



## Measure M2 Taxpayer Oversight Committee Teleconference Notice

### Committee Members:

Frank Davies: Orange County Auditor-Controller  
Douglas P. Gillen  
Pauline E. Merry  
Harry Sloan  
Mark Kizzar  
Joseph McCarthy  
Tuan Nguyen  
Larry A. Lang  
Michael Pascual  
Jeffrey Kaplan  
Douglas Anderson

### Teleconference Sites:

Orange County Transportation Authority - Headquarters  
550 S. Main Street  
Conference Room 07  
Orange, CA

### Guidance for Public Access to this Taxpayer Oversight Committee (TOC) Meeting:

Governor Gavin Newsom enacted Executive Orders N-25-20 and N-29-20 authorizing a local legislative body to hold public meetings via teleconferencing and make public meetings accessible telephonically or electronically to all members of the public to promote social distancing due to the state and local State of Emergency resulting from the threat of Novel Coronavirus (COVID-19).

In accordance with Executive Order N-29-20, and in order to ensure the safety of the Orange County Transportation Authority (OCTA) TOC Members and staff and for the purposes of limiting the risk of COVID-19, in-person public participation at public meetings of the OCTA will not be allowed during the time period covered by the above-referenced Executive Orders.

Instead, members of the public can listen to AUDIO live streaming of the August 11, 2020 5p.m. Taxpayer Oversight Committee meeting by clicking the below link: <http://www.octa.net/About-OCTA/Who-We-Are/Board-of-Directors/Live-and-Archived-Audio/>

Public comments may be submitted for the upcoming August 11, 2020 Taxpayer Oversight Committee meeting by emailing them to [publiccomments@octa.net](mailto:publiccomments@octa.net). **If you wish to comment on a specific agenda item, please identify the committee name and item number in your email.** All public comments that are timely received will be part of the public record and distributed to the TOC. Public comments will be made available to the public upon request. In order to ensure that staff has the ability to provide comments to the TOC Members in a timely manner, please submit your public comments 30 minutes prior to the start time of the Committee meeting date.

### Agenda Descriptions

The Agenda descriptions are intended to give notice to members of the public of a general summary of items of business to be transacted or discussed.

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA at (714) 560-5611, no less than two (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

## **AGENDA**

- 1. Welcome**
- 2. Pledge of Allegiance**
- 3. Approval of Minutes/Attendance Report for June 9, 2020**
- 4. Presentation Items**
  - A. Capital Action Plan Update  
Jim Beil, Executive Director, Capital Programs
  - B. Measure M2 Comprehensive Transportation Funding Programs (CTFP) Update  
Joseph Alcock, Section Manager, M2 Local Programs
  - C. Measure M2 Environmental Mitigation Program Update and Annual Report  
Dan Phu, Program Manager, Planning
- 5. OCTA Staff Updates**
  - A. Sales Tax Update - Sean Murdock, Finance and Administration Director
  - B. Annual Credit Update - Robert Davis, Department Manager, Treasury and Public Finance
  - C. Community-Based Transit Circulators Program Project V Ridership Report -  
Joseph Alcock, Section Manager, M2 Local Programs
  - D. I-405 Update - Christina Byrne, Department Manager, Public Outreach
  - E. Staff Liaison - Alice Rogan, Marketing and Public Outreach Director
- 6. Annual Eligibility Review Subcommittee Report**
- 7. Audit Subcommittee Report**
- 8. Environmental Oversight Committee Report**
- 9. Committee Member Reports**
- 10. Adjournment**

