Caltrans has completed the final design of a new eastbound lane on the SR-91 between the Foothill-South Toll Road (SR-241) and Corona Expressway (State Route 71) in Riverside County. This project will extend the existing eastbound auxiliary lane that terminates before Green River Road to the State Route 71 interchange. Construction is expected to begin in late 2009.

Caltrans is also preparing an environmental analysis for adding one new lane each way along SR-91 from SR-55 to SR-241. This project will add significant new capacity through the cities of Anaheim and Placentia.

Project K - OCTA has recently begun an environmental study to add one or two new lanes each way on the San Diego Freeway (Interstate 405) between the SR-55 and the San Gabriel Freeway (Interstate 605). These improvements will add mainline capacity and improve the local interchanges along the corridor that serves the communities of Fountain Valley, Huntington Beach, Los Alamitos, Santa Ana, Seal Beach, and Westminster. One option being studied is to add two toll lanes in each direction to provide express travel times along the corridor.

Signal Synchronization

Anup Kulkarni (714) 560-5867

OCTA has been working on a master plan for the Regional Traffic Signal Synchronization Program. The \$450 million (plus 20 percent local match) program is funded by M2. The goal of the program is to improve the flow of traffic by developing and implementing regional signal coordination through more than 2,000 intersections. The master plan effort will be complete in fall 2009.

In April 2008, the California Transportation Commission awarded OCTA \$4,000,000 as part of the Proposition 1B Traffic Signal Synchronization Program for signal synchronization. This, combined with \$4,000,000 from Measure M, will provide \$8,000,000 to fund signal synchronization along ten significant street corridors comprised of 533 signalized intersections over the next three years. OCTA has developed a schedule to fund and implement these projects and will start the first set of these projects in May 2009 pending expected release of the funds from the State of California.

Metrolink

Dinah Minter (714) 560-5740

Because of planned increases in passenger and freight rail traffic on the three rail lines in Orange County, a renewed focus has been placed on at-grade rail-highway crossing (grade crossing) improvements. Improvements to grade crossings can cover a wide spectrum from basic safety improvements (improving crossing surfaces, reapplying pavement markings, and enhancing signage), to the installation of supplemental safety measures that allow for the reduction of locomotive horn blowing (quiet zones).

On August 27, 2007, the OCTA Board of Directors (Board) approved the implementation strategy for the grade crossing enhancement program and quiet zone improvements at 52 grade crossings in Orange County. Since then, significant efforts have been undertaken to advance the program.

On March 27, 2009, the Southern California Regional Rail Authority (SCRRA) awarded Herzog Contracting Corporation a contract to support the Metrolink Service Expansion Program and Grade Crossing Safety Enhancements. In addition to the civil construction contract, other contracts for materials and services such as special track work, signal construction, signal maintenance, rail, and ties have also been awarded. Construction of the programs will be undertaken at the same time. SCRRA expects to issue a Notice to Proceed to the contractor to begin construction in August 2009. A work plan and schedule will be developed to support the construction efforts. Construction is expected to take slightly over two years to complete.

Go Local

Kelly Long (714) 560-5725

Project development continued with the two Board-approved Go Local fixed-guideway project concepts. Consistent with prior Board direction to move these two projects into Step Two of the Go Local Program, both are undergoing detailed planning including alternatives analysis (AA), selection of a locally preferred alternative and environmental clearance. During this quarter, the City of Anaheim completed a draft problem definition report and a purpose and need statement for their proposed fixed-guideway project. The project proposes to connect the Anaheim Regional Transportation Intermodal Center to the Platinum Triangle and Anaheim Resort area.

The City of Santa Ana is currently procuring a technical consultant to conduct the AA and environmental clearance for their fixed-guideway concept. The City of Santa Ana's fixed-guideway concept proposes to connect the Santa Ana Regional Transportation Center through Downtown Santa Ana to Harbor Boulevard in the City of Garden Grove.

In January 2009, the Board selected Booz Allen Hamilton to serve as an extension of OCTA staff to provide project management oversight and technical support to ensure

that the two fixed-guideway projects are developed consistent with the Board-approved guidelines and in compliance with Federal Small/New Starts protocol.

Two additional bus/shuttle proposals from the cities of Aliso Viejo and Fullerton were approved by the Board in January to advance into Step Two of the Go Local Program. To date, the Board has approved 27 concepts to undergo detailed service planning in order to assess the viability and feasibility of the proposals by evaluating areas such as ridership, alignment, operating parameters and financial plans. During the reporting period, staff initiated the negotiations of cooperative agreements with the lead agencies of the Board-approved bus/shuttle proposals to define the roles of responsibilities for the Step 2 service planning effort. Cooperative agreements will be brought before the Board for approval beginning in April 2009.

All planning work done as part of Steps One and Two of the Go Local Program is funded by Measure M1 in preparation for the implementation of Project S, Transit Extensions to Metrolink, funded by M2. During this quarter, staff continued to develop guidelines for the evaluation of Go Local projects that will compete for M2 Project S funds.

Environmental Committees

Marissa Espino (714) 560-5607

Water Quality Program

The Allocation Committee is designed to make recommendations to the Board on the allocation of funds for water quality improvements, and is currently developing a draft framework for competitive allocation of water quality funding.

During the first quarter of 2009, the Allocation Committee reviewed and commented on the draft Environmental Cleanup Program prerequisites, which will be incorporated into the M2 funding guidelines for evaluating new capital and operation projects related to mitigating transportation pollution.

Results from a second citywide questionnaire on the proposed Catch Basin Best Management Practices (BMP) Funding program was given. Per the questionnaire, trash mitigation had the highest interest for funding with screens and inlet inserts selected as the two most preferred BMPs.

Freeway Mitigation Program

The purpose of the Environmental Oversight Committee (EOC) is to make recommendations to the Board on the allocation of environmental freeway mitigation funds and monitor the implementation of a master agreement between OCTA and state and federal resource agencies. The master agreement will provide higher-value environmental benefits such as habitat protection, wildlife corridors, and resource

preservation in exchange for streamlined project approvals and greater certainty in the delivery of the freeway program as a whole.

Throughout the first quarter of 2009, staff continued to build an inventory of potential habitat conservation sites that may be eligible for funding for acquisition and restoration. Property information was collected from interested participants, which included property owners and managers, conservation and community groups and local governments.

In March 2009, the EOC and the Board-approved the draft master agreement and draft planning agreement to establish the process, roles, responsibilities and commitments for the preparation of the Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP). The NCCP/HCP process examines habitat resources within broad geographic areas and identifies conservation and mitigation measures to protect habitat and species. This process could take 18 to 24 months to complete, however, the Master Agreement includes an "advance credit" provision that allows funds, under certain conditions, to be allocated prior to completion of the NCCP/HCP process.

Financing

Ken Phipps (714) 560-5637

The downturn in the economy continues to negatively affect local sales tax revenues. Actual sales tax revenue receipts through March 2009 are 9.2 percent less than receipts for the same period in fiscal year 2007-08. Staff has extrapolated year-to-date performance to fiscal year end, applied the recently provided State Board of Equalization sales tax forecast for the balance of the Measure M1 period, and used the three university average sales tax forecasts from Chapman University, the University of California Los Angeles (Anderson Forecast) and California State University, Fullerton to develop a revised M2 forecast.

As compared to the 2005 nominal revenue estimates, the first 12 months of M2 sales tax revenue is now projected to be \$100 million less than the 2005 projections and the average annual growth rate over the 30-year period is projected to decrease by approximately 0.5 percent. Overall, the nominal M2 sales tax revenue is projected to decrease from a 2005 estimate of \$24.3 billion to a revised estimate of \$15.1 billion for the 30-year period.



MEMO

July 22, 2009

To: Members of the Board of Directors

From: *Wendy Knowles* Wendy Knowles, Clerk of the Board


Subject: **Board Committee Transmittal for Agenda Item**

The following item is being discussed at a Committee meeting which takes place subsequent to distribution of the Board agenda. Therefore, you will be provided a transmittal following that Committee meeting (and prior to the Board meeting) informing you of Committee action taken.

Thank you.



July 22, 2009

To: Finance and Administration Committee
From: James S. Kenan, Interim Chief Executive Officer 
Subject: Second Quarter 2009 Debt and Investment Report

Overview

The California Government Code requires the Orange County Transportation Authority Treasurer to submit a quarterly investment report detailing the investment activity for the period. This investment report covers the second quarter of 2009, April through June, and includes a discussion on the Orange County Transportation Authority's debt portfolio.

Recommendation

Receive and file the Quarterly Investment Report prepared by the Treasurer as an information item.

Discussion

The Treasurer is currently managing the Orange County Transportation Authority's (Authority) investment portfolio totaling \$906.4 million as of June 30, 2009. The portfolio is divided into two managed portfolios: the liquid portfolio for immediate cash needs and the short-term portfolio for future budgeted expenditures. In addition to these portfolios, the Authority has funds invested in debt service reserve funds for the various outstanding debt obligations.

The Authority's debt portfolio had an outstanding principal balance of \$386.1 million as of June 30, 2009. Approximately 42 percent of the outstanding balance is comprised of Measure M (M1) debt, 13 percent is associated with the Renewed Measure M Program (M2), and the remaining 45 percent is for the 91 Express Lanes.

Economic Summary: The Federal Open Market Committee (Fed) met twice during the second quarter leaving rates at the same level since December 2008, zero to 0.25 percent. Observations by the Fed suggest the pace of economic contraction is slowing and financial markets have generally improved. Household spending is stabilizing but remains constrained by rising unemployment, lower home valuations, and continued tight credit for consumers. In spite of recently rising commodity prices, the Fed expects inflation to remain subdued for some time as the global economy shows little signs of immediate resurgence.

Delinquencies on prime loans, which account for two thirds of all mortgages in the United States, rose to 661,914 in the first quarter from 250,986 a year earlier. Since then, unemployment has risen to 9.5 percent, the highest level since 1983, and it is anticipated to climb.

Debt Portfolio Activity: During the week of June 8, 2009, Authority representatives traveled to New York to visit with rating agencies, financial institutions, insurers, and an institutional investor. This year's meetings focused on the impacts of the downturn of the economy. The national and local economic slowdown has had a direct impact on all of the Authority's programs and services. Lower traffic volumes on the 91 Express Lanes, the loss of state revenues for bus service, reduced revenues in the M1 and M2 programs, the reduction of bus service hours, and the Orange County economy were topics discussed by the Authority's participants.

