

Date: Monday, July 25, 2005

Time: 9:00 a.m.

Where: Orange County Transportation Authority Headquarters
600 South Main Street, First Floor - Conference Room 154
Orange, California 92863-1584



AGENDA

Orange County Transportation Authority Board Meeting
OCTA Headquarters
First Floor - Room 154
600 South Main Street, Orange, California
Monday, July 25, 2005, at 9:00 a.m.

ACTIONS

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 (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

Invocation

Director Correa

Pledge of Allegiance

Director Green

Agenda Descriptions

The agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Board of Directors may take any action which it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

Public Comments on Agenda Items

Members of the public wishing to address the Board of Directors regarding any item appearing on the agenda may do so by completing a Speaker's Card and submitting it to the Clerk of the Board. Speakers will be recognized by the Chairman at the time the agenda item is to be considered. A speaker's comments shall be limited to three (3) minutes.



AGENDA

ACTIONS

Special Matters

1. **Presentation of Resolutions of Appreciation for Employees of the Month for July 2005**

Present Orange County Transportation Authority Resolutions of Appreciation Nos. 2005-103, 2005-104, 2005-105 to Paul Arnold, Coach Operation, Jose Ruiz, Maintenance, and Steve Montano, Administration, as Employees of the Month for July 2005.

2. **Sacramento Legislative Update**
Kevin Sloat/Richard J. Bacigalupo

Consent Calendar (Items 3 through 16)

All matters on the Consent Calendar are to be approved in one motion unless a Board member or a member of the public requests separate action on a specific item.

Orange County Transportation Authority Consent Calendar Matters

3. **Approval of Minutes**

Of the Orange County Transportation Authority and affiliated agencies' regular meeting of July 11, 2005.

4. **Approval of Resolutions of Appreciation for Employees of the Month of July 2005**

Approval of Orange County Transportation Authority Resolutions of Appreciation Nos. 2005-103, 2005-104, 2005-105, respectively, to Coach Operator Paul Arnold, Jose Ruiz of Maintenance, and Steve Montano of Administration, as Employees of the Month for July 2005.



AGENDA

ACTIONS

5. **State Legislative Status Report**
Kecia Washington/Richard J. Bacigalupo

Overview

This Fiscal Year 2005-2006 State Budget was signed by Governor Arnold Schwarzenegger on July 11, 2005. Among the budget trailer bills was the agreement reached by the Governor and Senate President pro Tempore for funding Bay Bridge cost overruns.

Recommendation

Receive and file as an informational item.

6. **Federal Legislative Status Report**
Kristine Murray/Richard J. Bacigalupo

Overview

Federal update on Transportation Equity Act for the Twenty-First Century Reauthorization, fiscal year 2006 federal transportation appropriations process, and homeland security funding for mass transit.

Recommendation

Receive and file Federal Legislative Status Report as an information item.

7. **Amendment to Agreement for Auditing Services**
Robert A. Duffy/Richard J. Bacigalupo

Overview

The Orange County Transportation Authority requests to amend the contract for the Local Transportation Fund audit in order to exercise the option one-year term.



AGENDA

ACTIONS

7. (Continued)

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement C-3-0866 between the Orange County Transportation Authority and Conrad and Associates, LLP, in the amount of \$59,000, to exercise the option year term of the agreement.

8. **Cooperative Agreements with the California Department of Transportation and the City of Buena Park for the Santa Ana Freeway (Interstate 5) Far North Project**

Charles Guess/Stanley G. Phernambucq

Overview

The Orange County Transportation Authority proposes to enter into cooperative agreements with the California Department of Transportation and the City of Buena Park for implementation of the Santa Ana Freeway (Interstate 5) Far North Project.

Recommendations

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement C-5-2591 between the Orange County Transportation Authority and the California Department of Transportation for construction of the Santa Ana Freeway (Interstate 5) Far North Project.
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement C-5-2358 between the Orange County Transportation Authority and the City of Buena Park for completion of final design and construction implementation of the Santa Ana Freeway (Interstate 5) Far North Project



AGENDA

ACTIONS

9. Amendment to the 2004 State Transportation Improvement Program
Darrell Johnson/Paul C. Taylor

Overview

On February 9, 2004, the Orange County Transportation Authority Board of Directors approved the 2004 State Transportation Improvement Program, which included \$1.1 million for the Placentia Avenue Grade Separation project. The City of Placentia is requesting to reprogram the Regional State Transportation Improvement Program funds from the Placentia Avenue Grade Separation project to the Melrose Avenue Grade Separation and Bradford Avenue Crossing Closure projects.

Recommendations

- A. Approve the reprogramming of \$1.1 million in Regional State Transportation Improvement Program funds from the Placentia Avenue Grade Separation project to the Melrose Avenue and Bradford Avenue Grade Separation and Closure projects.
- B. Authorize staff to process necessary State Transportation Improvement Program and Regional Transportation Improvement Program amendments as required by the above action.

10. 2005 State Route 91 Implementation Plan
Kurt Brotcke/Paul C. Taylor

Overview

In January 2003, the Orange County Transportation Authority assumed ownership of the 91 Express Lanes. Enabling legislation requires the Orange County Transportation Authority to annually issue a plan and proposed completion schedule for Riverside Freeway (State Route 91) improvements eligible for funding by potential excess toll revenue. The State Route 91 Committee will review the Implementation Plan on July 15, 2005.



AGENDA

ACTIONS

10. (Continued)

Recommendations

- A. Approve the 2005 State Route 91 Implementation Plan, and direct staff to update the plan based on results of the Riverside County-Orange County Major Investment Study.
- B. Authorize the Chief Executive Officer to forward the plan to the State Legislature.

11. **Amendment to Agreement with the City of Irvine for the Exchange of Funds**

Jennifer Bergener/Paul C. Taylor

Overview

The Orange County Transportation Authority entered into an agreement with the City of Irvine for the exchange of Urban Mass Transportation Administration funds for non-state funds. The Scope of Work, for construction and expansion of the Irvine Transportation Center, has been completed under the estimated budget. The City of Irvine has requested to use the remaining funds for rehabilitation work at the Irvine Transportation Center.

Recommendation

Authorize the Chief Executive Officer to execute an amendment to Agreement C-0-1988, for the exchange of funds with the City of Irvine, to modify the Scope of Work.

12. **New York Meetings with Rating Agencies, Insurers, and Investors**

Kirk Avila/James S. Kenan

Overview

Since the early nineties, the Orange County Transportation Authority has maintained an active investor relations program. As part of this program, each year the Orange County Transportation Authority conducts a series of meetings with rating agencies, insurance companies, and investors in New York, New York. This year the trip took place during the week of June 20, 2005.



AGENDA

ACTIONS

12. (Continued)

Recommendation

Receive and file as an information item.

13. **Budget Authorization to Procure 50 Compressed Natural Gas Buses and Implement Liquefied Natural Gas Fueling System Improvements**

Andrew Oftelie/James S. Kenan

Overview

Amend the fiscal year 2005-06 budget to accommodate the procurement of 50 compressed natural gas buses and implement fueling system improvements.

Recommendations

- A. Authorize the Chief Executive Officer to amend the fiscal year 2005-06 budget by \$21,408,912, to procure 50 compressed natural gas 40-foot buses.
- B. Authorize the Chief Executive Officer to amend the fiscal year 2005-06 budget by \$1,120,130, to improve the fueling system on liquefied natural gas buses.

14. **Second Quarter 2005 Debt and Investment Report**

Kirk Avila/James S. Kenan

Overview

The California Government Code requires that the Orange County Transportation Authority Treasurer submit a quarterly investment report detailing the Orange County Transportation Authority's investment activity for the period. This investment report covers the second quarter of 2005, April through June, and includes a discussion on the Orange County Transportation Authority's debt portfolio.

Recommendation

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



AGENDA

ACTIONS

Orange County Transit District Consent Calendar Matters

15. **Agreement for the Purchase and Placement of Heavy Duty Brake Inspection Systems**

Al Pierce/William L. Foster

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2005-06 Budget, the Board approved the purchase and installation of heavy duty brake inspection systems.

Recommendation

Authorize the Chief Executive Officer to execute Agreement C-5-0725 between the Orange County Transportation Authority and Vehicle Inspection Systems, Inc., in an amount not to exceed \$202,684, to purchase and install two heavy duty brake inspections systems and upgrade a previously installed system.

16. **Agreement for Training on the Orange County Transportation Authority's Integrated Transportation Communication System**

Al Pierce/William L. Foster

Overview

The Orange County Transportation Authority proposes to contract for the training of staff and technicians on the operation and maintenance of the Orange County Transportation Authority's integrated transportation communications system. The training will be provided on-site by Orbital Sciences Corporation and M/A-COM.

Recommendation

Authorize the Chief Executive Officer to execute Agreement C-5-2497 between the Orange County Transportation Authority and Orbital Sciences Corporation, in an amount not to exceed \$80,000, for the training of staff and technicians on the operation and maintenance of the Orange County Transportation Authority's integrated transportation communications system.



AGENDA

ACTIONS

Regular Calendar

17. **91 Express Lanes May 2005 Status Report**
Daryl Watkins/Paul C. Taylor

Overview

The 91 Express Lanes Status Report for the period ending May 31, 2005, is provided for Orange County Transportation Authority Board of Directors' review. The report provides toll road traffic volume, revenue, financial performance, operations, maintenance, and communications information.

Recommendation

Receive and file the 91 Express Lanes Status Report for the period ending May 31, 2005.

18. **Department of Justice Fingerprint and Criminal Records Review**
Tom Little/Richard J. Bacigalupo

Overview

Currently, pre-employment background checks are conducted by a contract agency as part of the human resources hiring process. The Department of Justice fingerprint database for identity verification and criminal history information is not utilized.

Recommendation

It is recommended that the Board of Directors pass a resolution requesting the Orange County Transportation Authority be enrolled in the Department of Justice Livescan fingerprint program as an applicant agency. The Orange County Transportation Authority will then be authorized to query the Department of Justice criminal history database for pre-employment screening purposes.



AGENDA

ACTIONS

Other Matters

19. **Joint Powers Authority for Possible Multi-Use Tunnel**
Paul C. Taylor

20. **Chief Executive Officer's Report**

21. **Directors' Reports**

22. **Public Comments**

At this time, members of the public may address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors, but no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three (3) minutes per speaker, unless different time limits are set by the Chairman subject to the approval of the Board of Directors.

23. **Closed Session**

Pursuant to Government Code Section 54957.6 to meet with Orange County Transportation Authority designated representative Marlene Heyser regarding collective bargaining agreement negotiations with the Teamsters Local 952 representing the Maintenance employees.

24. **Adjournment**

The next regularly scheduled meeting of the OCTA/OCTD/OCLTA/OCSAFE/OCSSAV Board will be held at **9:00 a.m. on August 8, 2005**, at OCTA Headquarters at 600 South Main Street, First Floor - Room 154, Orange, California.



Orange County Transportation Authority

Board of Directors' Meeting

Agenda

July 25, 2005

1. Wrap-up of 2005-2006 State Budget
2. Bay Bridge Update
3. Sponsor Legislation
4. Late Breaking Developments
5. Questions/Comments

Minutes of the Meeting of the
Orange County Transportation Authority
Orange County Service Authority for Freeway Emergencies
Orange County Local Transportation Authority
Orange County Transit District
July 11, 2005

Call to Order

The July 11, 2005, regular meeting of the Orange County Transportation Authority and affiliated agencies was called to order at 9:00 a.m. at the Orange County Transportation Authority Headquarters, Orange, California; Chairman Campbell presided over the meeting.

Roll Call

Directors Present: Bill Campbell, Chairman
Arthur C. Brown, Vice Chairman
Marilyn Brewer
Carolyn Cavecche
Lou Correa
Richard Dixon
Michael Duvall
Cathy Green
Gary Monahan
Chris Norby
Curt Pringle
Miguel Pulido
Susan Ritschel
Mark Rosen
James W. Silva
Thomas W. Wilson
Gregory T. Winterbottom
Cindy Quon, Governor's Ex-Officio Member

Also Present: Arthur T. Leahy, Chief Executive Officer
Richard J. Bacigalupo, Deputy Chief Executive Officer
Wendy Knowles, Clerk of the Board
Mary Burton, Deputy Clerk of the Board
Kennard R. Smart, Jr., General Counsel
Members of the Press and the General Public

Directors Absent: None

Invocation

Chairman Campbell gave the invocation.

Pledge of Allegiance

Director Rosen led the Board and audience in the Pledge of Allegiance to the Flag of the United States of America.

At this time, Chairman Campbell advised the Board and audience that he was pleased and proud to announce that OCTA has been selected as the recipient of the prestigious 2005 American Public Transportation Association's Outstanding Public Transportation System Achievement Award.

Chief Executive Officer (CEO), Arthur T. Leahy, stated that OCTA is in the large system category, and this puts us in the same group with Portland, San Diego, and Denver. Mr. Leahy stated that this award reflects the work of our coach operators, maintenance workers, marketing, planning, and other areas within the Authority.

Public Comments on Agenda Items

Chairman Campbell announced that members of the public who wished to address the Board of Directors regarding any item appearing on the agenda would be allowed to do so by completing a Speaker's Card and submitting it to the Clerk of the Board.

Special Matters

1. Discussion of Public Member Appointment

Chairman Campbell stated that because of Director Marilyn Brewer having resigned from the Board due to her plans to run for Congress, one of the two positions for Public Members is now vacant. Chairman Campbell again extended his thanks and appreciation for Ms. Brewer's service on the Board.

Darrell Nolta, Westminster, offered public comment. He stated that an objective member from the public should be selected for this position as Public Member on the Board.

Motion was made by Chairman Campbell and seconded by Director Rosen, that an ad hoc committee be formed to screen the Public Member applications received in January, screen those applicants, seek additional applications as appropriate, and make a recommendation of the final 3-4 candidates who would in turn be interviewed by the Executive Committee. The Executive Committee would come forward to the Board with a recommendation for appointment. Motion passed unanimously. The Chairman would like this process to be completed over the next two months.

1. (Continued)

With the motion having passed, Chairman Campbell stated that he was requesting Vice Chairman Brown and Directors Cavecche and Pringle to serve with him on the ad hoc committee and instructed the Clerk of the Board to provide the committee members with copies of applications received for the last recruitment for Public Members. A meeting will be set thereafter to begin the process of selection.

2. Sheriff's Commendation to Coach Operator Manuel Esparza

Lieutenant James Rudy, Transit Police Services Chief, addressed the Board and presented a commendation from the Sheriff's Department to Manuel Esparza, who was instrumental in effecting the arrest of a suspect who was observed riding on the bus he drove.

Consent Calendar (Items 3 through 9)

Chairman Campbell stated that all matters on the Consent Calendar are to be approved in one motion unless a Board member or a member of the public requests separate action on a specific item.

Director Norby pulled Item 4 for discussion.

Orange County Transportation Authority Consent Calendar Matters

3. Approval of Minutes

Motion was made by Director Wilson, seconded by Director Silva, and declared passed by those present, to approve the minutes of the Orange County Transportation Authority and affiliated agencies' regular meeting of June 27, 2005.

4. State Legislative Status Report

Director Norby pulled this item for comment regarding the Bay Bridge agreement. Director Norby stated that toll customers should pay the costs, and does not believe costs should fall to the State

Director Pringle stated that he will not support this recommendation and opposes the agreement.

Director Correa inquired as to why this is coming before the Board for a vote, and CEO, Arthur T. Leahy, stated that the Governor's office requested that the Board express their views on the matter. Director Correa responded that he felt there was not a reason to take a position.

4. (Continued)

Motion was made by Director Correa, seconded by Director Norby, to take an opposed position on this recommendation.

Director Pringle offered a substitute motion to table this item and consider this issue over the next few weeks to assess if there is a reason for the Board to take it up later, as opposed to taking action at this time. Director Correa seconded the motion, which was subsequently passed unanimously.

Director Duvall stated that he felt it is important to monitor Assembly Bill (AB) 426 (Bogh) and make it a part of the discussions with Riverside at the State Route 91 Advisory Committee meeting on July 15.

Director Duvall also commented that he had concern for ACA 7 (Nation), and feels the Board needs to monitor that closely, as well.

Director Correa stated he feels monitoring AB 1699 (Frommer) is also very important relative to future projects for OCTA.

5. Preparation of the 2006 State Legislative Platform

Motion was made by Director Wilson, seconded by Director Silva, and declared passed by those present, to approve the State Legislative Platform's preparation plan and timeline.

Director Correa stated that regarding the Roads and Highways portion of the platform, if there is a conservancy, to make sure the specific language is that which OCTA can live with. In the past, elsewhere in other situations, there have been issues regarding the language in final implementation.

Director Correa also stated that regarding the Rail Programs portion, he wants to make sure as OCTA moves to support, that Orange County is considered a place where some of the \$9 billion can be invested. He stated that an amendment would be necessary so that equity can be achieved in Orange County.

Director Ritschel commented that one of the sponsor bills is a bill requested by the City of Anaheim, which would extend the first leg of the high-speed rail system to Anaheim.

Director Pringle stated that rail needs to go further south than the Los Angeles station, to Anaheim, and additional funding costs are being addressed in the Legislature.

6. Amendment to Agreement for File Review and Audit Support Services for Orange County Transportation Authority's Railroad Rights-of-Way Lease Files

Motion was made by Director Wilson, seconded by Director Silva, and declared passed by those present, to authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement C-3-0740 between the Orange County Transportation Authority and Epic Land Solutions, Inc.

7. Natural Gas Fueling Station at the Santa Ana Bus Base

Motion was made by Director Wilson, seconded by Director Silva, and declared passed by those present, to authorize the Chief Executive Officer to proceed with the release of a Request for Proposal for procurement of a natural gas fueling station at the Santa Ana Bus Base using a lease with option to purchase procurement method.

Orange County Transit District Consent Calendar Matters

8. Agreement for Threaded Products and Fasteners

Motion was made by Director Wilson, seconded by Director Silva, and declared passed by those present, to authorize the Chief Executive Officer to execute Agreement C-5-2455 between the Orange County Transportation Authority and Golden State Fastener and Supply Company, in an amount not to exceed \$110,000, for the purchase of threaded products and fasteners used by the Maintenance Department for a one-year period with two one-year options.

9. Demonstration Program with Orange County ARC for Provision of ACCESS Transportation

Motion was made by Director Wilson, seconded by Director Silva, and declared passed by those present, to authorize the Chief Executive Officer to execute Agreement C-5-0056 between the Orange County Transportation Authority and Orange County ARC, in an amount not to exceed \$474,750, to share in the cost of providing transportation services to consumers of the Regional Center of Orange County traveling to and from Orange County ARC for one-year with a one-year option.

Regular Calendar

Orange County Transit District Regular Calendar Matters

10. Integrated Transportation Communication System: Training, Third Party Review, and Proposed Response to Grand Jury Report

Chairman Campbell stated that this item has been pulled from today's agenda.

Other Matters

11. Chief Executive Officer's Report

CEO, Arthur T. Leahy, informed Board Members that the recent changes to the ACCESS service, which went into effect July 1, have caused approximately 33 complaints to be received by staff concerning the three-quarter mile boundary.

Mr. Leahy advised Members that Kecia Washington, Government Relations, would be leaving OCTA on July 15, having accepted employment elsewhere. Tom Franklin, Manager of Fixed Route, has also given his notice that he will be leaving the OCTA this week. Both of these employees will be greatly missed.

Mr. Leahy stated that the Minneapolis Hiawatha light-rail line is now one-year old and ridership exceeds projections by 61 percent.

Mr. Leahy commented that last year, OCTA began to work on security issues at the OCTA because of the Madrid act of terrorism. The first months of approaching this situation used existing staff, and now Tom Little has been hired as Security and Threat Assessment Manager dedicated solely to security issues.

Mr. Little addressed Members and gave an overview of what will be addressed in the near future, and what the security analysis has shown. In addition, he detailed what OCTA's response was to the London bombings last week to protect the transit system.

Chairman Campbell informed Members that he would like the Security Working Group to resume meetings, and has asked that Vice Chairman Brown to chair that working group, with Director Winterbottom as Vice Chair, and Director Correa to replace ex-Director DeYoung. Directors Wilson and Cavecche remain on the working group.

Vice Chairman Brown requested that the first meeting of this group would take place on July 25, immediately following the Board meeting.

12. Directors' Reports

Director Duvall stated that the City of Yorba Linda has responded to the three-quarter-mile boundary for ACCESS service situation. The City has set up a special area in the Community Center to leave someone to be watched by staff during the day. This will prevent the person from being unattended and get them within the boundary for pick-up by ACCESS.

Director Silva stated that one of his constituents was involved in an auto accident with an Orange County taxicab, and learned that the taxicab was not insured. Director Silva requested that staff review the problem of uninsured taxicabs could be eliminated and return to the Board with that information.

Director Winterbottom responded to Director Duvall's ACCESS comments. He stated that one of the major problems OCTA will face is leaving someone alone who should not be left unattended. The City of Yorba Linda's solutions need to be developed by other cities.

Vice Chairman Brown stated that he was pleased with OCTA's booth at the Orange County Fair. He further stated that he and Director Winterbottom attended the July 18, San Diego Green Light Rail grand opening.

Vice Chairman Brown stated he rode the Metrolink last week, after the London bombing, and witnessed deputies on the train, as well as transit security present at Union Station. He also noticed that Orange County Sheriff's Deputies were patrolling the Fullerton Station.

Lieutenant James Rudy introduced Sergeant Keith Godfrey, new to Transit Police Services, who has been with the Orange County Sheriff's Department for many years working in the City of Stanton.

Director Pringle offered the comment that he noticed a brochure regarding Metrolink service and wondered why the Anaheim station by Anaheim Stadium was not emphasized. He further stated that he gets complaints that there is no service by Metrolink to the Stadium station.

Director Norby stated he felt the use of Edmund Buckley's knowledge would be enlightening to fair attendees. Mr. Buckley could be at the OCTA booth at times to help people understand the schedules.

Director Pulido invited Members to accompany the Transit Planning and Operations Committee on a bus rapid transit tour to Los Angeles scheduled for July 14.

Director Correa stated that ACCESS is provided for the most vulnerable segment of the population. He requested that the CEO continue to monitor this situation and if changes are necessary, bring suggestions to the Board.

12. (Continued)

Director Correa stated that concerning losing well-qualified employees, suggestions would be welcome as to how OCTA can keep talented individuals from going elsewhere. In addition, he feels this is a very important issue.

Director Correa commented that the progress on the State Route 22 Project is remarkable and commends those involved.

13. Public Comments

At this time, Chairman Campbell inquired if any members of the public wished to address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors.

Iain Telfer, Cinergy, member of the public, addressed the Board. He stated that since the radio communications item was pulled, he would save his comments for when that item comes before the Board again.

Darrell Nolta, Westminster, member of the public, addressed comment to the Board regarding the radio communications report, citing that he feels there are inconsistencies in the reports and related documents.

Jay Andress, ARD, Inc., member of the public, addressed the Board regarding a "monomobile" system he has developed and provided Members with information on this system.

Andy Webster, ARD, Inc., member of the public, offered further comments on how the "monomobile" system works.

Lawrence Laven, member of the public, offered comments regarding train crossings and his concerns for pedestrians at the crossings.

14. Closed Session

General Counsel, Kennard R. Smart, Jr., announced that there was need for a Closed Session Pursuant to Government Code Section 54956.9 (c). Mr. Smart stated that he did not anticipate a report out of this session.

15. Adjournment

The meeting adjourned at 10:35 a.m. Chairman Campbell announced that the next regularly scheduled meeting of the OCTA/OCTD/OCLTA/OCSAFE/OCSAAV Board will be held at **9:00 a.m. on July 25, 2005**, at OCTA Headquarters at 600 South Main Street, First Floor - Room 154, Orange, California.

ATTEST

Wendy Knowles
Clerk of the Board

Bill Campbell
OCTA Chairman



ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

PAUL ARNOLD

WHEREAS, the Orange County Transportation Authority recognizes and commends Paul Arnold; and

WHEREAS, be it known that Paul Arnold has been a principal player at OCTA and has performed his responsibilities as a Coach Operator in a professional, safe, courteous and reliable manner; and

WHEREAS, Paul Arnold has demonstrated his integrity by maintaining perfect attendance for 25 years. His dedication exemplifies the high standards set forth for Orange County Transportation Authority employees; and

WHEREAS, Paul Arnold has demonstrated that safety is paramount by achieving 26 years of safe driving and that courtesy to his customers ensures continued patronage for OCTA; and

WHEREAS, Paul Arnold's teamwork and partnership is evident by being a member of the 2005 Santa Ana Base, First Place Roadeo Team and his "can-do" spirit allowed him to win Third Place in the overall individual competition.

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Paul Arnold as the Orange County Transportation Authority Coach Operator Employee of the Month for July 2005; and

BE IT FURTHER RESOLVED that the Orange County Transportation Authority Board of Directors recognizes Paul Arnold's valued service to the Authority.

Dated: July 25, 2005

Bill Campbell, Chairman
Orange County Transportation Authority

Arthur T. Leahy, Chief Executive Officer
Orange County Transportation Authority





ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

JOSE RUIZ

WHEREAS, the Orange County Transportation Authority recognizes and commends Jose Ruiz; and

WHEREAS, be it known that Jose Ruiz has performed his duties as OCTA's Senior Facilities Technician with the highest level of professionalism and integrity. Jose has always been a top performer since he started at the Authority in 1990. A recent demonstration of his exceptional abilities was the coordination and planning of the developments for the base move from Irvine to Santa Ana. Jose worked countless hours to guarantee the success of this project while the new base was breaking in; and

WHEREAS, Jose has been assigned several projects reserved for employees with extensive experience and has completed them successfully. His work ethic enables him to tackle the more difficult tasks and complete each one with outstanding results; and

WHEREAS, Jose's Integrity, Teamwork, Communication, Customer Focus and Can-Do Spirit make him a valuable asset to both the Facilities Maintenance Section and the Authority.

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Jose Ruiz as the Orange County Transportation Authority Maintenance Employee of the Month for July 2005; and

BE IT FURTHER RESOLVED that the Orange County Transportation Authority Board of Directors recognizes Jose Ruiz's valued service to the Authority.

Dated: July 25, 2005

Bill Campbell, Chairman
Orange County Transportation Authority

Arthur T. Leahy, Chief Executive Officer
Orange County Transportation Authority





ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

STEVE MONTANO

WHEREAS, the Orange County Transportation Authority recognizes and commends Steve Montano; and

WHEREAS, be it known that Steve has performed his duties as Section Manager for the Local Programs Section in an outstanding manner, demonstrating the highest level of integrity and professionalism in his dealings with Authority staff, Orange County cities and the County of Orange; and

WHEREAS, Steve's leadership in the development of the 2004 Combined Transportation Funding Program Call for Projects has demonstrated his qualifications as a subject matter expert to OCTA and other regional agencies; and

WHEREAS, Steve's ability to grasp complex subject matters related to the Orange County Transportation Authority's Local Programs Section has allowed him to work effectively with the City Technical Advisory Committee and the City Technical Steering Committee during the largest and most complex Combined Transportation Funding Program Call for Projects ever conducted by the Orange County Transportation Authority; and

WHEREAS, Steve's positive attitude and dedication epitomize the goals of the Orange County Transportation Authority.

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Steve Montano as the Orange County Transportation Authority Administrative Employee of the Month for July 2005; and

BE IT FURTHER RESOLVED that the Orange County Transportation Authority Board of Directors recognizes Steve Montano's valued service to the Authority.

Dated: July 25, 2005

Bill Campbell, Chairman
Orange County Transportation Authority

Arthur T. Leahy, Chief Executive Officer
Orange County Transportation Authority





July 25, 2005

To: Members of the Board of Directors
From: ^{ATL 162} Arthur T. Leahy, Chief Executive Officer
Subject: State Legislative Status Report

Overview

This Fiscal Year 2005-2006 State Budget was signed by Governor Arnold Schwarzenegger on July 11, 2005. Among the budget trailer bills was the agreement reached by the Governor and Senate President pro Tempore for funding Bay Bridge cost overruns.

Recommendation

Receive and file as an informational item.

Discussion

Fiscal Year 2005-2006 State Budget

The Fiscal Year (FY) 2005-2006 State Budget was signed by the Governor on July 11, 2005. This is the earliest the state budget has been adopted in the past five years. The original \$117.5 billion budget was reduced to \$117.3 billion as a result of line item vetoes including deleting a \$10 million transfer from the State Highway Account (SHA) to the Environmental Enhancement and Mitigation Demonstration Program that would have provided grants for highway landscaping, urban forestry, resource land purchases, and roadside recreation.

The main part of the budget was contained in SB 77 (Senate Committee on Budget and Fiscal Review) and SB 80 (Senate Committee on Budget and Fiscal Review). SB 80 amended parts of SB 77 to reflect compromises agreed to by the Governor, the Senate President pro Tempore, the Assembly Speaker, the Senate Minority Leader, and the Assembly Minority Leader. In addition to SB 77 and SB 80, there were several budget trailer bills addressing issues ranging from education to transportation funding.

SB 77 contained the Conference Committee report that was initially rejected by the Assembly. SB 77 proposed a \$172.9 billion budget, including spending

SB 77 contained the Conference Committee report that was initially rejected by the Assembly. SB 77 proposed a \$172.9 billion budget, including spending \$89.2 billion in General Fund revenues. This \$89.2 billion represented less than a billion dollar increase over the Governor's May Revise, which proposed a budget with \$88.5 billion in General Fund revenues. The final number agreed to in SB 80 was a spending plan of \$90.1 billion in General Fund revenues

The adopted budget establishes a new culvert inspection program that will provide a statewide inventory of all drainage facilities. The budget also provides \$5 million in federal matching grant funding for metropolitan agency regional blueprint development. The budget also includes a \$26 million and 82-position augmentation for the storm water program.

The bulk of the transportation funding provisions of the budget are contained in SB 62 (Senate Committee on Budget and Fiscal Review). Consistent with the May Revise, SB 77, and SB 80, SB 62 provides for full funding of Proposition 42, resulting in a \$1.3 billion infusion. The Proposition 42 revenues would be distributed to the Traffic Congestion Relief Fund (\$678 million) for the Traffic Congestion Relief Program (TCRP) projects, with the remaining amount distributed by formula. The formula funds would be distributed to the State Transportation Improvement Program (STIP) (40 percent or \$254 million), cities and counties (40 percent or \$254 million), and the Public Transportation Account (PTA) (20 percent or \$127 million). Orange County and cities in the county would receive approximately \$20.4 million this fiscal year under Proposition 42 to maintain and improve local streets and roads. The Orange County Transportation Authority (OCTA) would receive approximately \$15.2 million through the STIP, an amount already included in the fund estimate, and allocations for TCRP projects that are specifically funded by Proposition 42.

SB 62 also provides for continuous appropriation of Proposition 42 funds in the future, regardless of whether a budget has been adopted. What is not clear is what happens if funds are appropriated and the Legislature later takes action to suspend Proposition 42. The issue of whether these already appropriated funds would need to be returned will have to be addressed soon.

In addition to providing for full funding of Proposition 42 in FY 2005-2006 and continuous appropriation in the outlying years, SB 62 also restructures the repayment of transportation loans originally scheduled to be repaid by June 30, 2006 through bonds backed by Indian gaming revenues. SB 62 deletes the repayment deadline and includes General Fund revenues as an additional source of repayment for these loans. SB 62 also increases the

amount to be repaid from \$1.214 billion to \$1.222 billion, the \$8 million increase would be applied to the money owed the SHA.

SB 62 also made changes in how future spillover revenues would be allocated for FY 2006-2007. SB 62 provides that only those spillover revenues in excess of \$200 million would be made available for transfer the PTA. This limitation would provide the \$125 million in spillover revenues identified as part of the deal to fund the Bay Bridge cost overruns as discussed below.

Bay Bridge Cost Overruns

On July 11, 2005, the OCTA Board of Directors tabled a decision on whether to conditionally support a proposed deal for funding Bay Bridge cost overruns. This deal, negotiated by Governor Arnold Schwarzenegger and Senate President pro Tempore Don Perata, was ensconced in a budget trailer bill, AB 144 (Hancock, D-Berkeley). Although AB 144 was agreed upon by the Senate during the final week of budget negotiations, the Assembly Speaker ordered the bill to be heard in policy and fiscal committees. AB 144 was concurred upon by the Assembly on July 13, 2005, and sent to enrollment.

Under the deal contained in AB 144, the state would contribute \$300 million for demolition of the existing Bay Bridge in 2012. The state would also provide \$250 million toward cost increases on the Richmond-San Rafael Bridge and \$80 million for cost increases incurred by the California Department of Transportation (Caltrans).

The state's share would be funded using \$300 million from the State Highway Operations and Protection Program (SHOPP), project savings, and Highway Bridge Rehabilitation and Replacement Program (HBRRP). The state would also contribute \$130 million from operational savings at Caltrans, \$125 million from gasoline sales tax spillover revenues, and \$75 million from surplus in the Motor Vehicle Account. The state would be relinquished of the annual maintenance costs for these bridges, estimated to be \$90 million annually.

The Bay Area Toll Authority (BATA) would be given authority over the tolls revenues and statutory authority to raise tolls. A one-dollar toll increase on all Bay Area toll bridges to go into effect January 1, 2007, is expected to generate about \$2.2 billion. The bridge would be a self-anchored suspension (SAS) bridge and BATA would share construction management control with Caltrans. BATA would also refinance existing toll debt to raise \$820 million to cover the balance of the cost overruns.

AB 144 also makes provisions for additional cost overruns by requiring BATA to use additional toll revenues to address those increased costs. Any additional cost overruns would be the full responsibility of the Bay Area. Any cost savings, particularly from the \$900 million contingency reserves, would be split proportionately between the state and BATA based upon their proportionate share of the total cost.

Letters of No Prejudice

Although not technically related, language placed in SB 66 (Torlakson, D- Antioch) links the funding of Bay Bridge cost overruns with repaying local agencies who received letters of no prejudice (LONP) for TCRP projects. The LONP permits a local agency to expend local funds on a TCRP project in anticipation of receiving Proposition 42 funds. The LONP issue was linked to the Bay Bridge deal because the Los Angeles County Metropolitan Transportation Authority (MTA) saw this as an opportunity for to them to be reimbursed for their outstanding LONPs. MTA has \$445 million in outstanding LONPs, over 90 percent of the \$479 million in approved LONPs issued by the California Transportation Commission (CTC). The MTA originally sought legislation to secure allocations for its LONPs so that reimbursement could commence in FY 2005-2006 from the \$678 million expected in Proposition 42 funds, which would have affected OCTA's ability to receive an allocation of \$123.7 million for the Garden Grove Freeway (State Route 22) TCRP project.

An agreement was reached that would protect OCTA's allocation. Language was placed in SB 66 that would, beginning in FY 2006-2007, require the CTC to revise its LONP guidelines for LONPs issued before June 30, 2005, so that those agencies with an eligible LONP would be reimbursed on an equitable basis taking into account various factors. The factors to be considered include the impact on allocation to other projects, cash flow requirements, the extent to which the agency had to defer other high priority STIP projects, the extent to which the reimbursements would be spent on the construction phase of other STIP or TCRP projects, and adverse impact on the agency's other high priority projects.

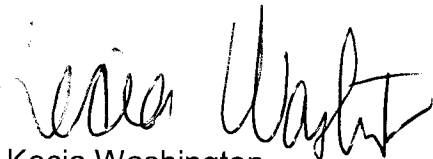
Summary

The Fiscal Year 2005-2006 Budget has been enacted and a deal to fund Bay Bridge cost overruns was sent to the Governor for signature on July 13, 2005. The Legislature is on recess until August 15, 2005.

Attachment

- A. Legislative Matrix

Prepared by:



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Approved by:



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Orange County Transportation Authority Legislative Matrix

OCTA Sponsor Legislation

CA AB 267	AUTHOR: TITLE: LAST AMEND: LOCATION: STATUS: 07/12/2005 NOTES: COMMENTARY: Sponsor bill clarifying Legislature's intent to fully reimburse, without time limits, local agencies that use local funds to advance projects in the STIP. Relevance to OCTA: Ensures reimbursement of local funds expended on STIP projects. Position:	Daucher [R] Transportation Projects 06/01/2005 Senate Appropriations Committee From SENATE Committee on TRANSPORTATION AND HOUSING: Do pass to Committee on APPROPRIATIONS. LP Sec. IV(f) Repayment of local funds Sponsor
CA AB 462	AUTHOR: TITLE: LAST AMEND: FILE: LOCATION: STATUS: 07/13/2005 NOTES: COMMENTARY: Sponsor bill to codify 34-year practice of Caltrans certifying accessibility standards for projects within the state highway system right-of-way. Relevance to OCTA: Eliminates added costs of fees and delays. Position:	Tran [R] Disability Access 07/13/2005 212 Senate Third Reading File In SENATE. Read second time and amended. To third reading. LP Sec. VI(j) - ADA accessibility standards Sponsor
CA AB 1173	AUTHOR: TITLE: LOCATION: STATUS: 05/25/2005 NOTES: COMMENTARY: Sponsor bill to extend the terminus of the initial high-speed rail line from Los Angeles to Anaheim. Relevance to OCTA: Ensures that the high speed train provides service to Orange County and improves safety at 10 grade crossings. Position:	Tran [R] Safe, Reliable High-Speed Passenger Train Bond Act Assembly Appropriations Committee In ASSEMBLY Committee on APPROPRIATIONS: Heard, remains in Committee. LP Sec. VII(d) High speed rail line Co-Sponsor

Bills with Official Positions

- CA AB 697 **AUTHOR:** Oropeza [D]
TITLE: Highway Users Tax Account: Appropriation of Funds
LOCATION: Assembly Appropriations Committee
STATUS:
05/25/2005 In ASSEMBLY Committee on APPROPRIATIONS: Heard, remains in Committee.
NOTES: LP Sec. IV(h) removing funding barriers
COMMENTARY:
Allows fuel taxes to be continuously appropriated from the previous year should a budget not be passed by July 1. Relevance to OCTA: Ensures that unnecessary costs are not incurred due to projects being stopped and restarted when a state budget is not enacted on time.
Position: Support
- CA AB 1067 **AUTHOR:** Frommer [D]
TITLE: Railroads
LAST AMEND: 07/05/2005
LOCATION: Senate Appropriations Committee
STATUS:
07/05/2005 In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
NOTES: LP Sec. VII(c) rail improvement
COMMENTARY:
Metrolink bill that increases penalties for obstructing trains and provides additional funding for rail grade crossings. Relevance to OCTA: Provides additional funds to OCTA for rail safety and grade crossing safety projects.
Position: Support
- CA AB 1118 **AUTHOR:** Umberg [D]
TITLE: Nonhighway Vehicles: Disclosure
LAST AMEND: 04/19/2005
LOCATION: Senate Transportation and Housing Committee
STATUS:
06/02/2005 To SENATE Committee on TRANSPORTATION AND HOUSING.
COMMENTARY:
Requires manufacturers of non-highway vehicles, including but not limited to pocketbikes, place a notice on the vehicles that they cannot be operated on highways.
Position: Watch
- CA ACA 4 **AUTHOR:** Plescia [R]
TITLE: Transportation Investment Fund
LAST AMEND: 05/09/2005
LOCATION: Assembly Transportation Committee
STATUS:
05/09/2005 From ASSEMBLY Committee on TRANSPORTATION with author's amendments.
05/09/2005 In ASSEMBLY. Read second time and amended. Re-referred to Committee on TRANSPORTATION.
NOTES: LP Sec. I(j) Protect Proposition 42
COMMENTARY:
Deletes Proposition 42 suspension provisions. Relevance to OCTA: Ensures that OCTA, Orange County, and cities receive their share of Proposition 42 annually allowing for better project planning and delivery.
Position: Support

CA ACA 11 **AUTHOR:** Oropeza [D]
TITLE: Transportation Funds: Loans
LOCATION: Assembly Transportation Committee
STATUS:
04/21/2005 To ASSEMBLY Committee on TRANSPORTATION.
COMMENTARY:
Deletes Proposition 42 suspension provisions. Permits up to 2 loans of Proposition 42 funds to the General Fund or to any other state fund or account in a 10 year period provided the first loan is repaid in full prior to permitting a second loan. Relevance to OCTA: Provides better protection of Proposition 42 allowing for better project planning and delivery.
Position: Watch

CA SB 208 **AUTHOR:** Alquist [D]
TITLE: Transportation Projects: Electronic Fund Transfers
LAST AMEND: 05/31/2005
LOCATION: Assembly Transportation Committee
STATUS:
06/27/2005 In ASSEMBLY Committee on TRANSPORTATION: Not heard.
NOTES: LP Sec. IV(h) Removing funding barriers
COMMENTARY:
Requires Caltrans to implement a rapid electronic funds transfer system by June 30, 2006. Relevance to OCTA: Expedites the reimbursement of local funds expended on STIP projects.
Position: Support

CA SB 275 **AUTHOR:** Torlakson [D]
TITLE: Transportation Needs Assessment
LAST AMEND: 06/30/2005
LOCATION: Assembly Appropriations Committee
STATUS:
07/13/2005 In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.
NOTES: Not addressed in platform.
COMMENTARY:
Requires Caltrans to submit a 10 year transportation needs assessment by June 20, 2006. Relevance to OCTA: Provides additional justification for the need to fully fund transportation accounts.
Position: Support

CA SB 705 **AUTHOR:** Runner G [R]
TITLE: Design-Build Contracts
LOCATION: Senate Transportation and Housing Committee
STATUS:
04/19/2005 In SENATE Committee on TRANSPORTATION AND HOUSING: Not heard.
NOTES: LP Sec. VI(d) Design-build
COMMENTARY:
Authorizes Caltrans to use design-build. Part of the GoCalifornia. Bill was held in Senate Transportation. Issue will be addressed in SB 371. Relevance to OCTA: Provides an additional delivery mechanism that can save time and open transportation projects early.
Position: Support

CA AB 236 **AUTHOR:** Bermudez [D]
TITLE: Sales and Use Taxes: Exemptions: Fuel and Petroleum
LAST AMEND: 04/13/2005
LOCATION: Assembly Revenue and Taxation Committee
STATUS:
05/16/2005 In ASSEMBLY Committee on REVENUE AND TAXATION:
Heard, remains in Committee.

COMMENTARY:
Restores partial state sales tax exemption for aviation fuel. Aviation fuel sales tax exemption was eliminated in 1991.
Position: Monitor

CA AB 426 **AUTHOR:** Bogh [R]
TITLE: HOV Lanes
LAST AMEND: 04/20/2005
LOCATION: Assembly Appropriations Committee
STATUS:
05/25/2005 In ASSEMBLY Committee on APPROPRIATIONS: Heard,
remains in Committee.

COMMENTARY:
Requires Caltrans to convert all HOV lanes in Riverside County to mixed flow lanes except during peak hours.
Position: Monitor

CA AB 453 **AUTHOR:** Benoit [R]
TITLE: Grade Separation Projects
LAST AMEND: 03/29/2005
LOCATION: Senate Second Reading File
STATUS:
07/11/2005 From SENATE Committee on APPROPRIATIONS: To
second reading without further hearing pursuant to Senate Rule 28.8.

COMMENTARY:
Increases from 1 year to 2 years after the allocation of funds that a local agency must begin construction on a grade separation project.
Position: Monitor

CA AB 713 **AUTHOR:** Torrico [D]
TITLE: High-Speed Passenger Train Bond Act
LOCATION: Senate Transportation and Housing Committee
STATUS:
06/09/2005 To SENATE Committee on TRANSPORTATION AND
HOUSING.

COMMENTARY:
Puts the \$9.95 billion High Speed Rail Bond Act on the Nov. 8, 2008 ballot.
Position: Monitor

CA AB 850 **AUTHOR:** Canciamilla [D]
TITLE: Toll Road Agreements
LAST AMEND: 05/03/2005
LOCATION: Assembly Appropriations Committee
STATUS:
05/25/2005 In ASSEMBLY Committee on APPROPRIATIONS: Heard,
remains in Committee.

COMMENTARY:
Authorizes Caltrans to enter into toll agreements with public and private entities. Part of GoCalifornia.
Position: Monitor

CA AB 948 **AUTHOR:** Oropeza [D]
TITLE: Design-Build and Transit Operators
LAST AMEND: 04/13/2005
FILE: A-46
LOCATION: Senate Inactive File
STATUS:
07/11/2005 In SENATE. To Inactive File.
COMMENTARY:
Metrolink sponsored bill that would lower the threshold for design build from \$50 million to \$25 million. Would also require a labor compliance program if there is no collective bargaining agreement.
Position: Monitor

CA AB 1010 **AUTHOR:** Oropeza [D]
TITLE: Rail Transit
LAST AMEND: 04/06/2005
LOCATION: Senate Energy, Utilities and Communications Committee
STATUS:
06/09/2005 To SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS.
COMMENTARY:
Transfers responsibility for rail grade crossing safety from PUC to Caltrans.
Position: Monitor

CA AB 1112 **AUTHOR:** Cohn [D]
TITLE: Loitering: Transit Facilities
LAST AMEND: 04/04/2005
LOCATION: Assembly Public Safety Committee
STATUS:
04/26/2005 In ASSEMBLY Committee on PUBLIC SAFETY: Not heard.
COMMENTARY:
Makes loitering in a transit facility misdemeanor. This bill may have constitutional issues.
Position: Monitor

CA AB 1157 **AUTHOR:** Frommer [D]
TITLE: State Highways: Performance Measures
LAST AMEND: 04/11/2005
LOCATION: Senate Transportation and Housing Committee
STATUS:
06/09/2005 To SENATE Committee on TRANSPORTATION AND HOUSING.
COMMENTARY:
Requires Caltrans to work with regional transportation agencies to develop highway performance measures. Requires an annual report to Legislature regarding highway performance.
Position: Monitor

CA AB 1169 **AUTHOR:** Torrico [D]
TITLE: Transit District Operators: Assault and Battery
LAST AMEND: 05/27/2005
LOCATION: Senate Public Safety Committee
STATUS:
07/12/2005 In SENATE Committee on PUBLIC SAFETY: Heard,
remains in Committee.

COMMENTARY:
Increases penalty for assault against an operator of a transit district's vehicle.
Position: Monitor

CA AB 1203 **AUTHOR:** Mullin [D]
TITLE: Housing: Regional Job Growth
LOCATION: ASSEMBLY
STATUS:
02/22/2005 INTRODUCED.

COMMENTARY:
Requires the creation of Greyfield housing and investment zones in areas where
job growth and high density housing is desired. Uses tax incentives and
infrastructure funds to promote transportation, air quality, and other regional
priorities.
Position: Monitor

CA AB 1234 **AUTHOR:** Salinas [D]
TITLE: Local Agencies: Compensation and Ethics
LAST AMEND: 07/13/2005
FILE: 216
LOCATION: Senate Third Reading File
STATUS:
07/13/2005 In SENATE. Read second time and amended. To third
reading.

COMMENTARY:
Requires local agencies to establish written policy for compensating board
members. Imposes an ethics training requirement for board members of a local
agency that provides reimbursement for expenses.
Position: Monitor

CA AB 1266 **AUTHOR:** Niello [R]
TITLE: State Highways: Design-Sequencing Contracts
LAST AMEND: 05/04/2005
LOCATION: Assembly Appropriations Committee
STATUS:
05/25/2005 In ASSEMBLY Committee on APPROPRIATIONS: Heard,
remains in Committee.

COMMENTARY:
Part of GoCalifornia package, this measure would allow Caltrans to award
contracts utilizing design sequencing, if certain requirements are met.
Position: Monitor

CA AB 1276 **AUTHOR:** Oropeza [D]
TITLE: Intermodal Corridors of Economic Significance
LOCATION: Assembly Transportation Committee
STATUS:
03/10/2005 To ASSEMBLY Committee on TRANSPORTATION.

COMMENTARY:
Requires Caltrans and regional transportation agencies to develop plans to reduce
freight related congestion along intermodal corridors.
Position: Monitor

CA AB 1283 **AUTHOR:** DeVore [R]
TITLE: State Highway: Reversible Lanes
LAST AMEND: 04/19/2005
LOCATION: ASSEMBLY
STATUS:
06/20/2005 From ASSEMBLY Committee on TRANSPORTATION
without further action pursuant to JR 62(a).