*The next meeting will be held on October 13, 2020 via teleconference*

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**INFORMATION ITEMS**

<b>Staff Report Title</b>	<b>Board Meeting Date</b>
<b>1. Measure M2 Senior Mobility Program Temporary Guideline Requirement Suspension</b>	<b>May 22, 2020</b>
<b>2. Interstate 405 Improvement Project Update</b>	<b>May 22, 2020</b>
<b>3. Environmental Mitigation Program Endowment Fund Investment Report for March 31, 2020</b>	<b>June 8, 2020</b>
<b>4. Measure M2 Eligibility Review Recommendations for Fiscal Year 2018-19 Expenditure Reports</b>	<b>June 8, 2020</b>
<b>5. Public Hearing to Amend the Measure M2 Orange County Local Transportation Authority Ordinance No. 3</b>	<b>June 22, 2020</b>
<b>6. Taxpayer Oversight Committee New Member Recruitment and Lottery</b>	<b>June 22, 2020</b>
<b>7. Annual Update to Investment Policy for 2020</b>	<b>June 22, 2020</b>
<b>8. Taxpayer Oversight Committee Measure M2 Annual Public Hearing Results and Compliance Finding</b>	<b>June 22, 2020</b>
<b>9. Measure M2 Community-Based Transit Circulators Program Project V Ridership Report</b>	<b>July 13, 2020</b>
<b>10. Measure M2 Environmental Mitigation Program Update, Annual Report, and Restoration Project Amendment Request</b>	<b>July 13, 2020</b>

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**Measure M Taxpayer Oversight Committee**  
**Teleconference Site**  
**Orange County Transportation Authority**  
**550 S. Main Street, Orange CA, Room 07**  
**June 9, 2020 @ 6:00 p.m.**

**MEETING MINUTES**

**Committee Members Present:**

Frank Davies, Orange County Auditor-Controller, Chair  
Douglas P. Gillen, First District Representative  
Dr. Pauline Merry, First District Representative  
Mark Kizzar, Second District Representative  
Larry Tekler, Second District Representative, Co-Chairman  
Tuan Nguyen, Third District Representative  
Ronald Randolph, Third District Representative  
Larry Lang, Fourth District Representative  
Douglas Anderson, Fifth District Representative  
Jeffery Kaplan, Fifth District Representative

**Committee Members Absent:**

Michael Pascual, Fourth District Representative

**Orange County Transportation Authority Staff Present:**

Christina Byrne, Public Outreach Manager  
Kia Mortazavi, Executive Director of Planning  
Andrew Oftelie, Chief Financial Officer  
Alice Rogan, Marketing & Public Outreach Director  
Tamara Warren, Measure M Program Manager

**1. Welcome**

Chair Frank Davies welcomed everyone to the Orange County Transportation Authority (OCTA) Taxpayer Oversight Committee (TOC) meeting at 6pm. Alice Rogan, staff liaison, took attendance by roll call.

**2. Pledge of Allegiance**

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

**3. Annual Public Hearing**

A. Chair Frank Davies opened the Annual Public Hearing. He provided a brief overview of Measure M2 (OC Go), of the TOC and the TOC responsibilities.

B. Review of the 2020 Taxpayer Oversight Committee Actions  
Co-Chair Larry Tekler described the responsibilities of the TOC. Activities include: Review of FY 2020 Local Transportation Authority (LTA) Audit Results and review of Measure M Quarterly Revenue and Expenditures Forecast Summary Report.

C. Annual Eligibility Review (AER) Subcommittee Report

Dr. Pauline Merry, AER Subcommittee Chair, provided a review of committee responsibilities and findings. The 33 cities reviewed were found in compliance. The City of Santa Ana and the City of Stanton were ineligible to receive M2 revenues during this period. These cities were later re-instated after providing appropriate documentation.

D. Audit Subcommittee Report

Chair Frank Davies introduced the Audit Subcommittee members and reviewed their responsibilities and findings. He also stated that based on the audit results, the Audit Subcommittee found OCTA was in compliance for the past fiscal year.

E. Public Comments

Alice Rogan said one public comment was sent in by Linda Johnson to an email set-up for tonight's meeting. It said... "Thank you OCTA for successfully moving forward on all of these vital transportation projects that are so important to Orange County. Great work!"

F. Adjournment of Public Hearing

The Measure M2 Taxpayer Oversight Committee Public Hearing adjourned at 6:20 p.m.

*A motion was made by Douglas Gillan, seconded by Dr. Ronald Randolph and carried unanimously to adjourn the Measure M2 Taxpayer Oversight Committee Public Hearing.*

**4. Approval of Minutes/Attendance Report for May 12, 2020**

Chair Frank Davies asked if there are any corrections to the Minutes/Attendance Report for May 12, 2020.