Although the majority of the topics focused on the negative aspects of the economy, there were a few highlights raised by the Authority's representatives. These include the Anaheim Regional Transportation Intermodal Center, lowering of tolls through the 91 Express Lanes congestion management toll policy, leveling off of Orange County job losses and unemployment rate, and the establishment of the M2 Early Action Plan (EAP) Tax-Exempt Commercial Paper (TECP) Program.

On June 24, 2009, the Authority issued another \$25 million in (TECP) to fund M2 EAP projects. The \$25 million was issued at 1.10 percent for a period of 28 days. With this issuance, the total principal amount outstanding for the TECP program is \$50 million. Proceeds from the TECP program have funded Metrolink, Orange Freeway (State Route 57), Santa Ana Freeway South (Interstate 5), Riverside Freeway (State Route 91), and San Diego Freeway (Interstate 405) projects.

On June 30, 2009, the 91 Express Lanes retired \$20 million in subordinated debt owed to the Authority's Commuter Urban Rail Endowment (CURE) Fund.

The Authority has subordinated debt outstanding related to the acquisition of the 91 Express Lanes. The remaining outstanding balance (which will be repaid with 91 Express Lanes net revenues) totals approximately \$25.3 million. Also on June 30, \$6 million was transferred into the 91 Express Lanes Internal Capital Reserve Fund from the facility's net revenues. The balance in this reserve fund totaled \$14.6 million at the end of the quarter. The outstanding balances for each of the Authority's debt securities are presented in Attachment A.

Staff continues to monitor the situation regarding Lehman Brothers Holdings Company (Lehman). Lehman served as one of the Authority's counterparties for the swap component of the variable rate bonds. Lehman has not made its counterparty payments to the Authority since September 1, 2008 (the last payment date prior to the bankruptcy filing). In return, the Authority did not remit the amount owed to Lehman as part of the swap agreement on February 15, 2009. The net amount owed (by the Authority) between the two parties totals \$719,633. The Authority will continue to work with bond counsel and monitor the legal options available for the swap.

Investment Portfolio Activity: During the quarter, the Authority liquidated \$60 million from the short-term portfolio and \$3,400,000 from the Local Agency Investment Fund to meet current cash flow needs. Payments to the Southern California Regional Rail Authority and New Flyer were among the more notable payments in the second the quarter.

Investment Portfolio Compliance: As of June 30, 2009, the Authority's portfolio was in compliance with its investment policy. The Authority continues its policy of reviewing the contents of the investment portfolio on a daily basis to ensure compliance. Attachment B provides a comparison of the portfolio holdings as of June 30, 2009, to the diversification guidelines of the policy.

Investment Portfolio Performance Versus Selected Benchmarks: The Authority's investment managers provide the Authority and its financial advisor, Sperry Capital, with monthly performance reports. The investment managers' performance reports calculate monthly total rates of return based upon the market value of the portfolios they manage at the beginning of the month versus the market value at the end of the month. The market value of the portfolio at the end of the month includes the actual value of the portfolio based upon prevailing market conditions as well as the interest income accrued during the month.

The Authority has calculated the total returns for each of the investment managers for short-term operating monies and compared the returns to

specific benchmarks as shown in Attachment C. Attachment D contains an annualized total return performance comparison by investment manager for the previous two years. Attachment E provides a two-year yield comparison between the short-term portfolio managers, the Orange County Investment Pool, and the Local Agency Investment Fund.

The returns for the Authority's short-term operating monies are compared to the Merrill Lynch 1-3 year Treasury Index benchmark. The Merrill Lynch 1-3 year Treasury Index is one of the most commonly used short-term fixed income benchmarks. Each of the four managers invests in a combination of securities that all conform to the Authority's 2009 Annual Investment Policy. For the quarter ending June 30, 2009, the weighted average total return for the Authority's short-term portfolio was 0.62 percent, 73 basis points above the benchmark return of -0.11 percent. For the 12-month period ending June 30, 2009, the portfolio's return totaled 4.83 percent, 44 basis points above the benchmark return of 4.39 percent for the same period.

Demand for treasury securities is subsiding while investors are becoming more comfortable with purchasing corporate and agency securities. Recent articles regarding repayment of Trouble Asset Relief Program (TARP) funds from the financial services sector has bolstered investor confidence and fueled the market in non-treasury sectors. Short-term rates have remained steady while the 10-year and 30-year treasury bond yields have increased 87 and 80 basis points respectively to 3.53 percent and 4.33 percent.

The Authority outperformed the benchmark for both the quarter and trailing 12-month period by diversifying the short-term portfolio in a variety of investment-grade fixed income securities. The strongest performing sectors in the second quarter were corporate medium-term notes and asset backed securities adding to the total return of the portfolio.

Investment Portfolios: A summary of each investment manager's investment diversification, performance, and maturity schedule is provided in Attachment F. These summaries provide a tool for analyzing the different returns for each manager.

A complete listing of all securities is provided in Attachment G. Each portfolio contains a description of the security, maturity date, book value, market value, and current yield provided by the custodial bank.

Cash Availability for the Next Six Months: The Authority has reviewed the cash requirements for the next six months. It has been determined that the liquid

and the short-term portfolios can fund all projected expenditures during the next six months.

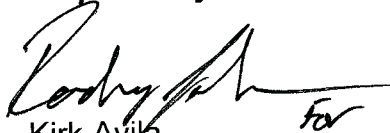
Summary

As required under the California Government Code, the Orange County Transportation Authority is submitting its quarterly investment report to the Board of Directors. The investment report summarizes the Orange County Transportation Authority's Treasury activities for the period April 2009 through June 2009.

Attachments

- A. Orange County Transportation Authority Outstanding Debt June 30, 2009.
- B. Orange County Transportation Authority Investment Policy Compliance June 30, 2009.
- C. Orange County Transportation Authority Short-term Portfolio Performance Review Quarter Ending June 30, 2009.
- D. Orange County Transportation Authority Short-term Portfolio Performance as of June 30, 2009.
- E. Orange County Transportation Authority Comparative Yield Performance as of June 30, 2009.
- F. Investment Manager Diversification and Maturity Schedules June 30, 2009.
- G. Orange County Transportation Authority Portfolio Listing as of June 30, 2009.

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**Orange County Transportation Authority
Outstanding Debt
June 30, 2009**

Orange County Local Transportation Authority (OCLTA) - M1 Program

	<u>Issued</u>	<u>Outstanding</u>	<u>Final Maturity</u>
2001 Second Senior Sales Tax Revenue Bonds	\$ 48,430,000	\$ 32,970,000	2011
1998 Second Senior Sales Tax Revenue Bonds	213,985,000	45,385,000	2011
1997 Second Senior Sales Tax Revenue Refunding Bonds	57,730,000	30,145,000	2011
1992 First Senior Sales Tax Revenue Bonds	350,000,000	52,700,000	2011
Sub-total	\$ 670,145,000	\$ 161,200,000	

Orange County Local Transportation Authority (OCLTA) - M2 Program

	<u>Issued</u>	<u>Outstanding</u>	<u>Final Maturity</u>
2008 Tax-Exempt Commercial Paper - Series A1	\$ 25,000,000	\$ 25,000,000	2011
2008 Tax-Exempt Commercial Paper - Series A2	\$ 25,000,000	\$ 25,000,000	2011

91 Express Lanes *

	<u>Issued</u>	<u>Outstanding</u>	<u>Final Maturity</u>
2003 Toll Road Revenue Refunding Bonds	\$ 195,265,000	\$ 174,940,000	2030

* Not reflected is the intra-agency borrowing (subordinated debt) for the purchase of the 91 Express Lanes in the amount of \$25,315,367

TOTAL OUTSTANDING BALANCE **\$ 386,140,000**

ORANGE COUNTY TRANSPORTATION AUTHORITY
Investment Policy Compliance
June 30, 2009

<u>Investment Instruments</u>	<u>Dollar Amount Invested</u>	<u>Percent Of Portfolio</u>	<u>Investment Policy Maximum Percentages</u>
U.S. Treasuries	\$299,557,219	33.1%	100%
Federal Agencies & U.S. Government Sponsored	193,851,695	21.4%	100%
State of California & Local Agencies *	-	0.0%	25%
Money Market Funds & Mutual Funds	142,014,178	15.7%	20%
Bankers Acceptances	0	0.0%	30%
Negotiable Certificates of Deposit	28,327,773	3.1%	30%
Commercial Paper	0	0.0%	25%
Medium Term Maturity Corporate Securities	129,664,539	14.3%	30%
Mortgage and Asset-backed Securities	57,684,814	6.4%	20%
Repurchase Agreements	0	0.0%	75%
Investment Agreements Pursuant To Indenture	0	0.0%	100%
Local Agency Investment Fund	40,914	0.0%	\$ 40 Million
Orange County Investment Pool	5,010,184	0.6%	\$ 40 Million
CAMP	0	0.0%	10%
Variable & Floating Rate Securities	18,836,148	2.1%	30%
Debt Service Reserve Funds - Investment Agreements	16,348,970	1.8%	Not Applicable
Cash Equivalents	15,030,295	1.7%	Not Applicable
Derivatives (hedging transactions only)	0	0.0%	5%
	<hr/>		<hr/>
TOTAL	<u>\$906,366,729</u>	100.0%	

* Balance does not include intra-agency borrowing for the purchase of the 91 Express Lanes in the amount of \$25,315,367

**Orange County Transportation Authority
Short-term Portfolio Performance Review*
Quarter Ending June 30, 2009**

Month Ending	Merrill Lynch Treasury 1-3 Year Index Benchmark		JP Morgan		Payden & Rygel		Western Asset Mgmt		State Street Global Advisors	
	Monthly Return	Duration	Monthly Return	Duration	Monthly Return	Duration	Monthly Return	Duration	Monthly Return	Duration
4/30/2009	-0.13%	1.87 years	0.33%	1.74 years	0.31%	1.98 years	0.39%	1.98 years	-0.01%	1.88 years
5/31/2009	0.17%	1.89 years	0.33%	1.80 years	0.39%	1.97 years	0.51%	1.94 years	0.18%	1.92 years
6/30/2009	-0.15%	1.90 years	0.24%	1.81 years	-0.14%	1.70 years	0.11%	1.90 years	-0.18%	1.88 years
Apr 09 - Jun 09 Total Return	-0.11%		0.90%		0.56%		1.01%		-0.01%	