COMMENTARY:
Requires Caltrans to study the feasibility of adding reversible lanes before adding
conventional lanes.
Position: Monitor

CA AB 1520 **AUTHOR:** Niello [R]
TITLE: Public Works Contracts: Infrastructure Projects
LAST AMEND: 04/05/2005
LOCATION: Assembly Business and Professions Committee
STATUS:
04/26/2005 In ASSEMBLY Committee on BUSINESS AND
PROFESSIONS: Failed passage.
04/26/2005 In ASSEMBLY Committee on BUSINESS AND
PROFESSIONS: Reconsideration granted.

COMMENTARY:
Authorizes state agencies to enter into public private partnerships to design, build,
and operate public infrastructure projects.
Position: Monitor

CA AB 1699 **AUTHOR:** Frommer [D]
TITLE: Transportation: Highway Construction
LAST AMEND: 05/27/2005
LOCATION: Senate Transportation and Housing Committee
STATUS:
06/15/2005 To SENATE Committee on TRANSPORTATION AND
HOUSING.

COMMENTARY:
Authorizes Caltrans or self help counties to construct up to 8 toll road HOT lane
projects using design build. Contains a labor compliance component.
Position: Monitor

CA AB 1702 **AUTHOR:** Frommer [D]
TITLE: State Finances: Economic Recovery/Transportation
LAST AMEND: 04/07/2005
LOCATION: Assembly Appropriations Committee
STATUS:
05/25/2005 In ASSEMBLY Committee on APPROPRIATIONS: Heard,
remains in Committee.

COMMENTARY:
This bill would appropriate from the General Fund, from the amount transferred to
that fund from the Economic Recovery Fund, \$500,000,000 to the Controller for
deposit in the Traffic Congestion Relief Fund
Position: Monitor

CA AB 1714 **AUTHOR:** Plescia [R]
TITLE: Toll Bridge Seismic Retrofit Program
LAST AMEND: 05/03/2005
LOCATION: Assembly Appropriations Committee
STATUS:
05/25/2005 In ASSEMBLY Committee on APPROPRIATIONS: Heard,
remains in Committee.

COMMENTARY:
Administration spot bill to address funding of Bay Bridge cost overruns.
Position: Monitor

CA ACA 4 a **AUTHOR:** Keene [R]
TITLE: State Finances
LAST AMEND: 04/11/2005
LOCATION: Assembly Budget Process Committee
STATUS:
04/11/2005 From ASSEMBLY Committee on BUDGET PROCESS with
author's amendments.
04/11/2005 In ASSEMBLY. Read second time and amended.
Re-referred to ASSEMBLY Committee on BUDGET
PROCESS.

COMMENTARY:
Administration's budget report proposal which includes Proposition 98 reform and
Proposition 42 protections.
Position: Monitor

CA ACA 5 **AUTHOR:** Richman [R]
TITLE: Public Retirement Systems
LOCATION: Assembly Public Employees, Retirement and Social Security
Committee
STATUS:
04/14/2005 To ASSEMBLY Committee on PUBLIC EMPLOYEES,
RETIREMENT AND SOCIAL SECURITY.

COMMENTARY:
Proposes a constitutional amendment that would prohibit new public employees,
hired after July 1, 2007, from participating in a defined benefit plan. These
employees would be limited to a defined contribution plan or a retirement system.
Position: Monitor

CA ACA 7 **AUTHOR:** Nation [D]
TITLE: Local Governmental Taxation
LOCATION: Assembly Appropriations Committee
STATUS:
05/25/2005 In ASSEMBLY Committee on APPROPRIATIONS: Heard,
remains in Committee.

COMMENTARY:
Lowers voter threshold to 55% for special tax measures.
Position: Monitor

CA ACA 9 **AUTHOR:** Bogh [R]
TITLE: Motor Vehicle Fuel Sales Tax Revenue
LOCATION: Assembly Transportation Committee
STATUS:
04/21/2005 To ASSEMBLY Committees on TRANSPORTATION and
APPROPRIATION.

COMMENTARY:
Would amend Prop 42 to require 4/5ths of the legislature to suspend transfer
instead of the current 2/3rds.
Position: Monitor

CA SB 172 **AUTHOR:** Torlakson [D]
TITLE: Bay Area State-Owned Toll Bridge: Financing
LAST AMEND: 05/27/2005
LOCATION: Assembly Transportation Committee
STATUS:
06/13/2005 To ASSEMBLY Committee on TRANSPORTATION.
COMMENTARY:
Gives the Bay Area Toll Authority more control over Caltrans construction of toll bridge seismic retrofits in the Bay Area. Requires quarterly reports by Caltrans the projects.
Position: Monitor

CA SB 66 **AUTHOR:** Budget and Fiscal Review Cmt.
TITLE: Budget Act of 2005
LAST AMEND: 07/13/2005
LOCATION: To enrollment
STATUS:
07/13/2005 In ASSEMBLY. From Inactive File. To third reading.
07/13/2005 In ASSEMBLY. Read third time and amended. Re-referred to ASSEMBLY Committee on TRANSPORTATION.
07/13/2005 From ASSEMBLY Committee on TRANSPORTATION:
Recommend concurrence in SENATE amendments.
07/13/2005 In ASSEMBLY. ASSEMBLY concurred in SENATE amendments. To enrollment.
NOTES: LP1(d) and (f)
COMMENTARY:
Beginning in fiscal year 2006-2007, the California Transportation Commission would be required to revise its guidelines to assure that letters of no prejudice (LONP) issued before June 30, 2005 are reimbursed on an equitable basis taking into account specific criteria including the impact on allocations for other projects, cash flow requirements, and impact on other projects. SB 66 is linked to AB 144 (Bay Bridge cost overrun deal) and contains language regarding funding and oversight for the Bay Bridge cost overruns.
Position: Monitor

CA SB 371 **AUTHOR:** Torlakson [D]
TITLE: Public Contracts: Design-Build: Transportation
LAST AMEND: 04/26/2005
LOCATION: Senate Appropriations Committee
STATUS:
05/26/2005 In SENATE Committee on APPROPRIATIONS: Heard, remains in Committee.
COMMENTARY:
Design-build spot bill to be jointly authored by Senators Torlakson and Runner.
Position: Monitor

CA SB 427 **AUTHOR:** Hollingsworth [R]
TITLE: California Environmental Quality Act: Exemption
LAST AMEND: 04/25/2005
LOCATION: Senate Environmental Quality Committee
STATUS:
04/25/2005 From SENATE Committee on ENVIRONMENTAL QUALITY with author's amendments.
04/25/2005 In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.
04/25/2005 In SENATE Committee on ENVIRONMENTAL QUALITY: Heard, remains in Committee.

COMMENTARY:
Exempts from CEQA the expansion of any overpass, on-ramp, or off-ramp that is built on a right-of-way under the control of state or local transportation agency, city, county, or city and county.
Position: Monitor

CA SB 459 **AUTHOR:** Romero [D]
TITLE: Air Pollution: South Coast District: Locomotives
LAST AMEND: 04/12/2005
LOCATION: Assembly Transportation Committee
STATUS:
06/27/2005 In ASSEMBLY Committee on TRANSPORTATION: Heard, remains in Committee.

COMMENTARY:
Authorizes SCAQMD to collect a fee associated with locomotive air pollution and to expend it for specified mitigation purposes including railroad grade crossings.
Position: Monitor

CA SB 561 **AUTHOR:** Runner G [R]
TITLE: Toll Road Agreements
LAST AMEND: 05/24/2005
LOCATION: Senate Appropriations Committee
STATUS:
05/24/2005 In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

COMMENTARY:
Authorizes Caltrans to enter into toll road agreements with private entities. Permits competitive facilities and safety work.
Position: Monitor

CA SB 601 **AUTHOR:** Soto [D]
TITLE: Build California Bond Act of 2006
LAST AMEND: 04/12/2005
LOCATION: Senate Transportation and Housing Committee
STATUS:
04/12/2005 From SENATE Committee on TRANSPORTATION AND HOUSING with author's amendments.
04/12/2005 In SENATE. Read second time and amended. Re-referred to Committee on TRANSPORTATION AND HOUSING.

COMMENTARY:
Would place a \$3 billion bond before voters to funds goods movement and other transportation projects.
Position: Monitor

CA SB 760 **AUTHOR:** Lowenthal [D]
TITLE: Ports: Congestion Relief: Security Enhancement
LAST AMEND: 05/27/2005
LOCATION: Assembly Appropriations Committee
STATUS:
06/27/2005 From ASSEMBLY Committee on NATURAL RESOURCES:
Do pass to Committee on APPROPRIATIONS.

COMMENTARY:
Authorizes the Ports of Los Angeles and Long Beach to impose a \$30 fee on each Twenty foot Equivalent Unit (TEU). The Port would retain \$10 for improvements and would forward \$10 to AQMD for air quality mitigation, and \$10 to the CTC to use on railroad improvement projects in Orange and other counties.
Position: Monitor

CA SB 1020 **AUTHOR:** Migden [D]
TITLE: County Sales and Use Taxes: Rate Increase
LOCATION: Senate Revenue and Taxation Committee
STATUS:
04/13/2005 In SENATE Committee on REVENUE AND TAXATION: To
Suspense File.

COMMENTARY:
Authorizes a county or a city and county to impose, with voter approval, an additional quarter cent sales tax for transit operations.
Position: Monitor

CA SB 1024 **AUTHOR:** Perata [D]
TITLE: Public Works and Improvements: Bond Measure
LAST AMEND: 05/12/2005
FILE: 49
LOCATION: Senate Third Reading File
STATUS:
05/27/2005 In SENATE. Read second time. To third reading.

COMMENTARY:
Enacts the Essential Facilities Seismic Retrofit Bond Act of 2005 to place a \$7.688 billion general obligation bond before voters to funds seismic retrofit of essential facilities, including the Bay Bridge, repay Proposition 42 loans, and to facilitate goods movement.
Position: Monitor



July 25, 2005

To: Members of the Board of Directors
From: ^{ATL/EJ} Arthur T. Leahy, Chief Executive Officer
Subject: Federal Legislative Status Report

Overview

Federal update on Transportation Equity Act for the Twenty-First Century Reauthorization, fiscal year 2006 federal transportation appropriations process, and homeland security funding for mass transit.

Recommendation

Receive and file Federal Legislative Status Report as an information item.

Discussion

House-Senate Conference Proceeds With Consideration Of The Transportation Equity Act For The Twenty First Century (TEA-21) Reauthorization (H.R. 3) – A Ninth Consecutive Extension Is Likely

Prior to adjourning for the July recess, the House and Senate passed H.R. 3104, a "clean" 19-day extension of surface transportation spending authority for programs funded by the Highway Trust Fund.

Following passage of the eighth consecutive extension for TEA-21, House and Senate negotiators met late into the night prior to adjournment and reached agreement on a few remaining major "member-level" issues relating to the multi-year surface transportation reauthorization bill (H.R. 3). The negotiators agreed that the Federal Transit Administration will receive about 18.5 percent of the total guaranteed spending in the bill. If the total spending obligations in the bill add up to about \$286.4 billion over six years (which is the latest compromise figure between House and Senate funding levels) then transit's share would be about \$52.6 billion.

Of the remaining funding in the bill, somewhere between \$5 billion and \$6 billion will go to highway safety and the remainder would go to the Federal Highway Administration.

Negotiators have also agreed that the scope of the total highway funding in the bill subject to state formula equity computations will be 90.2 percent and that negotiators will attempt to get all states to at least a 92 percent rate of return on Highway Account fuel tax contributions by the last year of the bill. It was also agreed that between \$15 billion and \$16 billion of high priority projects will be split 60-40 between the House and Senate and that those projects will be under the scope of the equity program.

Negotiators also agreed that about \$6 billion will be earmarked outside the scope of the equity program for Projects of Regional and National Significance and that such spending will be split 50-50 between the House and Senate.

Given that half of the 19-day extension was spent over the July recess, negotiations for an additional one-week extension are underway with the intent of completing the reauthorization bill by the end of the month and prior to the August recess.

Fiscal Year 2006 Transportation Appropriations

The House overwhelmingly passed its appropriations bill for the Departments of Transportation, Treasury, Housing and Urban Development, the Judiciary, District of Columbia, and independent agencies for the fiscal year (FY) ending September 30, 2006. While no earmarks were included in the appropriations bill at this juncture, Orange County Transportation Authority (OCTA) staff have worked closely with the congressional delegation to develop support at the full committee and subcommittee level for the FY06 project requests. This is the first year in recent memory that all six congressional offices sent a joint letter to the committee chairman in support of OCTA's full project list.

Homeland Security Appropriations – Renewed Support For Mass Transit Funding

Commuter rail and mass transit security will take center stage this month as the Senate debates its FY 2006 Homeland Security spending measure in the wake of the attacks in London.

On July 11, Senators Shelby, (R-AL) Sarbanes (D-MD), and Dole (R-NC) filed an amendment to the Homeland Security Appropriations bill that would provide \$1.166 billion for transit security grants; with \$790 million for grants to public transit agencies for allowable capital security improvements; \$333 million for grants to transit agencies for allowable operational security improvements; and \$43 million for grants to public or private entities to conduct research and demonstration of technologies and methods to deter terrorist threats.

Since September 11, 2001, the federal focus has primarily been on hardening air transport security. The FY 2006 Transportation Security Administration budget proposal included \$4.7 billion for aviation security and just \$32 million for passenger rail, buses and other modes of surface transportation. However, given the bombings that occurred in London this past week, Congress appears to be quickly shifting focus to mass transit.

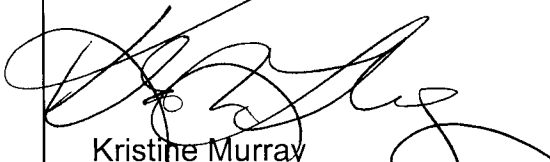
Summary

OCTA staff is working closely with the Congressional delegation to secure a greater level of funding in H.R. 3, TEA-21 reauthorization, as well as, the FY 2006 transportation and homeland security appropriations bills.

Attachment

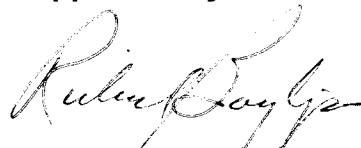
None.

Prepared by:



Kristine Murray
Manager Federal Relations
(714) 560-5906

Approved by:



Richard J. Bacigalupo
Deputy Chief Executive Officer
(714) 560-5901



BOARD COMMITTEE TRANSMITTAL

July 25, 2005

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board *Wk by JW*
Subject Amendment to Agreement for Auditing Services

Finance and Administration Committee

July 13, 2005

Present: Directors Wilson, Duvall, Campbell, Ritschel and Silva
Absent: Directors Correa and Cavecche

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement C-3-0866 between the Orange County Transportation Authority and Conrad and Associates, LLP, in the amount of \$59,000, to exercise the option year term of the agreement.



July 13, 2005

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Amendment to Agreement for Auditing Services

Overview

The Orange County Transportation Authority requests to amend the contract for the Local Transportation Fund audit in order to exercise the option one-year term.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement C-3-0866 between the Orange County Transportation Authority and Conrad and Associates, LLP, in the amount of \$59,000, to exercise the option year term of the agreement.

Background

The Orange County Transportation Authority (OCTA) contracted with the firm of Conrad and Associates, LLP to perform the Local Transportation Fund (LTF) audit for OCTA for an initial two-year term covering fiscal years 2003 and 2004. Amendment 1 to Agreement C-3-0866 will exercise the option one-year term to cover auditing of the LTF for fiscal year 2005. The original contract was awarded on a competitive basis from five proposers.

Discussion

Since July 1, 1988, OCTA has assumed responsibility for administering the Transportation Development Act's various components under the LTF, which includes: Article 3, Bicycle and Pedestrian Facilities program; Article 4, Operating and Capital program; and Article 4.5, Paratransit Operating and Capital program under Chapter 4 of the State of California's Public Utilities Code (PUC). An important aspect of this responsibility is to ensure that the LTF allocated and dispersed funds were used in accordance with applicable Transportation Development Act rules and regulations, and OCTA policies and procedures.

OCTA now seeks Board of Director approval to exercise the option year of the contract for the audit for the year ended June 30, 2005. The option year pricing established at the time of contract award is \$59,000.

Summary

OCTA staff requests the services of Conrad and Associates, LLP, experienced in the performance of OCTA's annual LTF audit, for an additional year with the exercise of the optional one-year term covering fiscal year 2005 under the terms of the existing agreement for the amount of \$59,000.


Attachment

None.

Prepared by:


Robert A. Duffy
Manager, Internal Audit
(714) 560-5669

Approved by:


Richard J. Bacigalupo
Deputy Chief Executive Officer
(714) 560-5901



BOARD COMMITTEE TRANSMITTAL

July 25, 2005

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board *Wendy Knowles*
Subject: Cooperative Agreements with the California Department of Transportation and the City of Buena Park for the Santa Ana Freeway (Interstate 5) Far North Project

Regional Planning and Highways Committee

July 18, 2005

Present: Directors Norby, Cavecche, Rosen, Dixon, Brown, Green, Monahan, Pringle, and Ritschel
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement C-5-2591 between the Orange County Transportation Authority and the California Department of Transportation for construction of the Santa Ana Freeway (Interstate 5) Far North Project.
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement C-5-2358 between the Orange County Transportation Authority and the City of Buena Park for completion of final design and construction implementation of the Santa Ana Freeway (Interstate 5) Far North Project.



July 18, 2005

To: Regional Planning and Highways Committee

From: *ATL by RB*
Arthur T. Leahy, Chief Executive Officer

Subject: Cooperative Agreements with the California Department of Transportation and the City of Buena Park for the Santa Ana Freeway (Interstate 5) Far North Project

Overview

The Orange County Transportation Authority proposes to enter into cooperative agreements with the California Department of Transportation and the City of Buena Park for implementation of the Santa Ana Freeway (Interstate 5) Far North Project.

Recommendations

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement C-5-2591 between the Orange County Transportation Authority and the California Department of Transportation for construction of the Santa Ana Freeway (Interstate 5) Far North Project.
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement C-5-2358 between the Orange County Transportation Authority and the City of Buena Park for completion of final design and construction implementation of the Santa Ana Freeway (Interstate 5) Far North Project.

Background

Recognizing the importance of improving the transportation network through Orange County, the Santa Ana Freeway (Interstate 5) is a cornerstone of the Orange County Transportation Authority's (Authority) Measure M Freeway Improvement Program. The last phase to improve Interstate 5 (I-5) is the two-mile section from just north of the Riverside Freeway (State Route 91) to the Orange/Los Angeles County line. This is commonly known as the I-5 Far North Project and consists of the following improvements:

-
- Construct an additional general purpose lane and a High Occupancy Vehicle lane in each direction.
 - Construct an additional auxiliary lane in each direction from State Route 91 to Beach Boulevard.
 - Build aesthetically treated retaining walls and landscaping.
 - Modify bridges at Stanton Avenue, Beach Boulevard, and Western Avenue.
 - Widen the Artesia Boulevard undercrossing and interchange modification.

The current project schedule is as follows:

- Complete design May 2005
- Acquire and certify right-of-way July 2005
- Advertise project for construction September 2005
- Award construction contract December 2005
- Complete construction December 2009

Authority staff and its consultants have been working with the California Department of Transportation (Caltrans), the City of Buena Park (City), and other agencies to meet this schedule.

Discussion

Authority/Caltrans Cooperative Agreement

The Authority and Caltrans have agreed to jointly participate in the construction of the I-5 Far North Project. The proposed cooperative agreement specifies the terms, conditions, and overall responsibilities of each party. Caltrans will provide State Transportation Improvement Program funding in the amount of \$63,906,000. The Authority will provide funding, in the amount of \$117,140,000, for the project's construction capital and construction management. This includes \$1,279,000 for the project's landscaping, which will be designed and constructed separately.

Authority/City of Buena Park Cooperative Agreement

Implementation of the I-5 Far North Project's four-year construction program will impact city roadways. Accordingly, the Authority has been coordinating with the City to identify specific responsibilities for the duration of the project. Based on mutual understanding and concurrence, the Authority has generated

a cooperative agreement with the City where the Authority will reimburse the City an approximate amount of \$1,976,000. The key elements of this expenditure are as follows: actual costs for the Transportation Management Plan (TMP) for mitigation of city street intersections required for long-term construction detours estimated to be \$405,700; mitigation for city street pavements impacted by project related detours to be \$1,400,000; actual costs for traffic engineering services to address traffic impacts estimated to be \$100,000; and police services actual costs for traffic management estimated to be \$50,000.

The Authority will implement a public awareness campaign during construction that advises city, local businesses, residents, elected officials, motorists, and media of construction status, street detours, and ramp and freeway closures.

The City will collaborate and cooperate with the Authority and Caltrans staff, consultants, and contractors during design and construction of the project, including the TMP mitigation measures and any pavement repairs designed and constructed in accordance with the TMP for detours, any additional modifications to streets, intersections, signals etc. required to address traffic impacts during construction. The City will also provide traffic engineering and police services as requested by Authority. The Buena Park City Council approved Cooperative Agreement C-5-2358 at its meeting of June 28, 2005.

Fiscal Impact

This project is included in the Authority's Fiscal Year 2005-06 Budget. Funds for these agreements are in Account 0010-9084/F1610-AP8 and 0010-9084/F1610-9Y2, and are funded through Measure M.

Summary

Staff requests Board approval for the Chief Executive Officer to execute cooperative agreements between the Authority and Caltrans (C-5-2591), and the Authority and the City (C-5-2358) for construction of the I-5 Far North Project.

Attachment

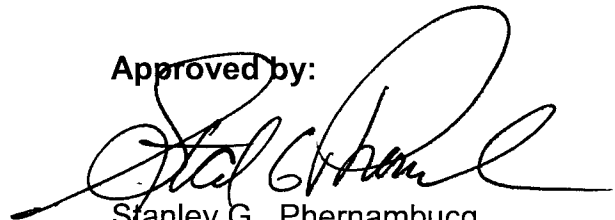
None.

Prepared by:

Charles Guess

Charles Guess, P.E.
Program Manager
(714) 560-5775

Approved by:



Stanley G. Phernambucq
Executive Director,
Construction and Engineering
(714) 560-5440



BOARD COMMITTEE TRANSMITTAL

July 25, 2005

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board *W.K. Knowles*
Subject: Amendment to the 2004 State Transportation Improvement Program

Regional Planning and Highways Committee

July 18, 2005

Present: Directors Norby, Cavecche, Rosen, Dixon, Brown, Green, Monahan, Pringle, and Ritschel
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Member Pringle did not vote on this item.

Committee Recommendations

- A. Approve the reprogramming of \$1.1 million in Regional State Transportation Improvement Program funds from the Placentia Avenue Grade Separation project to the Melrose Avenue and Bradford Avenue Grade Separation and Closure projects.
- B. Authorize staff to process necessary State Transportation Improvement Program and Regional Transportation Improvement Program amendments as required by the above action.



July 18, 2005

To: Regional Planning and Highways Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Amendment to the 2004 State Transportation Improvement Program

Overview

On February 9, 2004, the Orange County Transportation Authority Board of Directors approved the 2004 State Transportation Improvement Program, which included \$1.1 million for the Placentia Avenue Grade Separation project. The City of Placentia is requesting to reprogram the Regional State Transportation Improvement Program funds from the Placentia Avenue Grade Separation project to the Melrose Avenue Grade Separation and Bradford Avenue Crossing Closure projects.

Recommendations

- A. Approve the reprogramming of \$1.1 million in Regional State Transportation Improvement Program funds from the Placentia Avenue Grade Separation project to the Melrose Avenue and Bradford Avenue Grade Separation and Closure projects.
- B. Authorize staff to process necessary State Transportation Improvement Program and Regional Transportation Improvement Program amendments as required by the above action.

Background

The City of Placentia has a number of railroad grade separation and grade crossing improvement projects currently underway and planned. Specifically, there are two grade separations, Placentia Avenue and Melrose Avenue, and one street closure/pedestrian bridge, Bradford Avenue, that were recipients of \$28 million in Traffic Congestion Relief Program (TCRP) funds in 2000. In addition, the Orange County Transportation Authority (OCTA) Board of Directors approved \$1.1 million State Transportation Improvement Program

funds from the Regional Improvement Program (RIP), and supported the California Department of Transportation (Caltrans) approval of \$2.2 million in State Transportation Improvement Program funds from the Interregional Improvement Program (IIP), the City committed \$3.1 million in local funds, and the Burlington Northern and Santa Fe (BNSF) committed \$2 million. These sources combined, provided total funding of \$36.4 million for the subject projects, as outlined in Attachment A.

Due to the ongoing state budget crisis, the TCRP, RIP, and IIP funds have not been available for this project. However, the City has kept these projects moving forward by allocating additional city funds, obtaining internal loans, and external borrowing. It now appears that the fiscal year (FY) 2005-06 state budget will allow an allocation of the remaining outstanding \$11.8 million in TCRP funds, as well as the \$1.1 million of RIP and \$2.2 million of IIP funds. The TCRP funds are eligible for use on any of the three projects listed above. The RIP and IIP funds are specifically programmed to the Placentia Avenue Grade Separation project. Current plans call for the City to repay an \$11.8 million internal loan with the \$11.8 million of TCRP funds. The loan was used on the Melrose Avenue Grade Separation project.

Discussion

The overall cost of the subject projects has increased to \$58.6 million. Without any new funding identified, the City of Placentia has proposed, and Caltrans has agreed, that reprogramming the \$1.1 million of RIP and \$2.2 million of IIP funds to the Melrose Avenue and Bradford Avenue projects will allow those two projects to be completed. This will leave the Placentia Avenue Grade Separation with a funding shortfall of approximately \$18.2 million. The City of Placentia currently plans to use anticipated future federal earmarks to complete the Placentia Avenue Grade Separation project. As the Regional Transportation Planning Agency, OCTA is responsible for programming the RIP funds. In order to reprogram the \$1.1 million in RIP funds, the OCTA Board must approve the reprogramming request. It should be noted that final approval of reprogramming these funds rests with the California Transportation Commission.

Summary

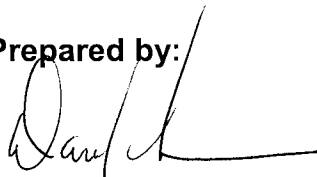
The City of Placentia has an opportunity to complete the Melrose Avenue and Bradford Avenue Grade Separation and Closure projects by reprogramming currently approved RIP and IIP funding. Staff is recommending that the Board approve a change in programming of \$1.1 million of RIP funds from the

Placentia Avenue Grade Separation project to the Melrose Avenue Grade Separation and the Bradford Avenue Crossing Closure projects.

Attachment

- A. Orangethorpe Corridor Project Funding Overview

Prepared by:



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Capital Programs
(714) 560-5343

Approved by:



Paul C. Taylor, P.E.
Executive Director
Planning, Development and Commuter
Services
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Orangethorpe Corridor Project Funding Overview

Project Costs								
	*RSTP	*STIP	*TCRP	City	City Loan	*BNSF	TBD / Unfunded	Total
Melrose Grade Sep		\$ 1,100,000	\$ 9,255,115	\$ 1,166,817	\$ 5,514,000	\$ 1,900,000		\$ 18,935,932
Bradford Closure & Ped Bridge	\$ 1,082,000	\$ 2,200,000	\$ 3,350,000	\$ 280,000				\$ 6,912,000
Placentia Ave Grade Sep			\$ 3,594,885	\$ 2,747,000	\$ 6,286,000	\$ 2,000,000	\$ 18,177,115	\$ 32,805,000
Sub Total "Jump Start Phase"	\$ 1,082,000	\$ 3,300,000	\$ 16,200,000	\$ 4,193,817	\$ 11,800,000	\$ 3,900,000	\$ 18,177,115	\$ 58,652,932
Total Program and Project Costs	\$ 1,082,000	\$ 3,300,000	\$ 16,200,000	\$ 4,193,817	\$ 11,800,000	\$ 3,900,000	\$ 18,177,115	\$ 58,652,932

*RSTP - Regional Surface Transportation Program
 STIP - State Transportation Improvement Program
 TCRP - Traffic Congestion Relief Program
 BNSF - Burlington Northern Sante Fe



Item 10.

BOARD COMMITTEE TRANSMITTAL

July 25, 2005

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: 2005 State Route 91 Implementation Plan

Regional Planning and Highways Committee

July 18, 2005

Present: Directors Norby, Cavecche, Rosen, Dixon, Brown, Green, Monahan, Pringle, and Ritschel
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Directors Cavecche and Ritschel were not present to vote on this item.

Committee Recommendations

- A. Approve the 2005 State Route 91 Implementation Plan, and direct staff to update the plan based on results of the Riverside County-Orange County Major Investment Study.
- B. Authorize the Chief Executive Officer to forward the plan to the State Legislature.



July 18, 2005

To: Regional Planning and Highways Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: 2005 State Route 91 Implementation Plan

Overview

In January 2003, the Orange County Transportation Authority assumed ownership of the 91 Express Lanes. Enabling legislation requires the Orange County Transportation Authority to annually issue a plan and proposed completion schedule for Riverside Freeway (State Route 91) improvements eligible for funding by potential excess toll revenue. The State Route 91 Committee will review the Implementation Plan on July 15, 2005.

Recommendations

- A. Approve the 2005 State Route 91 Implementation Plan, and direct staff to update the plan based on results of the Riverside County-Orange County Major Investment Study.
- B. Authorize the Chief Executive Officer to forward the plan to the State Legislature.

Background

Prior to September 2002, the California Department of Transportation (Caltrans) was party to a franchise agreement with the California Private Transportation Corporation (CPTC) for a privately financed transportation facility within the Riverside Freeway (State Route 91). A non-compete provision of the franchise agreement restricted Caltrans and transportation agencies from adding general purpose transportation capacity to the State Route 91 (SR-91) corridor from Corona/Ontario Freeway (Interstate 15) in Riverside County to the Orange/Los Angeles counties border.

Since the elimination of the non-compete provision through Assembly Bill (AB) 1010 and the subsequent 91 Express Lanes purchase by the Orange County Transportation Authority (OCTA), Orange and Riverside County public

officials have been working together on toll road policies and improvement plans for SR-91. Per AB 1010, OCTA, in consultation with Caltrans and the Riverside County Transportation Commission (RCTC), must issue a plan and a proposed completion schedule every year for SR-91 improvements from Interstate 15 (I-15) to the Costa Mesa Freeway (State Route 55). The intent of the plan is to establish a program of projects eligible for funding by potential excess toll revenue. The last plan, developed in 2004 with Caltrans, RCTC, and cities, involved a review of existing planning and engineering work to develop the document. This year, given the current Riverside County-Orange County Major Investment Study work efforts, staff recommends minor updates to the 2004 plan with a major update recommended after completion of the Riverside County-Orange County Major Investment Study in December 2005. Plan details are presented and further discussed below.

Discussion

The 2005 plan (Attachment A) describes projects and transportation benefits, potential implementation schedules, and costs for short-, mid-, and long-term SR-91 projects. The short-term projects focus on fixing major freeway bottlenecks in the next five years. Short-term projects provide immediate operational benefits with a minimum of effort required relative to environmental documentation and right-of-way constraints. Many of these projects are in the planning or design stages at this time and require funding to move forward into construction. The short-term plan includes six projects for implementation within five years at a total cost of \$121 million.

The mid-term projects focus on major expansion of SR-91 within the next six to ten years. This phase of the plan consists of eight projects totaling \$551 million and would be implemented contingent on available funding. These projects typically require a minimum to moderate amount of right-of-way acquisition and will experience longer environmental clearance processes. For many of these projects, OCTA and Caltrans have initiated the preliminary planning and engineering to ensure projects are ready when local, state, or federal funding becomes available.

The long-term phase of the plan describes 11 conceptual projects that add more capacity to SR-91 through collector-distributor roads, elevated expressways, new direct freeway connectors, transit improvements, major interchange reconstruction, and potentially a new corridor between Riverside and Orange Counties. In many cases, these projects are alternatives to each other, and not all 11 projects will be implemented. Consequently, the total long-term program costs exceed \$8 billion and specific alternatives will be refined through the Riverside County-Orange County Major Investment Study scheduled to be

complete by December 2005. Staff recommends updating the plan once the study recommendations are adopted by the OCTA and RCTC Boards.

Minor changes included in the plan include a refined project scope for the eastbound auxiliary lane project from State Route 241 (SR-241) to the Corona Expressway (State Route 71) based on further engineering.

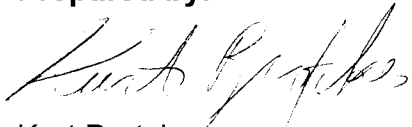
Summary

OCTA has updated the 2005 State Route 91 Implementation Plan required by enabling toll road legislation. The plan is presented for Committee approval with a major update recommended after completion of the Riverside County-Orange County Major Investment Study.

Attachment

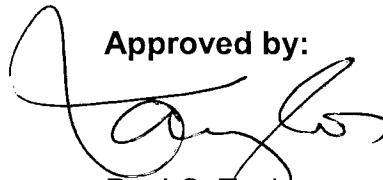
- A. 2005 State Route 91 Implementation Plan Executive Summary – June 2005

Prepared by:



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Department Manager
Planning and Analysis
(714) 560-5742

Approved by:



Paul C. Taylor
Executive Director
Planning, Development, and Commuter
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91

2005 State Route 91 Implementation Plan

Executive Summary

June 2005

Previous law authorized the California Department of Transportation (Caltrans) to enter into franchise agreements with private companies to construct and operate four demonstration toll road projects in California. This resulted in the development of the 91 Express Lanes facility in Orange County, CA. The four-lane, 10-mile toll road runs along the median of State Route 91 (SR-91) in northeast Orange County between the Orange/Riverside County line and State Route 55 (SR-55). Since the 91 Express Lanes carried its first vehicle in December 1995, the facility has saved users millions of hours of commuting time.

While the 91 Express Lanes facility has improved travel time along the SR-91 corridor, provisions in the franchise agreement between Caltrans and the private franchisee, the California Private Transportation Company (CPTC), prohibited Caltrans and county transportation agencies from adding transportation capacity or operational improvements to the SR-91 corridor from Interstate 15 (I-15) in Riverside County to the Orange/Los Angeles Counties border through the year 2030. Consequently, the public agencies were barred from adding new lanes, improving interchanges, and adding other improvements to decrease congestion on the SR-91 freeway.

Recognizing the need to eliminate the non-compete provision of the franchise agreement, Governor Gray Davis signed Assembly Bill 1010 (Lou Correa) into law in September 2002, paving the way for much-needed congestion relief for thousands of drivers who use SR-91 to travel between Riverside and Orange Counties each day. The bill allowed the Orange County Transportation Authority (OCTA) to purchase the 91 Express Lane franchise and eliminate the existing clause that prohibited any capacity-enhancing improvements from being made to SR-91 until the year 2030. The purchase agreement for the 91 Express Lanes was completed in January 2003, placing the road in public hands at a cost of \$207.5 million. With the elimination of the non-compete provision through AB 1010 and the subsequent 91 Express Lanes purchase by the OCTA, Orange County and Riverside County public officials and Caltrans Districts 8 and 12 are now working together on improvement plans for SR-91.

AB 1010 also requires OCTA, in consultation with Caltrans and the Riverside County Transportation Commission (RCTC), to annually issue a plan and a proposed completion schedule for SR-91 improvements from I-15 to SR-55. This plan establishes a program of projects eligible for funding by the use of potential excess toll revenue and other funds.

The Implementation Plan is divided into short, mid and long term programs. Short (1-5 years) and mid (6-10 years) term projects are capable of being implemented relatively quickly through the project development process with minimal to moderate environmental constraints. These projects can be ready for design and construction in a shorter period of time. Long term (10+ years) projects require more significant planning and environmental assessment prior to design or may not be easily constructed. The plan introduces each distinct program phase and tabulates the projects capable of being implemented during each phase. These programs include the following:

- The short-term (0-5 years) program includes six (6) projects at a total cost of \$256 million. These projects are in the process of design and construction or very close to that stage. The plan includes three freeway improvement projects, two transit related projects and the Major Investment Study (MIS) that will identify preferred long term improvement strategies for the corridor.
- The mid-term (6-10 years) program includes eight (8) projects at a cost in the range of \$492 million. All of these projects are capacity improvements to the freeway that will require additional planning, environmental clearance and right of way acquisition that requires additional project development.
- The long-term program includes eleven (11) potential projects that could cost over \$8 billion if implemented and require significant planning and design efforts. In many cases, these projects are alternatives to each other, and not all 11 projects will be implemented. Specific alternatives will be refined through the upcoming MIS, scheduled to start by June 2004.

Recent projects that were completed since the 2004 Implementation Plan include:

- Start-up of the Environmental Impact Report (EIR) for a new eastbound lane from SR-241 to SR-71. The completion of the EIR in 2006 for this critical project will allow the project to move forward into final design and construction.

- Startup of the Riverside County-Orange County Major Investment Study (MIS) – this project is developing the long-term program to improve mobility between Riverside and Orange Counties.

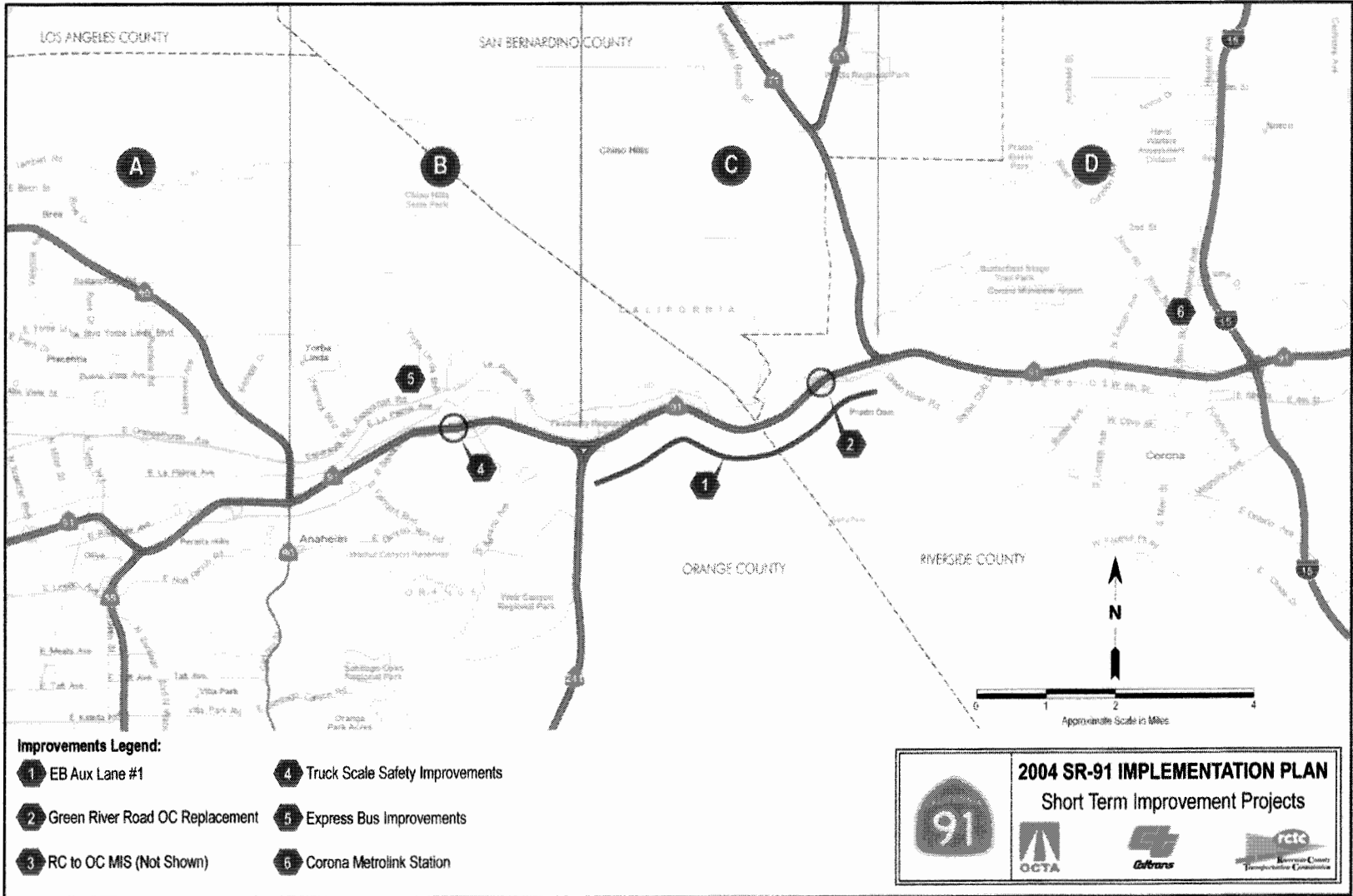
- Startup of the Project Study Report (PSR) for new lanes in Riverside County between the Orange County/Riverside County border and Interstate 15.

Several PSR's have recently been completed that make ready for the project development process (environmental, then design, then improvements that will provide improved mobility. Completed PSR's include:

- Project Study Report "Eastbound Auxiliary Lane at Truck Scales"
- Project Study Report "On State Route 91 between State Route 241 and State Route 71 in the County of Orange and the County of Riverside". (April 2004)
- Project Study Report "SR-91 Safety Improvement Project - Improve existing AC shoulder, re-stripe existing lane lines, increase illumination, and modify signing on Route 91 between Imperial Highway and Yorba Linda Boulevard/ Weir Canyon Road in City of Anaheim." (March 2004)
- Project Study Report "On State Route 91 Between the SR-91/55 Interchange and the SR-91/241 Interchange in Orange County". Add one GP Lane on SR 91 from State Route 55 to State Route 241 Connector. (November 2003)
- Project Study Report "Westbound Auxiliary Lane from NB SR-55/WB SR-91 Connector to the Tustin Avenue Interchange". (January 2004)

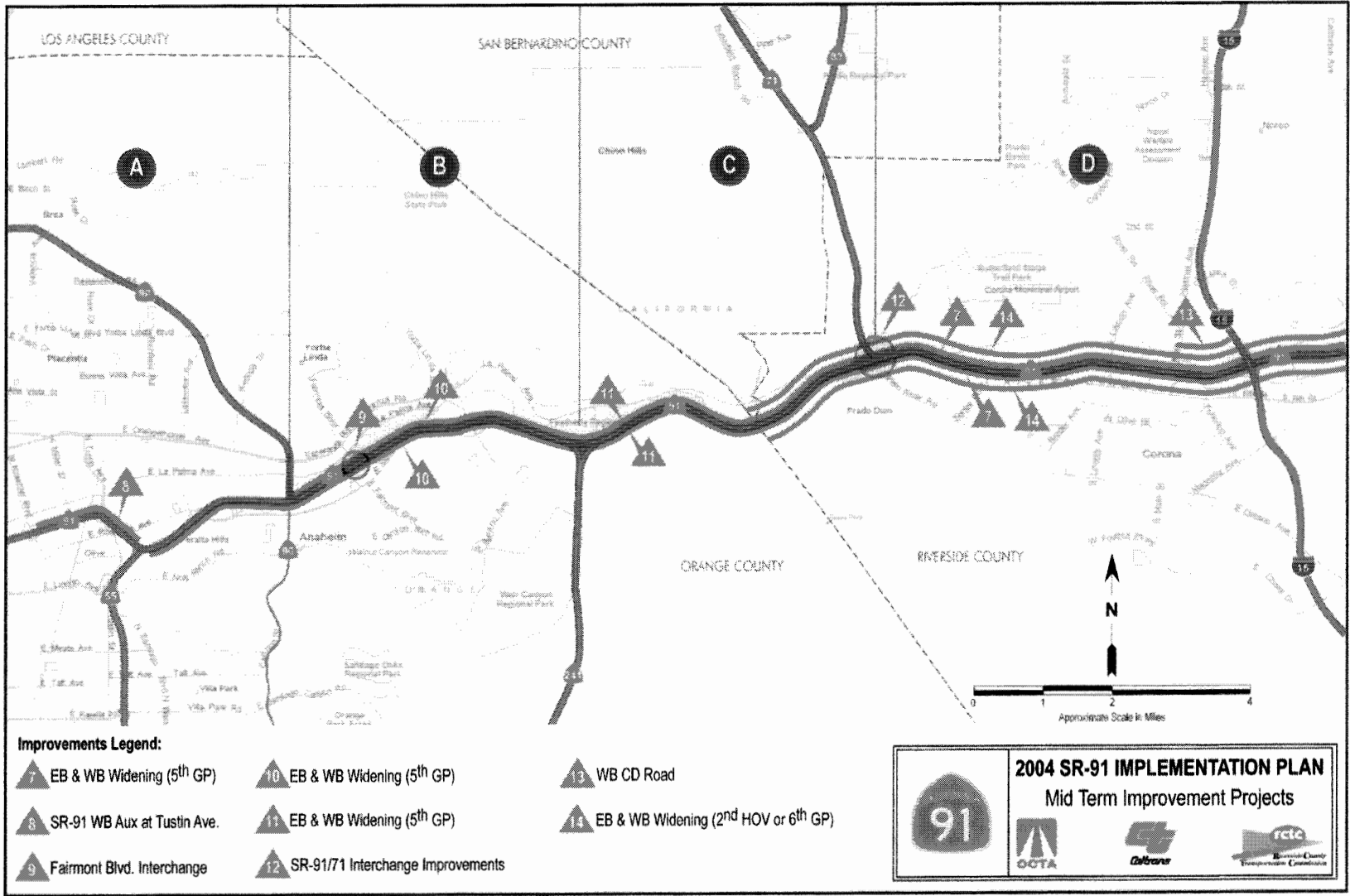
These projects are scheduled to move into the environmental phase in the short term and have provided definition to the project descriptions identified in this document.