*A motion was made by Dr. Ronald Randolph, seconded by Douglas Gillan and carried unanimously to approve the May 12, 2020 TOC Minutes and the Attendance Report.*

**5. Action Items**

A. 2020 Measure M Annual Hearing Follow-Up and Compliance Findings

Chair Frank Davies, Orange County Auditor Controller, said the annual compliance finding is based on results of the Annual LTA Audit, the Public Hearing and all information the committee has received to date. The Audit Subcommittee has indicated that based on the audit results presented, that OCTA has acted in compliance for the past year. Chair Davies asked for a motion to find that the OCLTA has been proceeding in accordance with the Renewed Measure M (M2) Transportation Ordinance and Investment Plan for 2020.

*A motion was made by Dr. Ronald Randolph, seconded by Dr. Pauline Merry and carried unanimously to approve the June 9, 2020 Measure M Annual Hearing and Compliance Report as presented.*

## **6. Presentation Items**

### **A. Measure M2 Quarterly Progress Report – Third Quarter**

Tamara Warren presented the Third Quarter Measure M2 Quarterly Progress Report. In the Freeway component: 12 of the 30 freeway segments are completed, four segments are in construction, three are about to start and the remaining 11 are in project development. The Freeway Service Patrol (FSP) has assisted more than 534,000 motorists since June 2012. Tamara provided highlights on current projects. In the Streets and Roads component, approximately \$814 million has been provided to local jurisdictions for: 139 street capacity improvements, 108 signal synchronizations projects and over \$416 million provided for flexible funding. In the Transit component: \$182 million has been used to fund Metrolink service, \$477 million invested in station and grade separation projects, Orange County's first modern streetcar underway, 20 community based transit/circulators in operation, \$2 million allocated to improve 79 transit stops and \$77.6 million allocated to expand mobility choices for seniors and persons with disabilities. In the Environmental Program \$49.9 million has been allocated for 170 water quality improvement projects. In the Freeway Mitigation portion of this program 1,300 acres of open space has been preserved and 350 restored.

Tamara Warren also discussed Measure M2 eligibility for the City of Santa Ana and the City of Stanton. On April 13, 2020, both cities were found eligible to receive M2 net revenues and suspended payments have been disbursed. She also provided information on how the M2 Program Management Office is proactively monitoring COVID-19 impacts to ensure projects and programs continue to be delivered as promised to voters. In addition, OCTA is in the process of amending the M2 Ordinance to temporarily adjust the Maintenance of Effort requirements to provide relief to local jurisdictions for fiscal year (FY) 2019-20 and FY 2020-21. She said OCTA will continue to monitor construction cost pressure index and sales tax forecasts.

### **B. Comprehensive Transportation Funding Programs (CTFP) - 2020 Call for Projects Programming Recommendations**

Kia Mortazavi provided a presentation on the 2020 CTFP Call for Projects. He said OCTA provided \$35.5 million for 14 projects. Kia said of those projects there are streets/roads projects, intersection improvements, improvements near freeway interchanges and signal synchronizations projects. He said \$23.4 million was awarded for eight regional capacity projects of which six were for street

capacity enhancements and two were for intersection widenings. Kia said \$12.1 million went to six signal synchronization projects.

**7. Selection of Co-Chair**

Chair Frank Davies opened the nominations for selection of Co-Chair of the TOC.

*A motion was made by Douglas Gillen, seconded by Jeffrey Kaplan and approved unanimously to select Mark Kizzar for the position of TOC Co-Chair.*

**8. Subcommittee Selection**

Alice Rogan provided an overview of TOC subcommittees. She asked members continuing on the TOC to let her know what Subcommittees they would like to serve on in the following year.