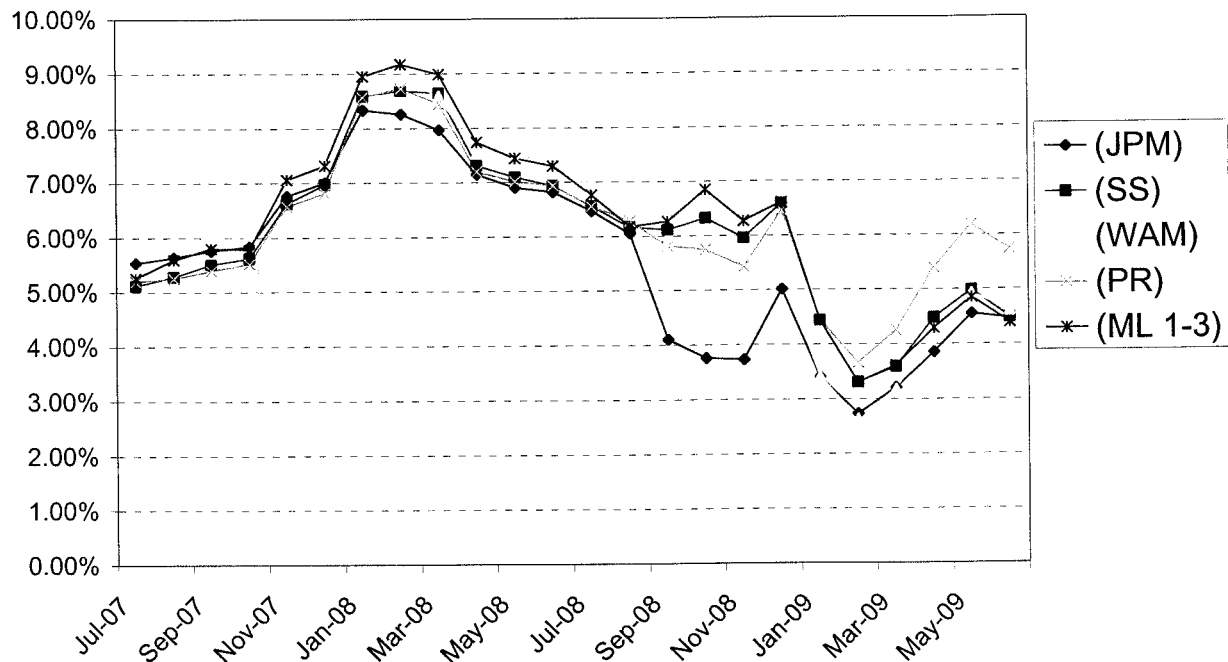
HISTORICAL QUARTERLY RETURNS

Jul 08 - Sep 08 Total Return	1.69%	-0.34%	1.22%	0.02%	1.53%
Oct 08 - Dec 08 Total Return	2.69%	3.25%	2.97%	2.85%	2.83%
Jan 09 - Mar 09 Total Return	0.09%	0.61%	0.88%	0.68%	0.10%
Apr 09 - Jun 09 Total Return	-0.11%	0.90%	0.56%	1.01%	-0.01%
12-Month Total Return	4.39%	4.46%	5.74%	4.62%	4.49%

* - Month End Rates of Return are Gross of Fees

Orange County Transportation Authority Short-Term Portfolio Performance June 30, 2009

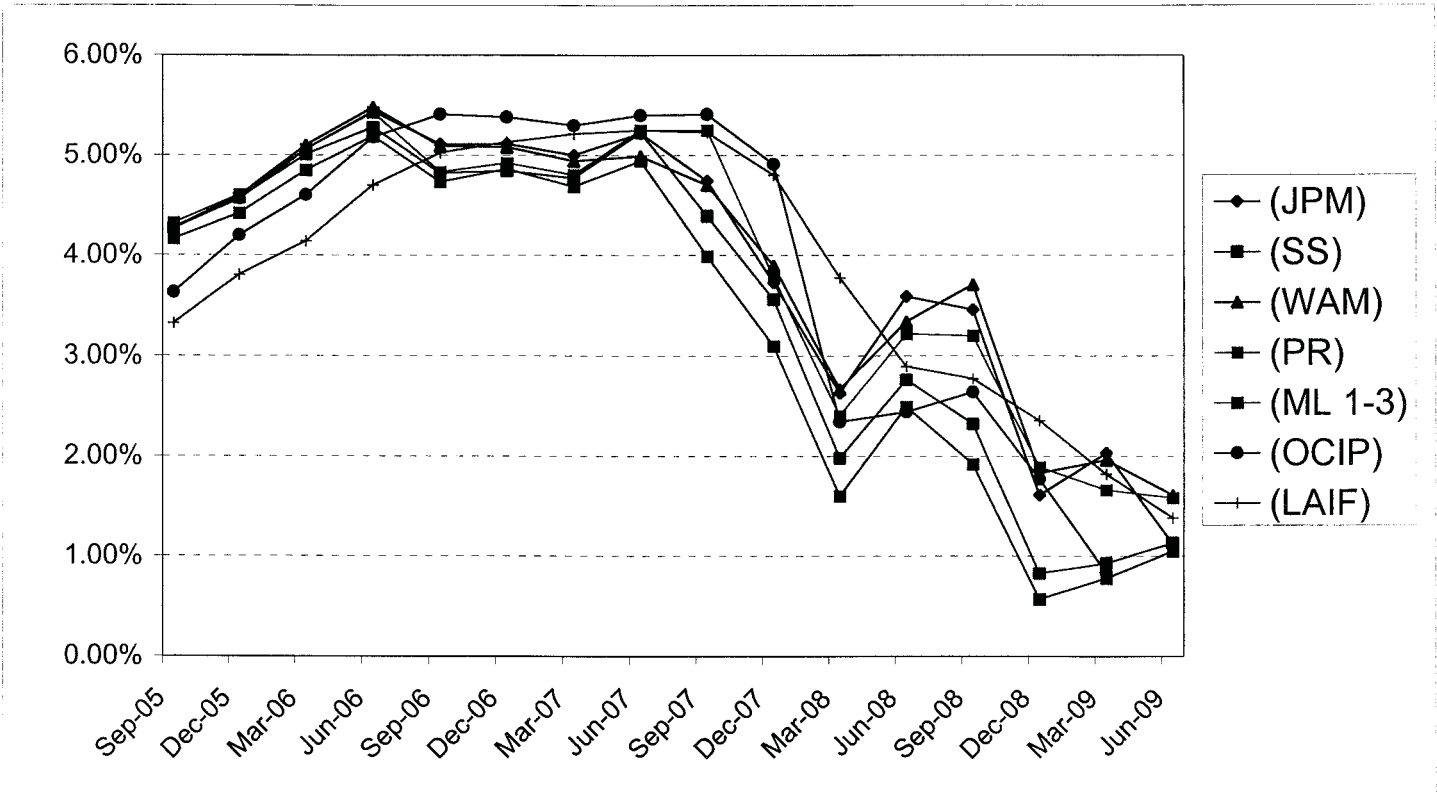
**Trailing 1-Year Total Return
Vs. The Merrill Lynch 1-3 Treasury Benchmark**



	JP Morgan <u>(JPM)</u>	State Street <u>(SS)</u>	Western Asset Mgmt <u>(WAM)</u>	Payden Rygel <u>(PR)</u>	Merrill Lynch 1-3 Yr <u>(ML 1-3)</u>
Jul-07	5.54%	5.12%	5.77%	5.20%	5.26%
Aug-07	5.64%	5.28%	5.90%	5.25%	5.60%
Sep-07	5.76%	5.51%	6.01%	5.39%	5.80%
Oct-07	5.84%	5.62%	6.10%	5.52%	5.78%
Nov-07	6.76%	6.63%	7.07%	6.57%	7.06%
Dec-07	7.01%	6.97%	7.35%	6.81%	7.32%
Jan-08	8.34%	8.59%	8.99%	8.57%	8.95%
Feb-08	8.26%	8.69%	8.89%	8.73%	9.17%
Mar-08	7.97%	8.64%	8.60%	8.45%	8.99%
Apr-08	7.15%	7.31%	7.54%	7.20%	7.74%
May-08	6.90%	7.09%	7.45%	7.02%	7.44%
Jun-08	6.82%	6.94%	7.45%	6.94%	7.30%
Jul-08	6.47%	6.56%	6.89%	6.56%	6.76%
Aug-08	6.05%	6.17%	6.41%	6.29%	6.18%
Sep-08	4.10%	6.12%	4.86%	5.82%	6.27%
Oct-08	3.76%	6.33%	4.33%	5.75%	6.85%
Nov-08	3.73%	5.96%	4.15%	5.43%	6.27%
Dec-08	5.01%	6.59%	5.27%	6.46%	6.61%
Jan-09	3.41%	4.44%	3.42%	4.45%	4.43%
Feb-09	2.73%	3.31%	2.64%	3.66%	3.30%
Mar-09	3.21%	3.59%	3.19%	4.25%	3.61%
Apr-09	3.85%	4.48%	4.16%	5.40%	4.29%
May-09	4.55%	4.98%	4.93%	6.19%	4.85%
Jun-09	4.46%	4.49%	4.62%	5.74%	4.39%

Orange County Transportation Authority Comparative Yield Performance June 30, 2009

**Historical Yields
Vs. The Merrill Lynch 1-3 Treasury Benchmark**

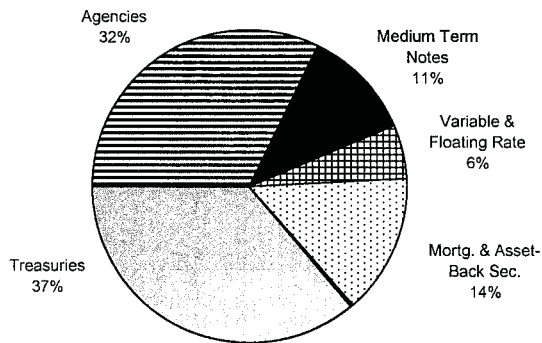


	JP Morgan <u>(JPM)</u>	State Street <u>(SS)</u>	Western Asset Mgmt <u>(WAM)</u>	Payden Rygel <u>(PR)</u>	Merrill Lynch 1-3 Yr <u>(ML 1-3)</u>	<u>(OCIP)</u>	<u>(LAIF)</u>
Sep-05	4.27%	4.27%	4.27%	4.32%	4.17%	3.63%	3.32%
Dec-05	4.56%	4.57%	4.59%	4.60%	4.41%	4.20%	3.81%
Mar-06	5.06%	5.01%	5.10%	5.06%	4.85%	4.60%	4.14%
Jun-06	5.44%	5.28%	5.48%	5.43%	5.19%	5.18%	4.70%
Sep-06	5.11%	4.82%	5.09%	4.83%	4.73%	5.41%	5.02%
Dec-06	5.11%	4.84%	5.08%	4.92%	4.86%	5.38%	5.13%
Mar-07	5.00%	4.77%	4.94%	4.80%	4.68%	5.30%	5.21%
Jun-07	5.22%	5.23%	4.99%	5.25%	4.94%	5.40%	5.25%
Sep-07	4.74%	4.39%	4.70%	5.25%	3.99%	5.41%	5.23%
Dec-07	3.73%	3.56%	3.90%	3.78%	3.10%	4.91%	4.80%
Mar-08	2.63%	1.98%	2.67%	2.40%	1.60%	2.34%	3.78%
Jun-08	3.59%	2.76%	3.34%	3.22%	2.49%	2.44%	2.89%
Sep-08	3.46%	2.32%	3.71%	3.20%	1.92%	2.64%	2.77%
Dec-08	1.61%	0.83%	1.83%	1.89%	0.57%	1.77%	2.35%
Mar-09	2.03%	0.93%	1.96%	1.66%	0.78%	0.84%	1.82%
Jun-09	1.12%	1.13%	1.61%	1.58%	1.05%	N/A	1.38%