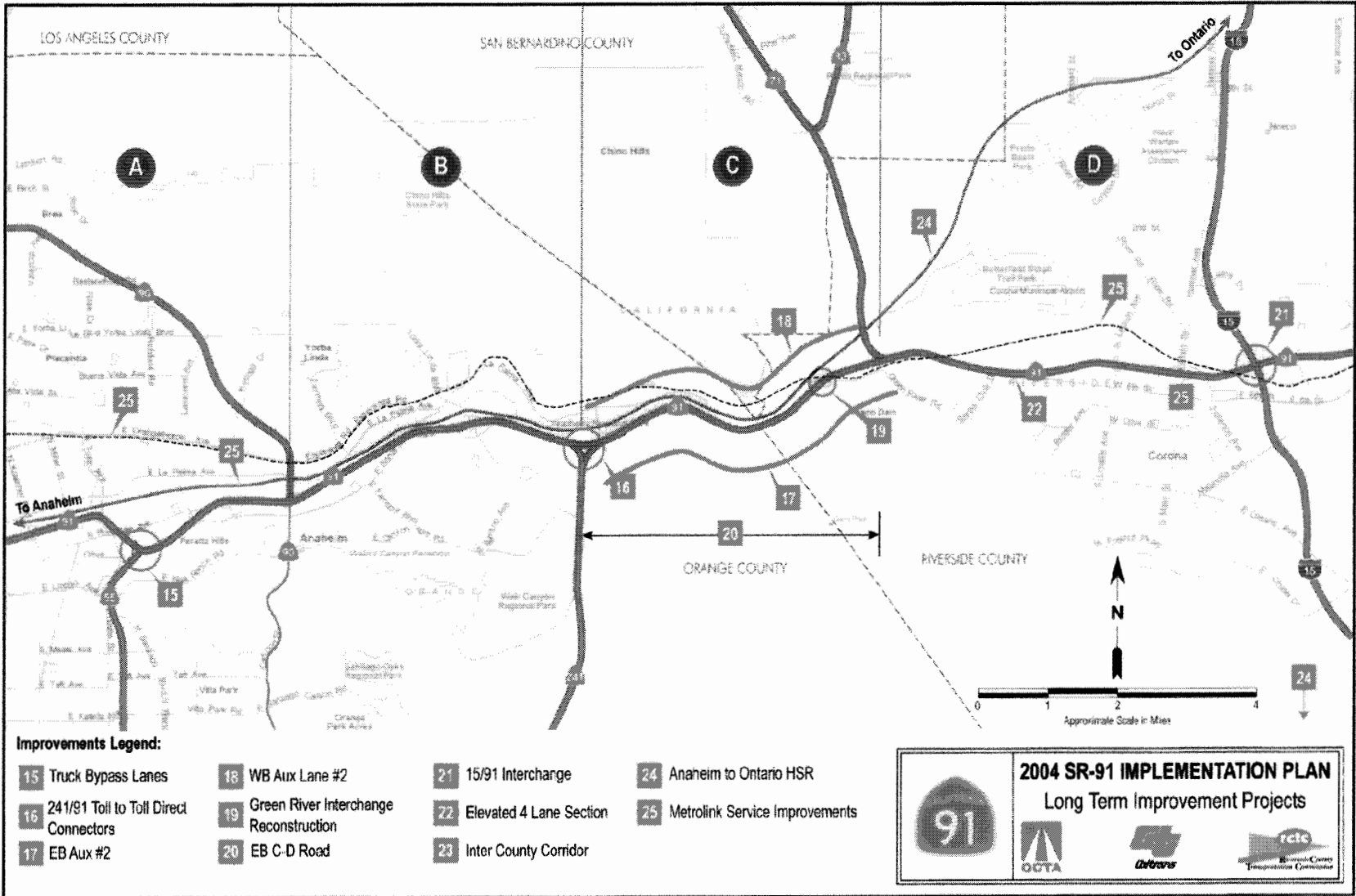
Project No.	Project Summary	Cost (\$M)
Short Term		
1	Eastbound Auxiliary Lane from SR-241 to SR-71	\$40.72
2	Green River Road Interim Interchange and Overcrossing Replacement	\$23.00
3	Conduct Riverside County to Orange County MIS to Study Multimodal Alternatives	\$3.30
4	Safety Improvements at Truck Scales	\$2.04
5	Express Bus Improvements – Orange County to Riverside County	\$9.00
6	Metrolink Improvements – Riverside County	\$177.72
Mid Term		
7	Widen EB and WB SR-91 from SR-71 to Pierce Street by Adding a 5 th GP Lane in Each Direction	\$150.00
8	SR-91 WB Auxiliary Lane at Tustin Avenue	\$20.50
9	New Interchange at Fairmont Boulevard	\$87.50
10	Widen SR-91 from SR-55 to SR-241 by Adding 1 GP Lane and Replacing Existing Auxiliary Lane	\$35.70
11	Widen EB and WB SR-91 from SR-241 to SR-71 by Adding a 5 th GP Lane in Each Direction	\$37.50
12	SR-91/SR-71 Interchange Improvements	\$26.00
13	WB Collector Distributor (CD) Road from SR-91/I-15 Interchange to Main Street Interchange	\$31.25
14	Widen EB and WB SR-91 from end of 2 nd HOV Lane (at SR-71) to Near Pierce Street	\$100.50
Long Term		
15	Truck Bypass Lanes at the SR-91/SR-55 Interchange	\$320.00
16	SR-241/91 Toll-to-Toll Direct Connectors	\$200.00
17	EB Auxiliary Lane #2 from SR-241 to Green River Drive	\$20.00
18	WB Auxiliary Lane #2 from SR-71 to SR-241	\$30.00
19	Green River Road Interchange Ultimate Configuration	\$21.00
20	EB Collector Distributor (CD) Road from SR-241 to SR-71	\$300.00
21	SR-91/I-15 Interchange Improvements	\$243.00
22	Elevated 4-Lane Facility from SR-241 to I-15	\$900.00
23	New Inter-County Corridor	\$6,000.00
24	Anaheim to Ontario High Speed Rail	TBD
25	Riverside Co. Metrolink Service and Station Improvements	\$471.73



Short Term Improvements









BOARD COMMITTEE TRANSMITTAL

July 25, 2005

To: Members of the Board of Directors
From: Wendy Knowles, ^{WK by kw} Clerk of the Board
Subject: Amendment to Agreement with the City of Irvine for the Exchange of Funds

Finance and Administration Committee

July 13, 2005

Present: Directors Wilson, Duvall, Campbell, Ritschel and Silva
Absent: Directors Correa and Cavecche

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute an amendment to Agreement C-0-1988, for the exchange of funds with the City of Irvine, to modify the Scope of Work.



July 13, 2005

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Amendment to Agreement with the City of Irvine for the Exchange of Funds

Overview

The Orange County Transportation Authority entered into an agreement with the City of Irvine for the exchange of Urban Mass Transportation Administration funds for non-state funds. The Scope of Work, for construction and expansion of the Irvine Transportation Center, has been completed under the estimated budget. The City of Irvine has requested to use the remaining funds for rehabilitation work at the Irvine Transportation Center.

Recommendation

Authorize the Chief Executive Officer to execute an amendment to Agreement C-0-1988, for the exchange of funds with the City of Irvine, to modify the Scope of Work.

Background

On December 23, 1988, the Orange County Transportation Authority (OCTA) executed an agreement for the exchange of funds with the City of Irvine. This agreement outlined the exchange of \$1.4 million in Urban Mass Transportation Administration funds allocated to the City of Irvine for \$1.12 million of non-state funds from OCTA. The exchanged funds were designated to be used for capital improvements relating to the Irvine Transportation Center (ITC).

The City of Irvine completed the capital improvements to the ITC as specified by the original agreement. The City is now requesting to amend the original agreement to utilize the remaining funds, approximately \$62,668, for maintenance related items.

Discussion

All capital improvements to the ITC have been completed to the satisfaction of both the City of Irvine and OCTA. There are several rehabilitation related items that need to be completed at the ITC. In an effort to utilize the remaining funds and close out this agreement, staff is recommending to amend the agreement to allow rehabilitation work for the balance of the funds. This request can be accommodated with the proposed fiscal year 2005-06 budget. No budget amendments will be required.

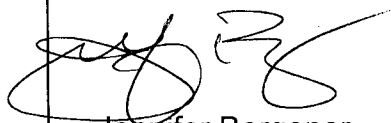
Summary

The City of Irvine is requesting to amend the agreement for the exchange of funds with OCTA. The original Scope of Work designated in the agreement has been completed. The City is requesting to utilize the balance of funds for rehabilitation work at the ITC.

Attachment

None.

Prepared by:



Jennifer Bergener
Senior Transportation Analyst
Capital Programming
(714) 560-5462

Approved by:



Paul C. Taylor, P.E.
Executive Director
Planning, Development and Commuter
Services
(714) 560-5431



Item 12.

BOARD COMMITTEE TRANSMITTAL

July 25, 2005

To: Members of the Board of Directors
From: ^{WK by JW} Wendy Knowles, Clerk of the Board
Subject New York Meetings with Rating Agencies, Insurers, and Investors

Finance and Administration Committee

July 13, 2005

Present: Directors Wilson, Duvall, Campbell, Ritschel and Silva
Absent: Directors Correa and Cavecche

Committee Vote

No action was taken.

Committee Recommendation

Receive and file as an information item.



July 13, 2005

To: Finance and Administration Committee
From: Arthur T. Leahy, ^{KULEZ} Chief Executive Officer
Subject: New York Meetings with Rating Agencies, Insurers, and Investors

Overview

Since the early nineties, the Orange County Transportation Authority has maintained an active investor relations program. As part of this program, each year the Orange County Transportation Authority conducts a series of meetings with rating agencies, insurance companies, and investors in New York, New York. This year the trip took place during the week of June 20, 2005.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (Authority) and its affiliated agencies have issued over a billion dollars of long-term debt to advance various capital programs since 1987. One sub-component of debt issuance is the servicing of debt, which includes updating rating agencies, insurers, and investors on the progress of the Authority's programs and services on an annual basis.

Every year, the Authority provides a comprehensive presentation to various organizations. This year, the Authority met with Moody's Investor Services, Standard & Poor's, Fitch, FGIC, MBIA, Ambac, J.P. Morgan, and Dexia Public Finance Bank. In addition to these firms, the Authority also met with a number of institutional investors.

It is important for the Authority to provide constant communication to the municipal market. The annual meetings provide the Authority the opportunity to discuss both positive and negative issues facing the Authority and the Orange County economy. Keeping the municipal market informed will help

maintain the Authority's strong credit ratings, which will result in lower debt service costs.

The Authority's track record of providing projects on time and under budget has clearly established the Authority's credibility with the rating agencies. The Authority has been recognized for being able to successfully implement the Measure M program, efficiently operate its transit programs, and integrate the daily operations of the 91 Express Lanes into the Authority's organizational structure.

Discussion

The following representatives from the Authority were in New York during the week of June 20, 2005: Chairman Bill Campbell, Vice-Chairman Art Brown, Finance and Administration Committee Chairman Tom Wilson, Director Mike Duvall, Director Carolyn Cavecche, Executive Director of Finance, Administration and Human Resources Jim Kenan, and Treasurer Kirk Avila. Also, Jim Martling from Sperry Capital and representatives from Lehman Brothers attended the presentation meetings.

The meetings provided Authority representatives an opportunity to discuss the performance of the 91 Express Lanes, the progress of the Garden Grove Freeway (State Route 22) project, the new Board composition, an update on the Measure M program, the process related to extending the Measure M sales tax, the performance of sales tax collections, fiscal year 2006 budget and related cost drivers, and the Orange County economy.

A detailed summary report on all the New York meetings has been prepared by Sperry Capital, the Authority's financial advisor, and has been included as Attachment A. The report identifies the members of each firm and discusses the topics of concern for each of the organizations. A copy of the presentation report titled, "Orange County Transportation Authority June 2005 Update" is provided as Attachment B.

Summary

The Orange County Transportation Authority has been proactive in delivering information to the municipal market in order to ensure that the Orange County Transportation Authority's credit ratings remain strong. As a result, the Orange County Transportation Authority has one of the highest ratings of any transit agency in the nation. The most recent meetings in New York have been well received by the financial community.

Attachments

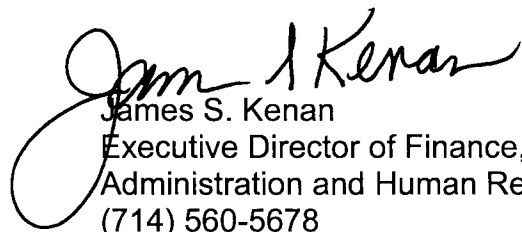
- A. Sperry Capital's Report on OCTA's 2005 New York Update Meetings.
- B. "Orange County Transportation Authority June 2005 Update"
Presentation Report.

Prepared by:



Kirk Avila
Treasurer
Treasury/Public Finance
(714) 560-5674

Approved by:



James S. Kenan
Executive Director of Finance,
Administration and Human Resources
(714) 560-5678

Sperry Capital Inc.

June 28, 2005

Mr. James S. Kenan
Executive Director, Finance, Administration and Human Resources
Orange County Transportation Authority
550 S. Main Street
Orange, California 92863

Subject: Sperry Capital's Report on OCTA's 2005 New York City Update Meetings

Dear Jim:

As part of its on-going rating agency, municipal bond insurer and letter-of-credit provider relations program, OCTA met with the following entities on June 21, 22, 23 and 24 in New York City:

- MBIA,
- Dexia Credit Local and J.P. Morgan Chase Bank,
- FGIC
- Alliance Capital and Merrill Lynch Asset Management
- Moody's Investors Service,
- Standard & Poor's,
- Fitch Ratings, and
- Ambac.

OCTA also met with institutional investors from Alliance Capital and Merrill Lynch Asset Management. OCTA was represented by Chairman Bill Campbell, Vice Chairman Art Brown, Director Carolyn Cavecche, Director Michael Duvall, Director Tom Wilson, Jim Kenan and Kirk Avila. Due to Orange County's decision to accelerate the refunding of its bankruptcy recovery debt, Chairman Bill Campbell was only able to join the OCTA group Friday for the Ambac presentation.

Representatives from Lehman Brothers including Kevin O'Brien, Steve Howard, Don McFayden and Lori Koh attended the meetings. Three Lehman Brothers sales and trading professionals attended the lunch presentation to institutional investors. I also attended each meeting.

The Treasury/Public Finance Department, with support from many departments throughout the Authority, worked throughout March, April and May to update and prepare the comprehensive 100-page June 2005 Update presentation book. The June 2005 Update presentation book was used in conjunction with each of OCTA's eight New York City meetings. In addition to the traditional comb-bound presentation book handout, the June Update 2005 presentation incorporated a computer video that vividly showed the positive impact of the new SR-22 Garden Grove Freeway widening project that was broadcast on television monitors at most of the update presentations.

Sperry Capital Inc.

Mr. James S. Kenan
June 28, 2005
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The June 2005 Update presentation book entitled was organized as follows:

- I. Introduction
- II. 91 Express Lanes Toll Road
- III. The New SR-22: Orange County's Garden Grove Freeway
- IV. Measure M and Ongoing Studies
- V. Renewing Measure M – OCTA's Half Cent Sales Tax
- VI. The Orange County Economy
- VII. Chief Executive Officer's Report
- VIII. Budget and Cost Drivers
- IX. Investment and Debt Portfolios

An Appendix to the June 2005 Update presentation book contained profile materials on the New York attendees that represented the OCTA Board of Directors and OCTA's executive staff. The back cover had contact information for Art Leahy, Rick Bacigalupo, Jim Kenan and Kirk Avila.

June 21 MBIA: MBIA is the largest AAA/Aaa/AAA rated municipal bond insurance company. MBIA insures OCTA's outstanding \$122.955 million Series 1998 Second Senior Bonds. MBIA has a substantial exposure to Orange County credits including the County's bankruptcy recovery debt and the TCA's Foothill/Eastern and San Joaquin toll road bonds.

Director Tom Wilson led the OCTA introductions. He introduced Vice Chairman Brown and OCTA's new Board members Carolyn Cavecche and Michael Duvall. He said, "Although we have some new people on the Board, we haven't changed our commitment to the people of Orange County or to Wall Street." He noted that Jim Kenan had been with OCTA for over 25 years.

MBIA's Ted Galgano was interested in the potential for expanding lane capacity in the SR 91 Corridor and specifically asked about the possibility of double-decking the existing general purpose lanes. Vice Chairman Brown said double-decking the BNSF right-of-way "was one of the five alternatives left for review."

June 21 Dexia/J.P. Morgan: This presentation was a joint presentation to Dexia Credit Local and J.P. Morgan Chase Bank. Dexia provides the letter-of-credit facility for OCTA's \$40.9 million tax-exempt commercial paper program and Dexia and J.P. Morgan jointly provide the liquidity facility for OCTA's 91 Express Lanes \$100 million variable rate Toll Road Revenue Refunding Bonds.

The representatives from Dexia and J.P. Morgan were familiar with OCTA's business model. However, the meeting was a chance to update the banks on OCTA's continuing success on the 91 Express Lanes, the prospects for a Measure M extension as well as the Orange County economy.

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Mr. James S. Kenan

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After he opened the meetings with introductions, Director Wilson emphasized OCTA's mission statement, "Balancing the quality of life in Orange County by delivering safer, faster and more efficient transportation solutions." Director Wilson also added that OCTA's success could be directly attributed to its many "Employees of the Month" winners pictured on page I-2 of the June 2005 Update presentation book.

After an update on the 91 Express Lanes, Director Duvall described the SR-22 Garden Grove Freeway lane expansion. He said he was very confident that the design build process would be complete within 800 days. He was pleased to say that he thought that the innovative design build process would "speed up the construction process on the Garden Grove Freeway by five years." He stressed that construction was on schedule despite the near record amounts of rain last winter.

Jim Kenan added that the SR-22 project was not part of the original Expenditure Plan and was added only after all of the existing projects were completed or financed. He said OCTA's record of accomplishments would underscore OCTA's "promises made, promises kept philosophy" in the Measure M extension election.

June 22 FGIC: FGIC is an AAA/Aaa/AAA rated municipal bond insurance company. FGIC, formally a wholly-owned subsidiary of General Electric, is now owned by a group of companies led by PMI of Walnut Creek, California. FGIC currently insures all of OCTA's outstanding Series 1992 Second Senior Bonds which currently total \$23.775 million and Series 1994 Second Senior Bonds which currently total \$41.690 million. FGIC was represented by Mary Francouer and Julia Clark. Ms. Francouer has followed OCTA's credit for ten years. Ms. Clark followed OCTA's credit at Moody's before she joined FGIC.

Director Wilson introduced the OCTA presentation by stating that the multi-faceted OCTA "is unlike any other transportation agency you will see." During his introduction he emphasized OCTA's core values of "integrity, customer focus, teamwork/partnership, communication and can-do-spirit."

Director Wilson summarized the success of the 91 Express Lanes. He effectively used the graph on page 2-4 of the presentation update book to stress that OCTA had only raised tolls in 11 of the possible 336 time periods. Jim Kenan added that OCTA's management philosophy is to "maximize mobility rather than to maximize revenues on the 91 Express Lanes."

Director Cavecche updated FGIC on Measure M highlights over the last year. Ms. Cavecche was pleased to note that OCTA recently celebrated its 11th year of Orange County Metrolink service with a Saturday of free service which attracted over 20,000 residents. Director Cavecche stated that "OCTA is very fortunate to have Director Brown serve as Metrolink's Chairman this year."

Mary Francouer complimented OCTA on the effective graphics in the June 2005 Presentation Book. She then noted that OCTA's presentation was extremely thorough and well done.

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Mr. James S. Kenan

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June 22 Institutional Investors: OCTA gave a presentation to representatives from Alliance Capital, Merrill Lynch Asset Management and Lehman sales and trading professionals over lunch on Wednesday. Director Tom Wilson introduced OCTA and told the investors that OCTA would give them an abbreviated presentation so that OCTA could directly respond to investor questions.

Joe Gully of Merrill Lynch Asset Management asked about the prospects for a Measure M extension. Director Brown replied that due to the 2/3 super-majority voter approval requirement in California, passing any tax in Orange County was going to be a challenge. However, he told the institutional investors that OCTA is in the process of prioritizing transportation projects through major investment studies that attract voters.

June 22 Moody's: Moody's was represented by Maria Matesanz, the head of Moody's Infrastructure Finance Group, as well as by Bart Oosterveld, Kevork Khriman from San Francisco and Omar Quzidane.

Director Duvall briefed Moody's on the SR-22 Garden Grove Freeway. Director Duvall used a computer video to dramatically illustrate the planned improvements. He added that the SR-22 "the Garden Grove Freeway design build project is the largest active construction project in Southern California." Director Duvall outlined that the funding sources for the SR-22 project included Measure M funds, Congestion Management and Air Quality funds, Transportation Congestion Relief Program funds, Regional Surface Transportation Program funds as well as the local cities.

Director Cavecche outlined the four Major Investment Programs OCTA currently has underway. After she discussed four Major Investment Programs summarized on page 4-6 of the 2005 Presentation Update Book, she effectively used a 3-foot-by-3-foot aerial photograph of Orange County to show the analysts the precise areas of study in the four corridor studies.

At the conclusion to Director Cavecche's discussion of the four major corridor studies, the Moody's analysts asked about the prospects for a Measure M extension. Vice Chairman Brown outlined the requirements for a Measure M extension. Vice Chairman Brown then discussed the potential major projects that are currently being analyzed. He concluded his presentation by stating optimistically that the Measure would pass on November 7, 2006.

Maria Matesanz asked about the fate of the Centerline project. Jim Kenan responded that the Board had put the project on hold and was reviewing a number of alternative projects.

Kirk Avila summarized Section VI., The Orange County Economy. The Moody's analysts were familiar with Orange County and were pleased with the County's economic strength.

At the conclusion of the 2 hour and 15 minute presentation Ms. Matesanz thanked OCTA and said that OCTA's June 2005 Update was "a very thorough presentation."

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Mr. James S. Kenan

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June 23 Standard & Poor's: Kurt Forsgren from Boston represented S&P. Jonathan Jacobson, a Director in S&P's New York office, had a family emergency.

After introductions, Director Wilson updated S&P on OCTA's toll road operations. Director Wilson used the 91 Express Lanes fiscal year 2004 and 2005 results to illustrate the toll road's strong financial performance.

Kurt Forsgren asked if OCTA planned any new toll facilities in its Measure M extension planning. Kirk Avila responded that OCTA had to get special legislation to acquire and operate the 91 Express Lanes and was not planning any new toll facilities. Kirk Avila ended the presentation with a summary on OCTA's Investment and Debt Portfolio section. He also invited the S&P analysts to look at OCTA's new, re-designed website which contains weekly updates on the 91 Express Lanes traffic volumes and revenue.

Vice Chairman Brown described the requirements to extend Measure M. He also summarized some of the potential major projects that are currently being reviewed as well as ideas or concepts that need more review. Vice Chairman Brown noted the increasing demand for rail improvements in Orange County. He said the extension of Measure M was critical to Metrolink by stating, "We are constrained by the lack of rail cars and the ability to use the tracks."

Standard & Poor's has been widely quoted recently in the press about its concern about the financial implications of rapidly increasing pension fund and health care costs. Jim Kenan told Kurt Forsgren that OCTA was focusing on the cost drivers of its business units. He outlined OCTA's benefit costs per employee as well as the Authority's plans to manage its health costs. "We hope to contain our increase in health costs to 1% the next fiscal year." Mr. Kenan said.

June 23 Fitch Ratings: Fitch was represented by Amy Doppelt, a Managing Director from San Francisco, Cherian George, Scott Trommer, and Mike McDermott. Ms. Doppelt and Messer's George, Trommer and McDermott have represented Fitch at the last two meetings.

The Fitch analysts were very interested in the 91 Express Lanes update and asked several questions dealing with future policy and revenues. After Director Wilson used the information on 2-11 to show that revenues had quickly recovered from a \$1.5 million decline as a result of allowing HOV-3+ vehicles to go free except during peak eastbound periods, Cherian George asked if OCTA could continue to let HOV-3+ vehicles go free if their numbers increased. Jim Kenan said that HOV-3+ vehicles had seemed to stabilize at about 15% during peak periods.

Mr. George also asked if the new Board members had suggested that OCTA rethink its toll policy. Director Wilson answered that "The Board thinks regionally. There have been no new issues regarding the toll policy." Director Cavecche added that "There have been no new political pressures regarding the toll policy. Our goal is to run the 91 Express Lanes like a business."

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Mr. James S. Kenan

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Mike McDermott asked about the timing of new general lane improvements in the SR 91 Corridor. Jim Kenan answered that "We are still saying 2013...but you can probably add two or three years to that date."

Kirk Avila discussed the strength and the diversity of the Orange County economy. The information presented on page 6-2 illustrated how Orange County's tourism industry competes effectively versus neighboring Los Angeles and San Diego counties.

June 24 Ambac: Ambac, rated AAA/Aaa/AAA, is one of the six leading municipal bond insurance companies. Ambac currently insures the remaining \$57.415 million 1997 Second Senior Refunding Bonds and the remaining \$48.430 million 2001 Second Senior Refunding Bonds. In addition, Ambac insured the \$195.265 million 2003 91 Express Lanes Toll Road Revenue Refunding Bonds. Kate McDonough, Sandra Brinkert, Bill Lippman and Alex Bertran represented Ambac. Anne Rabin, who traditionally attends OCTA's credit presentation updates, was out of town attending a business meeting in British Columbia.

Chairman Bill Campbell introduced his fellow OCTA Board members, OCTA staff as well as the Lehman and Sperry representatives to Ambac. Kate McDonough asked about the new composition of the Board. Chairman Campbell stated that "When you have new Board members, new questions are asked. And that is refreshing. The Board understands that OCTA is a regional authority."

Chairman Campbell briefed Ambac on the 91 Express Lanes by saying, "Thank you for insuring the 91 Express Lanes. The 91 Express Lanes is one investment you will not have to worry about."

Kate McDonough, the head of Ambac's West Coast business for the last 10 years, was pleased with the summary of the performance of the 91 Express Lanes. She added, "We have several toll roads we'd like you to manage." Her comment was greeted with laughter and pride. Director Duvall thanked Ambac once again and said, "Thank you for the opportunity to meet with you. It's nice to have partners."

Summary

The June 2005 update trip to New York was successful in a wide variety of ways. Although the Board has changed and now expanded, the Board members have always conveyed a sense of commitment to their Orange County transportation constituents as to repaying their debts. During the past eleven years, OCTA has clearly established its credibility with the rating agencies, AAA-rated municipal bond insurance companies and letter-of-credit banks for being able to effectively implement the Measure M program, grow its bus operations and successfully manage the 91 Express Lanes. The theme of this year's trip was "promises made, promises kept."

Sperry Capital Inc.

Mr. James S. Kenan

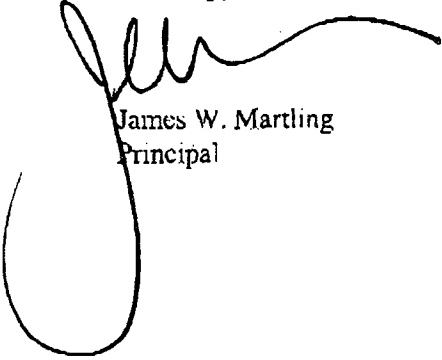
June 28, 2005

Page 7

Fitch Ratings, Moody's and Standard & Poor's, which represent the core of OCTA's New York City relationships, were all extremely complimentary of the work done by OCTA's Board of Directors and staff.

I have attached a list of all the attendees of our meetings.

Sincerely,



James W. Martling
Principal

ORANGE COUNTY TRANSPORTATION AUTHORITY



JUNE 2005 UPDATE



Presentation Outline

- I. Introduction
 - II. 91 Express Lanes Toll Road
 - III. The New SR-22: Orange County's Garden Grove Freeway
 - IV. Measure M and On-Going Studies
 - V. Renewing Measure M - OCTA's Half-Cent Sales Tax
 - VI. The Orange County Economy
 - VII. Chief Executive Officer's Report
 - VIII. Budget and Cost Drivers
 - IX. Investment and Debt Portfolios
- Appendix

I. Introduction

Presentation Participants

Orange County Transportation Authority

Bill Campbell	<i>Board of Directors Chairman</i>
Art Brown	<i>Board of Directors Vice-Chairman</i>
Tom Wilson	<i>Finance and Administration Committee Chairman</i>
Carolyn Cavecche	<i>Finance and Administration Committee Member</i>
Michael Duvall	<i>Finance and Administration Committee Member</i>
Art Leahy	<i>Chief Executive Officer</i>
Jim Kenan	<i>Executive Director of Finance, Administration and Human Resources</i>
Kirk Avila	<i>Treasurer and Public Finance Manager</i>

Sperry Capital Inc. Financial Advisor

James Martling	<i>Principal</i>
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Lehman Brothers Senior Managing Underwriter

Kevin O'Brien	<i>Senior Vice President</i>
Lori Koh	<i>Vice President</i>

The Orange County Transportation Authority

Enhancing the quality of life in Orange County by delivering
safer, faster and more efficient transportation solutions



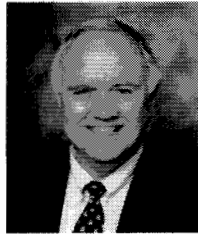
OCTA Values

- Integrity
- Customer Focus
- Teamwork/Partnership
- Communication
- Can-Do Spirit

Programs and Services

Measure M
Bus Operations
91 Express Lanes
Motorist Services
Metrolink Commuter Rail
Orange County Taxi Administration Program

2005 Board of Directors



Bill Campbell
3rd District
Supervisor
Chairman



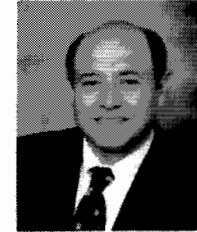
Art Brown
City of Buena Park
Vice-Chairman



Marilyn C. Brewer
Public Member



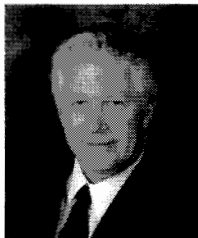
Carolyn Cavecche
City of
Orange



Lou Correa
1st District
Supervisor



Richard T. Dixon
City of
Lake Forest



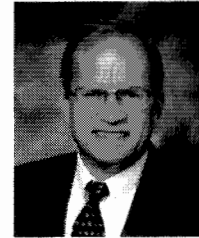
Michael Duvall
City of
Yorba Linda



Cathy Green
City of
Huntington Beach



Gary Monahan
City of
Costa Mesa



Chris Norby
4th District
Supervisor



Curt Pringle
City of
Anaheim



Miguel A. Pulido
City of
Santa Ana



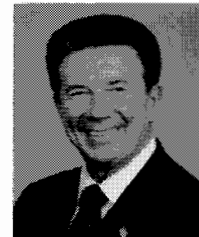
Susan Ritschel
City of
San Clemente



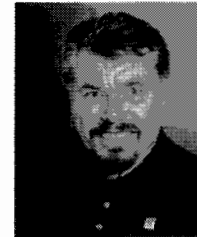
Mark Rosen
City of
Garden Grove



James W. Silva
2nd District
Supervisor



Thomas W. Wilson
5th District
Supervisor



**Gregory T.
Winterbottom**
Public Member



Cindy Quon
Governor's Ex-
Officio Member

Recent Changes to the Composition of the Board of Directors

- ▶ On September 10, 2004, the Governor signed Assembly Bill 710, which increased the representation on OCTA's Board of Directors from 12 members to 18 members

- ▶ Composition includes:
 - ▶ Five members of the County Board of Supervisors
 - ▶ Ten city representatives:
 - ▶ Five members - one from each supervisorial district based on one-city-one-vote
 - ▶ Five members - one from each supervisorial district based on population weighted vote
 - ▶ Two public members appointed by fifteen county and city members
 - ▶ One Caltrans District Director (non-voting member)

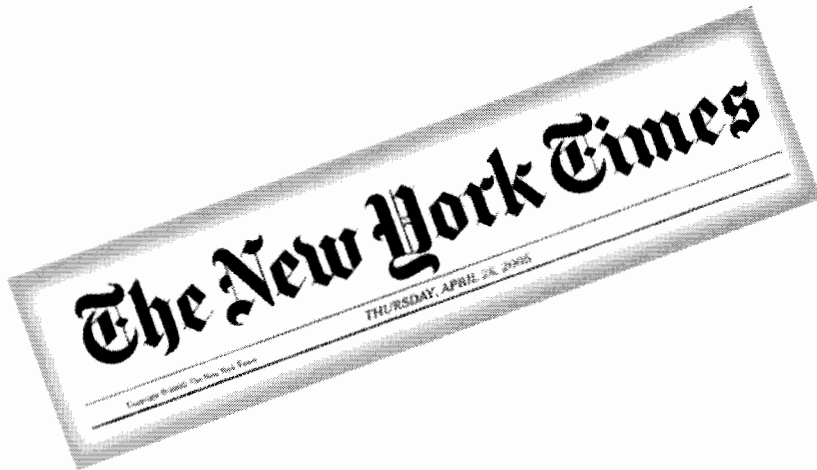
- ▶ Assembly Bill 710 became effective January 1, 2005

Board Chairman's Six Major Priorities for OCTA

- ▶ Continue the evaluation of extending Measure M, which will expire in 2011
- ▶ Determine the future of the CenterLine light-rail project and exploring other opportunities
- ▶ Make the decisions necessary to complete the three major investment studies (MIS)
 - ▶ Riverside County to Orange County MIS
 - ▶ San Diego Freeway MIS
 - ▶ Central County Corridor Study
- ▶ Complete two important contract procurements
 - ▶ Vendor to operate ACCESS paratransit and contracted fixed-route service
 - ▶ Firm to oversee the day-to-day operations of the 91 Express Lanes toll road
- ▶ Monitor the progress of ongoing construction projects on freeways and the Santa Ana Operations Center
- ▶ Explore new opportunities for implementing bus rapid transit service signal synchronization, lobbying at the state and federal levels, and expanding relationships with transportation agencies in neighboring counties

II. 91 Express Lanes Toll Road

"At Least One Motorist" Uses the 91 Express Lanes



At least one motorist was willing to pay the toll to drive the 91 Express lanes of the Riverside Freeway.

Paying on the Highway to Get Out of First Gear

By TIMOTHY EGAN

RIVERSIDE, Calif. — It is a California still life. In this land of mobile ambition and instant communities, life is on hold in the parking lot that is the Riverside Freeway, 10 miles or more going nowhere at all hours of the day on one of the most congested auto corridors in the world.

But like a mirage in the exurban desert, a narrow river of traffic moves swiftly down the middle of this highway. The fast lanes, the 91 Express, are sometimes called Lexus lanes, first class on asphalt. They can turn a two-hour commute to work into a 30-minute zip. For a solo

driver, on-time arrival comes with a price: nearly \$11 per round trip, a toll collected through electronic signals.

The freeway in places is no longer free. From the backed-up pools of frustration in Chicago's collar counties, to the farthest Virginia fringes of the commute to Washington, to Texas, where plans are under way to build a 4,900-mile network of toll roads, the United States has outgrown its highway system.

But state and federal governments, beset by deficits, say they have barely enough money to service the existing system, let alone build new roads. As a result, nearly two dozen states have passed legislation

allowing their transportation systems to operate pay-as-you-go roads, and in many cases, letting the private sector build and run these roads.

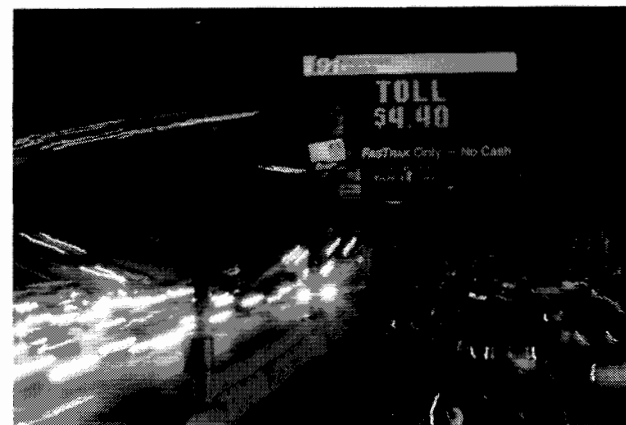
Social engineering is merging with traffic engineering, creating new technologies that charge people a variable toll based on how many cars are on the road — known as congestion pricing — or reduce toll rates for high occupancy to encourage carpooling. The White House wants to allow states to charge user fees for virtually any stretch of an interstate.

It is shaping up as one of the biggest philosophical changes in trans-

(Continued on Page A3)

During the Past Year...

- ▶ Reached record levels for weekly traffic volumes and toll revenues
- ▶ Implemented the annual inflation adjustments to “non-peak” hours and adjusted tolls during 11 Eastbound peak hours
- ▶ Adopted “Guiding Principles for the Use of Excess Toll Revenues”
- ▶ Renegotiated the lease for the Anaheim office
- ▶ Adopted the “91 Express Lanes Toll Violations Ordinance”
- ▶ Began exploring dynamic pricing technologies
- ▶ Elected to conduct a request for proposals for the operating services contract
- ▶ Transferred management responsibilities of the 91 Express Lanes to the Executive Director of Planning, Development and Commuter Services



Daily Hours Impacted by Toll Adjustments

Westbound – Annual inflation adjustments only

Eastbound – Annual inflation adjustments and 11 hours adjusted to avoid congestion

Westbound

	Mon	Tue	Wed	Thur	Fri	Sat	Sun
Midnight							
1:00 AM							
2:00 AM							
3:00 AM							
4:00 AM							
5:00 AM							
6:00 AM							
7:00 AM							
8:00 AM							
9:00 AM							
10:00 AM							
11:00 AM							
NOON							
1:00 PM							
2:00 PM							
3:00 PM							
4:00 PM							
5:00 PM							
6:00 PM							
7:00 PM							
8:00 PM							
9:00 PM							
10:00 PM							
11:00 PM							

Eastbound

	Mon	Tue	Wed	Thur	Fri	Sat	Sun
Midnight							
1:00 AM							
2:00 AM							
3:00 AM							
4:00 AM							
5:00 AM							
6:00 AM							
7:00 AM							
8:00 AM							
9:00 AM							
10:00 AM							
11:00 AM							
NOON							
1:00 PM							
2:00 PM							
3:00 PM							
4:00 PM							
5:00 PM							
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7:00 PM							
8:00 PM							
9:00 PM							
10:00 PM							
11:00 PM							

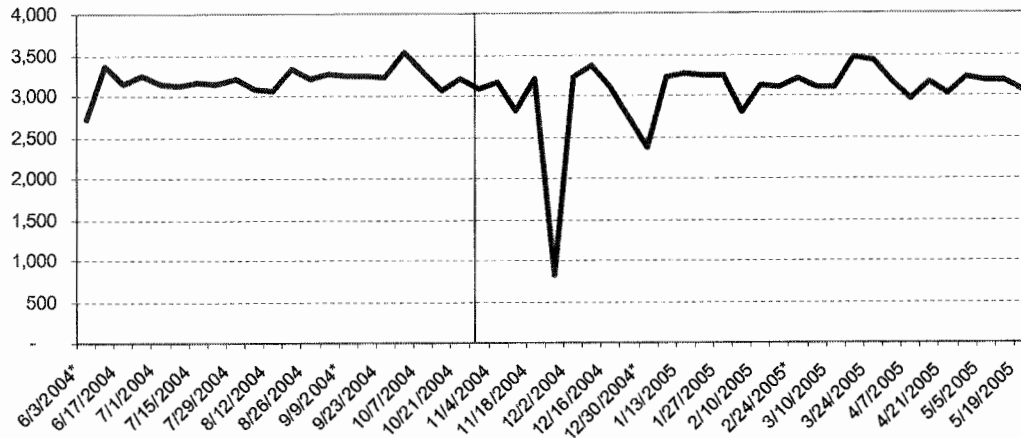
Peak Hour Toll Adjustments in Fiscal Year 2005

	<u>Jul 1, 2004</u>	<u>Oct 25, 2004</u>	<u>Jan 31, 2005</u>	<u>May 23, 2005</u>
Monday 4:00-5:00 PM			\$ 4.40 → \$ 5.15	
Monday 5:00-6:00 PM		\$ 4.95 → \$ 5.70		
Tuesday 4:00-5:00 PM	\$ 4.25 → \$ 5.00		\$ 5.00 → \$ 5.75	
Tuesday 5:00-6:00 PM	\$ 4.75 → \$ 5.50		\$ 5.50 → \$ 6.25	
Wednesday 4:00-5:00 PM	\$ 4.75 → \$ 5.50		\$ 5.50 → \$ 6.25	
Wednesday 5:00-6:00 PM		\$ 5.50 → \$ 6.25		\$ 6.25 → \$ 7.00
Thursday 4:00-5:00 PM		\$ 6.25 → \$ 7.00		\$ 7.00 → \$ 7.75
Thursday 5:00-6:00 PM		\$ 6.25 → \$ 7.00		\$ 7.00 → \$ 7.75
Friday 3:00-4:00 PM	\$ 5.50 → \$ 6.25		\$ 6.25 → \$ 7.00	
Friday 4:00-5:00 PM		\$ 6.25 → \$ 7.00		\$ 7.00 → \$ 7.75
Friday 5:00-6:00 PM			\$ 6.25 → \$ 7.00	

Green boxes represent hours where tolls have been adjusted only once during the year and blue boxes represent those hours where there have been two adjustments. All adjustments were on the Eastbound lanes and in increments of \$0.75.

How Have Traffic Volumes Responded to Toll Adjustments?

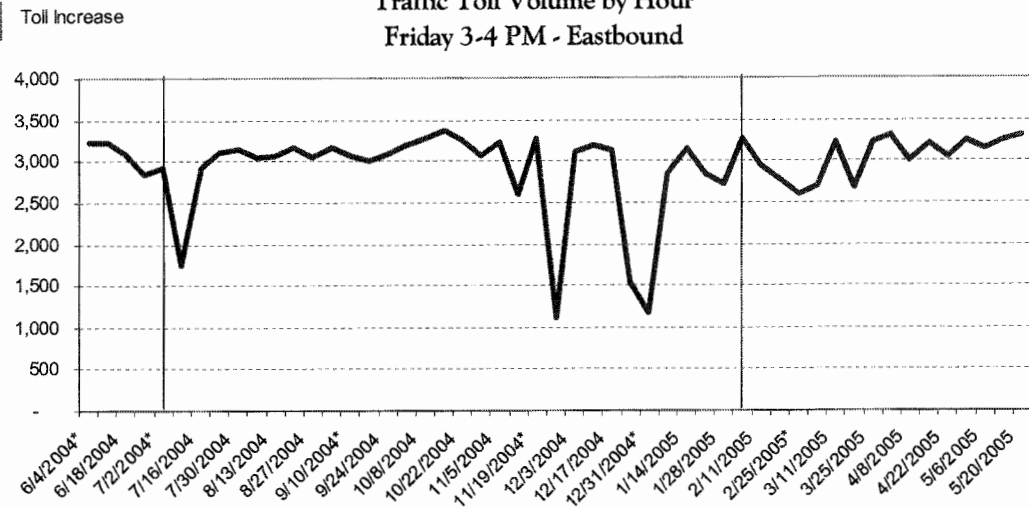
Traffic Volume by Hour
Thurs 4-5 PM - Eastbound



Volumes continue to remain high after toll adjustments

— Traffic Volume by Hour Thurs 4-5

Traffic Toll Volume by Hour
Friday 3-4 PM - Eastbound



— Traffic Toll Volume by Hour Friday 3-4

| Toll Increase

* Represents a holiday week



Peak Period Traffic Volumes Remain at Capacity

WESTBOUND WEEKDAY PEAK VOLUME TRAFFIC COUNTS

A.M.	Monday 5/16/2005			Tuesday 5/17/2005			Wednesday 5/18/2005			Thursday 5/19/2005			Friday 5/20/2005		
	Toll	Volume	Capacity	Toll	Volume	Capacity	Toll	Volume	Capacity	Toll	Volume	Capacity	Toll	Volume	Capacity
4:00 - 5:00	\$ 2.00	531	16%	\$ 2.00	496	15%	\$ 2.00	491	14%	\$ 2.00	503	15%	\$ 2.00	451	13%
5:00 - 6:00	\$ 3.30	1,401	41%	\$ 3.30	1,682	49%	\$ 3.30	1,663	49%	\$ 3.30	1,369	40%	\$ 3.20	1,529	45%
6:00 - 7:00	\$ 3.40	2,159	64%	\$ 3.40	2,259	66%	\$ 3.40	2,380	70%	\$ 3.40	2,214	65%	\$ 3.30	2,101	62%
7:00 - 8:00	\$ 3.75	2,415	71%	\$ 3.75	2,484	73%	\$ 3.75	2,554	75%	\$ 3.75	2,494	73%	\$ 3.65	2,141	63%
8:00 - 9:00	\$ 3.40	1,955	58%	\$ 3.40	1,861	55%	\$ 3.40	1,929	57%	\$ 3.40	2,026	60%	\$ 3.30	1,590	47%
9:00 - 10:00	\$ 2.75	1,489	44%	\$ 2.75	1,457	43%	\$ 2.75	1,486	44%	\$ 2.75	1,699	50%	\$ 2.75	1,210	36%

EASTBOUND WEEKDAY PEAK VOLUME TRAFFIC COUNTS

P.M.	Monday 5/16/2005			Tuesday 5/17/2005			Wednesday 5/18/2005			Thursday 5/19/2005			Friday 5/20/2005		
	Toll	Volume	Capacity	Toll	Volume	Capacity	Toll	Volume	Capacity	Toll	Volume	Capacity	Toll	Volume	Capacity
2:00 - 3:00	\$ 3.40	1,769	52%	\$ 3.40	1,803	53%	\$ 3.40	1,930	57%	\$ 3.50	2,076	61%	\$ 4.05	2,875	85%
3:00 - 4:00	\$ 3.65	2,775	82%	\$ 3.65	2,880	85%	\$ 3.90	2,968	87%	\$ 3.90	3,049	90%	\$ 7.00	3,312	97%
4:00 - 5:00	\$ 5.15	3,188	94%	\$ 5.75	3,277	96%	\$ 6.25	3,201	94%	\$ 7.00	3,070	90%	\$ 7.00	3,084	91%
5:00 - 6:00	\$ 5.70	3,115	92%	\$ 6.25	3,146	93%	\$ 6.25	3,093	91%	\$ 7.00	3,278	96%	\$ 7.00	3,076	90%
6:00 - 7:00	\$ 3.65	2,617	77%	\$ 3.80	2,896	85%	\$ 3.90	3,261	96%	\$ 4.10	3,268	96%	\$ 4.40	2,558	75%
7:00 - 8:00	\$ 2.60	1,430	42%	\$ 2.60	1,802	53%	\$ 2.60	1,777	52%	\$ 3.70	1,991	59%	\$ 4.10	1,794	53%

* Yellow shading highlights those hours where capacity on the lanes have reached 90% or greater

Current Toll Schedule



Toll Schedule
Effective May 23, 2005

Westbound
Riverside Co. Line to 55

	Sun	M	Tu	W	Th	F	Sat
Midnight							
1:00 am							
2:00 am			1.05				
3:00 am							
4:00 am			2.00				
5:00 am			3.30		3.20		
6:00 am			3.40		3.30		
7:00 am			3.75		3.65	1.50	
8:00 am	1.50	3.40			3.30	1.75	
9:00 am			2.75				2.10
10:00 am							
11:00 am	2.10						
Noon							
1:00 pm			1.75				2.40
2:00 pm			2.40				
3:00 pm							
4:00 pm							2.55
5:00 pm	2.55						
6:00 pm						2.50	2.10
7:00 pm						1.75	
8:00 pm	2.10						
9:00 pm			1.05				
10:00 pm							
11:00 pm							



Toll Schedule
Effective May 23, 2005

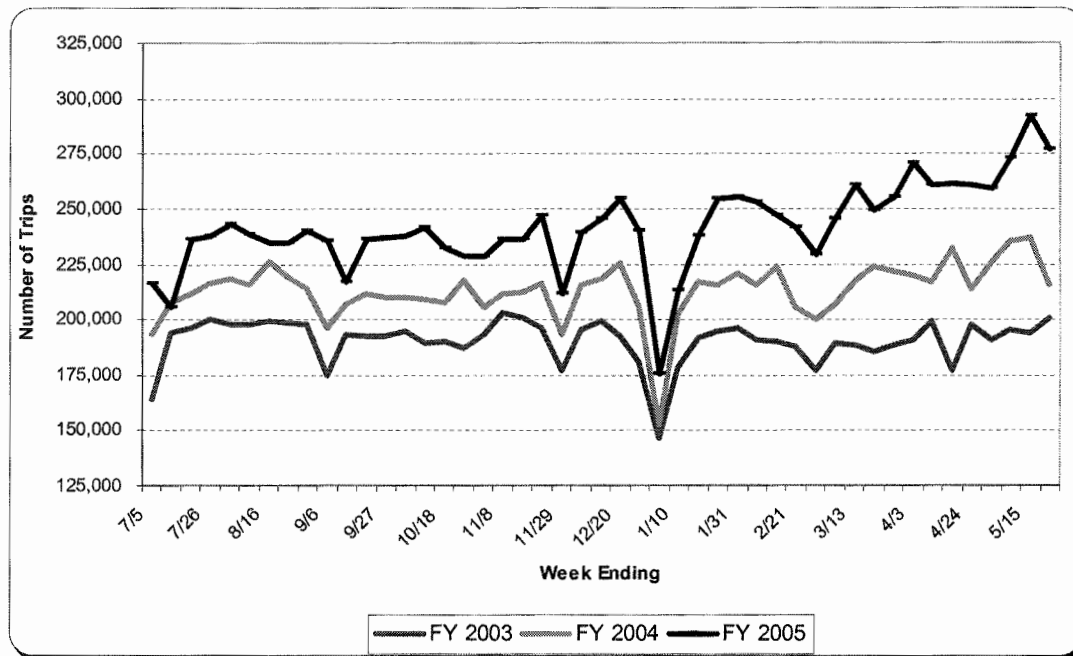
Eastbound
55 to Riverside Co. Line

	Sun	M	Tu	W	Th	F	Sat
Midnight							
1:00 am							
2:00 am			1.05				
3:00 am							
4:00 am							
5:00 am							
6:00 am							
7:00 am							
8:00 am	1.40		1.75				
9:00 am							
10:00 am	2.10						2.10
11:00 am							
Noon							
1:00 pm	2.50	2.35	2.60	4.05	2.50		
2:00 pm		3.40					
3:00 pm			3.00	7.00			
4:00 pm		5.15	5.75	6.25	7.75		
5:00 pm	2.10	5.70	6.25	7.00	7.75	7.00	
6:00 pm			3.80	3.90	4.10	4.40	2.10
7:00 pm			2.60		3.70	4.10	
8:00 pm			1.75		2.35	3.70	1.75
9:00 pm			1.05			2.35	
10:00 pm							1.75
11:00 pm							



Traffic Volumes Continue to Increase

Weekly Trip Comparison



Fiscal Year To-Date Performance*

- ▶ Overall trips are up 12.7% over last year (FY 2004)
- ▶ Carpool trips are up 14.7% over last year (FY 2004)

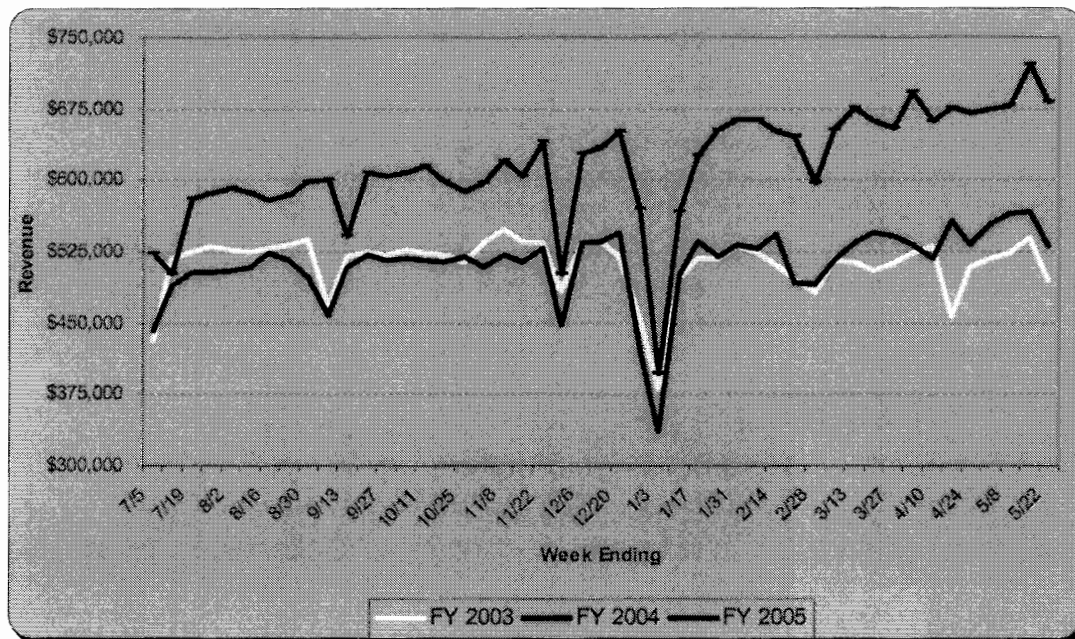
Vollmer's October 2003 Forecast

FY 2005	6%
FY 2006	5%
FY 2007	5%

* As of May 21, 2005

Toll Revenues Reach Record Levels

Weekly Toll Revenue* Comparison



Fiscal Year To-Date Performance*

- ▶ Revenues are up 19.5% over last year (FY 2004)
- ▶ Revenues are up 9.5% over Vollmer's forecast

Vollmer's October 2003 Forecast

FY 2005	10%
FY 2006	9%
FY 2007	9%

* Gross potential toll revenue as of May 21, 2005

How Accurate Were the Official Statement Projections?