Audit Subcommittee	Annual Eligibility Review Subcommittee	Environmental Oversight Committee
Mark Kizzar	Jeffery Kaplan	Dr. Pauline Merry
Larry Lang	Douglas Anderson	
Tuan Nguyen	Douglas Gillen	
Michael Pascual		
Frank Davies		

**9. OCTA Staff Updates**

- A. Proposed Amendment to OCLTA Measure M2 Ordinance No. 3 Update – Kia Mortazavi said on June 22, 2020 the OCTA Board will be holding a hearing to allow for jurisdictions’ flexibility in their Maintenance of Efforts (MOEs) within Measure M2 due to COVID-19. This would require an amendment to OCLTA Measure M2 Ordinance No. 3. The City of Costa Mesa initially raised some concerns about the amendment, but OCTA has not heard anything further from the city. Most cities have sent in their certification reports, OCTA will use these to determine their new MOE requirements.
  
- B. Coronavirus Update – Andrew Oftelie said the OCTA Board of Directors approved the Fiscal Year 2020-21 Budget on June 8, 2020. He said it was very difficult to develop a budget during these uncertain times. Andrew said the most important assumption regarding the OCTA budget is the amount of sales tax revenue that will be collected. Staff had anticipated there would be a modest growth in the amount of sales tax collected prior to the pandemic. This would be an assumption of \$345 million being collected in sales tax revenue next fiscal year. Currenantly, staff, working with Muni Services, predicted a 33% drop in sales tax revenue collection in the last quarter of Fiscal Year 2019-20. Andrew said Muni Services had assumed a 4.3% reduction in sales tax revenue beyond the 33% reduction. He said that yielded a budget of \$290 million. Muni Services has updated that number and are now predicting a 6.6% reduction in sales tax revenue which yields

a budget of \$283 million for Measure M. Andrew said OCTA will continue all projects that are underway and will not be adding anything new during the next fiscal year. He said OCTA has \$1.1 billion in Measure M2 funds on hand/in the bank, \$350 million available in the TIFIA Loan and other grants, so OCTA feels comfortable enough to continue existing projects. Andrew said the three universities will be presenting their long-range forecasts to the OCTA Board over the next weeks. Staff is expecting the sales tax collection to be sharply lower in the long-term.

Douglas Gillen asked if there will be a revised look after the university forecasts are in. Andrew Oftelie said yes, once the revised forecasts are in OCTA will provide a new published number in the early Fall, because that is when OCTA believes they will have final numbers for the quarter ending in June. He said the State of California has allowed businesses to defer their remittances of sales tax to the state, which will delay when OCTA will receive it as well.

- C. Measure M2 Senior Mobility Program Temporary Guideline Requirement Suspension – Tamara Warren provided an overview of the program. She said the Senior Mobility Program guidelines require cities to use a competitive bidding process to obtain service providers. One of the transit service providers, Keolis, notified customers that they will no longer be providing services in Orange County starting May 31, 2020 due to unforeseen circumstances caused by COVID-19. Keolis is currently contracted by six cities (cities of Anaheim, Costa Mesa, La Habra, Placentia, Seal Beach and Yorba Linda). On May 22, 2020, the OCTA Board of Directors approved a temporary suspension to the program guidelines requirements related to competitive procurement to allow cities the flexibility to quickly secure a replacement provider. This suspension would be from June 1, 2020 through May 31, 2021. These cities are moving forward with temporary contracts in the interim and are required to have a competitively bid contract in place by June 1, 2021.

Chair Frank Davies said this will be Tamara Warren's last presentation to the TOC. After 36 years of dedicated service to OCTA Tamara will be retiring on July 6, 2020.

- D. I-405 Update – Christina Byrne said the I-405 Improvement Project is 33% complete. She said due to the stay-at-home order there was significantly lower traffic on the freeway; therefore, the project was able to advance its schedule. More work was accomplished during this time including drainage, soundwalls and bridge abutments. The outreach team conducted six virtual meetings to keep stakeholders informed about the project. OCTA had an average of 53 participants per meeting and between 100-300 views of the recorded meetings afterwards. In the coming months OCTA will be doing meetings on the Edwards and Goldenwest Bridges. In the later half of the year OCTA's focus will be on Westminster Avenue and Fairview Road bridges. There are currently 74 walls under construction.