Investment Manager Diversification and Maturity Schedules

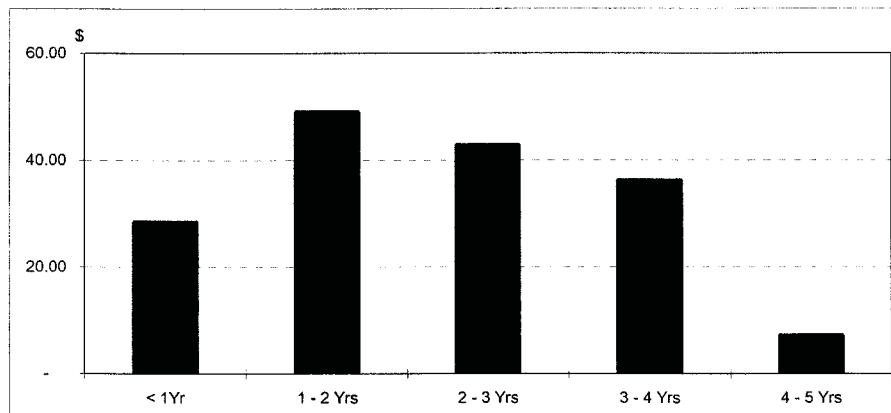
**JP Morgan
June 30, 2009**

SHORT-TERM PORTFOLIO (\$164.4 M)



	<u>Book Value</u>	<u>Market Value</u>
Treasuries	\$59,191,376	\$59,733,283
Agencies	53,133,033	54,222,141
Medium Term Notes	18,864,092	19,051,442
Variable & Floating Rate	9,226,785	9,235,003
Mortg. & Asset-Back Sec.	23,443,562	24,055,430
Money Market Funds	<u>534,582</u>	<u>534,582</u>
	<u>\$164,393,430</u>	<u>\$166,831,881</u>

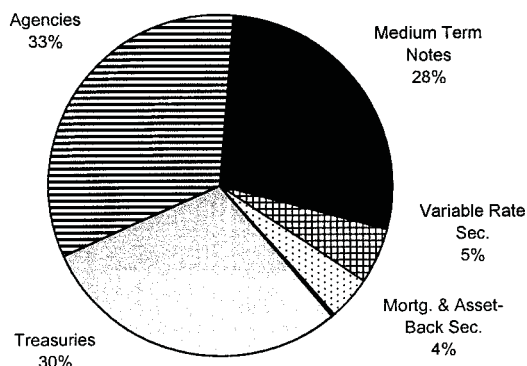
Wtd Avg Maturity	2.15 Yrs
Duration	1.81 Yrs
Quarter-end Yield	1.12%
Benchmark Comparison	1.05%
Quarter Return	0.90%
Benchmark Comparison	-0.11%
12 Month Return	4.46%
Benchmark Comparison	4.39%



Investment Manager Diversification and Maturity Schedules

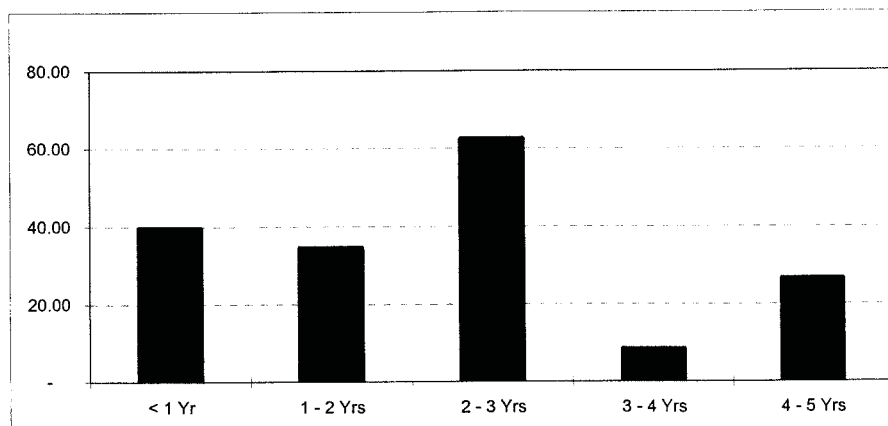
Western Asset Management June 30, 2009

SHORT-TERM PORTFOLIO (\$172.8 M)



	<u>Book Value</u>	<u>Market Value</u>
Treasuries	\$50,989,809	\$51,174,610
Agencies	56,917,563	57,846,303
Medium Term Notes	48,097,122	47,035,548
Variable Rate Sec.	9,108,191	9,029,674
Mortg. & Asset-Back Sec.	7,307,291	7,527,381
Money Market Funds	<u>340,328</u>	<u>340,328</u>
	<u>\$172,760,304</u>	<u>\$172,953,844</u>

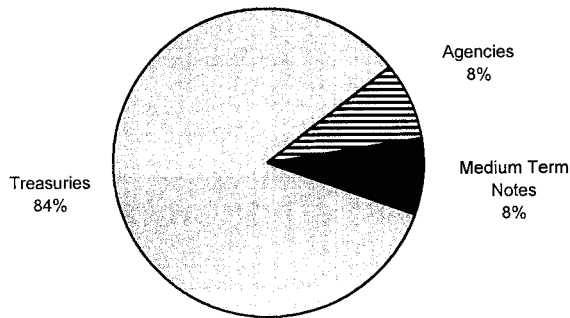
Wtd Avg Maturity	2.37 Yrs
Duration	2.04 Yrs
Quarter-end Yield	1.61%
Benchmark Comparison	1.05%
Quarter Return	1.01%
Benchmark Comparison	-0.11%
12 Month Return	4.62%
Benchmark Comparison	4.39%



Investment Manager Diversification and Maturity Schedules

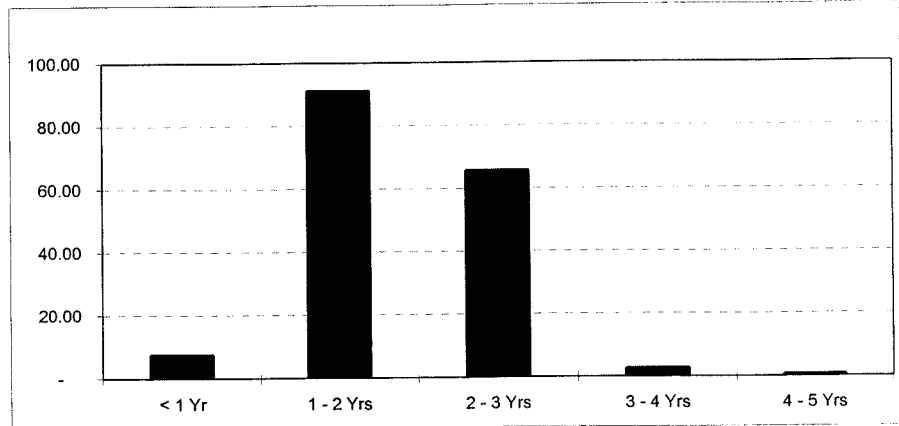
State Street
June 30, 2009

SHORT-TERM PORTFOLIO (\$167.8 M)



	<u>Book Value</u>	<u>Market Value</u>
Treasuries	\$140,779,619	\$140,895,455
Agencies	13,467,360	13,502,906
Medium Term Notes	13,522,000	13,759,594
Money Market Funds	<u>4,680</u>	<u>4,680</u>
	<u>\$167,773,658</u>	<u>\$168,162,635</u>

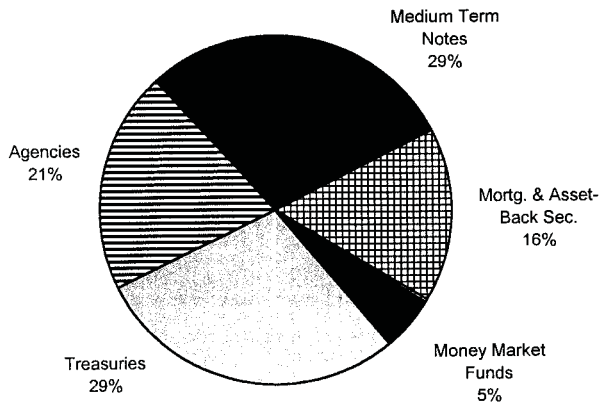
Wtd Avg Maturity	1.93 Yrs
Duration	1.88 Yrs
Quarter-end Yield	1.13%
Benchmark Comparison	1.05%
Quarter Return	-0.01%
Benchmark Comparison	-0.11%
12 Month Return	4.49%
Benchmark Comparison	4.39%



Investment Manager Diversification and Maturity Schedules

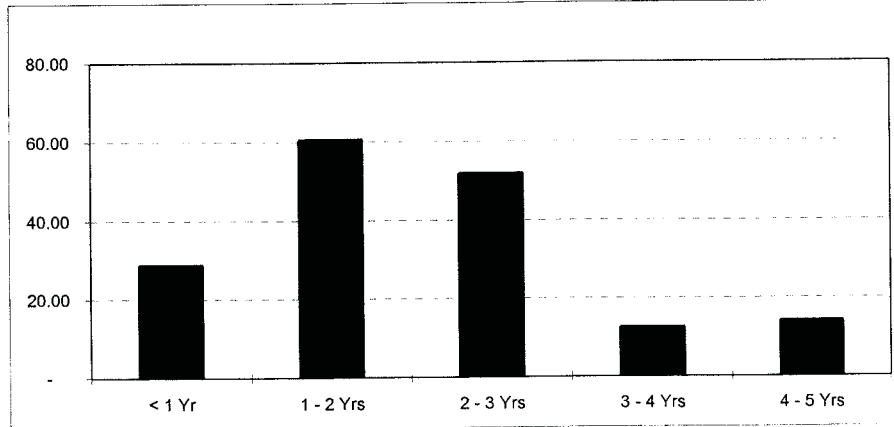
Payden & Rygel
June 30, 2009

SHORT-TERM PORTFOLIO (\$168.3 M)