	<u>Fiscal Year 2004</u>		<u>Fiscal Year 2005</u>	
	<u>Oct - 2003 Forecast</u>	<u>Actual</u>	<u>Oct - 2003 Forecast</u>	<u>Revised Estimate</u>
Gross Potential Revenues	\$26,400,000	\$26,971,777	\$29,100,000	\$32,096,415
Toll Revenues (1)	23,760,000	24,610,057	26,190,000	29,436,405
Add: Non-Toll Revenues and Interest (2)	4,140,843	8,472,608	4,665,198	6,397,631
<u>Gross Toll Revenues</u>	<u>27,900,843</u>	<u>33,082,665</u>	<u>30,855,198</u>	<u>35,834,036</u>
<u>Less: Operating Expenses</u>	<u>(11,783,521)</u>	<u>(12,702,688)</u>	<u>(12,272,335)</u>	<u>(12,062,248)</u>
Net Revenue for Debt Service	16,117,322	20,379,977	18,582,863	23,771,788
Series 2003 Debt Service	2,162,713	2,185,282	11,970,445	11,947,877
2003 Debt Service Coverage	7.45x	9.33x	1.55x	1.99x

(1) Gross Potential Revenues were adjusted downward by 10% in Oct 2003 Forecast column to account for toll evasion and discounts

(2) Includes fee revenues, promotional credits, violation recovery funds, and all interest earnings

Upcoming Events

- ▶ Complete the Riverside to Orange County Major Investment Study
- ▶ Implement the annual inflation adjustments for July 1, 2005
- ▶ Award a contract effective January 1, 2006 to provide operating services
- ▶ Replace the traffic management system in the lanes and in the traffic operations center
- ▶ Complete the pavement maintenance improvement project
- ▶ Submit annual Project Improvement Plan for the SR-91 pursuant to AB 1010
- ▶ Monitor the progress of the preliminary engineering study on the SR-91 eastbound auxiliary lane project
- ▶ Celebrate the 10-year anniversary of the 91 Express Lanes



**III. The New SR-22: Orange County's
Garden Grove Freeway**

Southern California's Largest Active Construction Project



The Garden Grove Freeway (SR-22) is getting its first big improvement since it was built in the 1960s

Days Worked

273

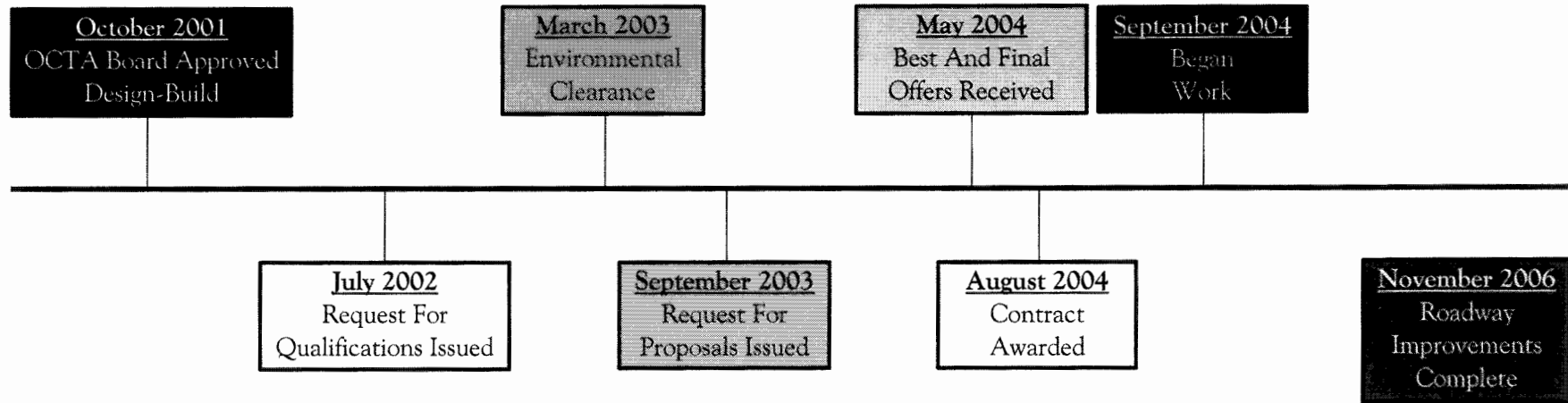


Days Remaining

527

Completion Date: November 30, 2006

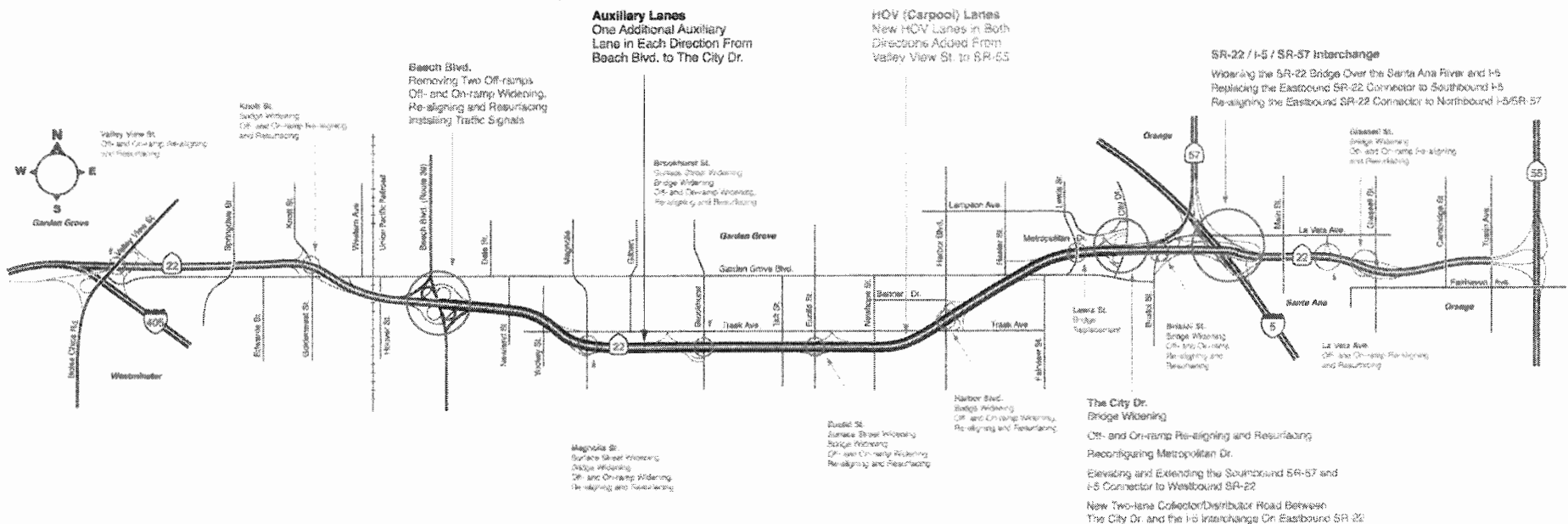
Project Timeline



The SR-22 is a partnership between OCTA, Caltrans, Federal Highway Administration, Cities of Orange, Santa Ana, Garden Grove, Westminster, Seal Beach, and Los Alamitos

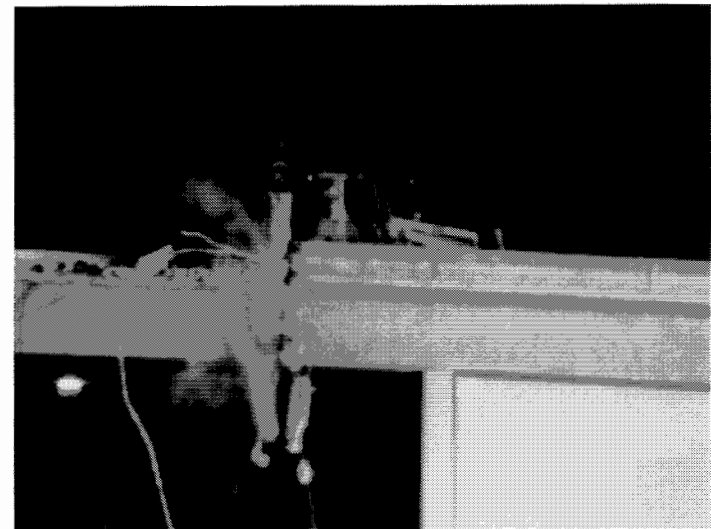
Planned Improvements

- ▶ High Occupancy Vehicle lane in each direction
- ▶ Auxiliary lanes between various interchanges
- ▶ Continuous lane between The City Drive and Beach Blvd.
- ▶ Separate structure from SR-57 connector westbound SR-22
- ▶ A collector-distributor road on eastbound SR-22 at The City Drive
- ▶ Various interchange improvements, additional soundwalls, landscaping, and aesthetic enhancements



Project Details

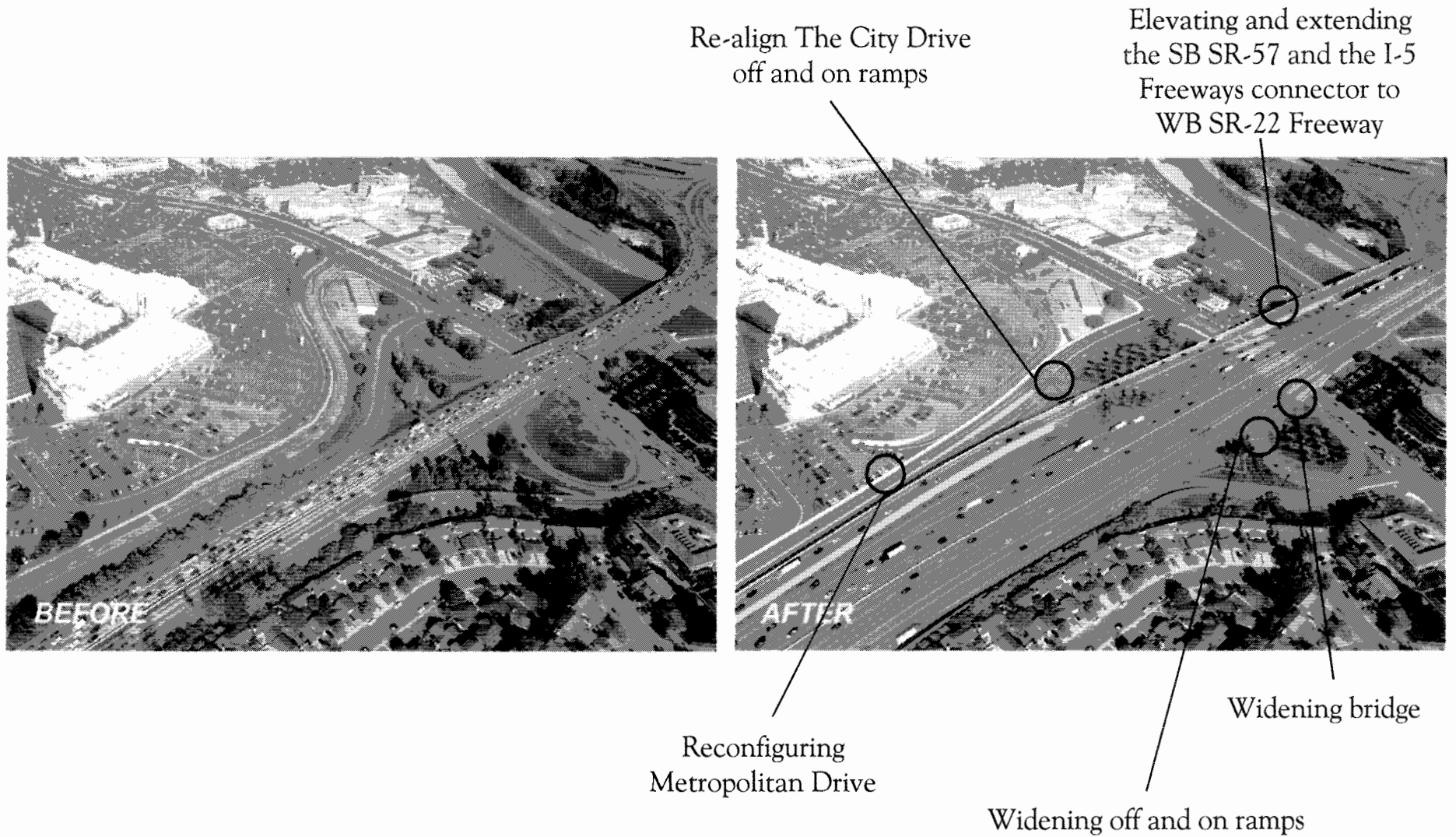
- ▶ 35 bridges to widen, build, or replace
- ▶ 88 retaining walls (640,000 SF)
- ▶ Import 700,000 tons of select backfill
- ▶ 240,000 cubic yards of concrete pavement
- ▶ 60,000 lineal feet of new drainage pipe/culverts
- ▶ 170,000 tons of new asphalt pavement



More Images from the Construction Site



A Look at The City Drive – Before and After Improvements



Focusing on Beach Blvd. Interchange Improvements

Widen and re-align ramps
to improve traffic flow

Add a high occupancy
vehicle lane in each direction

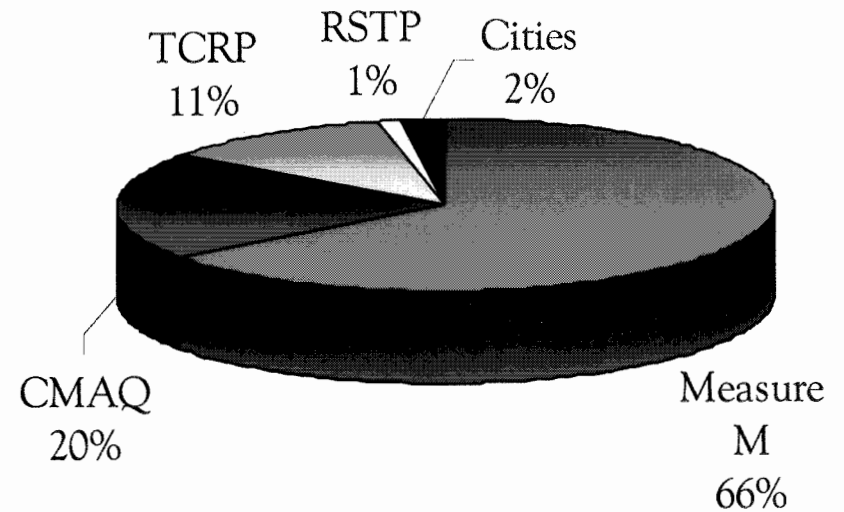


Install new traffic
signals at off-ramp

Reconfigure ramps to
eliminate critical weave

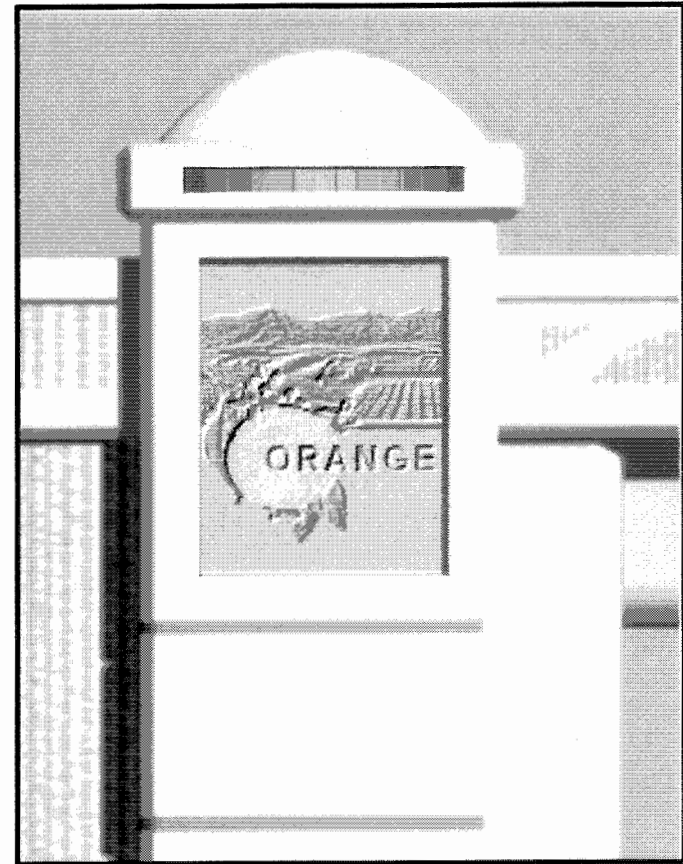
Funding Mix

Measure M	\$321.4 M
Congestion Mgmt. & Air Quality (CMAQ)	\$101.3 M
Transportation Congestion Relief Program (TCRP)	\$56.3 M
Regional Surface Transportation Program (RSTP)	\$5.0 M
Cities	<u>\$11.0 M</u>
Total	\$495.0 M



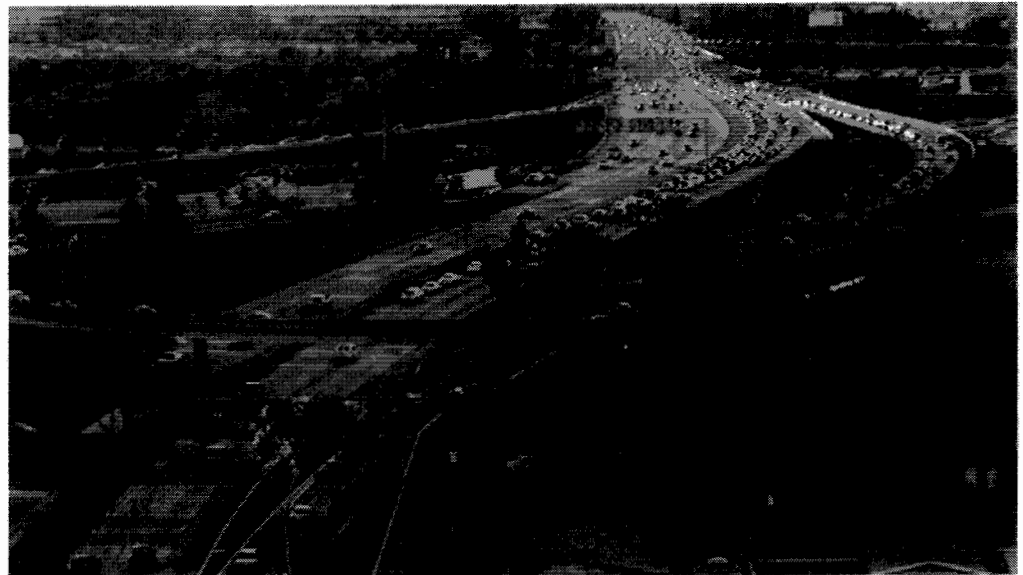
Challenges Faced Thus Far

- ▶ First Design-Build on an active freeway
- ▶ Working together with different entities and agencies
- ▶ Working together with satellite entities
- ▶ Recognizing the pace of the project
- ▶ Inclement weather this past fall/winter/spring
- ▶ Limited resources in this extremely active region
- ▶ Minimizing disruptions



Current Status

- ▶ Geotechnical investigation complete
- ▶ Right-of-way activities nearly complete
- ▶ Design 75% complete
- ▶ Early work underway
 - ▶ Metropolitan improvements, vegetation removal, excavation/embankment, material fabrication, utility relocation and bridge demolitions
- ▶ Wall and bridge work started in February 2005
- ▶ Public outreach in full swing



IV. Measure M and On-Going Studies

Measure M Highlights Over the Past Year

- ▶ Actual sales tax revenues increased by 6.6 percent during the last reported fiscal year (FY 2004)
- ▶ Distributed over \$35.5 million in Turnback funds to Orange County cities and the County of Orange
- ▶ Completed the design of the I-5 Far North project
- ▶ Began construction on the SR-22 design-build project
- ▶ Celebrated 11 successful years of Orange County Metrolink service
- ▶ Completed HOV connectors on the I-405/SR-55 transitway project



Measure M Sales Tax Revenues Projected to Total \$4.3 Billion

<u>Historical Revenues*</u>			<u>Projected Revenues**</u>		
<u>Fiscal Year</u>	Measure M Sales Tax Revenues	Percent Change	<u>Fiscal Year</u>	Measure M Sales Tax Revenues	Percent Change
1990-91 ***	\$28,068,083	-	2004-05	\$250,613,733	5.32%
1991-92	125,809,484	-	2005-06	261,256,905	4.25%
1992-93	127,958,093	1.71%	2006-07	273,148,334	4.55%
1993-94	132,773,924	3.76%	2007-08	287,199,539	5.14%
1994-95	140,682,560	5.96%	2008-09	302,676,438	5.39%
1995-96	149,899,700	6.55%	2009-10	318,980,071	5.39%
1996-97	161,061,635	7.45%	2010-11 ***	252,030,179	5.35%
1997-98	174,694,937	8.46%			
1998-99	183,991,548	5.32%			
1999-00	204,416,898	11.10%			
2000-01	216,495,452	5.91%			
2001-02	212,741,853	-1.73%			
2002-03	223,232,864	4.93%			
2003-04	237,957,371	6.60%			
	<hr/>			<hr/>	
Total	\$2,319,784,402		Total	\$1,945,905,198	

* Historical revenues have averaged 5.5% per year since inception

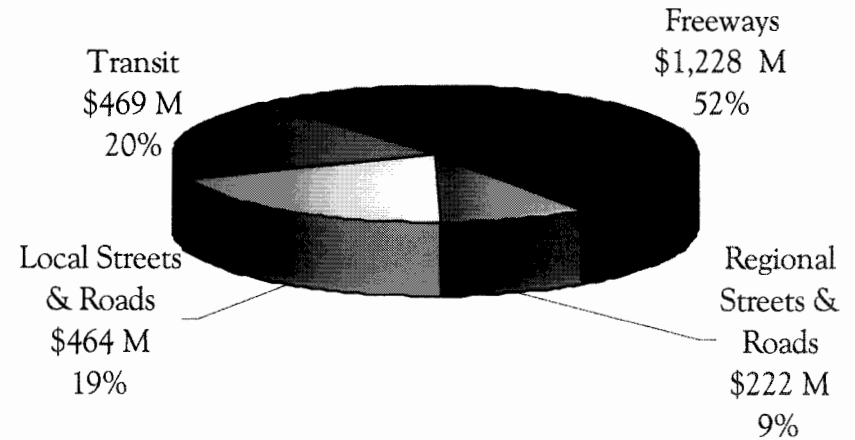
** Projected revenues based upon Chapman University's April 2005 forecast

*** Since Measure M went into effect 4/1/91 and will terminate 3/31/11, FY 1990-91 represents one quarter's collections and FY 2010-11 represents three quarter's collections

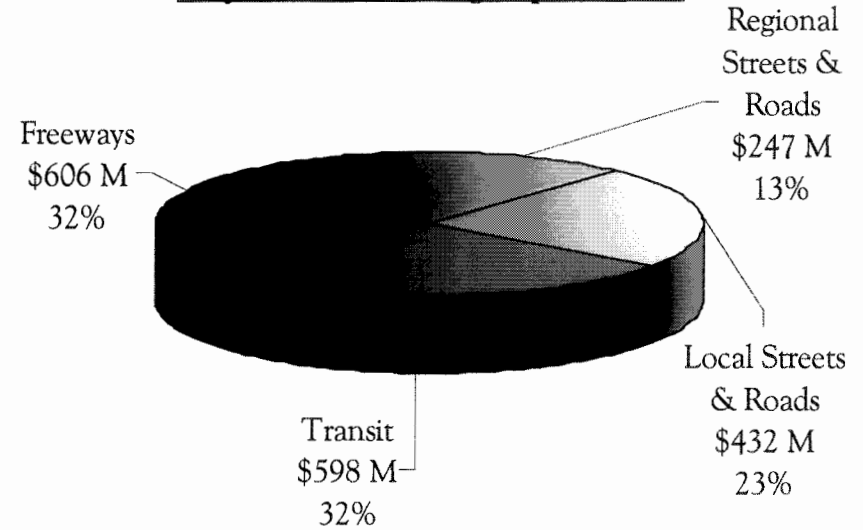
Measure M Historical* and Projected Expenditures

Approximately \$1.8 billion will be spent over the next six years on Measure M projects

Actual Expenditure To Date



Projected Remaining Expenditures



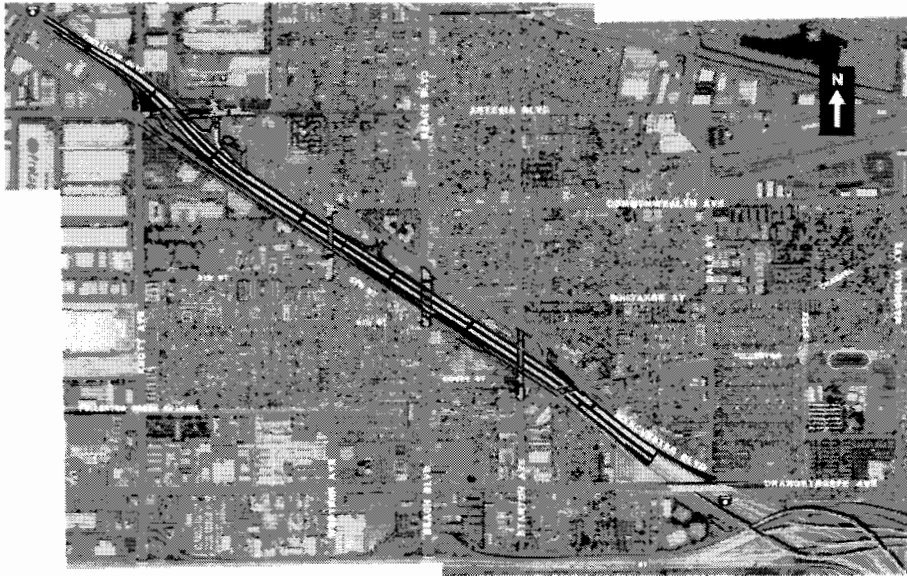
* Actual expenditures through 3/31/05

Performance to Date

Projects	Complete	In-Progress	Pending
I-5	X		
I-5/I-405 Widening	X		
SR-55	X		
SR-57	X		
SR-91	X		
Pacific Electric ROW Purchase	X		
Metrolink: Orange County to LA	X		
Metrolink: Riverside to Orange County	X		
Fare Stabilization	X		
Transitways	X		
Regional Road Projects		X	
Local "Turnback"		X	
SR-22 (New Project Added to Expenditure Plan)		X	
I-5 Far North		X	
CenterLine *			X

* Alternative projects under consideration – decision expected in June/July 2005

I-5 Far North: Expanding the Freeway to the LA County Line



Project Highlights

- Add one HOV lane in each direction

- Add one general purpose lane in each direction

- Add auxiliary lanes in each direction from the SR-91 to Beach Blvd

- Reconstruct bridges at Stanton Ave., Beach Blvd., Western Ave., and Artesia Blvd.

- Realign railroad from Stanton Ave. to Artesia Blvd.

- Build aesthetically- treated retaining walls

- Replace landscaping

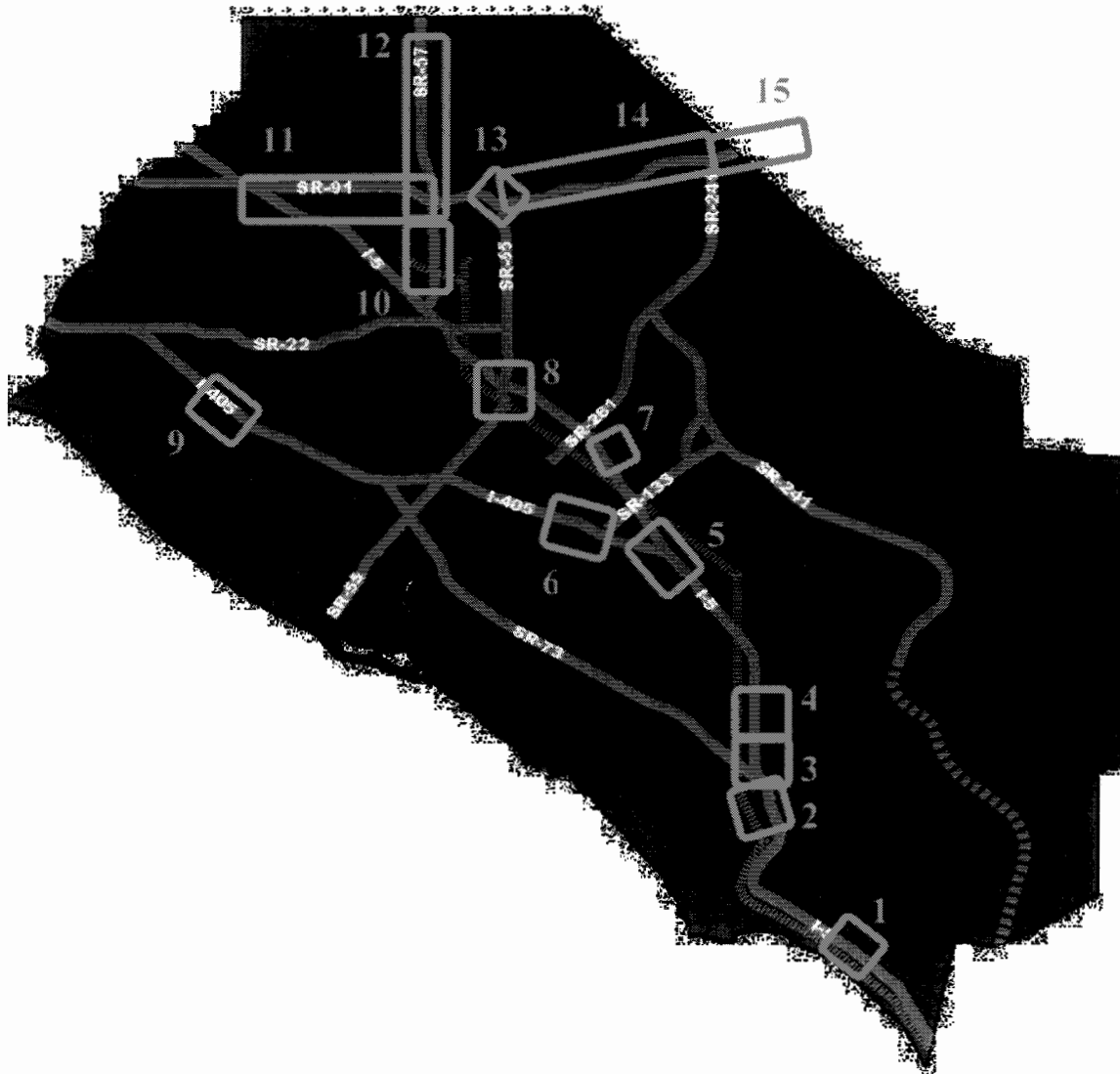
Project Status

- ▶ Design phase completed
- ▶ Right-of-way acquisition and utility relocations in progress
- ▶ Construction begins early 2006
- ▶ Project scheduled to be substantially completed in late-2009

Project Funding

Measure M	\$ 179.0 M
State Regional Transportation Improvement Program (RTIP)	\$ 33.7 M
State Interregional Transportation Improvement Program (ITIP)	\$ 38.4 M
Total	\$ 251.1 M

OCTA Continues Effort to Relieve Freeway Bottlenecks



1. I-5 southbound at Avenida Pico
2. I-5 southbound at Camino Capistrano
3. I-5 at Ortega Highway (SR-74) Interchange
4. I-5 southbound at Oso Parkway
5. I-5/I-405 interchange area weave and merge improvements
6. Northbound auxiliary lane from SR-133 to Jeffery Road
7. I-5 southbound at Culver Drive
8. I-5/SR-55 interchange area weave and merge improvements
9. Northbound/southbound auxiliary lane between Magnolia and Beach
10. SR-57 from Katella to Lincoln
11. SR-91 westbound from SR-57 to I-5
12. SR-57 northbound from Orangethorpe to Lambert
13. SR-91 westbound from SR-55 to Tustin
14. SR-91 eastbound/westbound from SR-55 to SR-241
15. SR-91 eastbound from SR-241 to SR-71

Major Corridor Studies Underway

Riverside/Orange County Major Investment Study

Develop a recommended strategy to address current and future travel demand between Orange and Riverside County. The various types of multimodal alternatives include a no-build alternative, a baseline alternative (planned improvements), a Transportation Systems Management alternative, new SR-91 general purpose and/or carpool lanes, new toll or non-toll corridors, light and heavy rail transit, express bus service and high-speed rail.

Expected completion date: December 2005

I-405 Major Investment Study

Develop a program of projects for the corridor including adding a new general purpose lane using existing right-of-way, adding limited access express lanes, adding an additional carpool lane with a new general purpose lane, and adding elevated freeway lanes.

Expected completion date: Summer 2005

Central Corridor Study

Develop options to address mobility problems in central Orange County including evaluating the SR-57 extension, potential arterial improvements, adjacent freeway improvements, and public transportation improvements.

Expected completion date: June 2006

So. Orange Co. Long-Range Transportation Study

OCTA has begun the development of a southern Orange County long-range multimodal transportation study to address current and future mobility issues. Consultant work is expected to begin July 2005

Expected completion date: December 2006

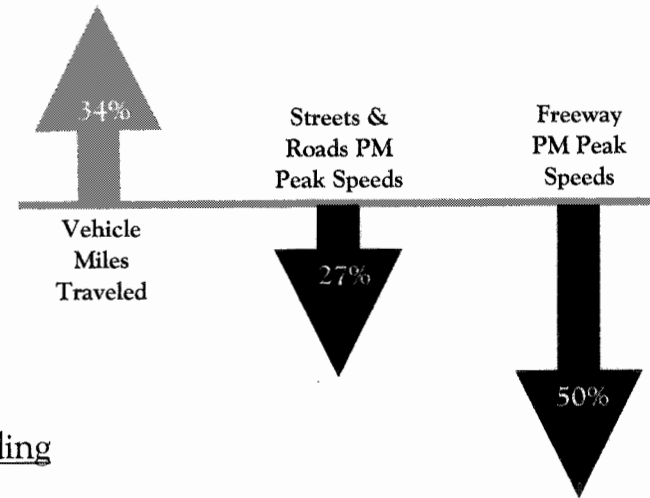
V. Renewing Measure M - OCTA's Half-Cent Sales Tax

A Glimpse at the Future of Orange County

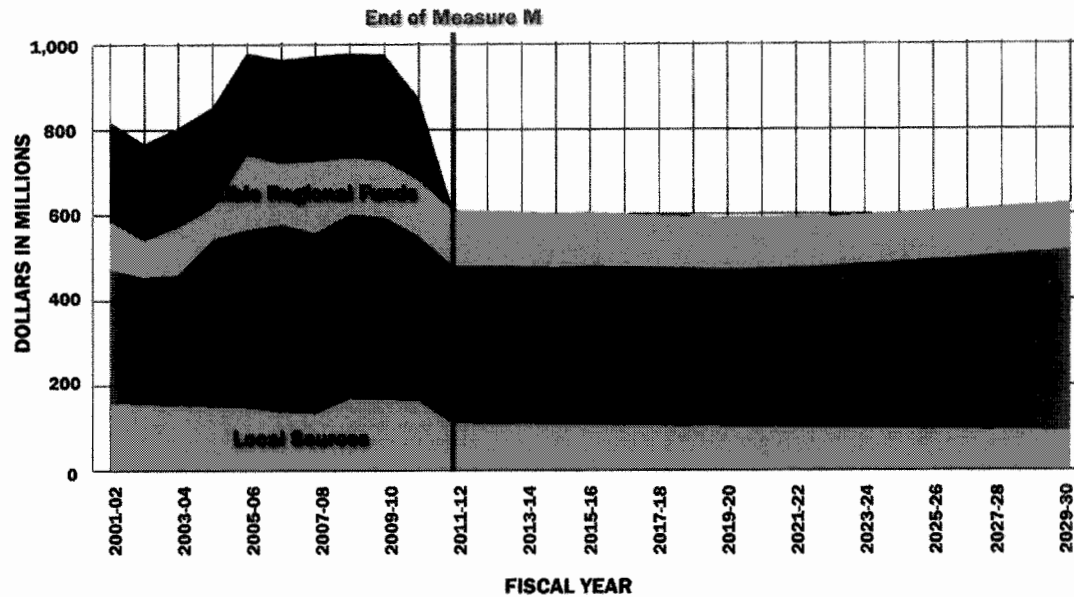
Future Growth 2000-2030



Traffic Congestion 2000-2025



Post Measure M Funding



Extending Measure M Requires:

- ▶ New Investment Plan approved by
 - ▶ Majority of city councils representing majority of incorporated areas
 - ▶ Board of Supervisors
 - ▶ Two-thirds vote of OCTA's Board of Directors

- ▶ Board of Supervisors setting election

- ▶ Two-thirds majority voter approval

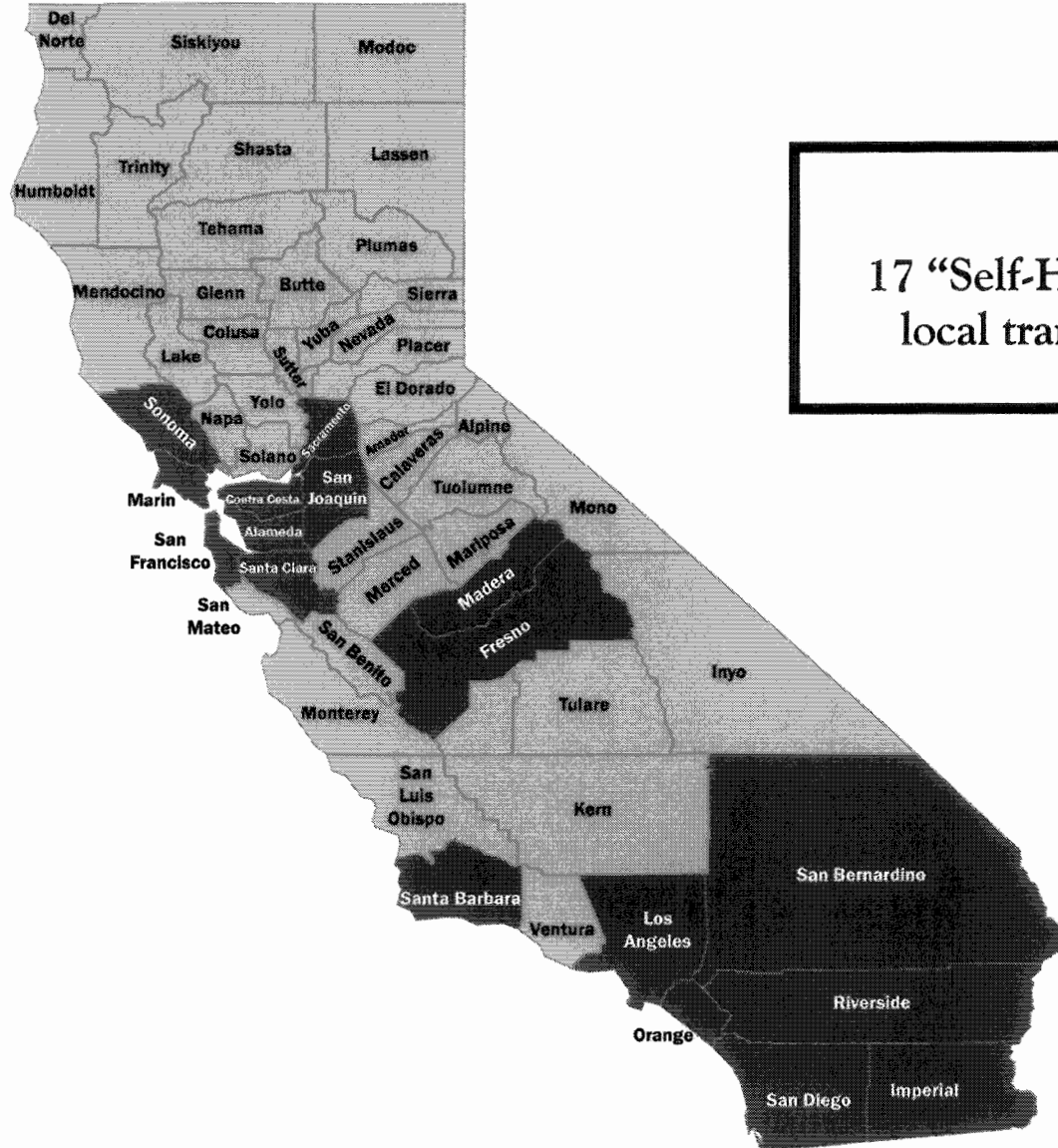
2004 Election Outcome: Sales Tax Measures in California

County	Duration	Vote (Y/N)
Contra Costa*	25 years	71/29 %
Marin**	20 years	71/29 %
Sacramento*	30 years	75/25 %
San Bernardino*	30 years	79/21 %
San Diego*	40 years	67/33 %
San Mateo*	25 years	75/25 %
Santa Cruz**	30 years	43/57 %
Solano**	30 years	64/36 %
Sonoma**	20 years	67/33 %
Ventura**	30 years	40/60 %

* Extension of existing tax

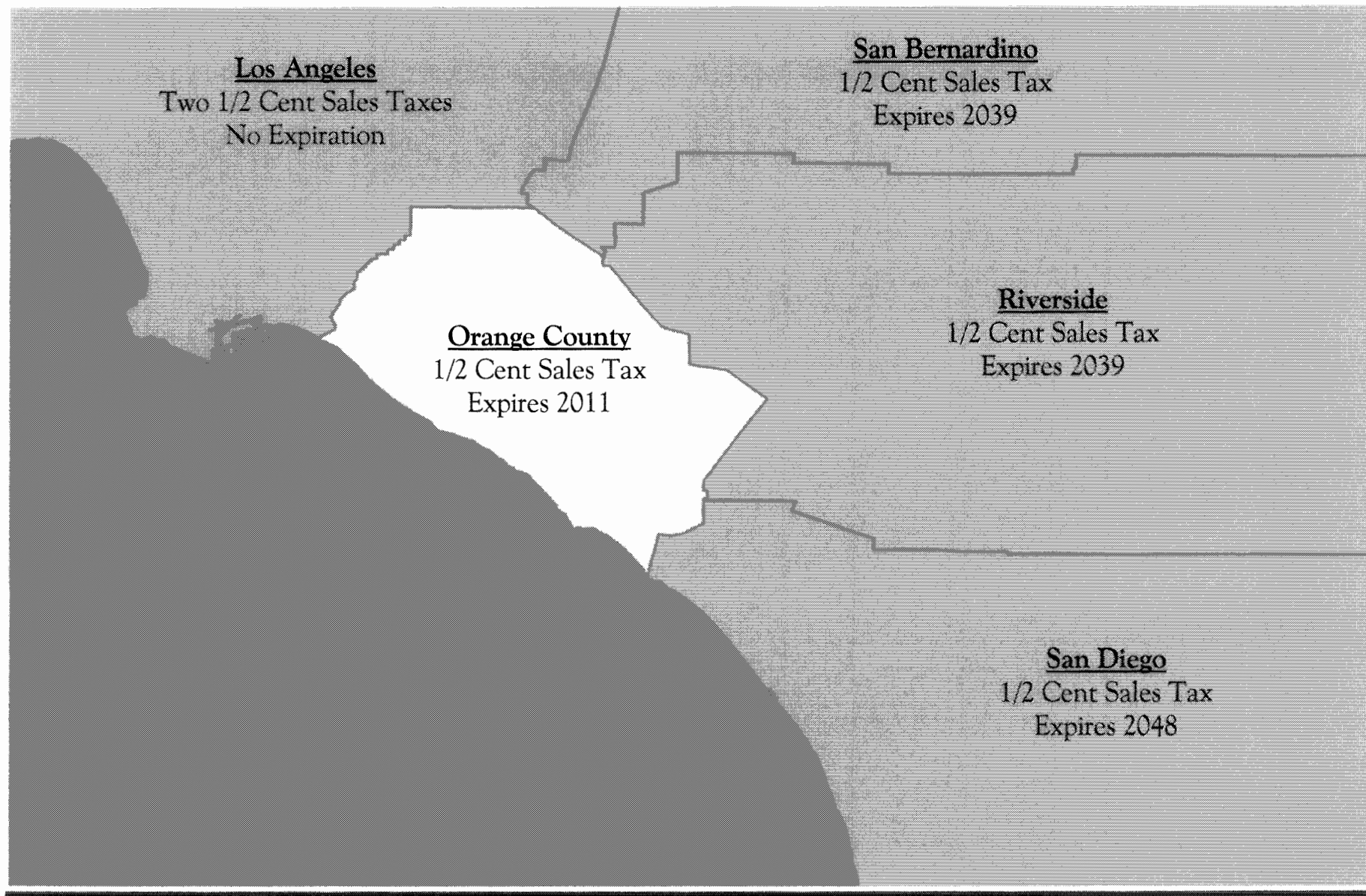
** New tax

Self-Help Counties



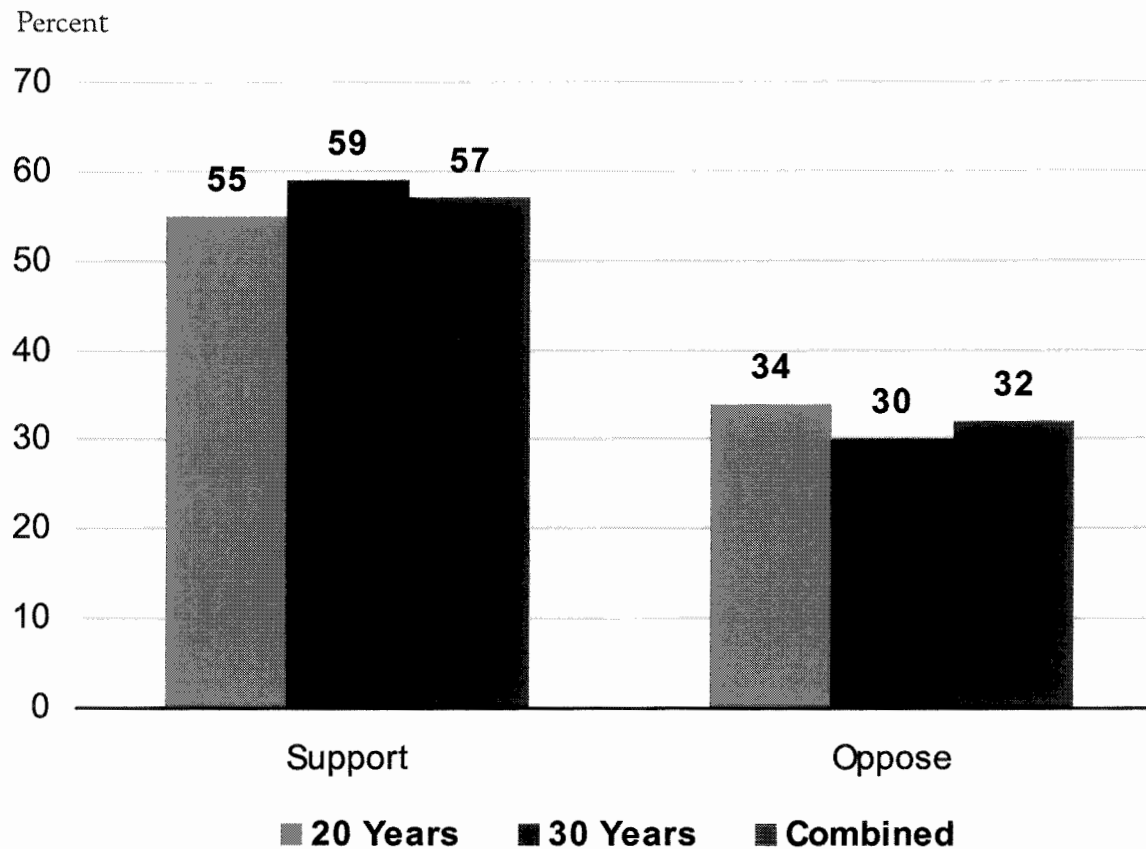
2005
17 "Self-Help" counties now have
local transportation sales taxes

Southern California Self-Help Counties



November 2004 Baseline Polling: Initial Disposition

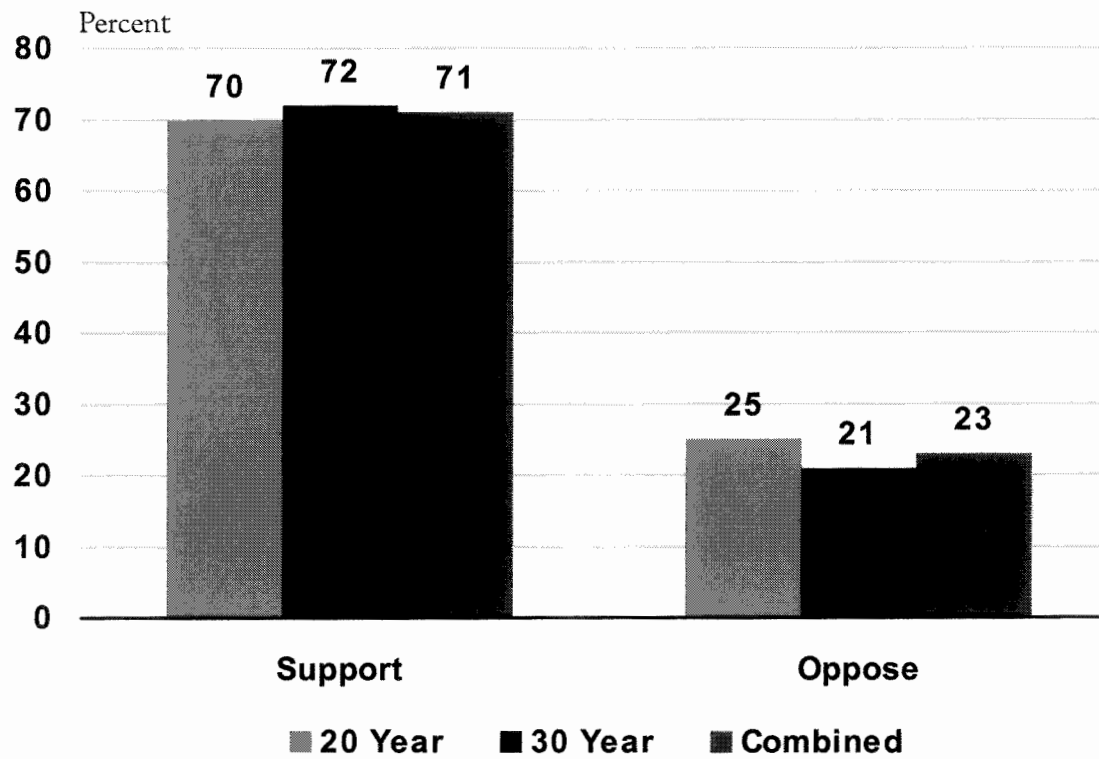
“Do you support or oppose extending the half-cent Orange County transportation sales tax for (20/30) years to pay for additional transportation improvements?”