E. Staff Liaison Update – Alice Rogan said it has been pleasure working with outgoing members Larry Tekler and Dr. Ronald Randolph. On behalf of the Orange County taxpayers, the Grand Jurors Association of Orange County and OCTA Staff we thank you for your time and commitment. Resolutions of appreciation will be mailed to Larry and Dr. Randolph since the committee cannot meet in person. This was Dr. Randolph's second term and staff appreciates him coming back to serve. Staff wishes Larry good luck in the upcoming lottery to fill the second district position. OCTA staff would also like to thank Tamara Warren for her public service and her dedication to Measure M is unmatched.

#### **10. Committee Member Reports**

Larry Tekler congratulated Tamara Warren on her retirement. He said he has always appreciated her work and all the time she has dedicated to helping him understand the issues.

Dr. Ronald Randolph said after serving two terms on the TOC he has been impressed with the sincerity, the dedication and after 30 years this has been the best managed program he has had the privilege to work on. Thank you to the staff and the participants.

#### **11. Adjournment**

Chair Frank Davies thanked staff for the presentations and coordinating the teleconference.

The next meeting will be held via teleconference on August 11, 2020 at 5pm.

# Taxpayer Oversight Committee

## Fiscal Year 2019-2020

### Attendance Record

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

Meeting Date	July	13-Aug.	Sept.	8-Oct.	Nov.	10-Dec.	Jan.	11-Feb.	March	14-Apr.	May 12 Special	9-Jun.
Douglas P. Gillen		X		X		M		X		M	X	X
						E				E		
Pauline Merry		X		X		E		X		E	X	X
						T				T		
Larry Tekler		X		X		I		X		I	X	X
						N				N		
Mark Kizzar		X		X		G		X		G	X	X
Ronald T. Randolph		X		E		C		X		C	X	X
						A				A		
Tuan Nguyen		X		X		N		X		N	X	X
						C				C		
Larry A. Lang		X		X		E		E		E	X	X
						L				L		
Michael Pascual		X		X		L		X		L	X	*
						E				E		
Jeffrey Kaplan		X		X		D		X		D	X	X
Douglas Anderson		X		E				X			X	X
Frank Davies								X			X	X

### Absences Pending Approval

<u>Meeting Date</u>	<u>Name</u>	<u>Reason</u>
June 9, 2020	Michael Pascual	Scheduling Oversight


*Presentation  
Items*





**August 3, 2020**

**To:** Executive Committee

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

**Subject:** Capital Programs Division - Fourth Quarter Fiscal Year 2019-20 and Planned Fiscal Year 2020-21 Capital Action Plan Performance Metrics

**Overview**

Staff has prepared a quarterly progress report on capital project delivery for the period of April 2020 through June 2020, for review by the Orange County Transportation Authority Board of Directors. This report highlights the Capital Action Plan for project delivery, which is used as a performance metric to assess delivery progress on highway, transit, and rail projects.

**Recommendation**

Receive and file as an information item.

**Background**

The Orange County Transportation Authority (OCTA) delivers highway, transit, rail, and facility projects from the beginning of the environmental approval phase through construction completion. Project delivery milestones are planned carefully with consideration of project scope, costs, schedule, and assessment of risks. The milestones reflected in the Capital Action Plan (CAP) are OCTA's planned and budgeted major project delivery commitments.

This report is a quarterly progress report on the CAP performance metrics, which are a snapshot of the planned CAP project delivery milestones in the budgeted fiscal year (FY).

***Discussion***

OCTA's objective is to deliver projects on schedule and within the approved project budget. Key project cost and schedule commitments are captured in the CAP, which is regularly updated with project status and any new projects (Attachment A). The CAP is categorized into four key project groupings of freeway projects, railroad grade separation projects, and rail and station projects. Schedule milestones are used as performance indicators of progress in project delivery. The CAP performance metrics report provides a FY snapshot of the milestones targeted for delivery in the budgeted FY and provide transparency and performance measurement of capital project delivery.

The CAP project costs represent the total cost across all phases of project delivery, including support costs, and right-of-way (ROW) and construction capital costs. Baseline costs, if established, are shown in comparison to either the actual or forecast cost. Baseline costs may be shown as to-be-determined (TBD) if project scoping studies and estimates have not been developed or approved and may be updated as delivery progresses, and milestones are achieved. Projects identified in the Orange County local transportation sales tax Measure M2 (M2) are identified with the corresponding M2 project letter. The CAP status update is also included in the M2 Quarterly Report.