	<u>Book Value</u>	<u>Market Value</u>
Treasuries	\$48,596,416	\$48,691,978
Agencies	34,673,745	34,640,978
Medium Term Notes	49,181,325	48,712,555
Mortg. & Asset-Back Sec.	26,933,961	28,700,722
Variable & Floating Rate	501,172	498,540
Money Market Funds	<u>8,362,586</u>	<u>8,362,586</u>
	<u>\$168,249,205</u>	<u>\$169,607,360</u>

Wtd Avg Maturity	2.04 Yrs
Duration	1.70 Yrs
Quarter-end Yield	1.58%
Benchmark Comparison	1.05%
Quarter Return	0.56%
Benchmark Comparison	-0.11%
12 Month Return	5.74%
Benchmark Comparison	4.39%



**Orange County Transportation Authority
Portfolio Listing
As of June 30, 2009**

LIQUID PORTFOLIO

<u>Description</u>	<u>Maturity Date</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Yield</u>
<i>Cash Equivalents</i>				
Cash Equivalent - Earnings Credit	7/1/2009	15,030,295.28	15,030,295.28	N/A
Bank of the West CD	7/9/2009	15,000,000.00	15,000,300.00	0.08%
FHLMC Discount Note	8/14/2009	750,399.83	750,924.90	0.21%
FNMA Discount Note	8/14/2009	750,574.43	750,924.90	0.17%
FHLB Discount Note	8/14/2009	750,695.01	750,924.90	0.17%
FHLB Discount Note	8/17/2009	750,093.06	751,924.80	0.51%
FNMA Discount Note	2/12/2010	19,594,369.41	19,622,734.80	0.43%
FHLB Discount Note	2/16/2010	6,531,679.54	6,577,497.60	0.91%
FNMA Discount Note	2/16/2010	6,532,182.71	6,530,601.00	0.30%
Fidelity Funds Treasury I	N/A	5,834,203.91	5,834,203.91	0.33%
First American Treasury Obligations	N/A	151,271.00	151,271.00	0.04%
Goldman Sachs Financial Govt Fund	N/A	15,787,953.15	15,787,953.15	0.21%
Milestone Funds Treasury Obligations	N/A	43,996,569.35	43,996,569.35	0.35%
<i>Sub-total</i>		<u>131,460,286.68</u>	<u>131,536,125.59</u>	
<i>Local Agency Investment Fund (LAIF)</i>	N/A	40,913.95	40,913.95	1.82%
<i>Orange County Investment Pool (OCIP)</i>	N/A	5,010,183.99	5,010,183.99	0.64%
Liquid Portfolio - Total		<u>\$ 136,511,384.62</u>	<u>\$ 136,587,223.53</u>	

SHORT-TERM PORTFOLIO

<u>Description</u>	<u>Maturity Date</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Yield</u>
<i>Cash Equivalents</i>				
FHLB Discount Note	7/31/2009	424,959.74	424,956.20	0.11%
FHLB Discount Note	2/23/2010	3,496,255.00	3,514,218.75	1.04%
FHLB Discount Note	5/18/2010	2,000,000.00	2,000,625.00	0.49%
US Treasury Bill	12/10/2009	16,976,464.44	16,974,069.42	0.27%
Milestone Funds Treasury Obligations	N/A	9,242,176.92	9,242,176.92	0.35%
<i>Sub-total</i>		<u>32,139,856.10</u>	<u>32,156,046.29</u>	
<i>U.S. Government & Agency Obligations</i>				
FFCB	1/10/2013	425,556.00	422,500.00	3.66%
FFCB	4/8/2013	997,400.00	995,312.50	2.21%
FFCB	4/17/2014	496,855.00	495,781.25	2.64%
FHLB	9/10/2010	10,942,239.00	11,351,328.13	4.85%
FHLB	12/10/2010	21,211,211.80	22,185,440.63	3.37%
FHLB	12/17/2010	4,093,920.00	4,158,750.00	3.48%
FHLB	5/16/2011	1,999,180.00	2,006,250.00	1.37%
FHLB	6/24/2011	4,517,312.50	4,667,343.75	3.25%
FHLB	7/1/2011	4,095,373.00	4,178,750.00	3.46%
FHLB	7/27/2011	7,992,400.00	8,045,000.00	1.61%
FHLB	9/16/2011	5,051,895.00	5,235,937.50	3.46%
FHLB	4/13/2012	1,496,518.50	1,518,281.25	2.22%
FHLB	2/27/2013	419,333.60	414,000.00	3.26%
FHLB	8/15/2013	1,095,600.00	1,091,250.00	4.58%
FHLB	9/16/2013	652,685.40	642,937.50	4.19%

**Orange County Transportation Authority
Portfolio Listing
As of June 30, 2009**

FHLB	12/13/2013	2,033,300.00	2,003,750.00	3.11%
FHLMC	4/11/2011	5,107,089.00	5,243,437.50	2.67%
FHLMC	4/26/2011	4,145,050.91	4,178,102.50	1.61%
FHLMC	6/29/2011	5,026,620.00	5,254,687.50	3.68%
FHLMC	1/15/2012	2,225,188.00	2,206,250.00	5.21%
FHLMC	3/23/2012	3,985,440.00	4,036,250.00	2.10%
FHLMC	3/23/2012	5,050,000.00	5,032,950.00	2.48%
FHLMC	10/25/2012	5,466,210.00	5,390,625.00	4.28%
FHLMC	9/27/2013	2,962,377.90	2,860,312.50	3.89%
FHLMC	1/30/2014	8,708,000.00	8,680,000.00	4.60%
FNMA	1/15/2010	3,591,100.40	3,527,500.00	6.98%
FNMA	2/15/2011	10,296,284.10	10,522,125.00	4.25%
FNMA	5/15/2011	2,537,752.88	2,521,550.00	5.52%
FNMA	4/20/2012	7,091,054.00	7,128,843.75	1.86%
FNMA	11/19/2012	6,609,876.00	6,525,000.00	4.36%
FNMA	2/21/2013	655,890.00	645,000.00	4.41%
FNMA	7/17/2013	322,263.00	320,343.75	4.09%
FNMA	12/11/2013	10,969,510.00	10,786,937.50	2.85%
US Treasury Note	10/31/2001	910,233.48	909,984.38	1.48%
US Treasury Note	12/15/2009	922,202.99	963,547.00	3.45%
US Treasury Note	2/28/2010	11,224,049.81	11,160,199.35	1.97%
US Treasury Note	4/15/2010	14,868,059.24	14,597,864.70	0.87%
US Treasury Note	5/15/2010	7,124,037.42	7,243,110.00	4.34%
US Treasury Note	7/31/2010	18,145,921.14	18,267,690.00	2.68%
US Treasury Note	9/30/2010	4,136,941.71	4,187,935.91	1.96%
US Treasury Note	10/31/2010	31,850,418.03	31,849,453.13	1.48%
US Treasury Note	11/15/2010	6,249,554.15	6,258,448.00	4.27%
US Treasury Note	11/30/2010	14,134,734.40	14,103,320.00	1.24%
US Treasury Note	12/31/2010	6,006,348.24	6,008,220.00	0.87%
US Treasury Note	1/31/2011	500,157.93	500,275.00	0.87%
US Treasury Note	2/28/2011	11,041,248.89	11,078,254.00	4.24%
US Treasury Note	4/15/2011	526,737.93	553,066.02	2.30%
US Treasury Note	4/30/2011	8,997,473.34	8,973,630.00	0.87%
US Treasury Note	6/30/2011	14,128,082.27	14,130,577.00	4.75%
US Treasury Note	10/31/2011	1,616,430.81	1,615,078.13	4.29%
US Treasury Note	11/15/2011	17,200,154.48	17,261,475.00	1.73%
US Treasury Note	11/30/2011	10,959,034.62	11,153,990.40	4.17%
US Treasury Note	12/15/2011	14,156,305.11	14,029,500.00	1.13%
US Treasury Note	1/15/2012	9,954,721.00	9,935,937.50	1.13%
US Treasury Note	2/15/2012	14,940,414.81	14,902,173.10	1.37%
US Treasury Note	4/15/2012	6,307,565.54	6,970,137.75	1.94%
US Treasury Note	5/15/2012	20,297,987.50	20,146,037.50	1.38%
US Treasury Note	6/15/2012	8,037,526.80	8,058,160.00	1.86%
US Treasury Note	3/31/2013	11,744,765.63	12,217,500.00	2.45%
US Treasury Note	5/31/2013	3,979,535.83	3,898,296.88	3.32%
US Treasury Note	8/31/2013	2,117,187.50	2,072,040.00	3.01%
US Treasury Note	4/30/2014	4,961,718.75	4,851,950.00	1.93%
US Treasury Note	5/31/2014	5,541,205.50	5,623,406.25	2.28%
	<i>Sub-total</i>	<u>434,851,240.84</u>	<u>437,793,784.51</u>	

Medium Term Notes

3M Company	11/6/2009	1,999,120.00	2,034,480.00	5.03%
3M Company	11/1/2011	1,482,871.00	1,541,531.25	4.23%
Abbott Labs	5/15/2011	1,051,630.00	1,068,390.00	5.24%
Alabama Power Co	11/15/2013	1,080,490.00	1,083,420.00	5.35%
Amgen Inc	11/18/2009	1,373,316.00	1,418,998.00	3.94%