November 2004 Baseline Polling: Ballot Question

“To relieve traffic congestion and improve public safety, shall the current Orange County half-cent transportation sales tax be extended for (20/30) years to:

- Relieve congestion and improve traffic flow on the I-5, SR-91, I-405, SR-22, SR-55 and SR-57 freeways
- Maintain city and county streets and fill potholes
- Expand bus, light rail and Metrolink rail services
- Expand transit services for seniors and disabled persons
- Institute an independent Citizens Oversight Committee with a chairman elected by County voters to ensure that all funds are spent for transportation projects approved by the voters?”

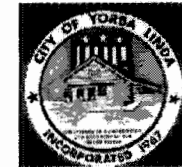
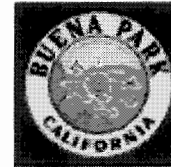


Early Polling Comparison

County	Initial Disposition	Ballot Language	Final Vote
Riverside	65/29	71/23	69%
San Bernardino	64/26	75/20	79%
San Diego	62/29	73/22	67%
Sacramento	63/25	71/22	75%
Sonoma	62/26	68/26	67%
Solano	61/32	70/26	64%
Orange	57/32	71/23	—

Key Steps to Investment Plan

- ▶ Strong technical base
- ▶ Local officials' support
- ▶ Stakeholders' support
- ▶ Voter support



Goal: Create a Plan That Will...

- ▶ Maintain and rehabilitate existing systems
- ▶ Make what we already have work better
- ▶ Strategically add new capacity
- ▶ Provide attractive and effective travel choices
- ▶ Maintain and improve the quality of life
- ▶ Ensure strong safeguards and accountability for how funds are spent

Some Potential Major Projects

Under Study Now:

- ▶ Widen I-405 from I-5 to Los Angeles County
- ▶ Widen SR-91 between Riverside County line and SR-55
- ▶ Improve I-5 and access to it in South Orange County
- ▶ Central County (North-South) improvements (SR-55, SR-57 and arterials)
- ▶ Connect 241 toll road and 91 Express Lanes
- ▶ Fix freeway bottlenecks
- ▶ Increased street and road maintenance
- ▶ Regional signal synchronization
- ▶ Metrolink improvements
- ▶ Rail grade crossings
- ▶ Senior and disabled transportation

Ideas or Concepts Needing More Review:

- ▶ Rapid bus and/or rail investments
- ▶ Regional high speed rail w/airport connections
- ▶ Reduce tolls and add toll road capacity on the TCA's toll road network
- ▶ Environmental mitigation (water quality, habitat, open space, landscaping, soundwalls, etc.)
- ▶ New corridors (Riverside-Orange County; SR-57 extension; SR-71/SR-241 connection)

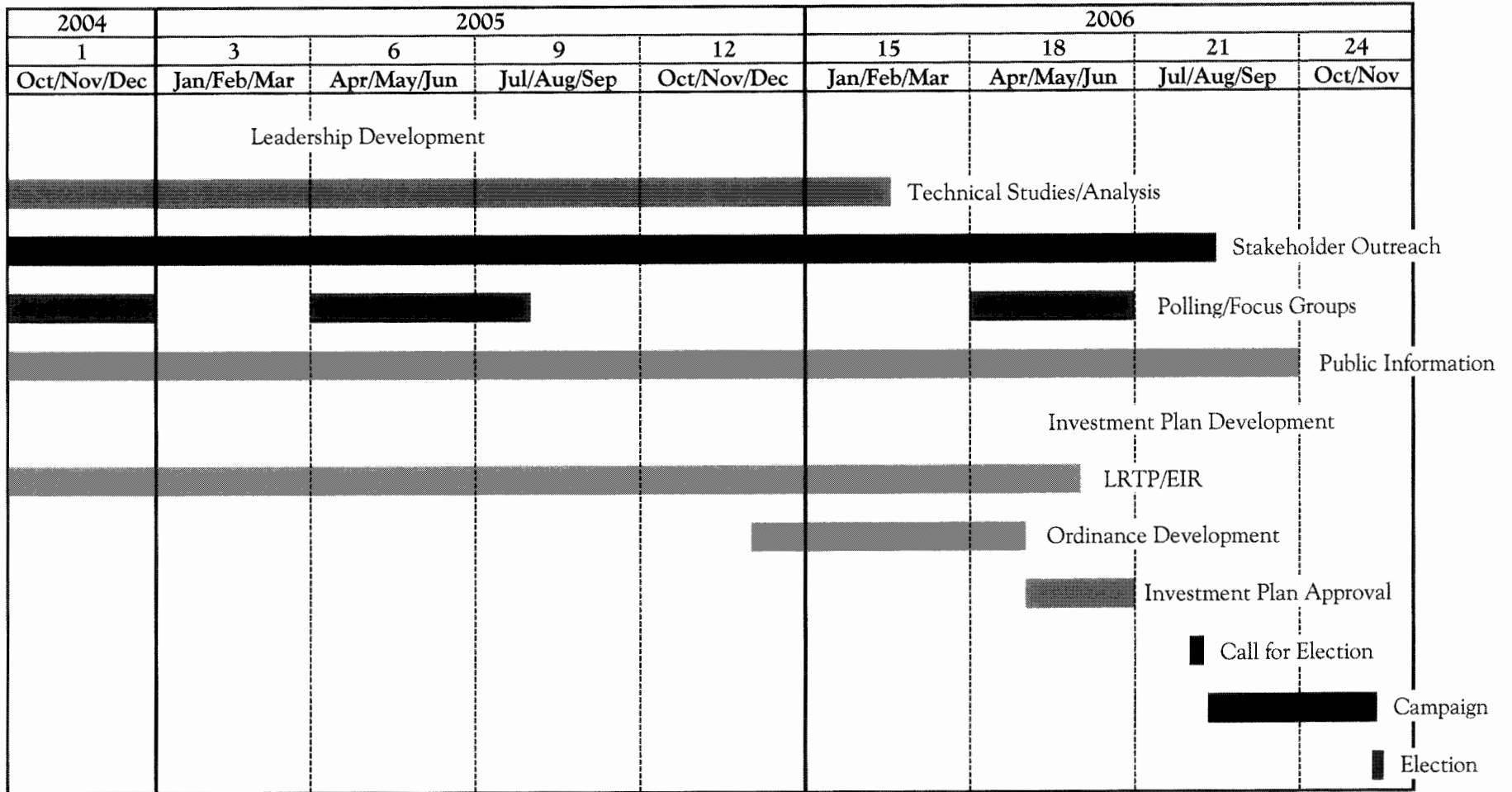
Measure M Extension: Potential Revenue

	With Inflation	Current Dollars
Original Measure M 1991-2011	\$ 4.27 B	\$ 3.10 B*
20-Year Extension 2011-2031	\$11.66 B	\$ 6.68 B
30-Year Extension 2011-2041	\$23.37 B	\$10.93 B
40-Year Extension 2011-2051	\$42.32 B	\$15.92 B

* 1988



2006 Election Timeline



Next Steps

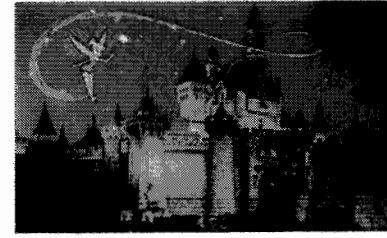
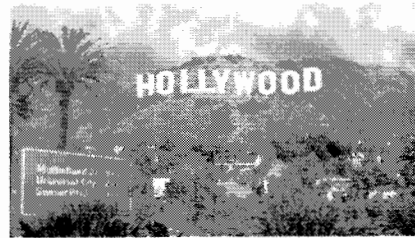
Local Officials and Community Leaders Input	Through Fall 2005
Public Education and Outreach	Through Fall 2005
Release Draft Investment Plan for Review	December 2005
Revise and Refine Draft Investment Plan	Dec. 2005 - April 2006
Request Cities and County Approval to Place Plan on the Ballot	April 2006 - June 2006
OCTA Adopts Measure to go on Ballot	July 2006
Board of Supervisors Places Measure on Ballot	July 2006
Election Day	November 7, 2006

VI. The Orange County Economy

Orange County Report Card

	<u>Increased</u>	<u>Declined</u>
Tourism	✓	
Employment	✓	
Unemployment Rate		✓
Local Consumer Price Index	✓	
Housing Appreciation	✓	
Housing Affordability		✓
Consumer Confidence		✓
Taxable Sales	✓	
Per Capita Income	✓	
Population	✓	

Orange County Tourism Competes Well Versus Our Neighbors



LOS ANGELES

ORANGE COUNTY

SAN DIEGO

Visitor spending	\$12.0 billion	\$7.3 billion	\$5.5 billion
Overnight visitors	24.3 million	20.0 million	15.6 million
International visitors	4.3 million	2.2 million	664,000
Population	10 million	3 million	3 million
Tourism-related workers	260,000	120,000	112,000
Hotel rooms	110,000	55,700	53,000
Hotel occupancy	75%	71%	74%
Average hotel rate	\$119	\$114	\$138

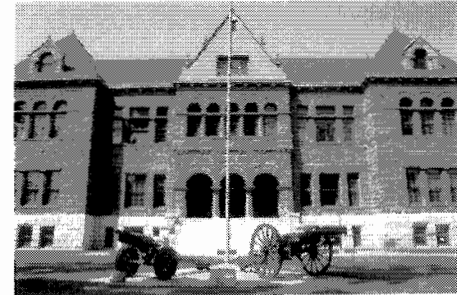
Source: PFK Consulting, CIC Research, Smith Travel Research, and the Orange County Business Journal. 2004 data.

Filming in Orange County

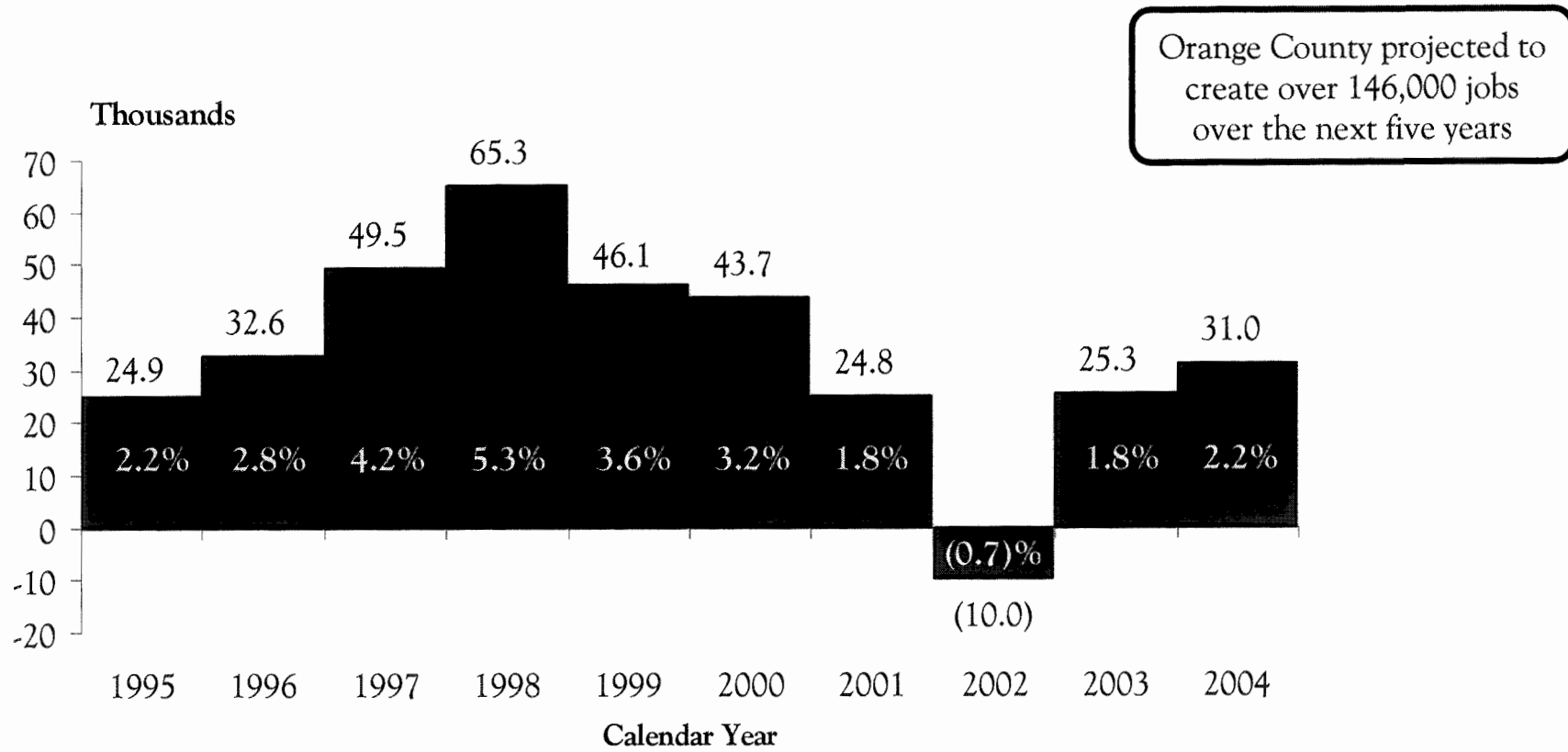
- ▶ In fiscal year 2003-04, the entertainment industry logged more than 750 filming days in Orange County, making commercials television programs, and movies

- ▶ Popular locations include:
 - ▶ Historic Downtown Plaza in Orange
 - ▶ Old County Courthouse in Santa Ana
 - ▶ John Wayne Airport
 - ▶ Irvine Spectrum

- ▶ Movie studios spend more than \$335 million a year in Orange County, for items such as lodging, meals, and building materials



Orange County Creates 31,000 Jobs in 2004



Source: Employment Development Department, May 2005. Forecast is provided by Chapman University, April 2005.



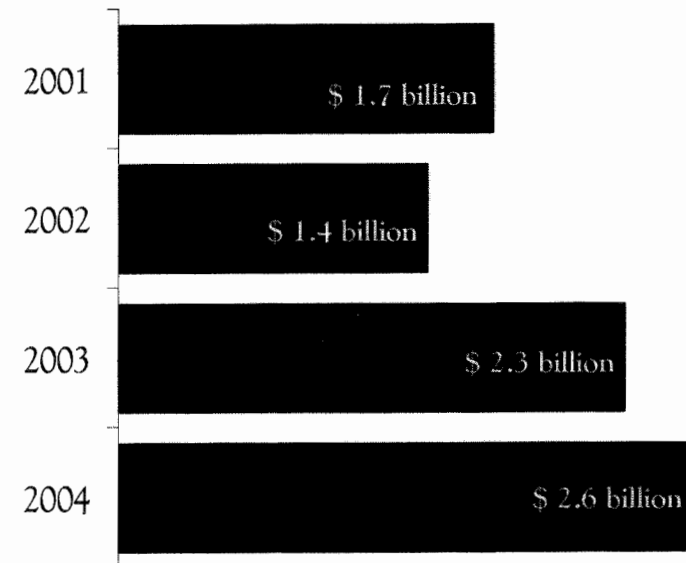
Top Manufacturing Centers in the Nation

Rank	Centers	Average Employment*
1.	Los Angeles	484,200
2.	Chicago	402,300
3.	Detroit	297,800
4.	New York	235,500
5.	Houston	207,700
6.	Minneapolis-St. Paul	202,700
7.	Dallas	196,300
8.	Orange County	183,200
9.	Atlanta	176,800
10.	San Jose	170,100

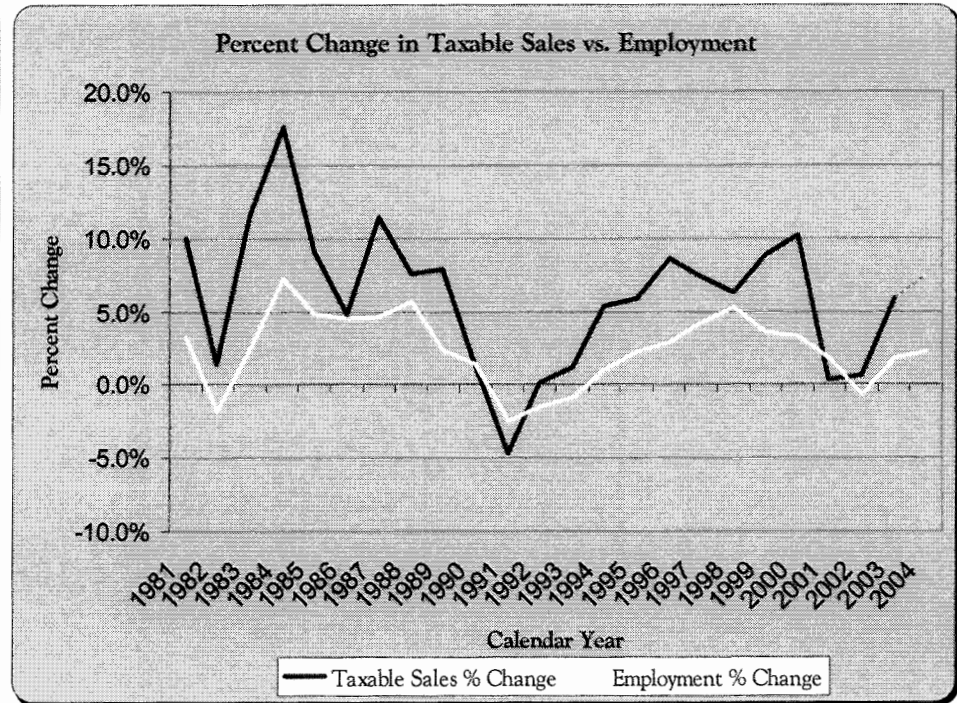
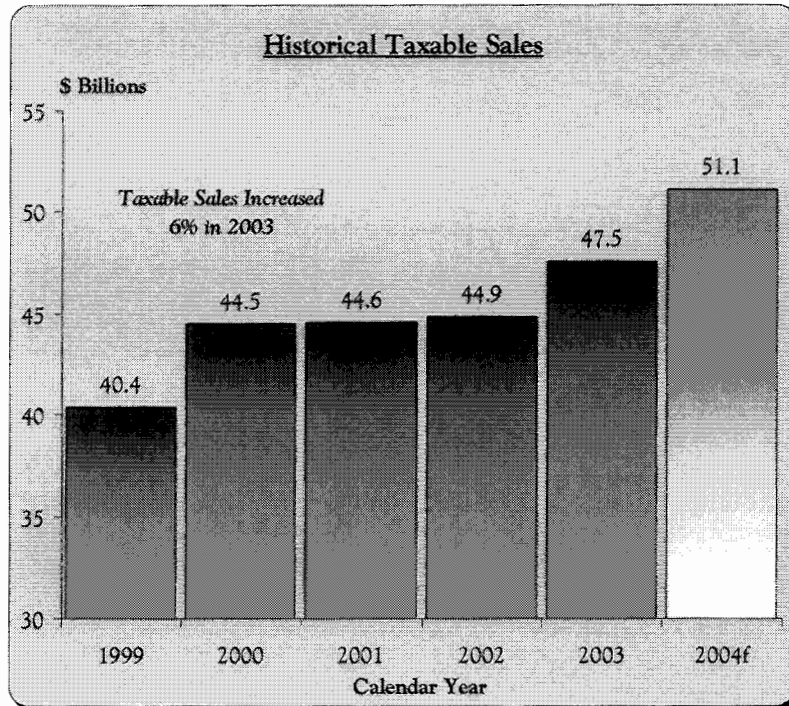
* 2004 annual average employment

Source: U.S. Department of Labor, Bureau of Labor Statistics, Department of Defense

Amount of Defense Spending
in Orange County



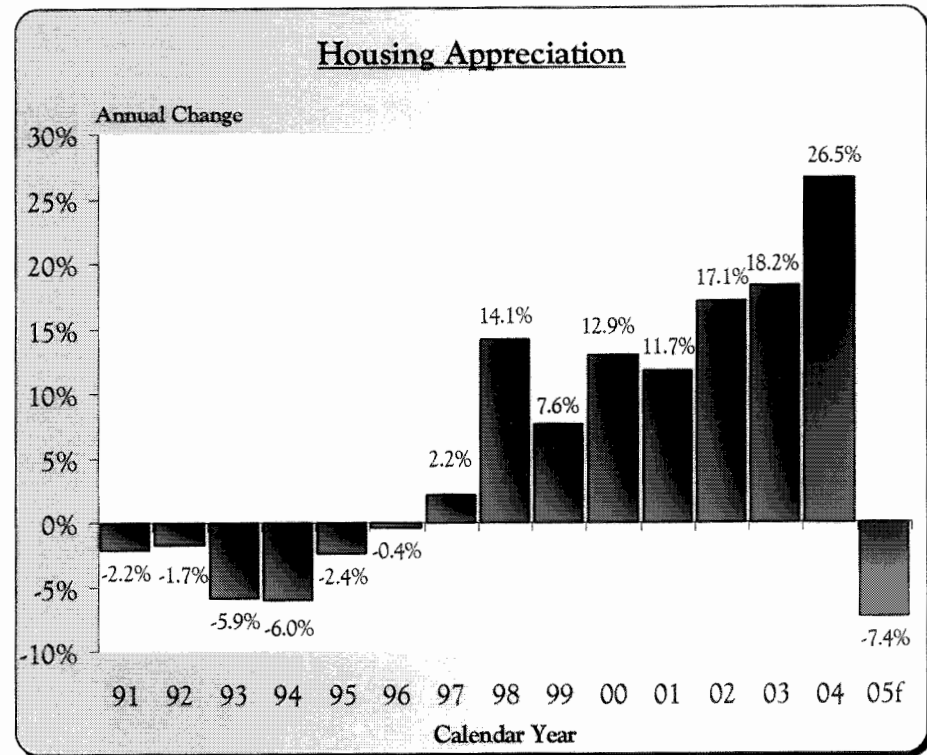
Taxable Sales Continues Its Streak of Positive Growth



Taxable Sales Rate of Growth Calendar Year

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004f</u>
Orange County	8.8%	10.1%	0.3%	0.6%	5.9%	7.5%
State Average	10.0%	11.9%	-0.1%	-0.1%	4.3%	4.9%

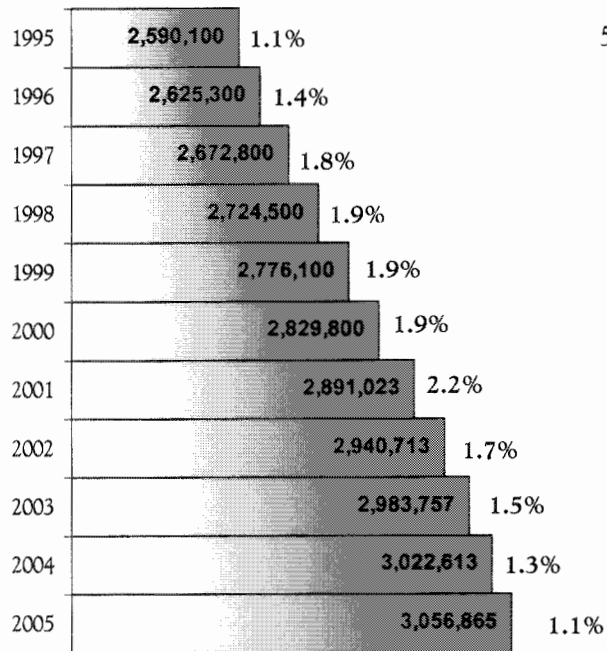
Housing Prices Hit New Highs in April 2005



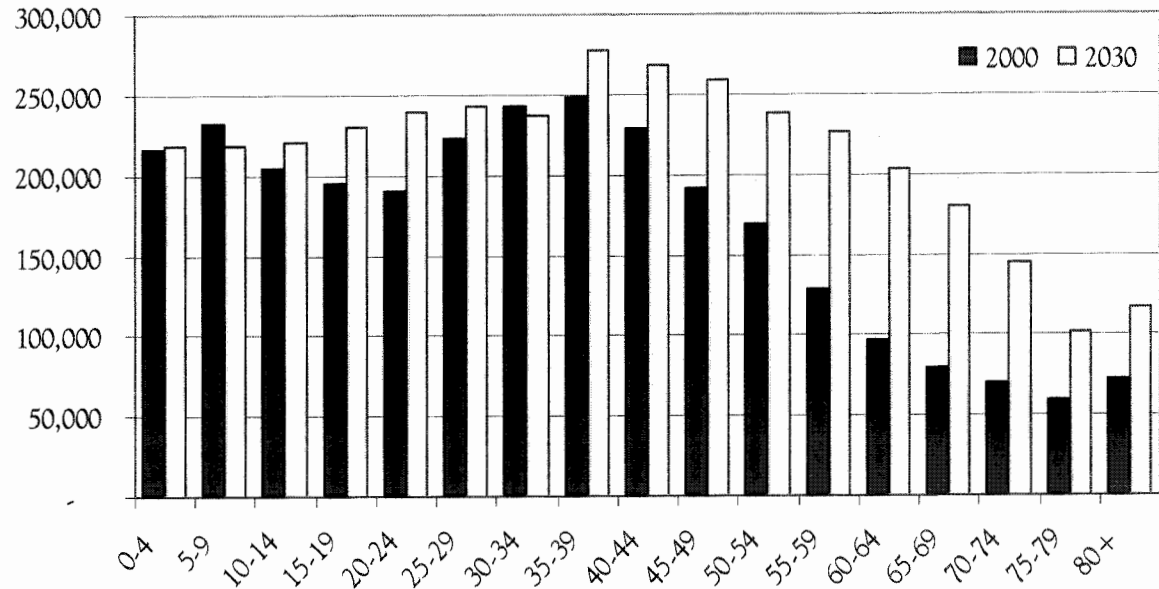
Source: DataQuick Information Systems and Chapman University (2005 forecast provided by Chapman University)

Population Increases and a Shift is Forecasted for the Future

Historical Population



Age Distribution



Sources: California Department of Finance, Orange County Projections 2004
 – Center for Demographic Research

VII. Chief Executive Officer's Report

A Look Back at Some of the Past Year's Accomplishments

- ▶ Increased bus ridership by 4.2 percent to 68.5 million during calendar year 2004
- ▶ Implemented 35.2 thousand hours of new bus service during calendar year 2004
- ▶ Negotiated renewal of the Collective Bargaining Agreement with Teamsters Local 952 representing 1,211 coach operators
- ▶ Reduced customer complaints by 11%
- ▶ Completed construction of the Santa Ana Bus Base
- ▶ Recognized as the Urban Community Transportation System of the Year by the Community Transportation Association



Proposition 42 Funding – Impacts to Orange County

- ▶ On May 13, 2005, the Governor proposed the full restoration of Proposition 42 revenues to transportation in Fiscal Year 2005-06
- ▶ Total Fiscal Year 2005-06 Proposition 42 revenues are estimated at \$1.313 billion and are proposed to be distributed as follows:

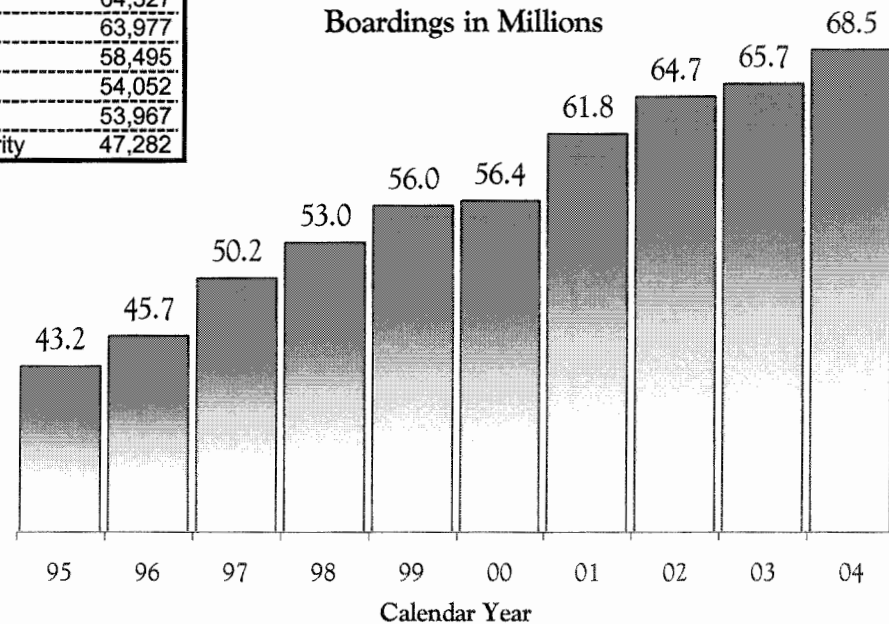


1. \$ 678 million to the Traffic Congestion Relief Fund
 - ▶ \$135.5 million for Orange County projects are included in the TCRP
2. \$254 million to the Transportation Investment Fund (STIP projects)
 - ▶ \$104.5 million for Orange County projects are included in the STIP
3. \$127 million to the Public Transportation Account
 - ▶ \$3.3 million expected for transit operations
4. \$254 million to Local Streets and Roads
 - ▶ \$20.7 million expected to be allocated to Orange County cities and the County

Bus Ridership Grows to 12th in the Nation

Ranking	City	Transit Agency	Ridership (000's)
1.	New York City	MTA New York City Transit	740,584
2.	Los Angeles	Los Angeles County MTA	367,136
3.	Chicago	Chicago Transit Authority	294,031
4.	Philadelphia	Southeastern Pennsylvania	163,149
5.	Newark	New Jersey Transit Corp	150,215
6.	Boston	Massachusetts Bay Transportation Authority	104,978
7.	New York City	New York City Department of Transportation	102,120
8.	San Francisco	San Francisco Municipal	91,812
9.	Houston	Metro Transportation Authority of Harris County	85,353
10.	Miami	Miami-Dade Transit Agency	77,909
11.	Seattle	King County Department of Transportation	74,122
12.	Orange	Orange County Transportation Authority	88,493
13.	Atlanta	Metro Atlanta Rapid Transportation Authority	67,424
14.	Baltimore	Maryland Transit Administration	66,777
15.	Portland	Tri-County Metro Transportation District	64,327
16.	Oakland	Alameda-Contra Costa Transportation District	63,977
17.	Pittsburg	Port Authority of Allegheny County	58,495
18.	Milwaukee	Milwaukee County Transit System	54,052
19.	Minneapolis	Metro Transit	53,967
20.	Cleveland	Greater Cleveland Region Transportation Authority	47,282

Annual Bus Ridership
Boardings in Millions



Source: American Public Transportation Association and OCTA



Impact of Fare Increase

- ▶ On January 2, 2004, the first system-wide fare increase in nearly 14 years took effect:
 - ▶ One way bus fare: \$1.00 to \$1.25
 - ▶ 30-day bus pass: \$37.50 to \$45.00
 - ▶ Senior/Disabled one-way bus fare: 25 cents to 50 cents
 - ▶ Senior/Disabled 30-day bus pass: \$10.00 to \$15.00
 - ▶ ACCESS standard service (curb to curb): \$1.70 to \$2.25

- ▶ OCTA expected a 15% increase in revenue with a 6%-7% decrease in boardings
- ▶ Unfortunately, the heavy fall/winter/spring rain season has skewed the numbers
- ▶ Daily cash fares on non-rain weekdays are tracking higher than anticipated
- ▶ Boardings on non-rain weekdays are tracking higher than anticipated

- ▶ Average weekday riders in April, 2005 decreased 1% from 221,000 to 219,000 compared to the same period last year

A New Bus Base is Opened in Santa Ana

- ▶ In May 2003, OCTA began constructing a new bus operations and maintenance facility on 20 acres in Santa Ana
- ▶ Construction contract was for \$35.7 million
- ▶ Square footage for the buildings on the base -
 - ▶ Operations building: 12,000 sf
 - ▶ Fuel/Brake Check/Tire building: 18,600 sf
 - ▶ Bus Wash/Brake building: 8,400 sf
 - ▶ Detail Cleaning building: 6,100 sf
 - ▶ Maintenance building: 95,000 sf
- ▶ The facility accommodates 250 large buses (including articulated buses)
- ▶ The base provides 415 parking spaces
- ▶ The Santa Ana Base began operations in May 2005

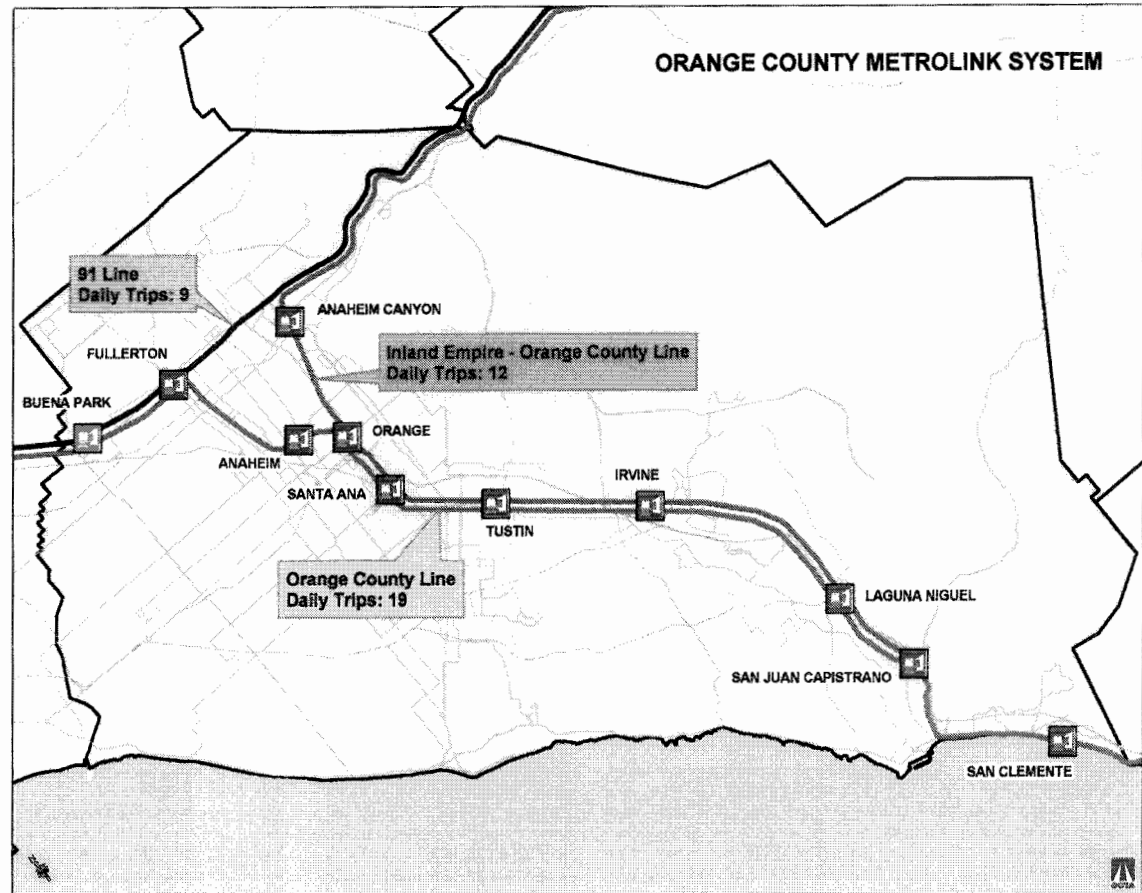


CenterLine Placed on Hold – Alternatives are Being Evaluated

- ▶ On February 14, 2005, the Board of Directors voted to pause work on the CenterLine light rail project and directed staff to explore options including conversion of the CenterLine to another mode
- ▶ OCTA has approximately \$440 million in Measure M funds set aside for “high-technology advanced rail transit” which could be used on substitute projects
- ▶ The focus of the current study is to identify a package of rapid transit projects that meet Orange County’s transit needs, can be implemented within the 2010 timeframe to meet regional air quality commitments, and can be completed with funding committed to the current light rail project
- ▶ Staff has developed a preliminary list of 34 potential projects
- ▶ After extensive discussions, the Transit Planning and Operations Committee narrowed the list and selected a package of rapid transit projects on April 14, 2005
- ▶ The selected package includes:
 - ▶ Bus rapid transit service on eight corridors throughout Orange County
 - ▶ Enhanced Metrolink commuter rail service
 - ▶ OCTA would help implement high-speed rail service in two corridors
- ▶ Staff plans to return to the Board of Directors in June/July 2005 with more detailed analysis and cost estimations for the alternatives presented and a phasing plan for implementation

Commuter Rail Service Expanding

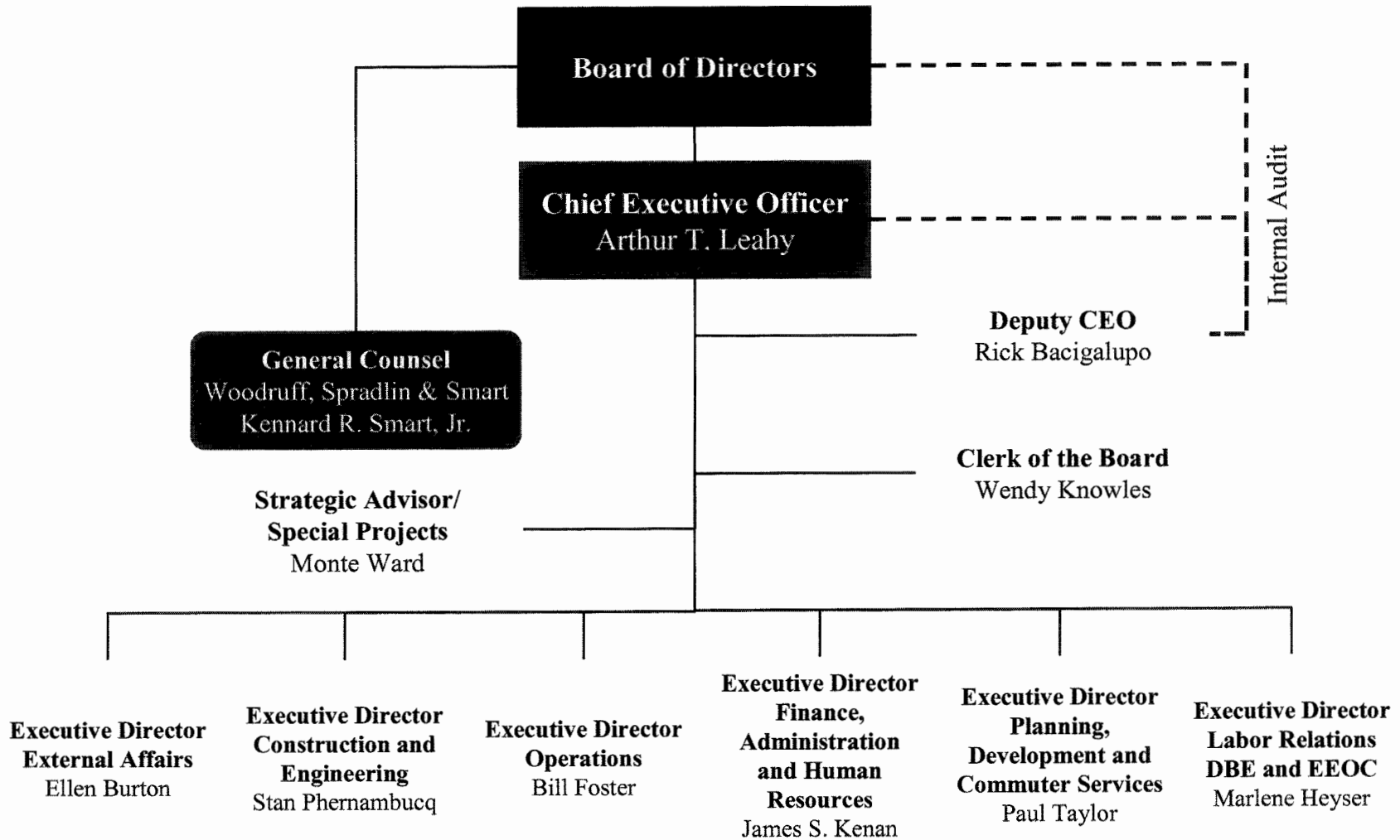
- ▶ OCTA has invested over \$277 million in operating and capital expenditures for Metrolink services in Orange County
- ▶ Currently there are 40 Metrolink trains servicing the three lines in Orange County each weekday
- ▶ By 2010, the number of trains will double to 80 and service will expand on the Orange County Line to include Intra-County travel with 30-minute headways
- ▶ This Intra-County service will run seven days a week, 5:00 am to midnight



ACCESS - OCTA's Paratransit Service

- ▶ OCTA began operating ACCESS service in 1993 to comply with the Americans with Disabilities Act, which requires public fixed route operators to provide paratransit services to individuals who are not able to use the accessible fixed route system
- ▶ In the last five years, the demand for ACCESS has grown significantly along with the cost of providing the service
 - ▶ In fiscal year 2001, ACCESS trips totaled 596,000
 - ▶ In fiscal year 2004, ACCESS trips totaled one million
 - ▶ Over the next five years, it is projected that the number of trips will double to two million
- ▶ In October 2004, OCTA's Board of Directors adopted a Paratransit Growth Management Plan
- ▶ As part of the plan, effective July 1, 2005, ACCESS service will be modified as follows:
 - ▶ OCTA will implement same-day, non-ADA taxi service, with a partial subsidy provided by OCTA
 - ▶ Non-ADA mandated ACCESS services will be discontinued (door-to-door service will be retained)
 - ▶ All ADA applicants will be required to participate in an in-person assessment as part of the eligibility process
 - ▶ OCTA will select one or more taxi operators to provide overflow trips, same-day, non-ADA service and trips outside the $\frac{3}{4}$ mile corridor
 - ▶ On-time pickup window will be expanded from 20 minutes to 30 minutes
 - ▶ ACCESS premium service surcharge (door-to-door) will increase from 80 cents to \$2.00

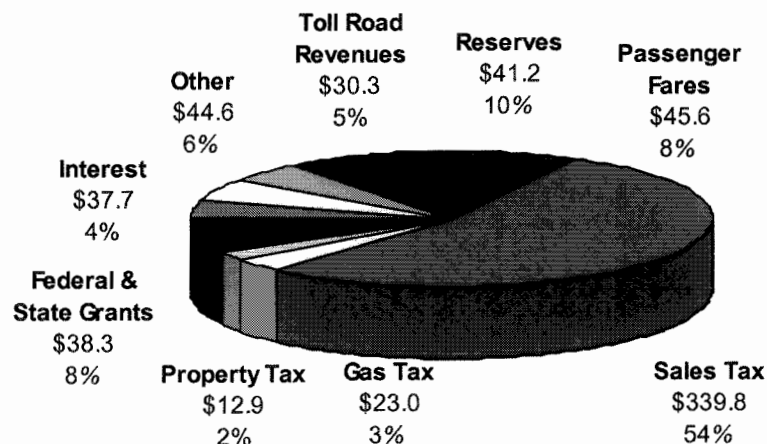
Strong Executive Staff Relatively Unchanged