The CAP summarizes the very complex capital project critical path delivery schedules into eight key milestones.

Begin Environmental	The date work on the environmental clearance, project report, or preliminary engineering phase begins.
Complete Environmental	The date environmental clearance and project approval is achieved.
Begin Design	The date final design work begins, or the date when a design-build contract begins.
Complete Design	The date final design work is 100 percent complete and approved.
Construction Ready	The date contract bid documents are ready for advertisement, including certification of ROW, all agreements executed, and contract constraints cleared.

Advertise for Construction	The date a construction contract is advertised for bids.
Award Contract	The date the construction contract is awarded.
Construction Complete	The date all construction work is completed, and the project is open to public use.

These delivery milestones reflect progression across the project delivery phases shown below.



Project schedules reflect planned baseline milestone dates in comparison to forecast or actual milestone dates. Milestone dates may be shown as TBD if project scoping or approval documents have not been finalized and approved, or if the delivery schedule has not been negotiated with a partnering agency or consultant implementing the specific phase of a project. Planned milestone dates can be revised to reflect new dates from approved baseline schedule changes. Project schedules are reviewed monthly, and milestone achievements and updated forecast dates are included to reflect project delivery status.

CAP milestones achieved in the fourth quarter FY 2019-20 include:

#### Freeway Projects

- The complete environmental milestone was achieved for the State Route 91 (SR-91) widening between State Route 57 (SR-57) and State Route 55 (SR-55). The project is being delivered in three separate design packages and construction contract segments.
- The begin design milestone on segment two of the SR-91 widening between SR-55 and La Palma Avenue was achieved early. This is the middle of three segments of SR-91 widening between SR-57 to SR-55. Segment one, from SR-55 to Lakeview Avenue, began design in March 2020, and segment three, from Acacia Street to La Palma Avenue, will begin design in November 2020.

- The complete design milestone was achieved on the SR-55 widening between Interstate 405 (I-405) and Interstate 5 (I-5).
- The construction ready and advertise construction milestones were achieved on the I-5 widening between Alicia Parkway and El Toro Road. This is the northernmost of three segments of I-5 widening between State Route 73 and El Toro Road.

#### Rail and Station Projects

- The begin environmental milestone for the Orange County Metrolink Maintenance Facility was achieved and preliminary design and environmental clearance work is proceeding. Environmental clearance is anticipated in July 2022.

The following CAP milestones missed the planned delivery through the fourth quarter of FY 2019-20:

The complete environmental milestone for the I-5 El Toro interchange project is delayed beyond the current FY. OCTA procured a consultant to facilitate a review of scoping of the project alternatives with the cities of Laguna Hills, Laguna Woods, and Lake Forest, as well as other stakeholders. A revised environmental completion schedule has not yet been established.

The planned complete design, construction ready, advertise construction, and award contract milestones for the Anaheim Canyon Metrolink Station expansion project were not achieved in FY 2019-20. Anticipated construction access conditions through adjacent private property on the east side of the station have changed due to private development activity. Alternative construction access options have been developed, and ROW agreements are being negotiated and finalized.

The planned construction ready, advertise construction, and award contract milestones for the Placentia Metrolink Station project were not achieved in FY 2019-20. Approval to construct the project remains dependent on negotiating and finalizing the Metrolink/BNSF Railway (BNSF) shared use agreement (SUA) for the ongoing Metrolink use of the BNSF rail corridor. Staff has moved the revised target for release of the invitation for construction bids to January 2021.



The award contract milestone for the I-5 widening between Alicia Parkway and El Toro Road was not achieved. However, construction bids were received on June 30, 2020, and the California Department of Transportation is reviewing the apparent low bid for conformance with all bid, subcontracting, and security bonding requirements. Construction work is expected to begin in September 2020.