**Orange County Transportation Authority
Portfolio Listing
As of June 30, 2009**

Bank America Corp	4/30/2012	1,779,466.00	1,782,705.60	2.09%
Bank America Corp	6/15/2012	5,191,950.00	5,156,750.00	3.03%
Bank America Corp	6/22/2012	1,997,780.00	2,020,000.00	2.35%
Bank America Corp	9/15/2012	2,413,872.00	2,373,576.00	4.92%
Bank New York Inc	4/1/2013	200,622.00	203,526.00	4.42%
BB&T Corp	10/1/2012	195,174.00	195,588.00	4.85%
BellSouth Corp	9/15/2009	1,223,650.00	1,256,712.50	4.17%
Berkshire Hathaway Financial Corp	1/15/2010	1,484,487.10	1,526,880.00	4.05%
Berkshire Hathaway Financial Corp	4/15/2012	1,795,806.00	1,860,282.00	3.87%
Berkshire Hathaway Inc	5/15/2012	631,692.00	637,050.00	4.47%
Campbell Soup Co	2/15/2011	1,879,535.00	1,893,281.25	6.23%
Caterpillar Financial Services	12/1/2010	2,790,788.00	2,916,312.00	4.84%
Chevron Corp	3/3/2012	699,958.00	722,050.00	3.34%
Cisco Systems Inc	2/22/2011	2,562,850.00	2,636,100.00	4.97%
Citigroup Inc	4/30/2012	3,373,442.80	3,394,838.20	2.11%
Citigroup Inc	5/7/2012	1,994,780.00	1,992,187.50	1.88%
Citigroup Inc	7/12/2012	1,995,380.00	2,000,280.00	2.12%
Citigroup Inc	10/17/2012	289,161.00	289,368.00	5.49%
CME Group Inc	8/1/2013	181,622.00	183,863.75	5.13%
Conoco Phillips	2/1/2014	698,033.00	728,826.00	4.56%
Credit Suisse First Boston USA	1/15/2010	301,644.00	303,639.00	4.07%
Credit Suisse First Boston USA	11/15/2011	104,469.00	107,064.00	5.72%
Eli Lilly & Co	3/6/2012	399,592.00	414,392.00	3.42%
General Electric Capital Corp	12/1/2010	629,166.00	617,616.00	4.85%
General Electric Capital Corp	2/22/2011	2,122,400.00	2,096,220.00	5.84%
General Electric Capital Corp	3/11/2011	1,006,290.00	1,009,020.00	1.78%
General Electric Capital Corp	12/9/2011	309,110.30	319,811.50	2.90%
General Electric Capital Corp	6/8/2012	6,283,999.90	6,286,020.48	2.18%
General Electric Capital Corp	5/13/2014	719,200.80	734,875.20	5.78%
Gillette Company	9/15/2009	484,250.00	503,390.00	3.77%
Goldman Sachs Group	6/15/2010	488,545.00	512,355.00	4.39%
Goldman Sachs Group	1/15/2012	1,410,097.00	1,384,149.00	6.19%
Goldman Sachs Group	6/15/2012	6,000,643.20	6,064,514.00	3.14%
Goldman Sachs Group	5/1/2014	908,893.44	940,337.66	5.74%
Heller Financial Inc	11/1/2009	2,081,240.00	2,029,940.00	7.26%
Hewlett Packard Co	5/27/2011	899,703.00	902,745.00	2.24%
Hewlett Packard Co	2/24/2012	799,648.00	834,992.00	4.07%
HSBC USA Inc	12/16/2011	1,747,003.64	1,809,582.04	3.01%
HSBC USA Inc	4/1/2014	99,052.00	98,179.00	4.71%
IBM	11/29/2012	127,898.75	134,032.50	4.42%
IBM International Group Capital LLC	10/22/2012	628,494.00	642,276.00	4.71%
John Deere Capital Corp	4/3/2013	1,557,441.60	1,591,496.40	4.41%
JP Morgan Chase & Co	12/1/2011	2,463,471.70	2,549,919.25	3.02%
JP Morgan Chase & Co	6/15/2012	5,739,769.30	5,764,019.10	2.18%
JP Morgan Chase & Co	1/2/2013	1,059,110.00	1,031,280.00	5.57%
JP Morgan Chase & Co	5/1/2013	652,260.00	708,883.00	4.69%
Kimberly Clark Corp	2/15/2012	84,393.10	90,605.75	5.27%
Lehman Brothers Holdings	1/24/2013	1,013,340.00	151,250.00	0.00%
Lowe's Company Inc	6/1/2010	127,993.75	132,800.00	7.76%
McDonalds Corp	3/1/2012	1,522,612.00	1,518,343.75	5.30%
Medtronic Inc	9/15/2010	1,389,312.00	1,380,996.00	4.27%
Merrill Lynch & Co Inc	8/15/2012	1,034,500.00	1,002,640.00	6.03%
Metropolitan Life Global	4/10/2013	2,851,458.40	2,888,507.20	5.03%
Morgan Stanley Co	3/13/2012	873,766.25	882,708.75	2.23%
Morgan Stanley Co	4/1/2012	1,075,180.00	1,058,760.00	6.23%
Morgan Stanley Co	6/20/2012	4,992,450.00	4,989,800.00	1.95%

**Orange County Transportation Authority
Portfolio Listing
As of June 30, 2009**

Morgan Stanley Co	5/13/2014	698,670.00	708,729.00	5.92%
Nation Rural Utilities Financial	8/28/2009	2,639,594.00	2,617,082.00	5.71%
Nation Rural Utilities Financial	3/1/2012	1,275,612.00	1,310,688.00	6.63%
National City Bank	8/24/2009	337,245.16	285,745.09	2.70%
Oracle Corp	1/15/2011	1,309,368.71	1,362,790.00	4.76%
Oracle Corp	4/15/2013	161,491.50	178,017.20	4.72%
Pepsico Inc	3/1/2014	764,851.75	780,376.50	3.67%
Pfizer Inc	3/15/2012	1,098,493.00	1,154,164.00	4.24%
PNC Corp	6/22/2012	3,028,920.00	3,024,420.00	2.28%
Suntrust Bank Senior Notes	11/16/2011	1,233,590.40	1,238,088.00	2.90%
United Parcel Service Inc	1/15/2013	913,334.40	922,873.60	4.29%
United Technologies Corp	3/1/2011	1,515,668.00	1,498,616.00	5.93%
US Bancorp Notes	3/13/2012	1,599,808.00	1,614,096.00	2.23%
USAA Capital Corp	3/30/2012	453,366.00	453,280.50	2.22%
Verizon Global Corp	12/1/2010	2,990,512.00	2,981,272.00	6.80%
Verizon Global Corp	5/20/2011	2,073,381.50	2,117,472.66	3.67%
Wachovia Corp	10/15/2011	619,793.55	628,386.30	5.08%
Wal Mart Stores	8/10/2009	2,137,505.78	1,941,773.00	6.83%
Wal Mart Stores	5/1/2013	707,024.20	702,066.20	4.34%
Walt Disney Co	12/1/2012	619,986.00	644,670.00	4.37%
Wells Fargo	6/21/2010	771,652.50	786,427.50	7.20%
Wells Fargo	8/9/2010	2,064,493.50	2,102,377.50	4.50%
Wells Fargo	12/9/2011	189,777.70	196,334.60	2.90%
Wells Fargo	6/15/2012	4,133,924.90	4,147,115.55	2.11%
World Savings Bank	12/15/2009	1,970,600.00	2,018,400.00	4.08%
<i>Sub-total</i>		129,664,538.58	129,819,416.83	

Variable Rate Notes

Allstate Life Global	2/26/2010	1,000,000.00	999,000.00	1.26%
American Express Credit Corp	6/19/2013	930,000.00	837,837.00	2.01%
American Honda Financial Corp	2/5/2010	1,230,000.00	1,227,921.30	1.42%
Bank America Corp	6/22/2012	1,002,362.00	1,009,460.00	0.81%
Bank New York Inc	2/5/2010	500,000.00	500,770.00	1.42%
Caterpillar Financial Services	2/8/2010	1,000,000.00	999,520.00	1.42%
Citigroup Inc	4/30/2012	422,352.00	425,199.60	1.37%
FFCB Note	9/3/2010	1,999,972.00	2,004,420.00	0.51%
Goldman Sachs Group	11/9/2011	1,003,504.84	1,010,230.00	1.21%
Hewlett Packard Co	9/3/2009	1,325,000.00	1,325,874.50	1.05%
John Deere Capital Corp	2/26/2010	1,200,000.00	1,202,812.50	1.11%
JP Morgan Chase & Co	6/22/2010	1,750,000.00	1,743,927.50	0.64%
Morgan Stanley	5/14/2010	501,172.00	498,540.00	1.42%
PNC Bank NA Pittsburgh	8/5/2009	1,498,950.00	1,499,415.00	1.42%
UBS AG Stamford Medium Term Note	7/23/2009	2,000,000.00	1,998,600.00	1.09%
Wachovia Bank NA	12/2/2010	1,472,835.00	1,479,690.00	0.73%
<i>Sub-total</i>		18,836,147.84	18,763,217.40	

Mortgage And Asset-Back Securities

American Express Issuance Trust	1/18/2011	190,000.00	203,029.98	3.96%
American Honda Auto Lease Trust	9/15/2010	1,299,941.63	1,307,543.64	2.63%
American Honda Auto Lease Trust	10/15/2010	365,499.83	366,593.92	5.08%
American Honda Auto Lease Trust	5/23/2011	153,605.47	153,399.13	5.35%
American Honda Auto Lease Trust	1/23/2012	1,020,494.66	1,063,019.07	5.16%
Bank of America Auto Trust	12/20/2010	1,455,000.00	1,513,688.70	5.12%
Capital One Prime Auto	7/15/2012	558,414.42	573,699.69	4.84%
Carmax Auto Owner Trust	12/15/2011	345,342.86	355,026.55	5.11%
Caterpillar Financial Trust	12/27/2010	308,328.17	315,712.03	4.05%