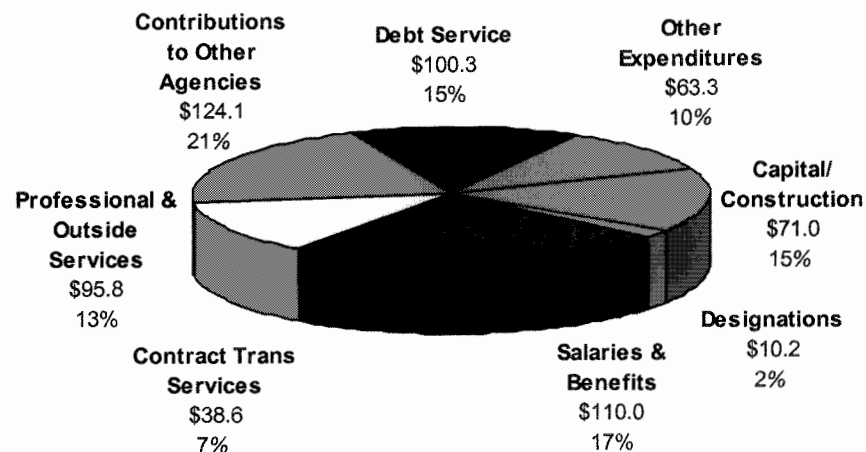
VIII. Budget and Cost Drivers

Proposed Fiscal Year 2005-06 Budget Overview

Sources of Funds (\$ in Millions)



Uses of Funds (\$ in Millions)



Budget Highlights

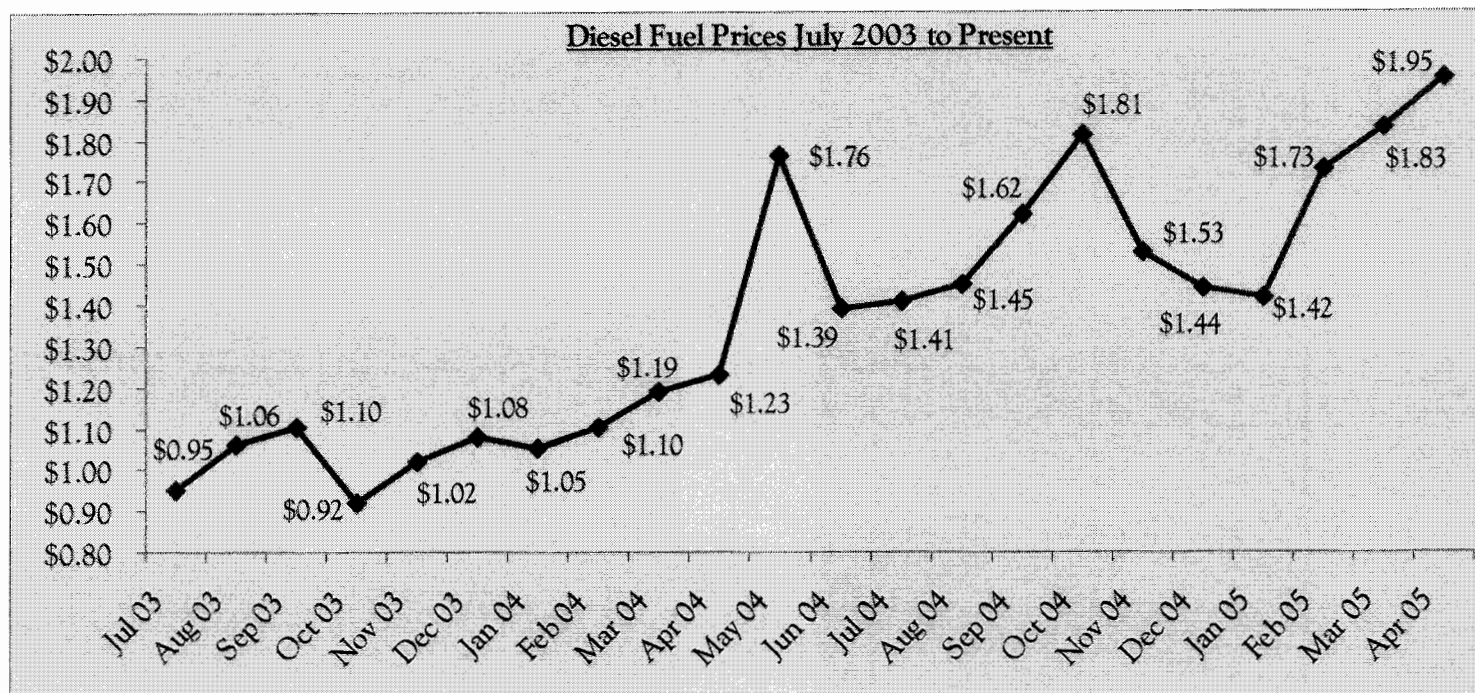
- ▶ \$681.8 million balanced budget
- ▶ Administrative positions unchanged
- ▶ Implementing ACCESS service changes
- ▶ Budget is in accordance with Comprehensive Business Plan

A Closer Look at Four Cost Drivers

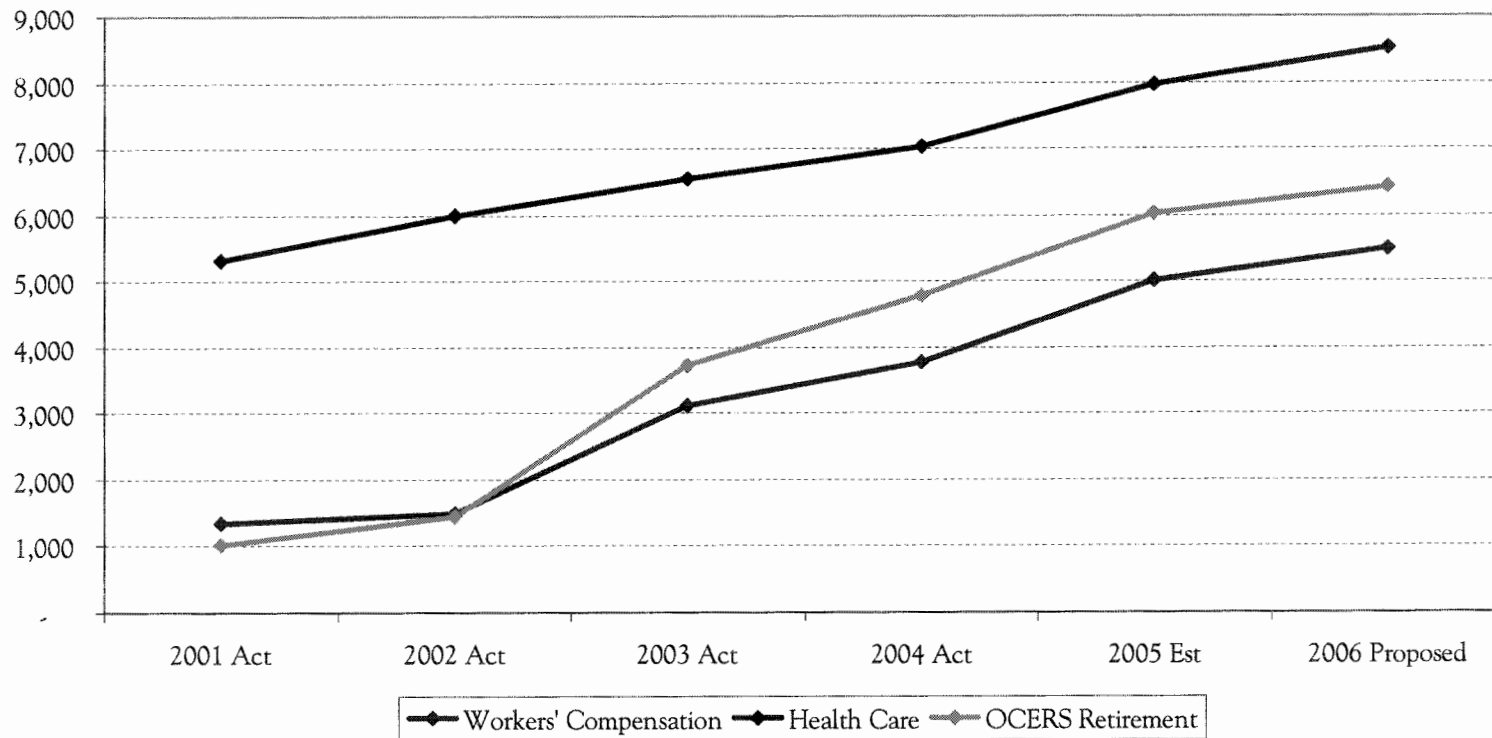
- ▶ Over the past several years, a number of cost drivers have escalated at alarming rates:
 - ▶ Diesel fuel costs have increased 105% over the past two years
 - ▶ Health care benefit costs have increased 61% since 2001
 - ▶ Workers' Compensation costs have increased 305% since 2001
 - ▶ Retirement benefit costs have increased 532% since 2001

Diesel Fuel Costs Have Risen Sharply

- ▶ Approximately 60% of the Authority's fixed route revenue fleet uses diesel fuel
- ▶ 4.6 million gallons of diesel fuel has been budgeted for FY 2005-06
- ▶ The Authority's remaining fleet (approximately 40%) uses Liquefied Natural Gas and the cost of fuel is fixed at 53 cents per gallon until 2013



Benefit Cost Per Employee

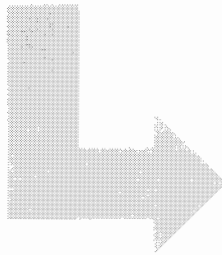


Per Employee	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Estimate	2006 Proposed	Change from 2005	Change from 2001
Workers' Compensation	1,352	1,500	3,120	3,758	5,005	5,482	9.5%	305%
Health Care	5,302	6,001	6,546	7,025	7,966	8,527	7.0%	61%
OCERS Retirement	1,017	1,446	3,706	4,786	6,008	6,432	7.1%	532%
Total	7,671	8,947	13,372	15,569	18,979	20,441	7.7%	166%

Managing Health Care Costs

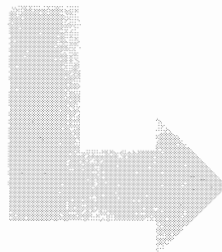
Current Situation

- Multiple plan offerings (HMO & PPO)
- High PPO cost (self-funded program)
- Older population
- Inequitable contribution structure for employees
- Generous OCTA contributions
- Bundled medical and dental programs



Changes Taking Effect July 1, 2005

- Updating plan designs
- Modifying Employee Contributions
- Unbundling medical and dental programs
- Offering supplemental insurance benefits



Potential Future Initiatives

- Consider fully insured PPO plan
- Consider multi-year provider contracts
- Plan consolidation/single carrier
- Consumer driven plans
- Introduce cafeteria plan
- Health risk appraisals

Controlling Workers' Compensation Costs Underway

Current Situation

- Transferred function from Benefits Department to Risk Management Department
- Saved \$60k on negotiation of Third Party Administrator (TPA) contract
- Reduced premium on Excess Workers' Compensation Insurance by \$95k
- Board authorized a new Claims Manager to oversee the TPA

Steps already taken

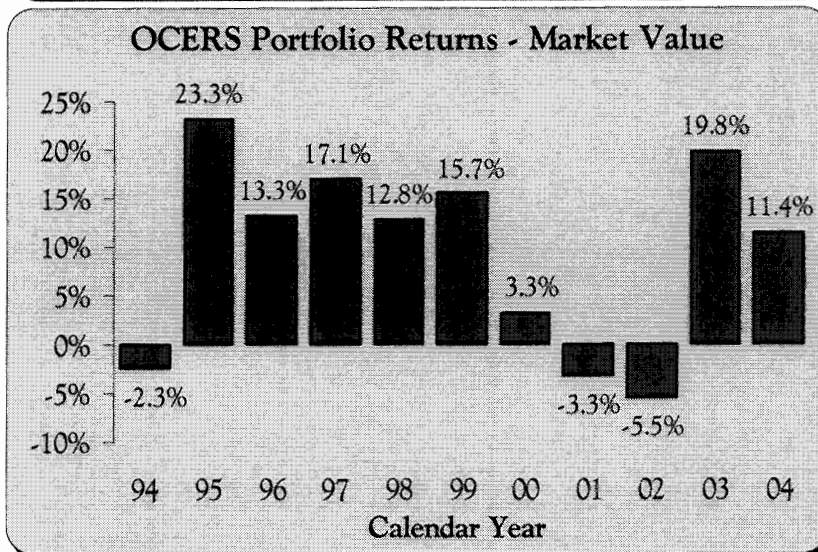
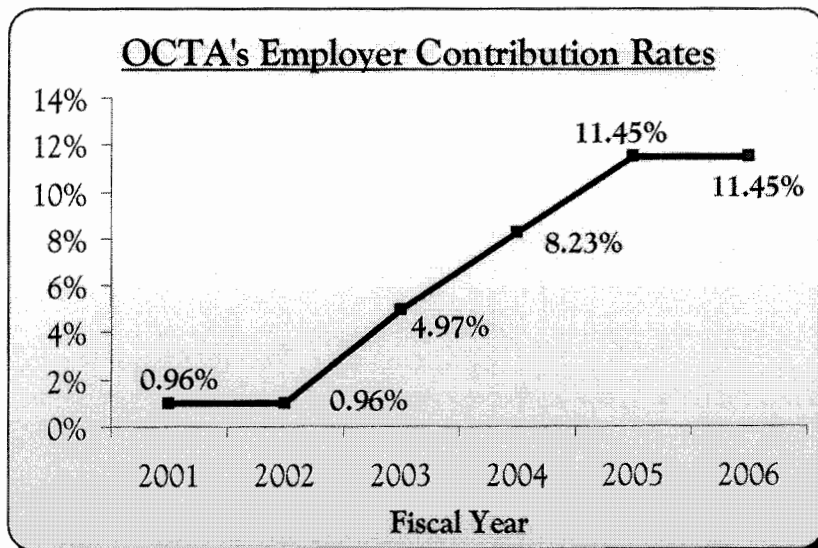
- Incorporated a claims reduction incentive into Coach Operator contract
- Began Garden Grove Base Workers' Compensation reduction program
- Initiated a peer review to determine best practices
- OCTA directed TPA to put new claims team in place
- Internal Audit conducted an audit of TPA
- Conducted cost reduction strategy meetings with defense attorneys, investigators, doctors and clinics

Future Initiatives

- Going out to bid on new TPA contract in July 2005 (OCTA will consider an unbundled vs. bundled contract)
- Study non-TPA medical provider network options
- Undertake a file-by-file claim review of current TPA
- Develop and implement joint labor/management Alternative Dispute Resolution program with Teamsters 952 to resolve claims expeditiously
- Aggressively monitor claims for fraud and abuse
- Work with Safety Department to hire vendor to teach behavioral safety

Orange County Employee Retirement System

- ▶ OCTA will experience no change in the Orange County Employee Retirement System (OCERS) employer rate for Fiscal Year 2005-06 (11.45%)
- ▶ The employer rate is expected to increase approximately 5% in Fiscal Year 2006-07
- ▶ OCTA does not fund retiree medical insurance for retired employees
- ▶ OCTA's is working with its' external auditors to determine the reporting requirements under GASB 45
- ▶ As of December 2003, OCTA's unfunded liability totaled \$58.4 million (81.7% funded)



IX. Investment and Debt Portfolios

Investment Portfolio Snapshot – As of April 30, 2005

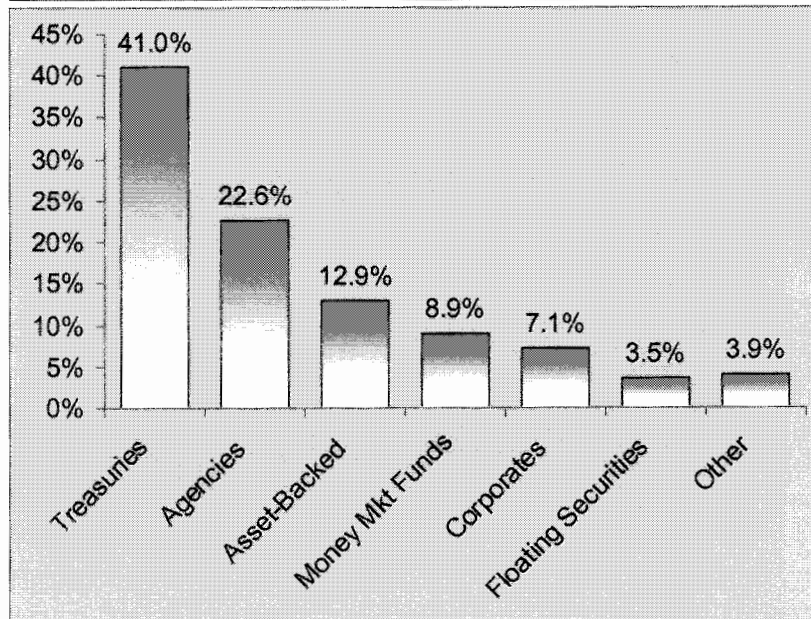
Portfolio Characteristics

Portfolio Market Value	\$1.06 Billion
Average Credit Quality	AAA
Average Duration	1.4 years
Yield to Maturity	3.1%

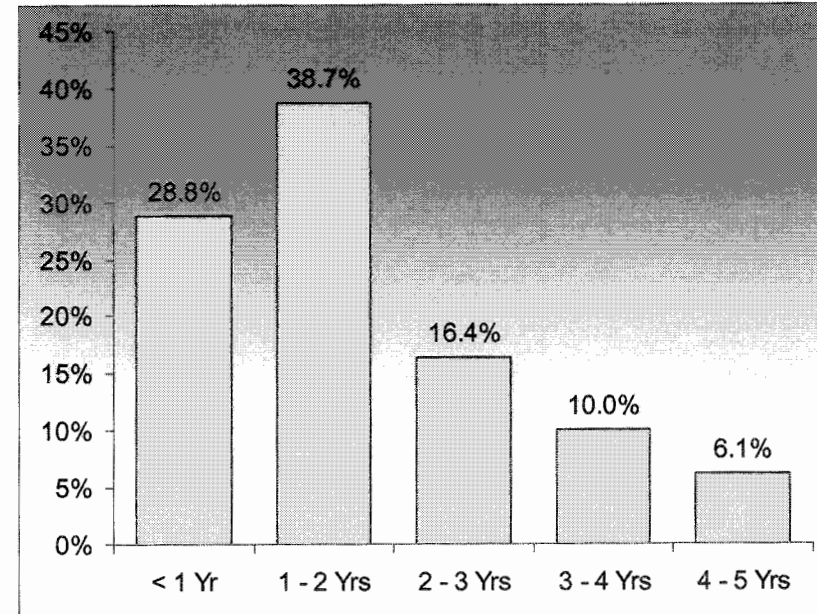
Short-term Portfolio Performance

12-month total return	1.47%
3-year total return average	2.82%
5-year total return average	5.01%

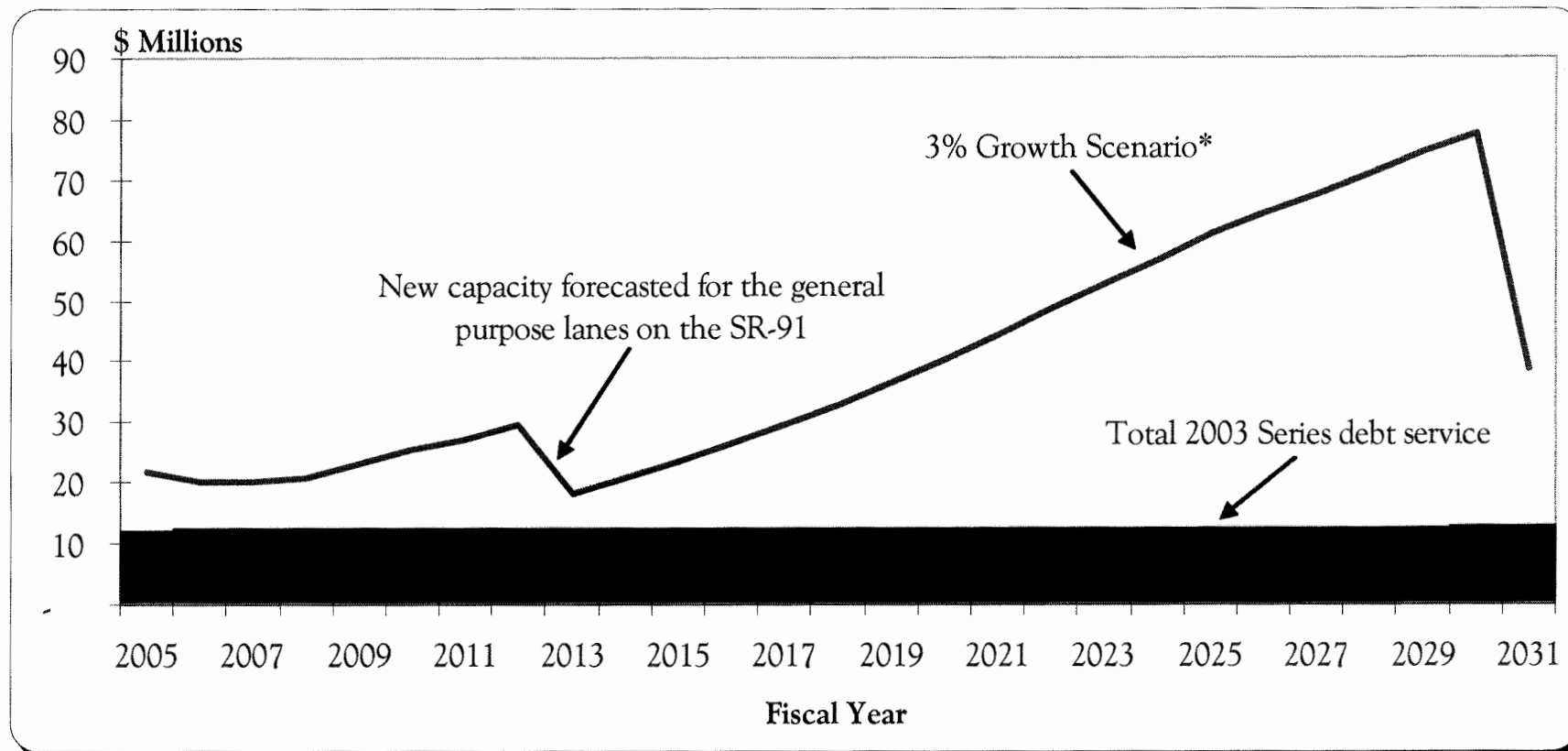
Allocation Sectors



Maturity Distribution



91 Express Lanes Coverage Remains Strong



	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
3% Growth Scenario	19.0%	3.0%	3.0%	3.0%	8.0%	7.7%	5.7%	6.7%	-26.4%	9.7%
Vollmer Forecast (Oct-03)	10.2%	9.3%	9.1%	8.1%	8.0%	7.7%	5.7%	6.7%	-26.4%	9.7%

* 3% Growth Scenario is defined as the estimated actual for 2005, a 3% growth for fiscal years 2006 through 2008, and Vollmer's October 2003 forecast for years 2009 through 2031

OCTA's Synthetic Fixed-Rate Swap Providing Positive Basis

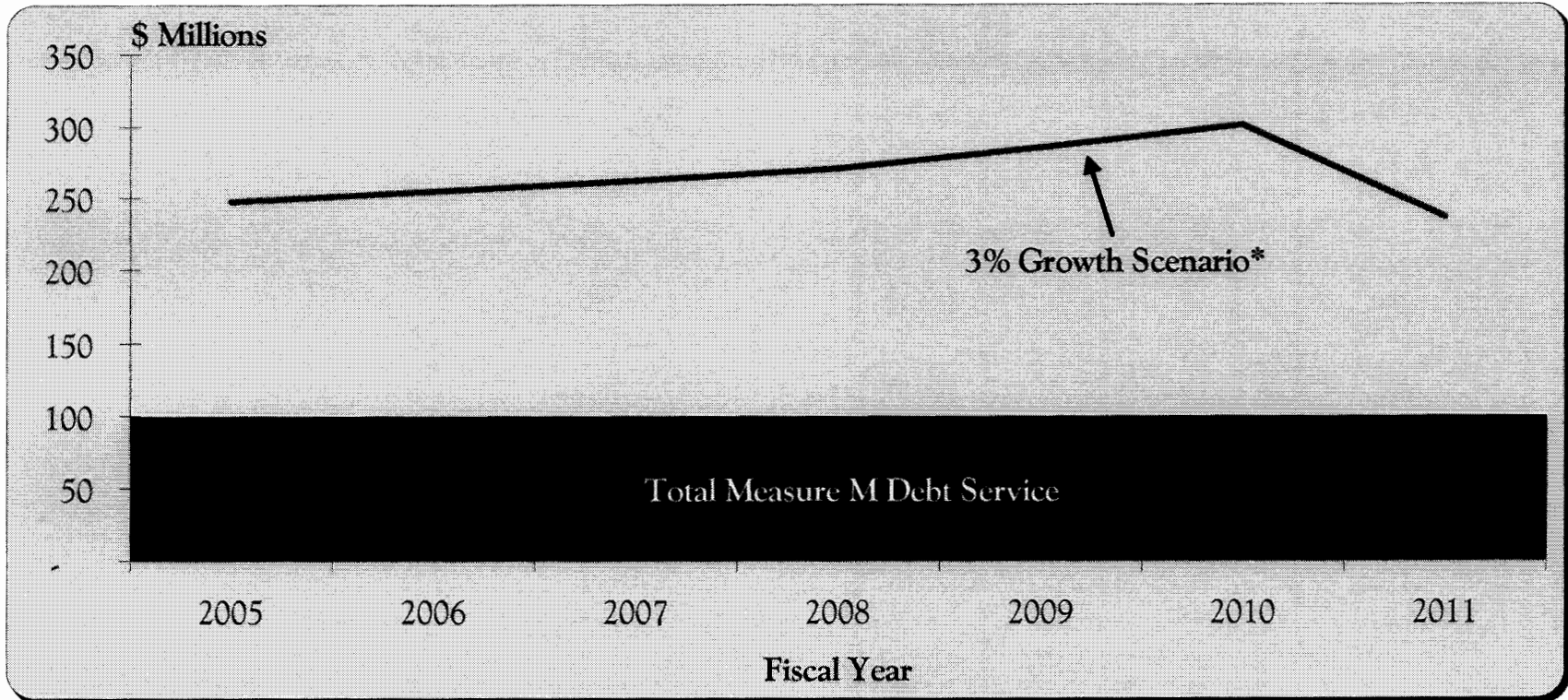
	OCTA Payment on Variable Rate Demand Obligations	SWAP Payment to OCTA from Counterparties	Favorable/ (Unfavorable) Basis
November 2003	\$57,712.33	\$57,972.38	\$260.06
December 2003	\$91,800.27	\$95,890.41	\$4,090.15
January 2004	\$77,704.92	\$82,848.99	\$5,144.07
February 2004	\$68,818.31	\$71,232.77	\$2,414.46
March 2004	\$76,543.72	\$80,410.60	\$3,866.89
April 2004	\$90,088.81	\$95,671.07	\$5,582.26
May 2004	\$82,001.37	\$81,671.01	(\$330.36)
June 2004	\$84,193.98	\$87,314.79	\$3,120.81
July 2004	\$87,260.94	\$90,466.19	\$3,205.25
August 2004	\$92,923.51	\$95,780.55	\$2,857.04
September 2004	\$111,352.46	\$114,301.64	\$2,949.18
October 2004	\$142,356.55	\$144,493.12	\$2,136.57
November 2004	\$133,907.10	\$136,904.38	\$2,997.28
December 2004	\$147,734.67	\$157,643.56	\$9,908.89
January 2005	\$136,965.76	\$134,109.26	(\$2,856.50)
February 2005	\$142,958.90	\$144,876.60	\$1,917.70
March 2005	\$161,595.90	\$162,958.93	\$1,363.03
April 2005	\$213,294.52	\$222,273.75	\$8,979.23
May 2005	\$242,945.21	\$235,917.78	(\$7,027.43)
		Basis Balance:	\$50,578.60

*91 Express Lanes Five-Year Cash Flow...Using 3% Growth**

Fiscal Year	2006	2007	2008	2009	2010
BEGINNING BALANCE	11,766,740	9,011,047	7,991,546	4,949,986	2,076,611
REVENUES					
Toll Income	29,753,377	30,645,978	31,565,357	34,090,586	36,699,989
<u>Non-toll Income</u>	<u>4,243,600</u>	<u>4,370,908</u>	<u>4,502,035</u>	<u>4,637,096</u>	<u>4,776,209</u>
Total Revenues	33,996,977	35,016,886	36,067,393	38,727,682	41,476,198
EXPENDITURES					
Debt Service on 2003 Series Bonds	12,254,033	12,257,389	12,252,714	12,254,876	12,257,901
Operating Expenses	14,057,838	14,846,783	15,281,058	15,726,744	16,187,444
<u>Capital Expenses</u>	<u>3,460,800</u>	<u>1,432,215</u>	<u>1,475,181</u>	<u>1,519,437</u>	<u>13,824,343</u>
Total Expenditures	29,772,670	28,536,387	29,008,953	29,501,057	42,269,688
ANNUAL CASH FLOW BEFORE OTHER EXPS	4,224,306	6,480,499	7,058,440	9,226,625	(793,490)
RESERVE REQUIREMENTS					
Supplemental Reserve Set Aside	600,000	1,200,000	1,200,000	1,200,000	1,200,000
Operating Reserve Set Aside	680,000	0	0	0	0
Capital Reserve Set Aside	1,200,000	1,800,000	2,400,000	2,400,000	400,000
<u>Internal Capital Expense Reserve Set Aside</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>(4,500,000)</u>
Total Reserve Set Aside	2,980,000	3,500,000	4,100,000	4,100,000	(2,900,000)
OTHER EXPENDITURES					
Repayment of Subordinated OCTA Debt	4,000,000	4,000,000	6,000,000	8,000,000	2,000,000
ENDING BALANCE	9,011,047	7,991,546	4,949,986	2,076,611	2,183,121
CUMULATIVE BALANCES					
SUPPLEMENTAL RESERVE	6,600,000	7,800,000	9,000,000	10,200,000	11,400,000
OPERATING RESERVE	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000
CAPITAL RESERVE	3,000,000	4,800,000	7,200,000	9,600,000	10,000,000
INTERNAL CAPITAL EXPENSE RESERVE	4,000,000	4,500,000	5,000,000	5,500,000	1,000,000
2003 SERIES DEBT SERVICE COVERAGE	1.63	1.65	1.70	1.88	2.06

* 3% Growth scenario is defined as a 3% growth for fiscal years 2006 through 2008 and Vollmer's October 2003 forecast for years 2009 and 2010

Measure M Coverage Remains Strong



	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
3% Growth Scenario	5.3%	3.0%	3.0%	3.0%	5.4%	5.4%	5.4%
Chapman Forecast (Apr-05)	5.3%	4.3%	4.6%	5.1%	5.4%	5.4%	5.4%

Measure M sales tax collections will terminate on March 31, 2011

* 3% growth scenario assumes Chapman University's April 2005 Forecast for FY 2005, 3% growth for FY 2006 through FY 2008, and Chapman's April 2005 forecast for FY 2009 through FY 2011

Historical Measure M Coverage

<i>\$ in Millions</i>	FY 00	FY 01	FY 02	FY 03	FY 04
<u>Revenues</u>					
Sales Tax Revenues (1)	\$ 201.5	\$ 213.3	\$ 209.4	\$ 219.9	\$ 234.4
Less 14.6% Turnback	(29.1)	(30.8)	(30.3)	(31.8)	(33.9)
Revenues Available for Debt Service (2)	\$ 172.4	\$ 182.5	\$ 179.1	\$ 188.1	\$ 200.5
<u>First Senior Bonds</u>					
Long-Term Bond Debt Service	\$ 29.8	\$ 29.8	\$ 29.5	\$ 29.5	\$ 29.5
Coverage	5.79x	6.12x	6.07x	6.38x	6.80x
<u>First and Second Senior Bonds</u>					
Long-Term Bond Debt Service	\$ 88.4	\$ 88.4	\$ 87.6	\$ 87.9	\$ 88.0
Coverage	1.95x	2.06x	2.04x	2.14x	2.28x

(1) Sales Tax Revenues are defined as Sales Tax Receipts minus State Board of Equalization fees.

(2) Excludes investment earnings

Projected Measure M Coverage

<i>\$ in Millions</i>	FY 05	FY 06	FY 07	FY 08	FY 09
<u>Revenues</u>					
Sales Tax Revenues (1)	\$ 246.9	\$ 254.3	\$ 261.9	\$ 269.8	\$ 284.3
Less 14.6% Turnback	(35.7)	(36.8)	(37.9)	(39.0)	(41.1)
Revenues Available for Debt Service (2)	\$ 211.2	\$ 217.5	\$ 224.0	\$ 230.8	\$ 243.2
<u>First Senior Bonds</u>					
Long-Term Bond Debt Service	\$ 29.8	\$ 29.8	\$ 29.9	\$ 29.8	\$ 29.8
Coverage	7.10x	7.30x	7.50x	7.74x	8.17x
<u>First and Second Senior Bonds</u>					
Long-Term Bond Debt Service	\$ 88.2	\$ 88.2	\$ 88.3	\$ 88.5	\$ 88.6
Coverage	2.39x	2.47x	2.54x	2.61x	2.75x

(1) Sales Tax Revenues are defined as Sales Tax Receipts minus State Board of Equalization fees. Assumptions for revenue growth are 5.05% for FY 05 (95% of Chapman University - April 2005), 3.0% for FY 06 through FY 08, and 5.12% for FY 09 (95% of Chapman University - April 2005).

(2) Excludes investment earnings



Projected Measure M Program Cash Flow

\$ Millions

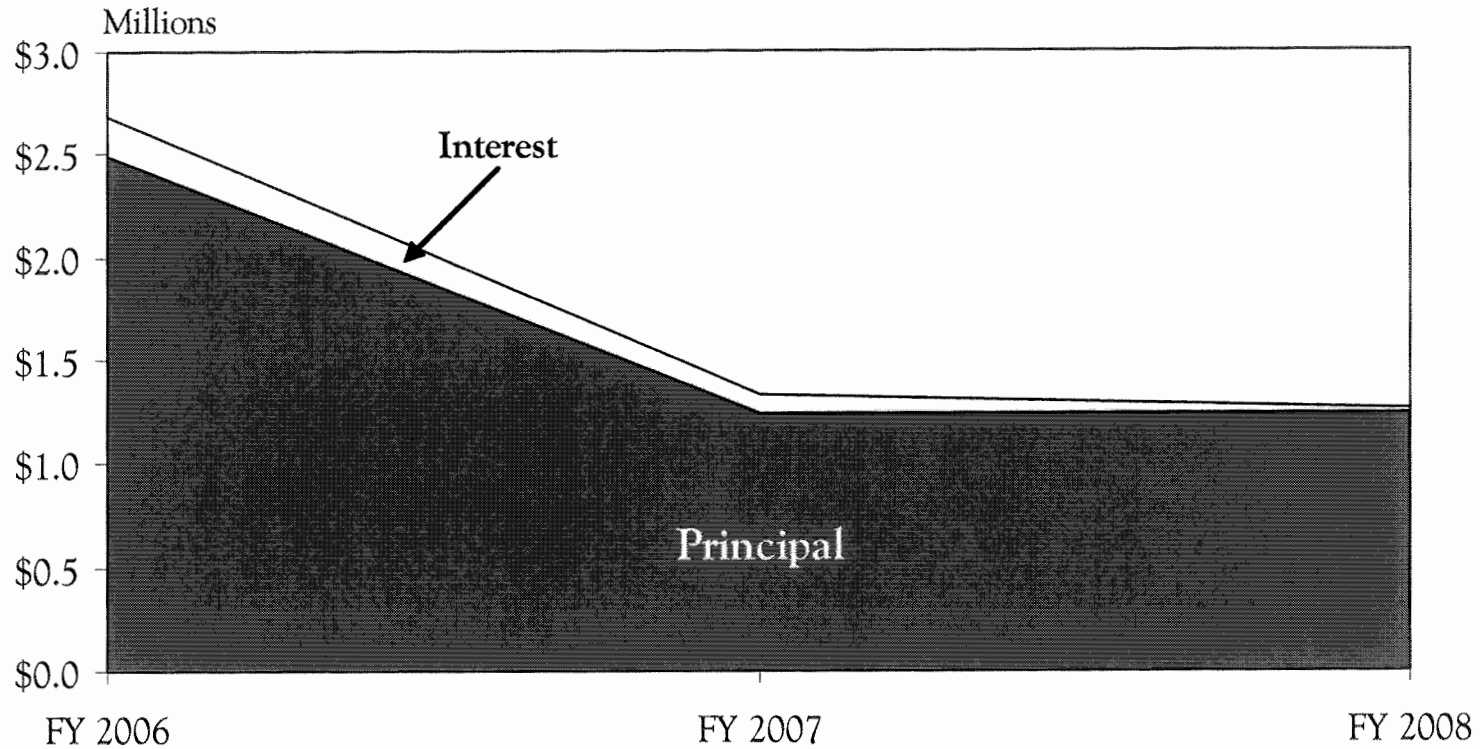
Fiscal Year Ending June 30,	2005	2006	2007	2008	2009	2010	2011
BEGINNING CASH BALANCE	596.31	504.11	404.10	236.70	218.12	203.18	226.00
SOURCES OF FUNDS							
Sales Tax Revenues*	239.00	246.18	253.57	261.17	274.70	288.92	225.66
Bond Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TECP Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Revenues	81.37	46.68	37.25	6.84	0.00	0.00	0.00
Investment Earnings	22.07	18.84	15.34	9.48	8.83	8.31	9.11
Total Sources Of Funds	342.45	311.71	306.15	277.49	283.53	297.23	234.77
DEBT SERVICE PAYMENTS							
Gross Debt Service on Bonds	88.22	88.19	88.32	88.46	88.56	87.40	87.42
TECP Interest / Redemption **	8.16	7.93	7.70	7.48	7.25	7.72	7.97
Total Debt Service Payments	96.38	96.12	96.02	95.93	95.81	95.13	95.39
AMOUNT AVAILABLE FOR PROJECTS	842.38	719.70	614.23	418.25	405.84	405.29	365.37
PROGRAM EXPENDITURES							
Freeway Mode	188.12	202.12	183.19	39.88	38.14	8.60	0.69
Transit Mode	37.54	12.61	97.50	85.00	85.00	85.00	156.70
Pay-As-You-Go Transit	1.40	1.63	1.71	1.78	1.86	1.94	1.72
Local Streets & Roads	68.78	59.82	60.97	55.46	57.75	63.36	86.44
Regional Streets & Roads	42.43	39.43	34.16	18.01	19.91	20.39	86.51
Total Program Expenditures	338.27	315.61	377.53	200.13	202.66	179.29	332.06
ANNUAL CASH FLOW	(92.20)	(100.02)	(167.39)	(18.58)	(14.94)	22.81	(192.69)
ENDING CASH BALANCE	504.11	404.10	236.70	218.12	203.18	226.00	33.31

* Sales Tax Revenues are net of SBOE fees and OCTA administrative fees. Forecast is based on Chapman University Sales Tax Forecast, April 2005 (@ 95% for FY 2005, 2009, 2010, 2011, and flat 3% for FY 2006, 2007, 2008)

** Assumes principal retirement (TECP = Tax-exempt commercial paper)



OCTD Outstanding Debt Totals \$4.9 Million



1993 COPs Final Maturity: December 5, 2005

\$1,260,000 Remaining Principal Balance

1999 COPs Final Maturity: July 1, 2007

\$3,705,000 Remaining Principal Balance

Projected OCTD Cash Flow

\$ Millions

Fiscal Year Ending June 30,	2005	2006	2007	2008	2009	2010
BEGINNING CASH BALANCE	152.53	149.50	114.77	102.87	60.19	28.96
Cash Flows From Operating Activities:						
Sources of Funds						
Local Transportation Fund*	81.96	86.23	89.92	93.69	100.33	107.20
State Transit Assistance Fund	5.27	5.43	5.66	5.82	6.12	6.42
Federal Operating Grants	20.43	16.93	17.09	18.65	19.24	19.88
Bus Operations Fund	14.00	14.00	14.50	14.50	14.50	14.50
Passenger fares	55.57	60.74	62.63	65.36	75.04	78.95
Gas Tax Exchange	23.00	23.00	23.00	23.00	23.00	23.00
Property tax revenue	8.24	8.65	9.08	9.54	10.01	10.51
Charges for services	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous revenues	11.16	7.58	8.43	9.48	15.62	17.15
Total Sources of Funds	219.63	222.55	230.32	240.05	263.87	277.61
Uses of Funds						
Bus Operations	(204.89)	(211.59)	(220.45)	(230.11)	(240.15)	(246.52)
Transfer Out to Commuter Rail Operations	(5.39)	(5.55)	(5.72)	(5.89)	(6.07)	(6.25)
Transfer Out to Advanced Light Rail	0.00	0.00	0.00	(33.76)	(33.70)	(24.40)
Other Transfer Out	0.05	0.00	0.00	0.00	0.00	0.00
Total Uses of Funds	(210.23)	(217.14)	(226.17)	(269.76)	(279.91)	(277.17)
Net Cash Used by Operations	9.39	5.42	4.15	(29.71)	(16.05)	0.43
Cash Flows From Capital Financing Activities:						
Capital Grants	25.06	9.20	28.25	38.65	43.50	54.77
Acquisition and construction of capital assets	(41.04)	(52.30)	(47.80)	(54.24)	(61.27)	(65.54)
Principal paid on COPS	(2.45)	(2.50)	(1.24)	(1.24)	0.00	0.00
Interest paid on COPS	(0.26)	(0.15)	(0.07)	0.00	0.00	0.00
Net Cash Used by Capital Financing Activities	(18.68)	(45.74)	(20.85)	(16.83)	(17.77)	(10.77)
Cash Flows From Investing Activities:						
Interest on investments	6.25	5.60	4.80	3.86	2.59	2.01
Net Cash Provided by Investing Activities	6.25	5.60	4.80	3.86	2.59	2.01
ENDING CASH BALANCE	149.50	114.77	102.87	60.19	28.96	20.64

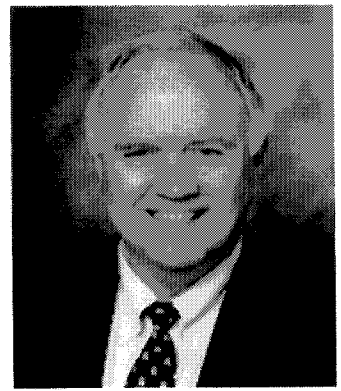
* Local Transportation Fund revenues are based on Chapman University Sales Tax Forecast, April 2005 (@95% for FY 2005, 2009, 2010, and a flat 3% for FY 2006, 2007, 2008)



APPENDIX

Bill Campbell

**Chairman
Supervisor, 3rd District &
Chairman of the Orange County
Board of Supervisors**



Supervisor Campbell founded BIMA Corporation, a franchisee of Taco Bell. He was a founding member of the Franchise Management Advisory Council with Taco Bell, which helped foster a spirit of working together between franchisees and the Taco Bell Corporation. The Campbell family sold BIMA in 2000. Prior to forming BIMA, Supervisor Campbell worked for Clabir Corporation, Rockwell International, NATEC and TRW systems.

A native Southern Californian, Supervisor Campbell was born in Los Angeles and raised in Pico Rivera. He received his Bachelor of Science in electrical engineering at Loyola Marymount University and his master of Business Administration at the Harvard Business School. He is a member of the Orange Chapter of Legatus and a former member of the Young Presidents' Organization where he served on the International Board of Directors for four years. Supervisor Campbell is also a member of both the Harvard Business School and the Loyola Marymount Alumni Associations and served on the Loyola Alumni Board.

Supervisor Campbell served in the California State Assembly from 1996 to 2002 representing the Seventy-First Assembly District, which included Orange, Villa Park, Tustin, Anaheim, Santa Ana, Mission Viejo, Lake Forest, Irvine, Rancho Santa Margarita and much of Southern Orange County. As a member of the Assembly, he was the Minority Leader, Vice Chairman of the Appropriations Committee and was a member of the Education, Banking and Finance, and Utilities and Commerce Committees.

Assemblyman Campbell had 32 bills signed into law, including the Children's Internet Protection Act, a \$400,000 grant for the Trabuco Canyon Bike Trail in Southern Orange County and a Manufacturers Investment Tax Credit. In 1999 he was instrumental in passing legislation to fund the statewide eradication and control of the Red Imported Fire Ant infestation occurring in California.

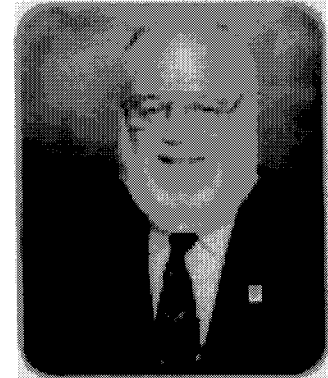
Supervisor Campbell is a member of the Children's Services Coordination Committee, In-Home Supportive Services Public Authority, Library Advisory Board, MCAS El Toro Local Redevelopment Authority, Orange County Council of Governments, Orange County Housing Authority Board, Orange County Transportation Authority, South Orange County Public Financing Authority, Southern California Water Committee, Transportation Corridor-Eastern/Foothill, and Transportation Corridor-San Joaquin Hills. He is also an alternate member of the Film Commission and the Orange County Fire Authority.

Supervisor Campbell was elected in 2003 and reelected in 2004 and represents the Third Supervisorial District which includes the cities of Irvine, Tustin, Orange, Villa Park, Yorba Linda, Brea, the unincorporated communities of North Tustin and Orange Park Acres and much of the canyon areas of southeastern Orange County.

Arthur C. Brown

Vice-Chairman

Mayor Pro Tem, City of Buena Park



Buena Park Mayor Pro Tem Arthur Brown was named as the city council alternate on the Orange County Transportation Authority Board of Directors in January 1995. Brown is a retired Los Angeles County Deputy Sheriff who brings a long career of public service to the OCTA Board. Prior to his election to the Buena Park City Council, Brown served as an elected member of the Savanna Elementary School District Board of Trustees. Brown was recently elected chairman of the Metrolink Board of Directors. A member of the board since 2002, Brown previously served as vice chairman.

Brown serves on the Executive Committee, Regional Planning and Highways Committee, Legislative and Government Affairs/Public Communications Committee, Transportation 2020 Committee, SR-91 Advisory Committee, and the Transit Planning and Operations Committee.

Community Service

Councilmember, City of Buena Park (Since 1990)

Mayor (1992-1993, 1996-1997, 2000-2001)

Mayor Pro Tem (1991-1992, 1996-1996, 1999-2000, 2004-present)

Vice-Chairman, Orange County Council of Governments

Member, Orange County Water Task Force

Southern California Association of Governments

Communications and Membership Committee

Regional Council

Water Task Force

Member, West Orange County Cities Association

Vice-Chairman, I-5 Consortium

League of California Cities, Orange County Division

Criminal Justice Super Committee

Legal Judicial Committee

Water Resources Committee

Chairman, Resolutions Committee (Orange County League)

Orange County Fire Authority

Orange County Sanitation District

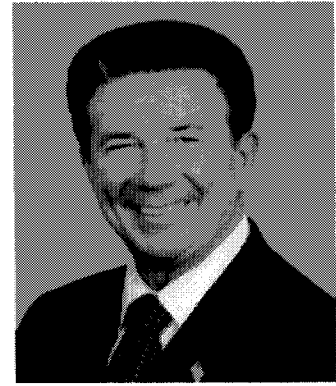
Savanna Elementary School Board Trustee and President (1982-1990)

OCTA Representative on the LOSSAN Committee

OCTA Representative on the Metrolink Board

Thomas W. Wilson

**Director
Supervisor, 5th District**



Orange County Supervisor Thomas W. Wilson first joined the OCTA Board of Directors in 1994 when the League of California Cities, Orange County Division, elected him as a city council representative. In 1996, Governor Pete Wilson appointed him to the Orange County Board of Supervisors, representing the Fifth District. Wilson's community involvement is extensive. He was one of the prime movers in the quest for cityhood in Laguna Niguel and was elected to the city's first council in 1989. Prior to his election to the city council, Wilson served as a member of the Citizens for Cityhood Committee. He was also elected to, and subsequently served two consecutive terms as president of, the then-unincorporated area's Community Council in 1987. During his terms as a city councilman, Wilson played a key role in many regional issues along with his involvement as an OCTA Director. For example, on March 1, 1995, he was elected by 18 Orange County cities as the first Chairman of the Board for the new Orange County Fire Authority (OCFA). In addition, he is a member of the San Joaquin Hills and Foothill Transportation Corridor Agency Board of Directors. In March 2002, Supervisor Wilson was re-elected to another 4-year term on the Board of Supervisors, commencing in January of 2003. He served two consecutive terms as Chairman of the Board of Supervisors in 2003 and 2004. Supervisor Wilson currently serves as Vice-Chairman of the Board of Supervisors. He also served as Vice-Chairman in 2002, 1999, and 1998.