#### Recap of FY 2019-20 Performance Metrics

The performance metrics snapshot provided at the beginning of FY 2019-20 reflects 19 planned major project delivery milestones to be accomplished within the year. The CAP and performance metrics have been updated to reflect both the milestones achieved and missed through the fourth quarter of FY 2019-20 (Attachment B). Eleven of the 19 milestones (57.9 percent) planned in FY 2019-20 were achieved. Six of the eight milestones missed are attributable to the Placentia Metrolink Station and Anaheim Canyon Metrolink Station project delays.

#### New FY 2020-21 Performance Metrics

The CAP and performance metrics have been updated with the latest project status and there are 15 major project delivery milestones planned in FY 2020-21 (Attachment C).

#### FY 2020-21 Cost and Performance Metrics Risks

The construction ready milestone for the SR-55 widening from I-405 to I-5 has been moved out to the fourth quarter of FY 2020-21 due to extremely complex right of way requirements for the project. Staff is working with Caltrans to assess all opportunities to reduce impacts to adjacent parcels and businesses. In addition, due to the coronavirus (COVID-19) pandemic, business shutdowns and social distancing measures have complicated and slowed communications with property and business owners. Also, when eminent domain proceedings are initiated, it is typical to gain early possession of needed ROW through the Court. We anticipate the Court schedules to be backlogged due to the COVID-19 pandemic, which may impact scheduled possession of ROW and delay the construction ready milestone.

The Placentia Metrolink Station construction ready milestone, now planned in the third quarter of FY 2020-21, requires BNSF approvals, which are subject to Metrolink and BNSF completing negotiations and finalizing the SUA for the ongoing Metrolink use of the BNSF rail corridor.

Recent highway project construction bids indicate a favorable market with a high number of bidders and very competitive bids being priced below the engineers estimated cost of bid items.

***Summary***

Capital project delivery continues to progress and is reflected in the CAP. The planned FY 2020-21 performance metrics created from forecast project schedules will be used as a general project delivery performance indicator throughout the FY. Staff will continue to manage project costs and schedules across all project phases to meet project delivery commitments and report quarterly.

***Attachments***

- A. Capital Action Plan, Status Through June 2020
- B. Capital Programs Division, Fiscal Year 2019-20 Performance Metrics Through June 2020
- C. Capital Programs Division, Fiscal Year 2020-21 Performance Metrics Plan