**Orange County Transportation Authority
Portfolio Listing
As of June 30, 2009**

Caterpillar Financial Trust	8/25/2011	286,503.54	290,136.53	5.60%
Chase Issuance Trust	11/15/2011	1,785,937.50	1,801,378.62	0.99%
Citibank Credit Card Issuance	10/22/2012	313,094.06	348,727.23	4.59%
CNH Equipment Trust	3/15/2013	524,925.87	525,932.35	2.96%
FHLB Mortgage Pool	8/25/2009	839,620.13	864,900.19	4.03%
FHLB Mortgage Pool	11/25/2009	2,541,054.18	2,659,890.38	3.80%
FHLB Mortgage Pool	10/25/2010	4,935,461.87	5,070,364.88	4.60%
FHLMC Mortgage Pool	1/1/2010	1,056,444.81	1,110,991.46	3.91%
FHLMC Mortgage Pool	12/1/2010	1,108,349.92	1,153,332.45	4.36%
FHLMC Mortgage Pool	12/1/2010	1,021,754.86	1,054,670.06	4.82%
FHLMC Mortgage Pool	2/1/2011	1,361,266.51	1,381,526.91	4.30%
FHLMC Mortgage Pool	4/1/2011	1,468,911.06	1,495,379.98	4.29%
FHLMC Mortgage Pool	4/1/2011	1,318,539.67	1,362,200.35	5.31%
FHLMC Mortgage Pool	5/1/2011	3,045,732.05	3,085,212.18	4.41%
FHLMC Mortgage Pool	6/1/2011	2,681,798.77	2,763,465.16	3.88%
FHLMC Mortgage Pool	8/15/2011	2,932,442.26	3,034,912.28	5.07%
FHLMC Mortgage Pool	9/15/2011	1,775,179.76	1,834,617.57	5.20%
FHLMC Mortgage Pool	8/15/2012	6,028,125.00	6,175,368.60	4.37%
FHLMC Mortgage Pool	6/15/2014	1,493,437.50	1,493,437.50	2.00%
FHLMC Mortgage Pool	6/15/2014	2,168,304.69	2,168,304.58	2.00%
FNMA Mortgage Pool	5/1/2010	1,151,559.10	1,218,075.89	4.38%
Ford Credit Auto Owner Trust	8/15/2011	2,716,446.87	2,738,376.30	5.26%
GE Capital Credit Card Master Trust	9/15/2012	3,039,843.75	3,012,105.00	5.05%
GS Auto Trust	12/15/2010	156,204.99	143,943.65	5.32%
Harley-Davidson Motorcycle Trust	5/15/2012	178,338.97	182,567.96	5.02%
Harley-Davidson Motorcycle Trust	6/15/2013	375,375.00	409,230.12	5.10%
HSBC Automotive Trust	11/18/2013	247,812.50	248,316.90	5.36%
Hyundai Auto Receivables	1/17/2012	495,829.53	498,957.96	4.93%
Hyundai Auto Receivables	12/17/2012	436,378.13	463,241.62	4.73%
M&I Auto Trust	2/15/2011	291,767.04	293,083.84	4.85%
Nissan Auto Receivables 2006-A	7/15/2011	125,593.23	126,770.93	4.71%
Nissan Auto Receivables 2008-A	7/15/2010	183,150.00	187,926.92	3.82%
Nissan Auto Receivables 2008-B	4/16/2012	893,250.00	925,192.26	4.33%
USAA Auto Owner Trust	2/15/2011	199,205.33	161,959.27	5.34%
USAA Auto Owner Trust	2/15/2012	75,746.74	81,006.51	5.23%
USAA Auto Owner Trust	10/15/2012	247,500.00	257,604.65	1.94%
USAA Auto Owner Trust	10/15/2012	130,200.00	144,697.83	4.48%
Volkswagen Auto Enhanced Trust	7/20/2012	531,667.50	567,154.06	4.37%
Vwalt 2009	7/15/2011	999,992.10	1,003,695.30	1.00%
World Omni Auto Trust	10/17/2011	382,903.31	385,259.70	4.95%
World Omni Auto Trust	4/15/2013	442,538.75	447,625.79	4.92%
<i>Sub-total</i>		57,684,813.89	59,023,254.43	
Short-Term Portfolio - Total		\$ 673,176,597.25	\$ 677,555,719.46	

DEBT SERVICE RESERVE FUNDS

<u>Description</u>	<u>Maturity Date</u>	<u>Book Value</u>	<u>Required Amount</u>	<u>Yield</u>
<i>91 Express Lanes 2003 Refunding Bonds</i>	2030		24,662,331.56	
First American Treasury Obligations	N/A	24,662,331.56		0.04%
<i>91 Express Lanes 2003 Refunding Bonds - Operating & Maintenance Reserves</i>			13,327,773.35	
Operating Reserve - Bank of the West CD		3,222,706.49		0.12%
Maintenance Reserve - Bank of the West CD		10,105,066.86		0.12%

**Orange County Transportation Authority
Portfolio Listing
As of June 30, 2009**

<u>Measure M Second Senior Sales Tax Bonds</u>			56,910,357.63
1992 Sales Tax Bonds -	2011		
FSA GIC	2/15/2011	8,998,875.61	3.88%
Fidelity Funds Treasury I	N/A	5,420,316.79	0.33%
1994 Sales Tax Bonds -	2011		
CSFP Agmt - Various Treasury Securities		6,100,551.57	5.98%
Fidelity Funds Treasury I	N/A	5,308,350.07	0.33%
1997 Sales Tax Bonds -	2011		
FSA GIC	2/15/2011	1,249,542.82	3.88%
Fidelity Funds Treasury I	N/A	752,927.35	0.33%
1998 Sales Tax Bonds -	2011		
Fidelity Funds Treasury I		24,592,502.31	0.33%
2001 Sales Tax Bonds -	2011		
Fidelity Funds Treasury I	2/15/2011	6,265,575.20	0.33%
Debt Service Reserve Funds - Total		<u>\$ 96,678,746.63</u>	

	<u>Book Value</u>	<u>Market Value</u>
TOTAL PORTFOLIO	<u>\$ 906,366,728.50</u>	<u>\$ 910,821,689.62</u>

FFCB - Federal Farm Credit Banks
 FHLB - Federal Home Loan Banks
 FHLMC - Federal Home Loan Mortgage Corporation
 FNMA - Federal National Mortgage Association
 SLMA - Student Loan Marketing Association



BOARD COMMITTEE TRANSMITTAL

July 27, 2009

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: *JK* Renewed Measure M Progress Report *JK*

Transportation 2020 Committee Meeting of July 20, 2009

Present: Directors Amante, Brown, Buffa, Campbell, Cavecche, Dixon, and Pringle
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation


Receive and file as an information item.

Note: The Committee requested the following edit to page 2, bullet 3 of the staff report:

City of Anaheim selecting a short list of various alternatives for the ~~Anaheim Regional Transportation Intermodal Center (ARTIC)~~, which development of the Anaheim fixed-guideway project, this phase of study is funded by M1



July 20, 2009

To: Transportation 2020 Committee
From: James S. Kenan, Interim Chief Executive Officer 
Subject: Renewed Measure M Progress Report

Overview

Staff has prepared a Renewed Measure M progress report for April 2009 through June 2009 for review by the Orange County Transportation Authority Board of Directors. Despite worsening economic conditions, implementation of the Early Action Plan of Renewed Measure M continues at a fast pace. The report highlights progress on Renewed Measure M projects and programs and is made available to the public via the Orange County Transportation Authority website.

Recommendation

Receive and file as an information item.

Background

Measure M Ordinance No. 3 requires quarterly status reports regarding the major projects detailed in the Renewed Measure M Transportation Investment Plan be filed with the Orange County Transportation Authority (OCTA) Board of Directors (Board). All Renewed Measure M progress reports are posted online for public review.

Discussion

Voter safeguards are a critical factor for public acceptance of Renewed Measure M (M2). The quarterly report is an opportunity to show progress in implementing the M2 Transportation Investment Plan. In order to be cost-effective and improve the accessibility of information to stakeholders and the public, all M2 progress reports are web-based; however, hard copies are mailed upon request. The report reflects progress being made on Board-approved Early Action Plan (EAP) projects and programs. Each item on the web-based report features a brief paragraph that provides an overview of

significant progress for the time period. Attachment A is a summary of program and project status.

Highlights of the M2 progress report in this quarter include:

- Completion of final design for a new eastbound lane on the Riverside Freeway (State Route 91) between the Foothill-Eastern Toll Road (State Route 241) and the Corona Expressway (State Route 71)
- California Transportation Commission award of \$4 million, combined with \$4 million from the original Measure M (M1), funds the first set of signal synchronization projects beginning in July 2009
- City of Anaheim selecting a short list of various alternatives for the Anaheim Regional Transportation Intermodal Center (ARTIC), which is funded by M1
- Execution of cooperative agreements with the cities of Aliso Viejo, Anaheim, Fullerton, Lake Forest, Mission Viejo, San Clemente, and Westminster to begin service planning for the Go Local program
- Workshop was hosted by the Environmental Oversight Committee (EOC) for property owners, managers, and interested parties to learn about funding eligibility for land acquisition or restoration projects
- Conservation assessment analysis began and an early acquisition and restoration prioritization process was established and approved by the EOC
- Nominal M2 sales tax revenue is projected to decrease from a 2005 estimate of \$24.3 billion to a revised estimate of \$14.7 billion for the 30-year period

To encourage public review of the quarterly report online, information will be placed in OCTA's existing "Transportation Update" advertisement that appears approximately every three weeks in the *Orange County Business Journal*, *Orange County Register*, *Excelsior*, *The Korean Daily*, *The Chinese Daily News*, and *Nguoi Viet Daily News*. Staff also will notify all Orange County cities and use other existing communication tools such as project newsletters and Board action updates to notify the public about the online availability of the M2 progress report. Because the public may view both the original Measure M and M2 as one program, the Original Measure M annual report also includes an update on the progress of M2.

Summary

As required by Measure M Ordinance No. 3, a quarterly report covering activities from April 2009 through June 2009 is provided to update progress in implementing the M2 Transportation Investment Plan. To facilitate accessibility and transparency of information available to stakeholders and the public, the M2 progress report is presented on the OCTA website.

Attachment

- A. Renewed Measure M (M2) Quarterly Progress Report, April – June 2009

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**Renewed Measure M (M2) Quarterly Progress Report
*April – June 2009***

The following is a summary of the progress made on the Renewed Measure M (M2) Early Action Plan (EAP) covering the second quarter (April – June) of 2009.

Highway Projects

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Interstate 5 Projects

The California Department of Transportation (Caltrans) is preparing a project study report to identify ways to relieve freeway congestion along the Santa Ana Freeway (Interstate 5) between the Costa Mesa Freeway (State Route 55) and the Orange Freeway (State Route 57) in Santa Ana. The study is looking at ways to increase capacity and improve traffic flow through this section of Interstate 5 (I-5) that connects four major freeways in central Orange County. The study is expected to be completed in late 2009.

The Orange County Transportation Authority (OCTA) selected a consultant to begin preparation of an environmental document for improvements along I-5 between Avenida Pico and Pacific Coast Highway, through the communities of San Clemente and Dana Point. The environmental study will evaluate the benefits of extending the current high-occupancy vehicle (HOV) lanes on I-5, that presently end at the Pacific Coast Highway interchange, all the way down to Avenida Pico in San Clemente. Environmental approval is expected in mid 2012.

OCTA is also preparing a project study report to evaluate options to improve the I-5/Avenida Pico interchange. The study will look at ways to improve local traffic flow entering and leaving the freeway in this area. This study will be coordinated with the environmental study being done for the I-5 HOV lane project in the same vicinity. The study is expected to be completed in late 2010.

OCTA is preparing a project study report to look at ways to improve traffic flow along I-5 between the San Joaquin Toll Road (State Route 73) and El Toro Road through the communities of Lake Forest, Laguna Hills, and Mission Viejo. The study will look at capacity enhancements and interchange improvements to ease the flow of traffic through this area. The study is expected to be completed in mid 2010.