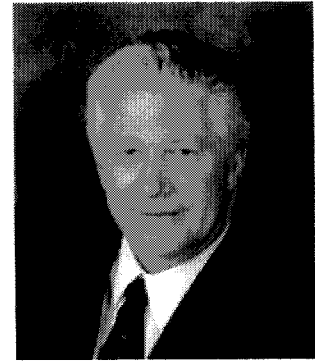
Community Service

Orange County Board of Supervisors (1996-present)
Councilmember, City of Laguna Niguel (1989-1996)
Mayor, City of Laguna Niguel (1991-1993)
Mayor Pro Tem, City of Laguna Niguel (1991)
Southern California Regional Rail Authority (Member, Board of Directors since 1995)
San Joaquin Hills Transportation Corridor Agency
Foothill/Eastern Transportation Corridor Agency
Chairman, Foothill/Eastern Corridor Operations and Finance Committee (2000)
South Coast Medical Center Hospital Foundation Board of Directors
South Coast Medical Center Hospital Foundation Board of Trustees (1992-present)
Orange County Fire Authority Board of Directors (1995-present)
Monarch Beach Sunrise Rotary Club (1990-present)

Michael Duvall

Director

Mayor Pro Tem, City of Yorba Linda



A city councilman since 2000, Michael Duvall currently serves as mayor pro tem for the city of Yorba Linda. Mayor Pro Tem Duvall is the city council representative on the City Audit Committee, the Foothill/Eastern Corridor Joint Powers Authority, the Santa Ana River Flood Protection Agency and as the council's liaison to the Yorba Linda Chamber of Commerce.

Prior to his service with the city council, Duvall served twice as president of the Yorba Linda Chamber of Commerce. He also served as chairman of the Yorba Linda General Plan Steering Committee and co-chair of Safe Streets Are for Everyone (SSAFE).

Duvall recently had the distinguished honor of receiving the Chapman University Ethics in America Award. Duvall and his wife, Susan, are business owners and long-time residents in Yorba Linda.

Community Service

Representative, Foothill/Eastern Corridor Joint Powers Authority

Director, Orange County Sanitation District

Director, Ground Water Replenishment System

Board Member, Santa Ana River Flood Protection Agency

Council liaison to the Yorba Linda Chamber of Commerce

Past President, Brea Lions Club

Member, Gateway Lodge

Member, Scottish Rite

Member, Al Malaikah Shriners

Director, Yorba Linda Orchestra

Volunteer, 4H Club

Carolyn Cavecche

Director

Mayor Pro Tem, City of Orange



Having grown up in Orange County, Carolyn and her husband Rick chose Orange as the community to purchase their first home and start a family. Now long-term residents with three children they couldn't think of a better place to call home.

A graduate of Long Beach State University with a Bachelor of Science degree in Microbiology, Carolyn served seven years on the Orange Public Library Board of Trustees before being elected to the Orange City Council in June of 2001. Re-elected in November of 2002, she was selected Mayor pro tem in 2003.

Director Cavecche has represented the Third District on the Orange County Transportation Authority Board of Directors since March 2004. She serves on the Executive Committee as Chair of the Central County Corridor Major Investment Study. She is a member of the Finance and Administration, State Route 91 Advisory, Riverside-Orange County Major Investment Study, and Transportation 2020 committees. Director Cavecche also serves as vice-chair of the Regional Planning and Highways Committee.

Mayor pro tem Cavecche has developed a strong interest in infrastructure and public works needs. She serves on the executive committee of the Orange County Sanitation District Board of Directors as chair of Operations, Maintenance and Technology. She is also a Sanitation District representative to a joint committee with the Orange County Water District over-seeing the Ground Water Replenishment System. One of the largest water re-use systems under construction.

Carolyn and her family are active in scouting, youth sports and at their church.

ARTHUR LEAHY
Chief Executive Officer
Orange County Transportation Authority

Art Leahy is Chief Executive Officer of the Orange County Transportation Authority (OCTA), a countywide transportation agency with 1,900 employees and an annual budget of \$682 million. Under the direction of a 17-member Board of Directors, he is responsible for planning, financing, and coordinating Orange County's freeway, street, and rail development; bus service; commuter rail service; paratransit van service for the disabled; and a host of other transportation related programs. He has served in the position since January 2001.

Leahy's experience within the transportation industry is extensive. From 1971 to 1996 he served in a wide variety of progressively responsible positions at the Los Angeles Metropolitan Transportation Authority (MTA). Starting originally as a bus operator while a student in college, he worked his way up to Assistant General Manager of Operations, where he orchestrated a successful effort to start light rail service to Los Angeles with the opening of the 23-mile Metro Blue Line in 1990.

Leahy was tapped to head the MTA's Operations Division in 1993, where he directed a 6,200-person workforce to provide bus and rail service to over 1.5 million daily transit riders. He was instrumental in the successful launching of both the Metro Red Line in 1993 and Green Line in 1995 and earned wide praise for his leadership in directing MTA's innovative alternative fuels and bus technology programs.

In 1997, Leahy moved to Minnesota to become General Manager for Metro Transit in Minneapolis - St. Paul, Minnesota, where he was responsible for the daily operation of a fleet of 930 buses serving 2.5 million people with 245,000 daily riders. At Metro Transit he was credited with increasing bus ridership in the Twin Cities area by almost 20 percent -- a significant expansion after numerous years of consistent decline -- and playing an instrumental role in planning and gaining public support and funding for the Twin Cities' Hiawatha light rail project.

Throughout his transportation career he has been very active with the American Public Transportation Association (APTA), currently serving as the Chair of the Bus Standards Policy and Planning Committee and also serving on numerous committees striving to reshape the transportation industry to meet future mobility demands. Recognizing his leadership abilities, he has received numerous awards and honors including the Minnesota Public Transit Association's "Transit Employee of the Year" in 1999, and the Twin City Metro Council's "Regional Leadership Award" in 2001. Metro Magazine credited Leahy with Metro Transit's remarkable rejuvenation and for turning it into one of the "10 most improved transit systems" in the nation.

Leahy has a bachelor's degree in Political Science from the California State University, Los Angeles and a Masters in Public Administration from the University of Southern California. He has two sons, Arthur and Tim, and presently resides in the City of Santa Ana with his wife, Leilia.

RICHARD BACIGALUPO
Deputy Chief Executive Officer
Orange County Transportation Authority

Richard Bacigalupo has been at the Orange County Transportation Authority (OCTA) since January 13, 2003. As Deputy CEO, he provides direction to the OCTA staff on many issues, supports the OCTA Board of Directors, and directs OCTA's Government Relations', Internal Audit and Safety/Environmental functions.

Mr. Bacigalupo came to OCTA from the Regional Transportation Authority (RTA) in Chicago, Illinois, where he served as Executive Director from 1996 to 2002. Mr. Bacigalupo previously served as the RTA General Counsel from 1988 to 1996. He was a litigation attorney in the Office of the Chief Counsel of the Urban Mass Transportation Administration (UMTA) (now the Federal Transportation Administration) in Washington, DC, from 1979 to 1983, and UMTA's Regional Counsel in Chicago from 1983 – 1988.

Mr. Bacigalupo earned a law degree from George Washington University and a B.A. in Political Science (cum laude) from Marquette University. He holds bar membership in the District of Columbia Court of Appeals, Supreme Court of Illinois and U.S. Supreme Court, among others.

Mr. Bacigalupo currently serves as the American Public Transportation Association's (APTA) Vice Chair for Government Affairs. He previously served as the Chair and Vice Chair of the Legal Affairs/13(c) Committee and as Chair of the Legislative Committee. From 1993 – 1999, he served as the Chair of the Legal Research Panel of the Transportation Research Board, concerned with Legal Aspects of Transit and Intermodal Transportation Programs.

JIM KENAN
Executive Director of Finance, Administration, and Human Resources
Orange County Transportation Authority

As the Orange County Transportation Authority's Executive Director of Finance, Administration, and Human Resources, Jim Kenan directs and manages OCTA's financial and administrative services, treasury/public finance, contracting, and human resource activities for the Authority. Jim supervises a 200-person division responsible for administering internal operations policies as well as financial performance, growth, and oversight duties within the Authority's \$682 million operating and capital budget. Since 1990, he has coordinated the issuance of over \$1 billion in taxable and tax-exempt securities including sales tax revenue bonds, revenue anticipation notes, certificates of participation, and taxable and tax-exempt commercial paper. Jim has also managed the issuance of innovative securities such as residual interest bonds and select auction variable rate securities. Among the many transportation projects he has spearheaded is the financing of the 1992, \$540 million Measure M sales tax revenue bond, the largest bond transaction in Orange County history at the time of issuance. In December 1994, Mr. Kenan assumed responsibility for the Authority's \$800 million Treasury Investment Program and was subsequently appointed Treasurer by the Board of Directors in August 1997.

Most recently Mr. Kenan was the Chief Negotiator for OCTA for the acquisition of the SR-91 Toll Road. The acquisition was completed within a 12 month time frame that included the passage of legislation by the state legislature and the assumption of \$135 million of outstanding debt. The acquisition of the toll road removes the non-compete provision that has prevented improvements from being made in the 91 corridor.

Prior to joining OCTA in 1979, Kenan headed internal audits for the Orange County Auditor-Controller's office. Mr. Kenan was a key member of the transition team that successfully brought about the consolidation of seven government entities including the Orange County Transportation Commission and the Orange County Transit District in June 1991. This consolidation has resulted in a cumulative savings of more than \$120 million to Orange County taxpayers.

Mr. Kenan earned a master's degree in public administration from the University of Southern California and a bachelor's degree in accounting from California State University, Fullerton. He is a Certified Government Financial Manager, a member of the American Society of Public Administrators, Municipal Treasurer's Association, the California Society of Municipal Finance Officers and the Government Finance Officer Association.

ELLEN S. BURTON
Executive Director, External Affairs
Orange County Transportation Authority

In January 2005, Ellen Burton was named Executive Director, External Affairs at the Orange County Transportation Authority (OCTA), the county transportation commission responsible for planning, developing and delivering transportation improvement projects and services. In this role, Ms. Burton oversees OCTA marketing and customer relations, community relations, construction outreach, media relations, and local government relations.

Prior to this, Ms. Burton served for two years directing OCTA's toll road and motorist services division and was the OCTA's first General Manager for the 91 Express Lanes. She was instrumental in creating a congestion management toll policy, managed daily operations, and served as the chief liaison to the legislatively mandated, inter-county State Route 91 Advisory Committee. In addition, she was responsible for freeway motorist services and taxi administration programs.

Before being appointed as 91 Express Lanes General Manager, Ms. Burton served for seven years as a manager in OCTA's Planning and Programming department. She was responsible for developing long-range, multi-modal transportation plans, corridor studies, alternatives analyses, and environmental documents. Prior to this, she spent four years as Contract Transportation Manager delivering specialized paratransit and contract operations as well as supervising bus service planning and transportation demand management programs.

In 1986, Ms. Burton assumed her first position at the Orange County Transit District (OCTD), an entity which later was consolidated with others to form the OCTA. As Marketing Manager, she was responsible for transit research, advertising and promotions, customer relations and community outreach programs. Before joining OCTD, Ms. Burton was an account executive at The Lorsch Group, a Los Angeles-based advertising agency. Her accounts included Neutrogena, Northrop Corporation, Hunt-Wesson Foods, Rodeway Inns, and Caesars World Properties.

She holds a Bachelor's Degree from the State University of New York, College at Brockport, and a Masters Degree in Business Administration from the California State University, Fullerton.

WILLIAM L. FOSTER
Executive Director of Bus Operations
Orange County Transportation Authority

Bill Foster is in his thirty-fifth year working in the public transit industry. The vast majority of that time has been spent in bus operations although he has experience in virtually every discipline within a transit system. His bus operations experience includes work in transit in California, Washington, DC and Minnesota. Mr. Foster has headed maintenance, transportation and service planning functions. Today he is in charge of the bus operating department at the Authority with nearly 1,600 operating employee in his table of organization.

Mr. Foster has been the government affairs lead for the reauthorization of the federal transit program while employed by the trade association of the American public transit industry. Early in his career he was the staff lobbyist for the Southern California Rapid Transit District and played a major role in the passage of the measure to provide on going tax support for public transit in California.

He has a bachelor's degree from California State University, Long Beach. He is a retired Captain in the U. S. Naval Reserve.

PAUL TAYLOR, P.E.
Executive Director of Planning, Development and Commuter Services
Orange County Transportation Authority

Paul Taylor has spent thirty years managing major public sector capital improvement programs in Southern California. He has served as executive director, deputy executive director and director of strategic long-range planning for Los Angeles County's transportation system. He managed the planning of Los Angeles County's rail transit system, engineering and early construction of the light rail Blue Line and conceptual engineering for what became the Metrolink commuter rail system. Paul directed operations planning, service deployment, and policy development for the Los Angeles County bus system. He has master's and bachelor's degrees in civil engineering from MIT and has lectured on transportation and development at universities throughout Southern California.

MARLENE K. HEYSER
Executive Director of Labor Relations, DBE and EEOC
Orange County Transportation Authority

Marlene Heyser is the top management executive responsible for labor and employee relations and civil rights. Ms. Heyser is OCTA's Chief Negotiator and is responsible for the negotiation and administration of all collective bargaining agreements. As OCTA's Civil Rights Officer, Ms. Heyser is responsible for developing and implementing Equal Employment Opportunity Programs to promote workplace diversity and ensure compliance with state and federal laws governing employment practices. As the Civil Rights Officer, she is also responsible for directing OCTA's Disadvantaged Business Enterprise Program and ensuring ADA compliance with FTA regulations.

Ms. Heyser has been an adjunct faculty member at both California State University Long Beach and Chapman University for twelve years where she teaches in the Business Program. She has developed courses in Negotiations and Alternative Dispute Resolution in the Graduate Program for Chapman University. She is a frequent speaker and seminar leader on the topics of conflict resolution and negotiations.

Ms. Heyser is the current President of the national Industrial Relations Research Association. She is also Chair of the Orange County Employment-Labor Law Conference and Chair of the Transit Labor Exchange for senior transit labor relations executives.

Ms. Heyser holds a Bachelor's Degree in Business and a Master's Degree in Management and Human Resources from the University of Redlands

STANLEY G. PHERNAMBUCQ
Executive Director of Transportation Systems Development
Orange County Transportation Authority

Stan Phernambucq has over 30 years of progressively complex and responsible experience in all aspects of construction project management. During his career, he has managed major capital programs at two public transit agencies, the U.S. Army Corps of Engineers, and in the private sector. His background includes work on light and heavy rail, wastewater treatment plant, port and harbor, and dam and flood control projects.

Mr. Phernambucq is currently serving as the Orange County Transportation Authority's lead for construction and engineering. In this capacity, he is responsible for rail, highway and facilities construction with a value of over \$5 billion. Projects include the SR-22 improvement project, I-5 widening, bus base construction and various other highway improvement projects.

Prior to joining OCTA, Mr. Phernambucq served as the Executive Officer for the Los Angeles County Metropolitan Transportation Authority. He was responsible for leadership of the nation's largest construction project, LACMTA's Metro Rail. This \$8.5 billion project is the key link in the county transportation infrastructure vision. Principal activities included administration of over 250 active contracts, including tunnel construction, facilities construction, light and heavy rail car procurement, and other associated contracts with an annual budget of nearly \$900 million and a staff of 200.

Mr. Phernambucq earned a Master's of Science degree in Civil Engineering from the University of Southern California in Los Angeles and a Bachelor's of Science degree from West Point in New York.

KIRK AVILA
Manager of Treasury and Public Finance Department
Orange County Transportation Authority

Kirk Avila has served as the Orange County Transportation Authority's Manager of the Treasury/Public Finance department since 1997. In this capacity, he is responsible for an investment portfolio of over a \$1 billion, a financing program that has over \$675 million in outstanding debt, and the Authority's investor relations program. As the Authority's focal point to the investment community, Mr. Avila provides regular updates to the rating agencies, insurers, and investors on the operating activities of the Authority and the status of the Orange County economy.

Mr. Avila is also responsible for ensuring that the Authority's investment portfolio complies with the annual investment policy and California Government Code. This includes monitoring the activities of four external portfolio managers, the Local Agency Investment Pool, and the County of Orange Investment Pool.

Most recently, Mr. Avila was a member of the Authority's acquisition team that purchased 91 Express Lanes. The acquisition was completed within a 12 month period that included the passage of legislation by the state legislature and the assumption of \$135 million in outstanding debt. In November 2003, the 91 Express Lane's outstanding taxable debt was restructured with tax-exempt securities.

Prior to joining the Treasury/Public Finance department, Mr. Avila worked in the Authority's Financial Planning and Analysis department where he was instrumental in the development of the Authority's long range financial plan model. During the four years in this department, Mr. Avila maintained all cash flow models and assisted in the structuring and administration of all short and long-term financings.

Mr. Avila earned a Master's of Science degree in Finance from Purdue University and a Bachelor's of Science degree in Mathematics and Economics from the University of California at Los Angeles.

KEVIN O'BRIEN
Senior Vice President
Lehman Brothers

Since joining Lehman Brothers in November of 1993, Mr. O'Brien's banking activities have included a variety of transportation assignments for a broad range of issuers including airport, seaport, toll roads, transportation agencies and privatization initiatives. Mr. O'Brien's transportation-related financing experience includes senior coverage of the Orange County Transportation Authority, Los Angeles World Airports (LAX), the Arizona Department of Transportation and the San Jose International Airport. Mr. O'Brien lead Lehman Brothers' efforts as senior manager for the Authority's acquisition and refinancing of the 91 Express Lanes taxable debt with tax-exempt bonds, and has been involved in every OCTA financing since 1997. Mr. O'Brien has a Bachelor of Arts degree in English from the University of Michigan, and a Masters of Management from the J.L. Kellogg Graduate School of Management, Northwestern University.

LORI KOH
Vice President
Lehman Brothers

Ms. Koh joined Lehman Brothers in July 1997 and provides quantitative analysis and banking support to the State of California and local issuers. Ms. Koh's involvement with OCTA dates back to January 1999 when she was a member of the financing team for the refunding of the Orange County Transit District's 1990 Bus Acquisition Project Certificates of Participation. She completed a \$67.335 million refunding for OCTA in October 2001. Ms. Koh was also a member of the financing team for the \$195.265 million OCTA Toll Road Revenue Refunding Bonds (91 Express Lanes) financing in November 2003. Her other clients include the Arizona Department of Transportation, the San Jose International Airport, Los Angeles World Airports (LAX), the Counties of Los Angeles and Ventura, the Cities of Los Angeles and San Jose, the California Statewide Communities Development Authority, and the California Community Colleges Financing Authority. Ms. Koh has a B.S. in Industrial Engineering and a B.A. in Political Science from Stanford University, and she received her MBA from the Haas School of Business at the University of California, Berkeley.

JAMES W. MARTLING
Principal
Sperry Capital

James Martling is widely regarded as an expert in general municipal finance. He is currently the financial advisor as well as the investment advisor for the Orange County Transportation Authority. Since 1982 Mr. Martling has served as either the financial advisor, lead manager or co-manager on 138 California revenue bonds, lease-revenue bonds, COPs, notes and TECP issues totaling approximately \$23.3 billion.

He began his career in New York with First Boston. Mr. Martling moved to San Francisco in 1982 to open and manage First Boston's first California office. Mr. Martling managed the California municipal finance offices of Rauscher, Pierce from 1986 to 1989 and for Kidder, Peabody from 1989 to 1993.

Mr. Martling has a B.A. from the University of California at Berkeley and a M.S. and a M.B.A. from Columbia University.



BOARD COMMITTEE TRANSMITTAL

July 25, 2005

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board *Wk by RW*
Subject Budget Authorization to Procure 50 Compressed Natural Gas Buses and Implement Liquefied Natural Gas Fueling System Improvements

Finance and Administration Committee

July 13, 2005

Present: Directors Wilson, Duvall, Campbell, Ritschel and Silva
Absent: Directors Correa and Cavecche

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

- A. Authorize the Chief Executive Officer to amend the fiscal year 2005-06 budget by \$21,408,912, to procure 50 compressed natural gas 40-foot buses.
- B. Authorize the Chief Executive Officer to amend the fiscal year 2005-06 budget by \$1,120,130, to improve the fueling system on liquefied natural gas buses.



July 13, 2005

To: Finance and Administration Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Budget Authorization to Procure 50 Compressed Natural Gas Buses and Implement Liquefied Natural Gas Fueling System Improvements

Overview

Amend the fiscal year 2005-06 budget to accommodate the procurement of 50 compressed natural gas buses and implement fueling system improvements.

Recommendation

- A. Authorize the Chief Executive Officer to amend the fiscal year 2005-06 budget by \$21,408,912, to procure 50 compressed natural gas 40-foot buses.
- B. Authorize the Chief Executive Officer to amend the fiscal year 2005-06 budget by \$1,120,130, to improve the fueling system on liquefied natural gas buses.

Background

On June 13, 2005, the Board of Directors authorized the Chief Executive Officer (CEO) to execute Agreement C-5-0746 between the Orange County Transportation Authority (OCTA) and New Flyer Industries of America, Inc., in an amount not to exceed \$21,408,912, for the procurement of 50 compressed natural gas powered buses.

At the same meeting, the Board of Directors authorized the CEO to execute Agreement C-4-1198 between OCTA and Chart Industries, Inc., in an amount not to exceed \$1,120,130, for the implementation of on-board fueling system improvements on 232 liquefied natural gas buses.

Budget Authorization to Procure 50 Compressed Natural Gas Buses and Implement Liquefied Natural Gas Fueling System Improvements

Discussion

With the start of a new fiscal year, staff is seeking budget authorization to amend the fiscal year 2005-06 budget in the amount of \$22,529,042, to accommodate the procurement of 50 compressed natural gas buses and the implementation of on-board fueling system hardware improvements.

Fiscal Impact

Funding for both projects has been identified. Federal grant funds and local matching funds have been set aside for the bus procurement. The on-board fueling system improvement project will be partly funded by the Air Quality Management District, up to \$500,000, with the remaining balance to be paid out of the Orange County Transit District Fixed Asset Reserve.

Summary

Staff recommends authorization to amend the fiscal year 2005-06 budget in the amount of \$22,529,042, to accommodate the purchase of 50 compressed natural gas buses and fueling system improvements.

Attachment

None.

Prepared by:


Andrew Oftelie
Department Manager
Financial Planning & Analysis
(714) 560-5649

Approved by:


James S. Kenan
Executive Director, Finance,
Administration and Human Resources
(714) 560-5678



BOARD COMMITTEE TRANSMITTAL

July 25, 2005

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
WK by RW
Subject: Second Quarter 2005 Debt and Investment Report

Finance and Administration Committee

July 13, 2005

Present: Directors Wilson, Duvall, Campbell, Ritschel and Silva
Absent: Directors Correa and Cavecche

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

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



July 13, 2005

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Second Quarter 2005 Debt and Investment Report

Overview

The California Government Code requires that the Orange County Transportation Authority Treasurer submit a quarterly investment report detailing the Orange County Transportation Authority's investment activity for the period. This investment report covers the second quarter of 2005, April through June, and includes a discussion on the Orange County Transportation Authority's debt portfolio.

Recommendation

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

Background

The Treasurer is currently managing the Orange County Transportation Authority's (Authority) investment portfolio totaling \$1.07 billion as of June 30, 2005. 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 \$676 million as of June 30, 2005. Approximately 65 percent of the outstanding balance is comprised of Measure M fixed rate debt, six percent is comprised of Measure M variable rate debt, 28 percent is associated with the 91 Express Lanes, and one percent was issued as fixed rate debt for the Orange County Transit District.

Discussion

Economic Summary: The Federal Open Market Committee (the Fed) met twice during the quarter, May and June, deciding on both occasions to raise the Fed Funds rate 25 basis points. The current rate of 3.25 percent is the highest since August of 2001. The Fed is expected to raise interest rates again when it meets August 9, with fed futures contracts pricing in a near certainty of another 25 basis point hike. Key economic data continues to support the Fed's continued increases as job growth, wages and consumer spending remain on an upward trend.

Although there has been little indication that the Fed will stray from its current tightening activity, some relevant indicators are showing signs of cooling. Core inflation for example, which was very strong during the first quarter, stabilized during the second quarter falling back to 1.6 percent year-over-year in the latest reading.

Debt Portfolio Activity: During the week of June 20, 2005, Authority representatives visited rating agencies, insurers, and investors in New York to provide an update on the Authority's activities over the past year. The meetings focused on the 91 Express Lanes, the progress of the Garden Grove Freeway (State Route 22) project, the new Board composition, an update on the Measure M program, the process related to extending the Measure M sales tax, the performance of sales tax collections, fiscal year 2006 budget and related cost drivers, and the Orange County economy. The outstanding balances for each of the Authority's debt securities are presented in Attachment A.

During the refinancing of the 91 Express Lanes Bonds, the Authority entered into an interest rate swap agreement with two counterparties to synthetically fix the variable portion of the outstanding bonds. The swap agreement outlines the monthly payments the Authority will receive from the counterparties to offset the variable portion of the Authority's debt. Through June 30, 2005, the Authority has received approximately \$57,030, more from the counterparties than the Authority has paid as part of the variable rate bonds. This is referred to as "positive basis." The Authority will accumulate these funds, whenever there is positive basis, in a trust account to offset those periods when there is negative basis.

Investment Portfolio Compliance: As of June 30, 2005, the Authority's portfolio is in compliance with its 2005 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, 2005, to the diversification guidelines of the Investment Policy.

Investment Portfolio Activity: On June 8, 2005, the Authority transferred \$20 million from the Short-term Investment Portfolio to the Liquid Portfolio. The funds were transferred to meet increased cash flow demands related to the improvements along State Route 22 (SR-22). The Treasury Department continues to work closely with Construction and Engineering staff members to ensure adequate liquidity to meet the cash flow demands of the SR-22 improvement project.

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. Yields are calculated using the average yield of the portfolio weighted by market value.

The Authority has calculated the returns for each of the investment managers for short-term operating monies and compared the returns to specific benchmarks as shown in Attachment C.

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 2005 Annual Investment Policy. For the second quarter ending June 30, 2005, the weighted average total return for the Authority's Short-term Portfolio was 1.19 percent, 5 basis points above the benchmark return of 1.14 percent. For the 12-month period ending June 2005, the portfolio's return totaled 2.24 percent, 37 basis points above the benchmark return of 1.87 percent for the same period.

The bond market continues to rally for all maturities across the spectrum. Yields continue to rise on the front end due to continued efforts by the Fed to keep the growing economy in check. The long bonds are being purchased in record proportions by foreign governments and United States pension and mutual fund companies who are looking for safety in what has been a very volatile sector. There are a record number of Americans turning age 59½

resulting in previously unseen flight to quality trends for the nation's retirement funds. Aging investors are moving away from traditional stock funds and purchasing bond mutual funds in an effort to avoid potential losses in principal.

As yields continue to rise in the three-month to one-year range, the Authority's portfolio follows in step. The weighted average yield for the short-term portfolio is 3.75 percent. Each of the investment managers have shortened the weighted average maturity of their individual portfolios to take advantage of rising interest rates on the front of the yield curve.

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

A complete listing of all securities is provided in Attachment E. 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 summarizes the Orange County Transportation Authority's Treasury activities for the period April 2005 through June 2005.

Attachments

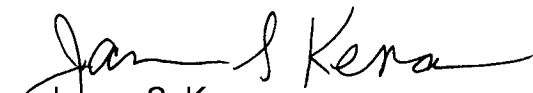
- A. Orange County Transportation Authority Outstanding Debt June 30, 2005.
- B. Orange County Transportation Authority Investment Policy Compliance June 30, 2005.
- C. Orange County Transportation Authority Short-term Portfolio Performance Review Quarter Ending June 30, 2005.
- D. Investment Manager Diversification and Maturity Schedules June 30, 2005.
- E. Orange County Transportation Authority Portfolio Listing as of June 30, 2005.

Prepared by:



Kirk Avila
Treasurer
Treasury/Public Finance
(714) 560-5674

Approved by:



James S. Kenan
Executive Director, Finance,
Administration, and Human Resources
(714) 560-5678

**Orange County Transportation Authority
Outstanding Debt
June 30, 2005**

Orange County Local Transportation Authority (OCLTA)

	<u>Issued</u>	<u>Outstanding</u>	<u>Final Maturity</u>
2001 Second Senior Sales Tax Revenue Bonds	\$ 48,430,000	\$ 48,430,000	2011
1998 Second Senior Sales Tax Revenue Bonds	213,985,000	122,955,000	2011
1997 Second Senior Sales Tax Revenue Refunding Bonds	57,730,000	57,415,000	2011
1995 Tax-Exempt Commercial Paper	74,200,000	40,900,000	2011
1994 Second Senior Sales Tax Revenue Bonds	200,000,000	41,690,000	2011
1992 Second Senior Sales Tax Revenue Bonds	190,000,000	23,755,000	2011
1992 First Senior Sales Tax Revenue Bonds	350,000,000	144,645,000	2011
Sub-total	\$ 1,134,345,000	\$ 479,790,000	

Orange County Transportation District (OCTD)

	<u>Issued</u>	<u>Outstanding</u>	<u>Final Maturity</u>
1999 Refunding Certificates of Participation	\$ 7,925,000	\$ 1,260,000	2005
1993 Certificates of Participation	21,100,000	3,705,000	2007
Sub-total	\$ 29,025,000	\$ 4,965,000	

91 Express Lanes *

	<u>Issued</u>	<u>Outstanding</u>	<u>Final Maturity</u>
2003 Toll Road Revenue Refunding Bonds	\$ 195,265,000	\$ 191,630,000	2030

* Not reflected is the intra-agency borrowing (subordinated debt) for the purchase of the 91 Express Lanes in the amount of \$56,396,537.

TOTAL ISSUED TO DATE	\$ 1,358,635,000
TOTAL OUTSTANDING BALANCE	\$ 676,385,000

ORANGE COUNTY TRANSPORTATION AUTHORITY
Investment Policy Compliance
June 30, 2005

<u>Investment Instruments</u>	<u>Dollar Amount Invested</u>	<u>Percent Of Portfolio</u>	<u>Investment Policy Maximum Percentages</u>
U.S. Treasuries	\$423,323,766	39.7%	100%
Federal Agencies & U.S. Government Sponsored	215,476,773	20.2%	100%
State of California & Local Agencies *	0	0.0%	25%
Money Market Funds & Mutual Funds	102,426,693	9.6%	20%
Bankers Acceptances	0	0.0%	30%
Negotiable Certificates of Deposit	3,869,916	0.4%	30%
Commercial Paper	0	0.0%	25%
Medium Term Maturity Corporate Securities	70,736,820	6.6%	30%
Mortgage and Asset-backed Securities	123,253,584	11.6%	20%
Repurchase Agreements	2,725,000	0.3%	75%
Investment Agreements Pursuant To Indenture	0	0.0%	100%
Local Agency Investment Fund	24,216,617	2.3%	\$ 40 Million
Orange County Investment Pool	19,267,992	1.8%	Legal Mandate
CAMP	0	0.0%	10%
Variable & Floating Rate Securities	14,768,351	1.4%	30%
Debt Service Reserve Funds - Investment Agreements	66,509,948	6.2%	Not Applicable
Derivatives (hedging transactions only)	0	0.0%	5%
TOTAL	<u>\$1,066,575,460</u>	100.0%	

* Balance does not include intra-agency borrowing for the purchase of the 91 Express Lanes in the amount of \$56,396,537.

**Orange County Transportation Authority
Short-term Portfolio Performance Review*
Quarter Ending June 30, 2005**

Month Ending	Merrill Lynch Treasury 1-3 Year Index Benchmark		Bear Stearns		Payden & Rygel		Citigroup		State Street Global Advisors	
	Monthly Return	Duration	Monthly Return	Duration	Monthly Return	Duration	Monthly Return	Duration	Monthly Return	Duration
4/30/2005	0.56%	1.63 years	0.59%	1.48 years	0.53%	1.60 years	0.52%	1.44 years	0.57%	1.63 years
5/31/2005	0.38%	1.75 years	0.39%	1.38 years	0.45%	1.76 years	0.41%	1.48 years	0.41%	1.74 years
6/30/2005	0.20%	1.71 years	0.24%	1.43 years	0.20%	1.77 years	0.23%	1.60 years	0.24%	1.67 years

Apr 05 - Jun 05 Total Return	1.14%	1.22%	1.18%	1.16%	1.22%
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HISTORICAL QUARTERLY RETURNS

Jul 04 - Sep 04 Total Return	0.97%	1.09%	1.02%	0.98%	1.08%
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Oct 04 - Dec 04 Total Return	0.02%	0.20%	0.09%	0.13%	0.09%
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Jan 05 - Mar 05 Total Return	-0.26%	-0.13%	-0.12%	-0.06%	-0.26%
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Apr 05 - Jun 05 Total Return	1.14%	1.22%	1.18%	1.16%	1.22%
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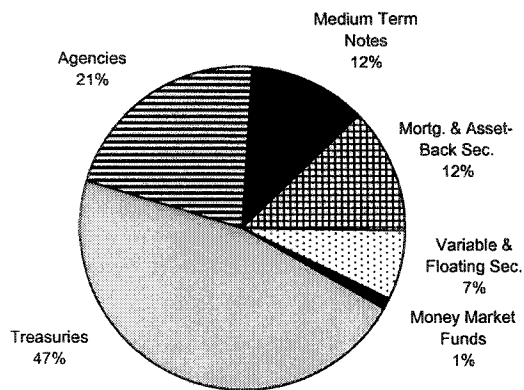
12-Month Total Return	1.87%	2.40%	2.19%	2.23%	2.14%
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* - Month End Rates of Return are Gross of Fees

Bear Stearns

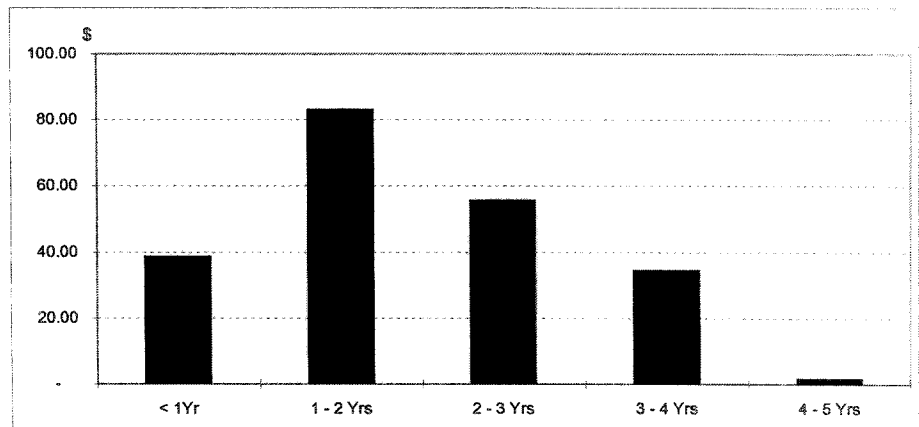
June 30, 2005

SHORT-TERM PORTFOLIO (\$213.1 M)



	Book Value	Market Value
Treasuries	\$98,915,345	\$98,158,200
Agencies	45,710,696	45,166,198
Medium Term Notes	24,657,990	23,528,131
Mortg. & Asset-Back Sec.	26,523,437	26,283,391
Variable & Floating Sec.	14,768,351	14,763,905
Money Market Funds	<u>2,518,347</u>	<u>2,518,347</u>
	<u>\$213,094,166</u>	<u>\$210,418,172</u>

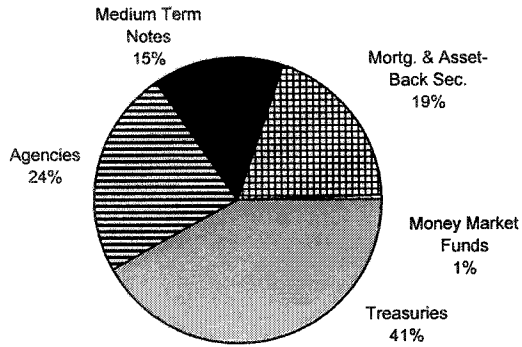
Wtd Avg Maturity	1.84 Yrs
Duration	1.43 Yrs
Quarter-end Yield	3.69%
Benchmark Comparison	3.62%
Quarter Return	1.22%
Benchmark Comparison	1.14%
12 Month Return	2.40%
Benchmark Comparison	1.87%



Citigroup

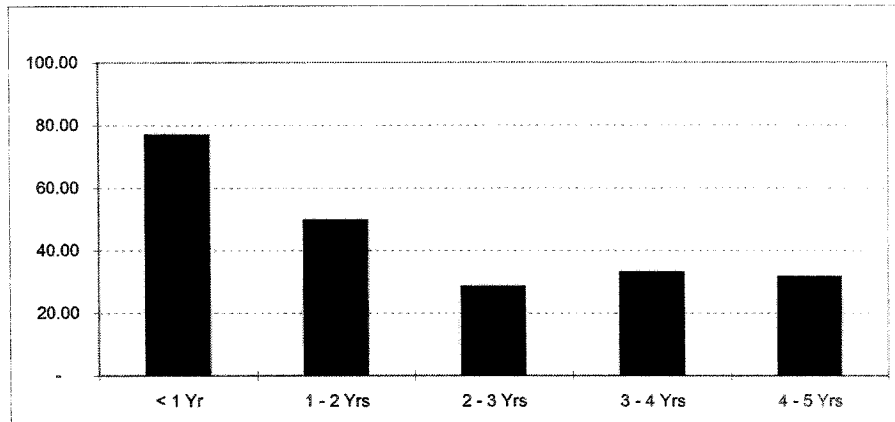
June 30, 2005

SHORT-TERM PORTFOLIO (\$219.5 M)



	<u>Book Value</u>	<u>Market Value</u>
Treasuries	\$92,246,016	\$90,749,766
Agencies	51,931,313	49,119,906
Medium Term Notes	31,846,279	30,829,020
Mortg. & Asset-Back Sec.	42,006,412	41,352,397
Money Market Funds	<u>1,505,770</u>	<u>1,505,770</u>
	<u>\$219,535,790</u>	<u>\$213,556,859</u>

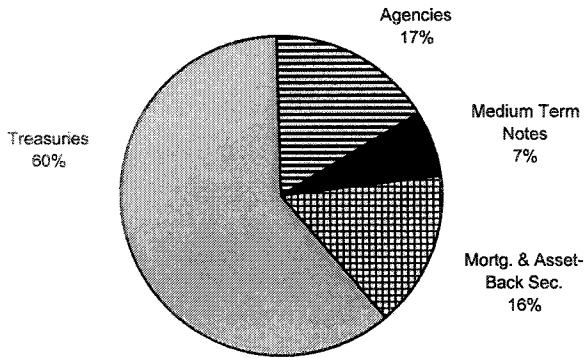
Wtd Avg Maturity	2.11 Yrs
Duration	1.60 Yrs
Quarter-end Yield	3.79%
Benchmark Comparison	3.62%
Quarter Return	1.16%
Benchmark Comparison	1.14%
12 Month Return	2.23%
Benchmark Comparison	1.87%



Payden & Rygel

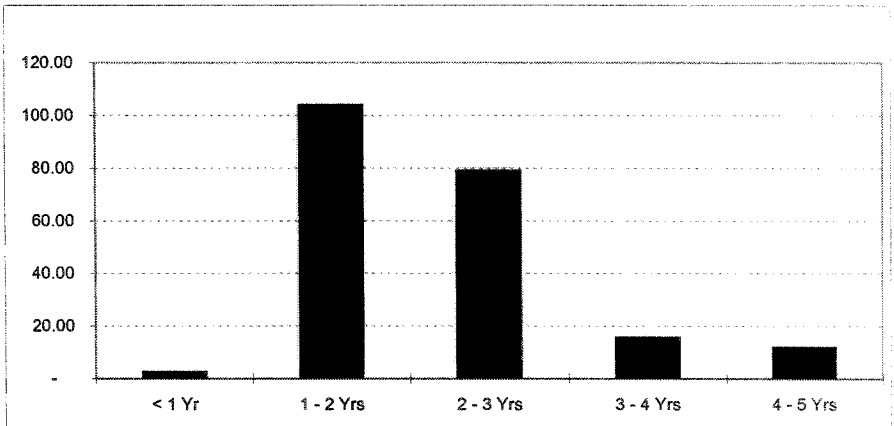
June 30, 2005

SHORT-TERM PORTFOLIO (\$212.9 M)



	<u>Book Value</u>	<u>Market Value</u>
Treasuries	\$129,361,343	\$127,915,496
Agencies	35,535,390	35,428,725
Medium Term Notes	14,232,552	13,897,906
Mortg. & Asset-Back Sec.	33,473,486	33,273,343
Money Market Funds	<u>277,425</u>	<u>277,425</u>
	<u>\$212,880,196</u>	<u>\$210,792,895</u>

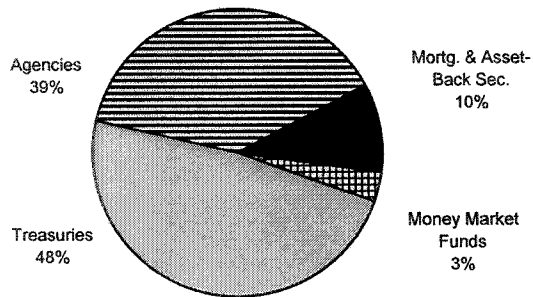
Wtd Avg Maturity	2.25 Yrs
Duration	1.77 Yrs
Quarter-end Yield	3.77%
Benchmark Comparison	3.62%
Quarter Return	1.18%
Benchmark Comparison	1.14%
12 Month Return	2.19%
Benchmark Comparison	1.87%



State Street

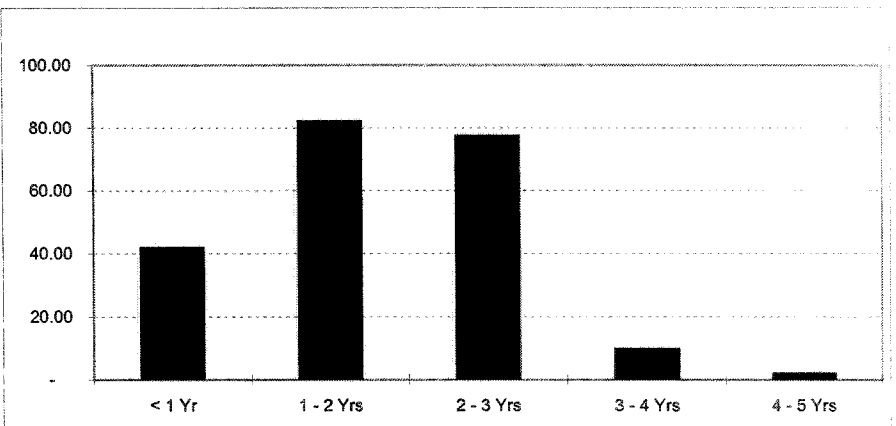
June 30, 2005

SHORT-TERM PORTFOLIO (\$213.3 M)



	<u>Book Value</u>	<u>Market Value</u>
Treasuries	\$102,801,062	\$102,304,180
Agencies	82,299,374	81,407,031
Mortg. & Asset-Back Sec.	21,250,249	21,017,079
Money Market Funds	<u>6,963,898</u>	<u>6,963,898</u>
	<u>\$213,314,583</u>	<u>\$211,692,187</u>

Wtd Avg Maturity	2.00 Yrs
Duration	1.67 Yrs
Quarter-end Yield	3.73%
Benchmark Comparison	3.62%
Quarter Return	1.22%
Benchmark Comparison	1.14%
12 Month Return	2.14%
Benchmark Comparison	1.87%



**Orange County Transportation Authority
Portfolio Listing
As of June 30, 2005**

LIQUID PORTFOLIO

<u>Description</u>	<u>Maturity Date</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Yield</u>
<i>Cash Equivalents</i>				
Repurchase Agreement	7/1/2005	\$ 2,725,000.00	\$ 2,725,000.00	2.55%
Evergreen Institutional Treasury Fund	N/A	51,230.25	51,230.25	2.66%
Federated Prime Obligations Fund	N/A	9,172,948.91	9,172,948.91	2.93%
Fidelity Funds Treasury II	N/A	37,758,083.92	37,758,083.92	2.78%
Milestone Funds Treasury Obligations	N/A	29,131,400.69	29,131,400.69	2.77%
Wells Fargo Treasury Plus	N/A	19,738.52	19,738.52	2.30%
<i>Sub-total</i>		<u>78,858,402.29</u>	<u>78,858,402.29</u>	
<i>Local Agency Investment Fund (LAIF)</i>	N/A	24,216,616.68	24,216,616.68	2.38%
<i>Orange County Investment Pool (OCIP)</i>	N/A	19,267,991.86	19,267,991.86	2.75%
Liquid Portfolio - Total		<u>\$ 122,343,010.83</u>	<u>\$ 122,343,010.83</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>				
Milestone Funds Treasury Obligations	N/A	11,265,440.06	11,265,440.06	2.77%
<i>Sub-total</i>		<u>11,265,440.06</u>	<u>11,265,440.06</u>	
<i>U.S. Government & Agency Obligations</i>				
FHLB	3/6/2006	39,224,838.00	36,539,375.00	5.07%
FHLB	11/29/2006	6,596,700.00	6,544,312.50	3.22%
FHLB	2/15/2007	10,336,026.00	10,162,500.00	4.79%
FHLB	6/13/2007	5,503,300.00	5,503,437.50	3.99%
FHLB	9/14/2007	2,491,290.00	2,477,343.75	3.40%
FHLB	6/13/2008	4,250,000.00	4,243,359.38	4.10%
FHLMC	4/15/2006	4,962,700.00	4,946,875.00	2.40%
FHLMC	6/30/2006	8,000,000.00	7,916,250.00	2.72%
FHLMC	7/14/2006	975,000.00	982,031.25	2.03%
FHLMC	8/15/2006	10,094,300.00	9,887,500.00	2.78%
FHLMC	11/2/2007	4,494,915.00	4,434,300.00	3.29%
FHLMC	5/5/2008	6,004,500.00	6,019,800.00	4.28%
FHLMC	5/23/2008	5,508,580.00	5,507,370.00	4.24%
FNMA	6/15/2006	29,958,984.30	29,643,750.00	2.53%
FNMA	6/28/2006	5,030,500.00	4,971,875.00	3.26%
FNMA	9/28/2006	6,435,975.00	6,414,687.50	2.84%
FNMA	4/18/2007	6,500,000.00	6,512,187.50	4.09%
FNMA	8/15/2007	19,950,440.00	19,662,500.00	3.05%
FNMA	2/15/2008	26,452,250.00	26,171,875.00	5.49%
FNMA	5/15/2008	12,706,474.90	12,580,531.25	5.67%
US Treasury Note	11/15/2005	17,025,781.25	15,637,485.00	5.69%
US Treasury Note	2/28/2006	12,559,187.50	12,450,816.00	1.64%
US Treasury Note	7/15/2006	13,038,861.71	11,660,505.50	6.76%
US Treasury Note	8/15/2006	26,833,343.40	26,647,650.00	2.40%
US Treasury Note	8/31/2006	1,493,770.50	1,479,609.38	2.40%
US Treasury Note	9/30/2006	2,794,640.63	2,762,812.50	2.53%

**Orange County Transportation Authority
Portfolio Listing
As of June 30, 2005**

US Treasury Note	10/31/2006	16,911,679.69	16,758,281.25	2.53%
US Treasury Note	11/15/2006	36,223,432.62	36,019,660.00	2.66%
US Treasury Note	1/31/2007	15,928,308.59	15,972,971.00	3.14%
US Treasury Note	2/15/2007	9,981,510.42	9,785,500.00	2.29%
US Treasury Note	3/31/2007	25,016,601.56	25,038,000.00	3.74%
US Treasury Note	5/15/2007	15,521,953.13	15,353,525.00	3.15%
US Treasury Note	5/31/2007	89,586,201.96	89,476,262.50	3.51%
US Treasury Note	8/15/2007	28,714,920.36	28,465,312.50	2.80%
US Treasury Note	11/15/2007	14,268,706.15	14,289,296.88	3.04%
US Treasury Note	2/15/2008	6,314,765.63	6,197,877.00	3.04%
US Treasury Note	2/15/2008	30,214,552.82	30,278,265.00	3.39%
US Treasury Note	5/15/2008	14,348,048.03	14,381,390.63	3.74%
US Treasury Note	9/15/2008	3,913,906.25	3,932,200.00	3.17%
US Treasury Note	12/15/2008	22,568,281.24	22,274,100.00	3.40%
US Treasury Note	10/15/2009	11,133,437.50	11,338,281.25	3.42%
US Treasury Note	2/15/2010	8,931,875.00	8,927,840.00	5.82%
	<i>Sub-total</i>	<u>638,800,539.14</u>	<u>630,249,502.02</u>	

Medium Term Notes

Abbott Labs	7/1/2006	1,886,517.50	1,779,277.50	5.53%
Allstate Life Global	7/30/2007	2,240,460.00	2,223,427.50	3.54%
Atlantic Richfield Company	4/15/2009	1,901,305.00	1,865,832.50	5.53%
Bank America Corp	2/1/2007	2,968,917.50	2,806,512.50	5.14%
Bank Boston NA	4/15/2008	2,202,315.00	2,164,759.00	6.03%
Bank One Corp	8/1/2005	2,572,733.00	2,357,003.00	7.60%
Bank One Corp	3/26/2007	2,220,015.00	2,150,253.00	5.37%
Banque Paribas	3/1/2009	1,718,104.50	1,712,182.50	6.32%
Berkshire Hathaway Financial Corp	10/15/2008	2,225,452.50	2,189,002.50	3.46%
Berkshire Hathaway Financial Corp	1/15/2010	1,999,400.00	1,988,020.00	4.14%
Citigroup Inc	2/1/2008	1,770,156.00	1,774,620.00	3.55%
Colgate-Palmolive Corp	3/27/2006	2,176,983.25	1,996,922.50	5.28%
Eli Lilly & Company	7/15/2006	2,078,100.00	2,030,200.00	5.41%
First Union National Bank Newark	10/15/2006	2,255,987.50	2,074,620.00	6.86%
General Electric Capital Corp	1/15/2008	3,136,425.10	3,142,081.80	4.23%
Goldman Sachs Group	10/27/2006	1,499,190.00	1,478,437.50	2.89%
Heller Financial Inc	3/15/2006	2,197,240.00	2,033,750.00	6.26%
Home Depot Inc	4/1/2006	2,171,920.00	2,019,040.00	5.32%
JP Morgan Chase & Co	5/1/2008	1,739,502.90	1,742,671.20	3.68%
Merck & Co Inc	7/1/2006	2,305,752.50	5,151,456.25	5.18%
Merrill Lynch & Co Inc	3/10/2006	1,125,663.75	1,115,347.50	2.49%
Morgan Stanley Co	4/15/2006	4,208,533.00	3,913,486.50	6.00%
Pfizer Inc.	2/1/2006	1,667,406.30	1,540,799.00	5.56%
Pharmacia Corp	12/1/2005	548,835.00	504,300.00	5.70%
Protective Life	11/24/2008	1,996,200.00	1,969,760.00	3.75%
Sunamerica Inc.	10/1/2007	2,209,234.50	2,124,852.75	6.43%
Suntrust Bank Atlanta	5/25/2009	1,998,480.00	1,981,660.00	4.59%
US Bancorp	8/23/2007	4,499,309.50	4,318,209.75	3.95%
US Bank National Association	2/1/2007	1,998,880.00	1,967,760.00	2.91%
Wal Mart Stores	8/10/2009	2,159,937.00	2,148,978.00	6.23%
Washington Mutual Financial Corp	5/15/2006	1,140,524.00	1,070,307.00	6.13%
Wells Fargo	4/4/2008	3,917,339.70	3,919,526.45	3.55%
	<i>Sub-total</i>	<u>70,736,820.00</u>	<u>71,255,056.20</u>	

Variable Rate Bonds

Eli Lilly & Company	8/24/2007	2,151,376.00	2,150,671.88	5.60%
FHLMC	11/17/2006	6,899,812.50	6,898,413.00	4.50%

**Orange County Transportation Authority
Portfolio Listing
As of June 30, 2005**

Goldman Sachs Group	4/20/2006	1,403,024.00	1,401,764.00	5.54%
National City Bank	7/26/2006	2,000,720.00	2,000,700.00	4.33%
Wells Fargo	6/12/2006	2,313,418.80	2,312,356.20	4.90%
<i>Sub-total</i>		<u>14,768,351.30</u>	<u>14,763,905.08</u>	

Mortgage And Asset-Back Securities

American Honda Auto Lease Trust	3/16/2009	10,436,764.07	10,420,433.25	2.84%
Americredit Auto Receivable Trust	3/6/2007	548,928.11	523,133.76	2.97%
ARG FDG Corporate Trust	4/20/2009	4,999,569.00	5,024,350.00	4.00%
Bank One Issuance Trust	6/16/2008	5,707,125.00	5,687,752.41	2.94%
Bank One Issuance Trust	5/17/2010	5,951,250.00	5,953,755.00	3.61%
BMW Vehicle Owners Trust	2/25/2008	5,967,798.00	5,934,684.00	2.55%
Capital One Prime Auto Trust	11/15/2007	1,692,435.54	1,694,065.01	2.03%
CARMAX Auto Owner Trust	10/15/2007	1,991,636.52	1,973,932.27	2.37%
Caterpillar Financial Asset Trust	12/26/2007	2,421,337.27	2,394,587.94	1.67%
CIT Equipment Collateral Trust	4/20/2007	2,398,459.00	2,356,385.06	1.64%
CIT Equipment Collateral Trust	3/20/2008	2,120,883.25	2,097,903.06	2.22%
Citibank Credit Crd Issuance Trust	6/16/2008	3,635,898.44	3,555,864.55	5.56%
Citibank Credit Crd Issuance Trust	1/20/2009	10,504,654.50	10,333,124.40	2.60%
Citibank Credit Crd Issuance Trust	8/24/2009	1,998,860.00	1,967,900.20	3.25%
DaimlerChrysler Auto Trust	12/8/2007	2,249,708.63	2,221,407.68	2.02%
FHLMC Mortgage Pool	9/1/2007	778,246.17	767,245.27	4.93%
FHLMC Mortgage Pool	11/15/2008	5,122,656.25	4,985,848.00	3.50%
FHLMC Mortgage Pool	2/1/2009	1,333,234.47	1,304,267.56	4.47%
FHLMC Mortgage Pool	3/1/2009	1,383,279.10	1,374,551.97	4.47%
FHLMC Mortgage Pool	4/1/2009	4,500,468.56	4,440,204.32	4.02%
Fifth Third Bank Cincinnati	8/10/2009	2,198,386.26	2,162,364.44	2.95%
FNMA Mortgage Pool	7/1/2006	122,185.72	119,265.10	5.95%
FNMA Mortgage Pool	11/25/2008	2,511,582.11	2,364,288.31	5.93%
FNMA Mortgage Pool	1/1/2009	374,902.92	367,769.32	5.37%
FNMA Mortgage Pool	1/1/2009	146,369.97	143,584.85	5.37%
FNMA Mortgage Pool	6/25/2009	4,318,109.62	4,280,764.77	5.86%
FNMA Mortgage Pool	1/25/2010	4,992,187.50	4,966,220.00	4.12%
Hertz Vehicle Financing LLC	5/25/2008	4,998,712.00	4,860,249.50	2.44%
M&I Auto Loan Trust	2/20/2008	1,751,538.15	1,741,654.86	2.32%
National City Auto Receivables Trust	7/15/2008	1,999,740.40	1,973,925.20	2.13%
Nordstrom Private Label Trust	4/15/2010	2,123,460.94	2,121,296.94	4.77%
Onyx Acceptance Owner Trust	8/15/2007	811,678.76	816,886.57	1.87%
PECO Energy Transition Trust	3/1/2009	2,455,249.22	2,444,046.97	5.92%
Regions Auto Receivables Trust	1/15/2008	2,776,483.65	2,752,119.28	2.32%
Regions Auto Receivables Trust	9/15/2009	5,922,187.50	5,886,295.80	2.39%
USAA Auto Owner Trust	4/15/2008	2,174,862.43	2,147,547.15	2.08%
USAA Auto Owner Trust	2/17/2009	4,599,197.07	4,550,612.10	3.19%
Volkswagen Auto Lease Trust	12/20/2007	1,700,692.08	1,683,031.71	2.75%
Whole Auto Loan Trust	10/15/2006	1,532,865.71	1,532,890.81	1.84%
<i>Sub-total</i>		<u>123,253,583.89</u>	<u>121,926,209.39</u>	

Short-Term Portfolio - Total

\$ 858,824,734.39 \$ 849,460,112.75

DEBT SERVICE RESERVE FUNDS

<u>Description</u>	<u>Maturity Date</u>	<u>Book Value</u>	<u>Required Amount</u>	<u>Yield</u>
<u>1993 Bus COPs -</u>	2007		\$ 2,082,096.00	
Milestone Funds Treasury Obligations	N/A	\$ 2,082,098.10		2.77%

**Orange County Transportation Authority
Portfolio Listing
As of June 30, 2005**

<u>1999 Refunding Bus COPs -</u>		2005	792,500.00	
AIG GIC	12/1/2005	792,500.00		4.61%
Wells Fargo Treasury Plus	N/A	0.00		2.30%
<u>91 Express Lanes 2003 Refunding Bonds</u>		2030	18,634,792.30	
AIG GIC - Supplemental Reserve Fund	8/15/2015	6,000,000.00		4.51%
Evergreen Institutional Treasury Fund	N/A	342,876.90		2.66%
MBIA GIC - Debt Service Reserve Fund	12/15/2030	12,634,792.30		5.13%
<u>91 Express Lanes 2003 Refunding Bonds - Operating & Maintenance Reserves</u>			3,869,916.00	
Operating Reserve - Bank of the West CD		2,057,710.00		2.48%
Maintenance Reserve - Bank of the West CD		1,812,206.00		2.48%
<u>Measure M Second Senior Sales Tax Bonds</u>			56,910,357.63	
<u>1992 Sales Tax Bonds -</u>		2011		
AIG GIC	2/15/2011	5,466,511.66		5.75%
FSA GIC	2/15/2011	8,998,875.61		3.88%
Fidelity Funds Treasury II	N/A	368,397.83		2.78%
<u>1994 Sales Tax Bonds -</u>		2011		
CSFP Agmt - Various Treasury Securities		8,041,448.06		5.98%
Fidelity Funds Treasury II	N/A	4,038,751.33		2.78%
<u>1997 Sales Tax Bonds -</u>		2011		
AIG GIC	2/15/2011	759,054.88		5.75%
FSA GIC	2/15/2011	1,249,542.82		3.88%
Fidelity Funds Treasury II	N/A	415,065.15		2.78%
<u>1998 Sales Tax Bonds -</u>		2011		
AIG GIC	2/15/2011	22,567,222.63		5.79%
Fidelity Funds Treasury II		1,337,161.33		2.78%
<u>2001 Sales Tax Bonds -</u>		2011		
Fidelity Funds Treasury II	2/15/2011	6,443,500.39		2.78%
Debt Service Reserve Funds - Total			<u>\$ 85,407,714.99</u>	

	<u>Book Value</u>	<u>Market Value</u>
TOTAL PORTFOLIO	<u>\$ 1,066,575,460.21</u>	<u>\$ 1,057,210,838.57</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 25, 2005

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board *W.K. by PW*
Subject Agreement for the Purchase and Placement of Heavy Duty Brake Inspection Systems

Transit Planning and Operations Committee

July 14, 2005

Present: Directors Winterbottom, Brown, Silva, Duvall, and Green
Absent: Directors Pulido and Dixon

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Agreement C-5-0725 between the Orange County Transportation Authority and Vehicle Inspection Systems, Inc., in an amount not to exceed \$202,684, to purchase and install two heavy duty brake inspections systems and upgrade a previously installed system.



July 14, 2005

To: Transit Planning and Operations Committee
From: Arthur T. Leahy, ^{AL} Chief Executive Officer
Subject: Agreement for the Purchase and Placement of Heavy Duty Brake Inspection Systems

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2005-06 Budget, the Board approved the purchase and installation of heavy duty brake inspection systems.

Recommendation

Authorize the Chief Executive Officer to execute Agreement C-5-0725 between the Orange County Transportation Authority and Vehicle Inspection Systems, Inc., in an amount not to exceed \$202,684, to purchase and install two heavy duty brake inspections systems and upgrade a previously installed system.

Background

The Orange County Transportation Authority (Authority) performs periodic inspections of the braking systems on Authority buses. A deceleration test is performed during each preventative maintenance inspection. The Authority utilizes a Tapley mechanical meter to perform the test. The bus must be accelerated to 20 mph and the brakes aggressively applied. All deceleration tests are conducted in the maintenance yard.

To provide the mechanic a better diagnostic tool, the Authority purchased a heavy duty brake inspection system several years ago. It has proved useful and improved safety. This recommended purchase will provide for a useful and safe method of testing the brakes at all Authority bus bases.

Discussion

This procurement was handled in accordance with the Authority's procedures for professional and technical services. The requirement was handled as a competitive negotiated procurement.

Request for Proposals were sent to 157 firms registered on CAMMNET on March 17, 2005. The project was advertised on March 20, 2005, and March 27, 2005, in a newspaper of general circulation. A pre-proposal meeting was held on March 29, 2005.

On May 19, 2005, two offers were received. An evaluation committee was established to review all offers submitted. Based on their findings, the following firm is recommended for consideration of an award:

Firm and Location

Vehicle Inspection Systems, Inc.
Orlando, Florida

Fiscal Impact

This project was approved in the Authority's Fiscal Year 2005-06 Budget, Operations Division/Maintenance Department, Account 9022, and is funded through Local Capital Funds.

Summary

Staff recommends award of Agreement C-5-0725 to Vehicle Inspection Systems, Inc., in an amount not to exceed \$202,684, to purchase and install two heavy duty brake inspections systems and upgrade a third, previously installed system.

Attachment

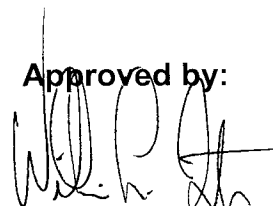
None.

Prepared by:



Al Pierce
Manager, Maintenance
714-560-5975

Approved by:



William L. Foster
Executive Director, Bus Operations
714-560-5842



BOARD COMMITTEE TRANSMITTAL

July 25, 2005

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Agreement for Training on the Orange County Transportation Authority's Integrated Transportation Communication System

Transit Planning and Operations Committee

June 9, 2005

Present: Directors Winterbottom, Brown, Silva, Duvall, and Green
Absent: Directors Pulido and Dixon

Committee Vote

This item was passed by all Committee Members present.

Director Brown voted in opposition to this item.

Committee Recommendation

Authorize the Chief Executive Officer to execute Agreement C-5-2497 between the Orange County Transportation Authority and Orbital Sciences Corporation, in an amount not to exceed \$80,000, for the training of staff and technicians on the operation and maintenance of the Orange County Transportation Authority's integrated transportation communications system.



June 9, 2005

To: Transit Planning and Operations Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Agreement for Training on the Orange County Transportation Authority's Integrated Transportation Communication System

Overview

The Orange County Transportation Authority proposes to contract for the training of staff and technicians on the operation and maintenance of the Orange County Transportation Authority's integrated transportation communications system. The training will be provided on-site by Orbital Sciences Corporation and M/A-COM.

Recommendation

Authorize the Chief Executive Officer to execute Agreement C-5-2497 between the Orange County Transportation Authority and Orbital Sciences Corporation, in an amount not to exceed \$80,000, for the training of staff and technicians on the operation and maintenance of the Orange County Transportation Authority's integrated transportation communications system.

Background

The Orange County Transportation Authority (Authority) owns and operates an advanced 800 megahertz digital radio system designed to provide voice and data communications between the fixed route bus fleet and central communications dispatch. Since the implementation of the system was done in stages over seven years, addition of technical positions, termination of the contract with the system assurance group and a desire to increase in-house competence to maintain the system, refresher training on the current system is needed. Several key individuals including those currently maintaining the sophisticated computers which control the system and the radio infrastructure have never received formal training from Orbital Sciences Corporation (Orbital), the prime system integrator. This contract will provide extensive

training on all phases of operation, administration, and maintenance of the system.

In the late 1990's, Orbital did provide equipment training under terms of the original contract when the equipment was installed, but most of that trained staff are no longer employed by the Authority.

The recommended training will take place over a three week period at OCTA. Orbital and M/A-COM will provide four highly skilled technical trainers. The OCTA anticipates having dispatchers, maintenance electronic technicians, information technology systems analysts and management staff responsible for the radio system participating in the training. Over the three week period 20 individuals will undergo an extensive training program.

Discussion

This procurement was handled in accordance with the Authority's procedures for professional and technical services. The requirement was handled as a single source procurement.

Summary

Staff recommends award of Agreement C-5-2497 to Orbital Sciences Corporation, in an amount not to exceed \$80,000, for the training of staff and technicians on the operation and maintenance of the Authorities integrated transportation communications system.

Attachment

None.

Prepared by:



Al Pierce
Manager, Maintenance
(714) 560-5975

Approved by:



William L. Foster
Executive Director, Bus Operations
(714) 560-5842



July 25, 2005

To: Members of the Board of Directors
From: Arthur T. Leahy, Chief Executive Officer
Subject: 91 Express Lanes May 2005 Status Report

Overview

The 91 Express Lanes Status Report for the period ending May 31, 2005, is provided for Orange County Transportation Authority Board of Directors' review. The report provides toll road traffic volume, revenue, financial performance, operations, maintenance, and communications information.

Recommendation

Receive and file the 91 Express Lanes Status Report for the period ending May 31, 2005.

Background

The May 2005 Status Report for the 91 Express Lanes is provided in Attachment A. The report has sections highlighting operations, financial data, and external communications. Total traffic volume and gross potential revenue for May continue to outperform the 2004 figures. Monthly trips were up 18.8 percent over the same period in 2004, with gross potential toll revenue increasing 28.1 percent as compared to the prior year.

Summary

The 91 Express Lanes May 2005 Status Report is submitted for Orange County Transportation Authority Board of Directors' review. The report includes Express Lanes' traffic, revenue, financial performance, operations, maintenance, and external communications data.

Attachment

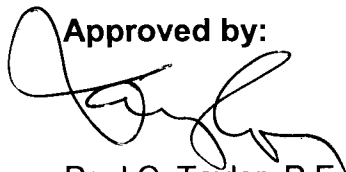
- A. 91 Express Lanes Status Report – As of May 31, 2005.

Prepared by:



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Approved by:



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Orange County Transportation Authority



Status Report
May 2005

As of May 31, 2005

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Operations Overview

Traffic and Revenue Statistics, Maintenance, and Customer Service

Traffic and Revenue Statistics

Month of May 2005

1. Traffic volume on the 91 Express Lanes increased 18.8 percent over the same period in 2004.
2. Potential toll revenue increased 28.1 percent from the same period last year.
3. Potential toll revenue per trip improved 7.6 percent over the same period last year.

Traffic & Revenue – May 2005

Trips	May-05 MTD Actual	Vollmer MTD Projected	# Variance	% Variance	May-04 MTD Actual	Yr-to-Yr % Variance
Full Toll Lanes	924,307	801,214	123,093	15.4%	772,629	19.6%
3+ Lanes	231,960	195,414	36,546	18.7%	200,960	15.4%
Total Trips	1,156,267	996,628	159,639	16.0%	973,589	18.8%
Full Toll Lanes	\$2,878,933	\$2,425,457	\$453,476	18.7%	\$2,249,510	28.0%
3+ Lanes	\$59,669	\$46,129	\$13,540	29.4%	\$45,063	32.4%
Total Revenue	\$2,938,602	\$2,471,586	\$467,016	18.9%	\$2,294,573	28.1%
Full Toll Lanes	\$3.11	\$3.03	\$0.08	2.6%	\$2.91	6.9%
3+ Lanes	\$0.26	\$0.24	\$0.02	8.3%	\$0.22	18.2%
Revenue Per Trip	\$2.54	\$2.48	\$0.06	2.4%	\$2.36	7.6%

Fiscal Year-to-Date (YTD) – As of May 31, 2005

1. Total fiscal YTD toll lane trips were up 13.1 percent over the same period as last year.
2. Fiscal YTD potential toll revenue was up 20.0 percent from 2004.
3. Overall, fiscal YTD potential toll revenue per trip improved 6.3 percent over the same period last year.

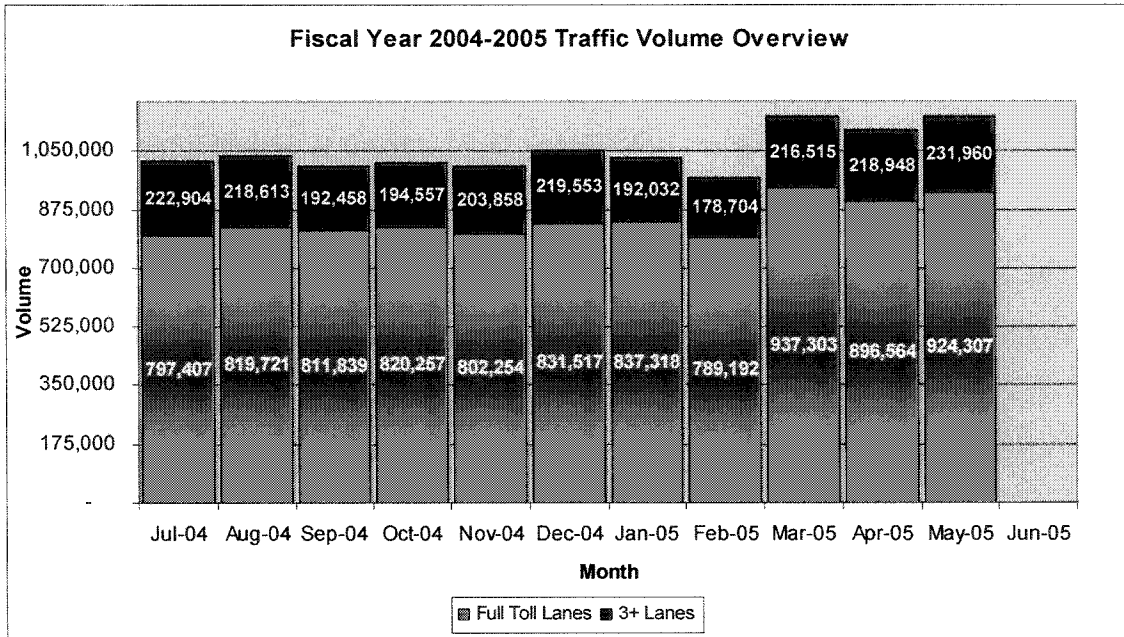
Fiscal 2004-2005 Year-To-Date Traffic & Revenue as of May 31, 2005

Trips	2004/2005 YTD Actual	Vollmer YTD Projected	# Variance	% Variance	2003/2004 YTD Actual	Yr-to-Yr % Variance
Full Toll Lanes	9,267,679	8,659,700	607,979	7.0%	8,228,209	12.6%
3+ Lanes	2,290,102	2,108,186	181,916	8.6%	1,994,604	14.8%
Total Trips	11,557,781	10,767,886	789,895	7.3%	10,222,813	13.1%
<hr/>						
Full Toll Lanes	\$28,909,873	\$26,207,886	\$2,701,987	10.3%	\$24,111,360	19.9%
3+ Lanes	\$579,860	\$488,615	\$91,245	18.7%	\$466,536	24.3%
Total Revenue	\$29,489,733	\$26,696,501	\$2,793,232	10.5%	\$24,577,896	20.0%
<hr/>						
Full Toll Lanes	\$3.12	\$3.03	\$0.09	3.0%	\$2.93	6.5%
3+ Lanes	\$0.25	\$0.23	\$0.02	8.7%	\$0.23	8.7%
Revenue Per Trip	\$2.55	\$2.48	\$0.07	2.8%	\$2.40	6.3%

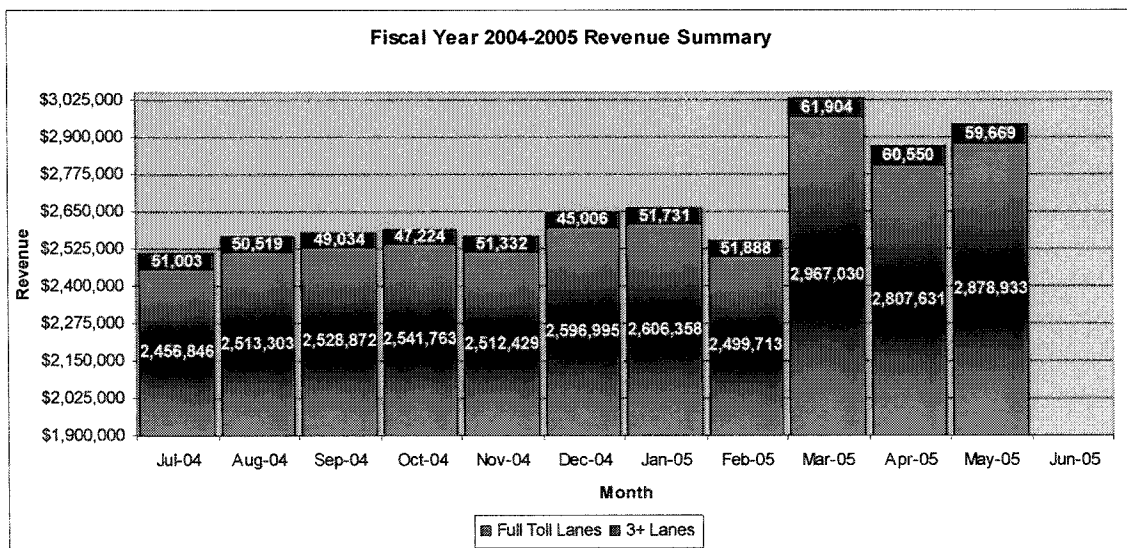
Traffic and Revenue Summary

Fiscal Year 2004-2005

The chart below reflects the total trips breakdown between Full Toll trips and HOV3+ trips for Fiscal Year 2004/2005 on a monthly basis.



The chart below reflects the gross potential revenue breakdown between Full Toll trips and HOV3+ trips for Fiscal Year 2004/2005 on a monthly basis.



Maintenance / Capital Projects

An important component of 91 Express Lanes operations is maintaining the toll lanes and the technology that supports the toll road operation. Routine maintenance, consisting of sweeping, replacement of channelizers, and other repairs that can only be performed while the lanes are closed, is scheduled for every third Sunday (weather permitting) and performed by Caltrans. This routine maintenance is performed while the lanes are closed to ensure crew safety. Closures are kept to a minimum and scheduled for non-peak traffic hours. Caltrans performed routine maintenance on the Express Lanes on May 1st and 15th.

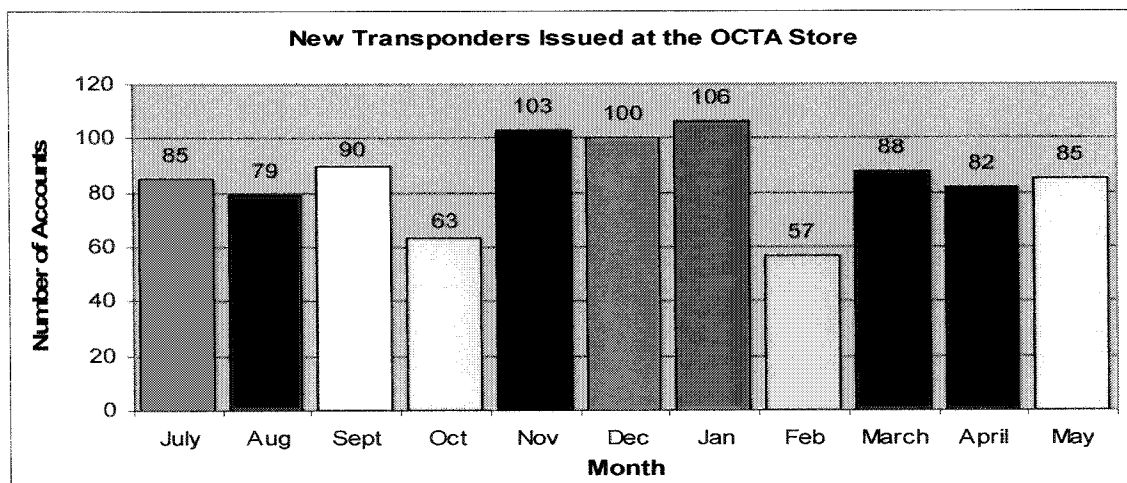
Customer Relations – Orange Office

OCTA staff responds directly to questions received from 91 Express Lane customers that are policy related and escalated situations involving toll violations. Questions about transponders, payments, address changes, etc., are referred to the 91 Express Lanes Customer Service Center in Corona unless a customer specifically requests assistance from OCTA.

Thirty-two communications relating to toll policy and toll violations were documented from May 1 through 31. OCTA is working closely with the Customer Service Manager and the Operations Manager at Cofiroute USA to resolve these issues.

Transactions at the OCTA Store continue to increase as customers become aware of an Orange County 91 Express Lanes facility. The OCTA Store provides 91 Express Lanes customers with all the services that are offered at the Corona Customer Service Center plus additional services that include the sale of bus passes and merchandise. The goal is to provide a convenient alternative for existing and new 91 Express Lanes and other OCTA customers.

For the month of May 2005, 143 91 Express Lanes transactions occurred at the Orange County sales office. Of these transactions, 85 new transponders were issued, 10 transponders were replaced, and 48 customers picked up their transponders at the Orange County sales office.



OCTA Customer Relations staff and 91 Express Lanes Customer Center implemented a Customer Comment System in June 2004. This system enables staff to record any comment or complaint from an account holder. Most importantly, we can now track requests for congestion related refunds in the system. In May, 246 requests were documented by staff. Of those requests, 192 credits were issued in the amount of \$1122.16.

Corona Customer Service Center Activities

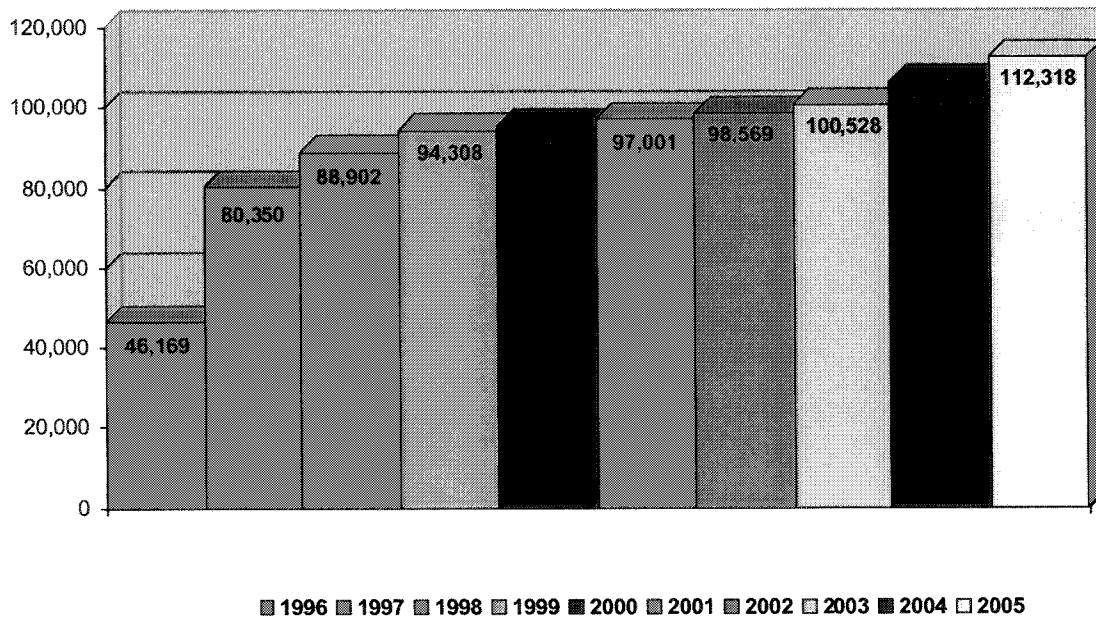
Call Volume

Customer service activities at OCTA's operating contractor, Cofiroute USA, continued at a very busy and productive rate. During the month of May, the Customer Service Center received 34,966 calls. All customer service performance levels, i.e. call-wait time, call duration, etc., were well within established standards.

Transponder Account Status

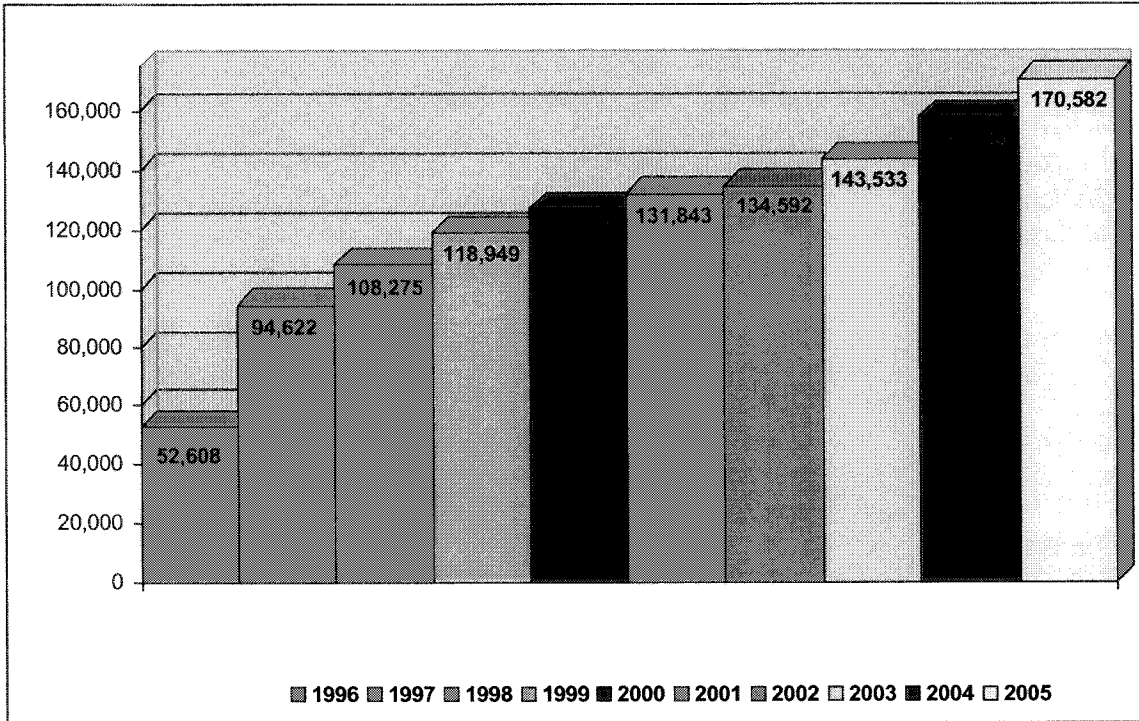
The 91 Express Lanes has experienced continued growth in the number of drivers using the facility since its inception. The steady growth can be measured by the number of transponders in circulation each year. The following chart shows the pattern of transponder growth the operation has experienced.

History of Growing Number of Accounts by Fiscal Year



As of May 31, 2005

History of Growing Number of Transponders in Circulation by Fiscal Year



As of May 31, 2005

At the end of May, the 91 Express Lanes had 112,318 transponder accounts, with 170,582 transponders in circulation.

Financial Highlights

Summary of Revenues, Expenses, Capital Asset Activity, Debt Service, and Operating Statement

Revenues

1. Collected toll revenue for the eleven months ending May 31, 2005, was \$27,482,966. This was an increase of 22 percent over the same period last year.
2. Non-toll revenues include account fees, pay-by-plate fees, and violation processing fees. Non-toll revenue for the eleven months ending May 31, 2005, was \$5,499,734.

Expenses

1. Total operating expenses before depreciation and amortization expense for the eleven months ending May 31, 2005, were \$11,272,974.
2. Depreciation of capital assets and amortization of the toll road franchise cost totaled \$8,329,455 for the eleven months ending May 31, 2005. Depreciation and amortization expense are not budgeted items; however, these expenses are included in calculating net income.
3. Interest income for the eleven months ending May 31, 2005 was \$1,271,501.
4. Interest expense related to subordinated debt for the eleven months ending May 31, 2005 was \$1,121,600.
5. Interest expense related to the Tax Exempt Refunding Bonds was \$8,323,382 for the period ending May 31, 2005.

Capital Asset Activity

During the eleven months ending May 31, 2005, capital asset activities included approximately \$788,414 related to the purchase of transponders and \$260,462 related to tenant improvement projects.

Debt Service

The next debt service payment for the 91 Express Lanes Refunding Bonds (Bonds) is scheduled for August 2005, in the amount of \$8.15 million, and will be comprised of \$4.00 million in principal and \$4.15 million in interest expense. Currently, there remains \$191.63 million outstanding on the Bonds. In addition to the amounts due on the Bonds, the Authority has subordinated debt outstanding related to the acquisition of the 91 Express Lanes. The remaining outstanding principal balance (which will be repaid on an annual basis with 91 Express Lanes net revenues) totals approximately \$56.4 million.

Although no cash debt service payment was made during the month of May 2005 for the Bonds, the 91 Express lanes Operating Statement reflects eleven-twelfths (July through May) of the total interest portion budgeted for the entire fiscal year. This amount is being expensed in the actual and budgeted columns of the Operating Statement. The principal payment will decrease the liabilities in the Statement of Assets, which is in accordance with generally accepted accounting practices.

Operating Statement

Description	YTD As of May 31, 2005 ¹		YTD Variance	
	Actual	Budget	Dollar \$	Percent (%)
Operating Revenues				
Toll Revenue	\$27,482,966	\$23,990,051	\$3,492,915	14.6
Non-Toll and Other Revenue ²	5,499,734	3,776,505	1,723,229	45.6
Total Operating Revenues	32,982,700	27,766,556	5,216,144	18.8
Operating Expenses				
Contracted Services	4,887,234	4,953,731	66,497	1.3
Other Professional Services/Refinancing Costs	865,472	3,943,212	3,077,740	78.1
Credit Card Processing	884,299	778,600	(105,699)	(13.6)
Toll Road Account Servicing	560,211	288,515	(271,696)	(94.2)
Toll Road Maintenance and Materials	468,171	2,906,512	2,438,341	83.9
Patrol Services	373,909	314,620	(59,289)	(18.8)
System Maintenance	301,169	290,922	(10,247)	(3.5)
Miscellaneous ³	185,473	332,792	147,319	44.3
Advertising/Customer Communication	103,399	229,509	126,110	54.9
Utilities	203,548	252,048	48,500	19.2
Office Supplies	469,801	841,399	371,598	44.2
Leases	249,650	365,712	116,062	31.7
Property Insurance ⁴	321,264	422,514	101,250	24.0
Administrative Services	1,399,374	381,648	(1,017,726)	(266.7)
Depreciation and Amortization ⁵	8,329,455	0	(8,329,455)	N/A
Total Operating Expenses	19,602,429	16,301,734	(3,300,695)	N/A
Operating Income	13,380,271	11,464,822	1,915,449	N/A
Non-Operating Revenues (Expenses):				
Interest Income	1,271,501	683,139	588,362	86.1
Interest Expense	(9,444,982)	(10,157,042)	712,060	7.0
Total Non-Operating Revenues (Expenses)	(8,173,481)	(9,473,903)	1,300,422	N/A
Net Income (Loss)	\$5,206,790	\$1,990,919	\$3,215,871	N/A

¹ Actual amounts are accounted for on the accrual basis of accounting in an enterprise fund. Budget amounts are accounted for on a modified accrual basis of accounting.

² The collectability of backlogged violations attributed to realizing more non-toll revenue than was budgeted.

³ Miscellaneous expenses include: Statement Preparation Services, Bank Service Charge, Transponder Materials and Other Miscellaneous Fees and Services.

⁴ Property insurance is paid on an annual basis. Actual amount includes the amortization of annual charges.

⁵ Depreciation and amortization are not budgeted items.

External Communications

Advisory Committee, OCTA Board Actions and Marketing Highlights

Advisory Committee

The State Route 91 Advisory Committee did not convene in the month of May.

OCTA Board Actions

On May 9, 2005, the OCTA Board of Directors:

- Authorized the Chief Executive Officer to execute a one-year option renewal to Agreement No. C-4-0250 between the Orange County Transportation Authority and LMS Consulting, in an amount not to exceed \$150,000, for program management consulting services for the 91 Express Lanes.

On May 23, 2005, the OCTA Board of Directors:

- Received and filed the 91 Express lanes Status Report for the period ending March 31, 2005.

Marketing

OCTA conducted four formal focus groups in May to explore the concept of dynamic pricing with 91 Express Lanes customers. Two of the focus groups were comprised of frequent 91 Express Lanes users, and two focus groups were comprised of occasional users. Based on the convenience of the 91 Express Lanes customers who participated, the sessions took place at a focus group facility in Orange.

The results of the focus groups were very useful and were shared with the Performance Monitoring and Pricing Pilot Project team.

Next Steps

Upcoming Events and Activities

July 2005

- SR-91 Advisory Committee Meeting

September 2005

- SR-91 Advisory Committee Meeting

Tours / Presentations

June 21, 2005: Virginia Department of Transportation



July 25, 2005

To: Members of the Board of Directors
From: Arthur T. Leahy, ^{AL} Chief Executive Officer
Subject: Department of Justice Fingerprint and Criminal Records Review

Overview

Currently, pre-employment background checks are conducted by a contract agency as part of the human resources hiring process. The Department of Justice fingerprint database for identity verification and criminal history information is not utilized.

Recommendation

It is recommended that the Board of Directors pass a resolution requesting the Orange County Transportation Authority be enrolled in the Department of Justice Livescan fingerprint program as an applicant agency. The Orange County Transportation Authority will then be authorized to query the Department of Justice criminal history database for pre-employment screening purposes.

Background

Since the inception of the Orange County Transportation District, traditional pre-employment background checks have been conducted on applicants for all positions. These checks are done by using the name, birth date, drivers license and social security number as supplied by the applicant. The results of these checks are submitted to human resources who evaluate the applicants driving, criminal, and credit history prior to making an offer of employment. After being hired, the only on-going check related to driving or criminal activity is the Department of Motor Vehicles (DMV) pull-notice program which provides notification of driving related offenses.

However, the effectiveness of the current background process is limited in that, it only checks local court records of counties in which the applicant currently and has previously resided.

Discussion

Utilization of the Department of Justice (DOJ) Livescan fingerprint database is the only current method to insure a thorough and comprehensive knowledge of all persons working for the Orange County Transportation Authority (OCTA). By requiring all employees to participate in this DOJ sponsored program, OCTA will have access to a centralized database which will provide information on true identity, criminal convictions, and possible inclusion on the Federal Bureau of Investigation (FBI) terrorist watch list. Once enrolled, the OCTA will automatically be notified if an employee is arrested or convicted of a post-employment criminal offense.

In order to insure confidentiality of this information, the human resources department manager will be designated as the authorized custodian of criminal history information from the DOJ. If additional clarification of these records is necessary, Transit Police Services will assist by reviewing a redacted copy of the specified criminal history not disclosing the person involved. Human resources will evaluate each record on a case by case basis and have final authority on hiring decisions.

For administration of this process, human resources will include the Livescan requirement for all prospective employees as a contingency to an offer of employment. Each prospective employee will provide their fingerprints to the DOJ through the Orange County Sheriff's Department. The DOJ will then bill OCTA on a monthly basis and a portion of these funds will be forwarded to the Orange County Sheriff based on a pre-determined per applicant rate, currently \$44 per applicant.

One additional service provided by the DOJ through Livescan is the Subsequent Arrest Program (SAP). Under this program, Transit Police will be automatically notified if any employee is arrested or convicted anywhere in California after being hired.

Both the Livescan fingerprint database and SAP program raise several issues which need to be resolved prior to implementation. Among these are:

- The administrative process to be used
- Policy with respect to notifying employees
- Overall security of records and protection of employee privacy
- Confidentiality and liability to OCTA
- Process for discipline of employees
- Privacy rights with respect to information discovered

- Issues regarding union employees

These programs will only be implemented to the extent that these issues are resolved. However, the DOJ has advised that it will take a minimum of thirty days to process OCTA's request as an applicant agency. Therefore, staff is bringing the attached resolution forward for immediate action.

Summary

Fingerprint checks on employees are a critical step to insure the safety and security of our customers and employees. The proposed resolution will begin the process to be coordinated by human resources in cooperation with the Manager of Security and Threat Assessment.

Attachment

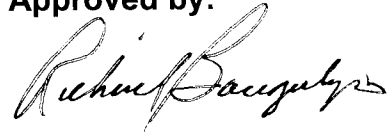
- A. Board of Directors Resolution

Prepared by:



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Manager of Security and Threat Assessment
(714)560-5918

Approved by:



Richard J. Bacigalupo
Deputy CEO
(714)560-5901

BOARD OF DIRECTORS RESOLUTION NO. _____

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE ORANGE COUNTY TRANSPORTATION AUTHORITY
AUTHORIZING ACCESS TO STATE AND LOCAL
SUMMARY CRIMINAL HISTORY INFORMATION**

On motion of Director _____, duly seconded and carried, the following resolution was adopted:

WHEREAS, Penal Code Sections 11105 (b)(10) and 13300 (b)(10) authorize cities, counties and districts to access state and local summary criminal history information for employment, licensing or certification purposes; and

WHEREAS, Public Utilities Code Section 130241 imparts to the Orange County Transportation Authority all powers and functions provided for in the Orange County Transit District Act of 1965; and

WHEREAS, Penal Code Sections 11105 (b)(10) and 13300 (b)(10) require that there be a requirement or exclusion from employment, licensing, or certification based on specific criminal conduct on the part of the subject record; and

WHEREAS, Penal Code Sections 11105 (b)(10) and 13300 (b)(10) require the governing body of the Authority to specifically authorize access to summary criminal history information for employment, licensing, or certification purposes.

NOW THEREFORE, BE IT RESOLVED, that the Authority is hereby authorized to access summary criminal history information for employment, licensing or certification purposes; and

BE IT FURTHER RESOLVED, that the Authority shall not consider a person who has been convicted of a felony or a misdemeanor involving moral turpitude, eligible for employment, licensing or certification; except that such conviction may be disregarded if it is determined by the Authority that mitigating circumstances exist, or that there is no reasonable nexus between the conviction and the employment, license or certification in question; and

BE IT FURTHER RESOLVED, that the Authority designates the Orange County Transportation Authority Director of Human Resources as the custodian of said summary criminal history information accessed by the Authority and shall be responsible for the confidentiality of the records and shall establish procedures to prevent further dissemination of the records, unless such dissemination is specifically provided for by law or regulation.

ADOPTED BY THE ORANGE COUNTY TRANSPORTATION AUTHORITY BOARD OF DIRECTORS on _____, 2005.

SIGNED AND APPROVED ON _____, 2005.

AYES:

NOES:

ABSTAIN:

ABSENT:

Bill Campbell
Chairman of the Board of Directors
Orange County Transportation Authority