Caltrans is preparing final design for the reconstruction of the I-5/Ortega Highway (State Route 74) interchange. The project will reconstruct the State Route 74 (SR-74) bridge over the freeway and improve local traffic flow on SR-74 and other adjacent streets leading to the freeway. Design is expected to be completed in late 2011.

State Route 57 Projects

OCTA is preparing the final design for a new northbound lane on State Route 57 (SR-57) from Orangethorpe Avenue to Lambert Avenue through the communities of Brea and Fullerton. The widening of the freeway in the northbound direction will be generally accommodated within the existing right-of-way. Construction is expected to begin in mid 2010.

OCTA is preparing an environmental analysis to add a new northbound lane on SR-57 between Katella Street and Lincoln Avenue in the Anaheim area. This study will identify any potential environmental impacts of the project and will propose mitigation measures to minimize any unavoidable impacts. Environmental approval is expected in late 2009.

State Route 91 Projects

OCTA is preparing an environmental document to add a new westbound lane to the Riverside Freeway (State Route 91) between I-5 and SR-57 in Anaheim. This effort is looking at the environmental and design issues related to adding a new general purpose lane and will identify the most practical approach that has the least impact on existing properties along the freeway. Environmental approval is expected in late 2009.

Caltrans is preparing an environmental document to improve traffic flow through the State Route 55 (SR-55)/State Route 91 (SR-91) interchange. The improvements to the interchange will focus on the northbound to westbound connector along SR-91 between SR-55 and Tustin Avenue. Environmental approval is expected in late 2010.

Caltrans has completed the final design and is advertising for construction bids for a new eastbound lane on SR-91 between the Foothill-Eastern Toll Road (State Route 241) and the Corona Expressway (State Route 71) in Riverside County. This project will extend the existing eastbound auxiliary lane that terminates before Green River Road to the State Route 71 (SR-71) interchange. Construction is expected to begin in late 2009.

Caltrans is preparing final design to add one new lane each way along SR-91 from SR-55 to State Route 241 (SR-241). This project will add significant new capacity along SR-91 through the cities of Anaheim and Placentia. Final design is expected to be completed in mid 2011.

The Riverside County Transportation Commission (RCTC) is planning to extend the express lanes eastward along SR-91 from their current terminus in Anaheim all the way to the Corona Freeway (Interstate 15). This project will also add one general purpose lane in each direction from Interstate 15 to SR-241 in Orange County. RCTC is currently preparing an environmental analysis for the proposed improvements which is expected to be completed in early 2011. The segment in Orange County will be funded by M2, where the Riverside County segment will be funded with their Measure A and toll revenues.

Interstate 405 Projects

OCTA is preparing an environmental study to add one or two new lanes each way on the San Diego Freeway (Interstate 405) between SR-55 and the San Gabriel Freeway (Interstate 605). These improvements will add mainline capacity and improve the local interchanges along the corridor that serves the communities of Fountain Valley, Huntington Beach, Los Alamitos, Santa Ana, Seal Beach, and Westminster. One option being studied is to add high-occupancy toll (HOT) lanes in each direction in the median of the freeway to provide express lanes similar to those currently operating on SR-91 in Anaheim.

Signal Synchronization

Anup Kulkarni (714) 560-5867

In April 2008, the California Transportation Commission (CTC) awarded OCTA \$4 million as part of the Proposition 1B traffic signal synchronization program for signal synchronization. This combined with \$4 million from the original Measure M (M1) will provide \$8 million to fund signal synchronization along 10 significant street corridors comprised of 533 signalized intersections over the next three years. OCTA has developed a schedule to fund and implement these projects and will start the first set of these projects in July 2009.

Lastly, OCTA has been working on a master plan for the regional traffic signal synchronization program. The \$450 million (plus 20 percent local match) program is funded by M2. The goal of the program is to improve the flow of traffic by developing and implementing regional signal coordination through more than 2,000 intersections. The master plan effort will be complete in fall 2009.

Metrolink

Dinah Minteer (714) 560-5740

Due to the planned increases in passenger and freight rail traffic on the three rail lines in Orange County, a renewed focus has been placed on at-grade rail-highway crossing (grade crossing) improvements. Improvements to grade crossings can cover a wide spectrum from basic safety improvements (improving crossing surfaces, reapplying pavement markings, and enhancing signage), to the installation of supplemental safety measures that allow for the reduction of locomotive horn blowing (quiet zones).

On August 27, 2007, the OCTA Board of Directors (Board) approved the implementation strategy for the grade crossing enhancement program and quiet zone improvements at 52 grade crossings in Orange County.

Final design for the grade crossing safety enhancements was completed, but there was a delay in advancing this project of approximately 90 days in order to accommodate use of Proposition 116 funds (in combination with funds from M2) on this project. While the delay affects the construction schedule, this effort allowed the region to keep Proposition 116 funds within Orange County, which was a critical issue in light of current revenue forecasts and future funding opportunities.

Southern California Regional Rail Authority (SCRRA) awarded Herzog Contracting Corporation a contract to support the Metrolink service expansion program (MSEP) and grade crossing safety enhancements. In addition to the civil construction contract, contracts for special track work, signal construction, signal maintenance, rail, and ties have also been awarded.

OCTA staff continues to meet with cities to discuss pre-construction requirements and plan reviews. This effort is intended to resolve issues early and avoid delays once construction begins. Construction of the projects will be undertaken at the same time. SCRRA expects to issue a notice to proceed to the contractor to begin construction in August 2009. Construction is expected to take slightly over two years to complete.

Once the construction is completed, cities may apply for the establishment of a quiet zone through the Federal Railroad Administration.

A comprehensive public outreach program also was developed to notify communities of construction impacts such as road detours, nighttime work, and dust impacts throughout the two-year program. The goal of the public outreach program is to inform and engage the public throughout the development of construction, raise awareness of increased train service, and partner with participating cities to create a quiet zone outreach program. In addition, a rail safety public education program, "Be Rail Safe," was also developed to educate youths and adults to help reduce the number of trespassings on or around the train tracks. An interactive web site and speakers bureau has been developed for both outreach programs.

Go Local

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Project development continued with the two Board-approved Go Local fixed-guideway project concepts, from the City of Anaheim and the cities of Garden Grove and Santa Ana. Both teams are underway with step two efforts to complete detailed planning including alternatives analysis (AA), selection of a locally preferred alternative, and environmental clearance.

During this quarter, the City of Anaheim selected a short list of alternatives that propose various alignments and technologies to connect the Anaheim Regional Transportation Intermodal Center (ARTIC) to the Platinum Triangle and Anaheim resort area. The short-list of alternatives will be reviewed at a public scoping meeting in July.

The City of Santa Ana continues to work on assembling a consultant team that will conduct the AA and environmental clearance for their fixed-guideway concept. The city anticipates that the consultant will be on-board by July. The City of Santa Ana's fixed-guideway concept proposes to connect the Santa Ana Regional Transportation Center through downtown Santa Ana to Harbor Boulevard in the City of Garden Grove.

During the reporting period, cooperative agreements were executed with the lead agencies of Aliso Viejo, Anaheim, Fullerton, Lake Forest, Mission Viejo, San Clemente, and Westminster to define the roles of responsibilities for step two service planning of the lead agencies' Board-approved bus/shuttle concepts. Work is underway to develop the ridership methodology that will be used to assess the viability and feasibility of all step two bus/shuttle concepts.

All planning work done as part of steps one and two of the Go Local program is funded by Measure M (M1) in preparation for the implementation of project S (transit extensions to Metrolink), funded by Renewed Measure M (M2). Staff continues to develop guidelines for the evaluation of Go Local projects that will compete for M2, project S funds. Staff expects to bring draft guidelines for the Board's consideration in early 2010.

Environmental Committees

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The Environmental Cleanup Allocation/Water Quality Committee (Allocation Committee) and the Environmental Oversight Committee (EOC) both began meeting on a monthly basis starting in January 2008.

Environmental Cleanup Allocation/Water Quality Committee

The Allocation Committee is designed to make recommendations to the Board on the allocation of funds for water quality improvements, and is currently developing a draft framework for competitive allocation of water quality funding.

During the second quarter of 2009, the Allocation Committee continued to review and comment on the draft environmental cleanup program prerequisites, which will be incorporated into the M2 funding guidelines for evaluating new capital and operation projects related to mitigating transportation pollution.

Environmental Oversight Committee

The purpose of the EOC is to make recommendations to the Board on the allocation of environmental freeway mitigation funds and monitor the implementation of a master agreement between OCTA and state and federal resource agencies. The master agreement will provide higher-value environmental benefits such as habitat protection, wildlife corridors, and resource preservation in exchange for streamlined project approvals and greater certainty in the delivery of the freeway program as a whole.

In April 2009, the EOC invited property owners, managers, and interested parties with habitat conservation opportunities to give a short presentation on Orange County properties that may be available and eligible for land acquisition or restoration funds. Approximately 70 people attended the public workshop and listened to 14 presentations.

As a result of OCTA's public outreach efforts to expand the existing inventory of potential conservation properties, property information on more than 50 Orange County properties has been collected, with approximately 58,000 acres being evaluated for restoration and acquisition.

In May 2009, a conservation assessment analysis began and an early acquisition and restoration prioritization process was established, which is to be approved by the EOC, Transportation 2020 Committee, and OCTA Board of Directors in the third quarter of 2009. This scientific-based screening process identifies the necessary steps needed to ultimately prioritize the property submittals for early restoration and acquisition funding.

Financing

Ken Phipps (714) 560-5637

In early June, staff received a revised projection of taxable sales growth rate from the State Board of Equalization. The revised projections are sharply lower than what was forecasted last January. Staff has applied the revised State Board of Equalization sales tax forecast for the balance of the M1 period, and used the three university average sales tax forecasts from Chapman University, the University of California, Los Angeles (Anderson Forecast), and California State University, Fullerton to develop a revised M2 forecast.

As compared to the 2005 nominal revenue estimates, the first 12 months of M2 sales tax revenue is now projected to be more than \$100 million less than the 2005 projections and the average annual growth rate over the 30-year period is projected to decrease by approximately 0.5 percent. Overall, the nominal M2 sales tax revenue is projected to decrease from a 2005 estimate of \$24.3 billion to a revised estimate of \$14.7 billion for the 30-year period.

On Wednesday, June 24, 2009, OCTA issued another \$25 million in tax-exempt commercial paper (TECP) to fund M2 EAP projects. The \$25 million was issued at 1.10 percent for a period of 28 days. With this issuance, the total principal amount outstanding for the TECP program is \$50 million. Proceeds from the TECP program have funded Metrolink, SR-57, I-5 South, SR-91, and I-405 projects.