**Prepared by:**



James G. Beil, P.E.  
Executive Director, Capital Programs  
(714) 560-5646

**Capital Action Plan**  
 Status Through June 2020  
 Updated: July 20, 2020

Capital Projects	Cost		Schedule											
	Baseline/Forecast		Plan/Forecast											
	Baselne/Forecast (millions)		Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction				
<b>Freeway Projects:</b>														
I-5, Pico to San Diego County	TBD		TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
I-5, Pico to Vista Hermosa	\$113.0		Apr-21	Dec-23	Jun-11	Oct-13	Feb-14	Oct-14	Dec-14	Dec-14	Aug-18	Aug-18	Aug-18	Aug-18
Project C	\$83.4		Jun-09	Oct-11	Jun-11	Oct-13	May-14	Sep-14	Dec-14	Dec-14	Aug-18	Aug-18	Aug-18	Aug-18
I-5, Vista Hermosa to Pacific Coast Highway	\$75.6		Jun-09	Dec-11	Jun-11	Feb-13	Jun-13	Oct-13	Dec-13	Dec-13	Mar-17	Mar-17	Mar-17	Mar-17
Project C	\$75.4		Jun-09	Oct-11	Jun-11	May-13	Aug-13	Feb-14	Jun-14	Jun-14	Jul-17	Jul-17	Jul-17	Jul-17
I-5, Pacific Coast Highway to San Juan Creek Road	\$70.7		Jun-09	Dec-11	Jun-11	Jan-13	May-13	Aug-13	Oct-13	Oct-13	Sep-16	Sep-16	Sep-16	Sep-16
Project C	\$74.3		Jun-09	Oct-11	Jun-11	Jan-13	Apr-13	Aug-13	Dec-13	Dec-13	Jul-18	Jul-18	Jul-18	Jul-18
I-5, I-5/Ortega Interchange	\$90.9		Sep-05	Jun-09	Jan-09	Nov-11	Mar-12	Jun-12	Aug-12	Aug-12	Sep-15	Sep-15	Sep-15	Sep-15
Project D	\$79.8		Sep-05	Jun-09	Jan-09	Dec-11	Apr-12	Jun-12	Aug-12	Aug-12	Jan-16	Jan-16	Jan-16	Jan-16
I-5, I-5/Ortega Interchange (Landscape)	N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Project D	N/A		N/A	N/A	Jan-14	Oct-14	Feb-15	Aug-15	Sep-15	Sep-15	Sep-16	Sep-16	Sep-16	Sep-16
I-5, SR-73 to Oso Parkway	\$151.9		Sep-11	Jun-14	Mar-15	Jan-18	May-18	Aug-18	Dec-18	Dec-18	Apr-25	Apr-25	Apr-25	Apr-25
Project C & D	\$196.1		Oct-11	May-14	Mar-15	Aug-18	May-19	Aug-19	Dec-19	Dec-19	Apr-25	Apr-25	Apr-25	Apr-25
I-5, Oso Parkway to Alicia Parkway	\$196.2		Sep-11	Jun-14	Nov-14	Jun-17	Dec-17	Feb-18	Jun-18	Jun-18	Nov-23	Nov-23	Nov-23	Nov-23
Project C & D	\$203.1		Oct-11	May-14	Nov-14	Dec-17	Jun-18	Nov-18	Mar-19	Mar-19	Nov-23	Nov-23	Nov-23	Nov-23
I-5, Alicia Parkway to El Toro Road	\$133.6		Sep-11	Jun-14	Mar-15	Jun-18	Dec-18	Jan-19	May-19	May-19	Jun-23	Jun-23	Jun-23	Jun-23
Project C	\$165.9		Oct-11	May-14	Mar-15	May-19	Apr-20	May-20	Aug-20	Aug-20	Sep-24	Sep-24	Sep-24	Sep-24
I-5, SR-73 to El Toro Road (Landscape)	TBD		N/A	N/A	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Project C	\$12.4		N/A	N/A	Jul-22	Mar-24	Jul-24	Sep-24	Nov-24	Nov-24	Jun-26	Jun-26	Jun-26	Jun-26
I-5, I-5/El Toro Road Interchange	TBD		Apr-17	Nov-19	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Project D	TBD		Apr-17	Oct-21	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
I-5, I-405 to Yale Avenue	\$230.5		May-14	Aug-18	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Project B	\$230.5		May-14	Jan-20	Sep-21	Jun-24	Dec-24	Apr-25	Jul-25	Jul-25	Jan-29	Jan-29	Jan-29	Jan-29
I-5, Yale Avenue to SR-55	\$200.4		May-14	Aug-18	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Project B	\$200.4		May-14	Jan-20	Apr-21	Dec-23	Jun-24	Oct-24	Feb-25	Feb-25	Aug-28	Aug-28	Aug-28	Aug-28
I-5, SR-55 to SR-57	\$38.1		Jul-11	Jun-13	Jun-15	Mar-17	Jul-17	Sep-17	Dec-17	Dec-17	Apr-21	Apr-21	Apr-21	Apr-21
Project A	\$41.5		Jun-11	Apr-15	Jun-15	Jun-17	Dec-17	Mar-18	Nov-18	Nov-18	Apr-21	Apr-21	Apr-21	Apr-21
SR-55, I-405 to I-5	\$410.9		Feb-11	Nov-13	Sep-17	Apr-20	Dec-20	Apr-21	Jul-21	Jul-21	Aug-25	Aug-25	Aug-25	Aug-25
Project F	\$410.9		May-11	Aug-17	Sep-17	Apr-20	May-21	Sep-21	Dec-21	Dec-21	Jan-26	Jan-26	Jan-26	Jan-26



# Capital Action Plan

Status Through June 2020

Updated: July 20, 2020

Capital Projects	Cost		Schedule											
	Baseline/Forecast		Plan/Forecast											
	(millions)		Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction				
SR-55, I-5 to SR-91	TBD		Dec-16	Jan-20	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Project F	TBD		Dec-16	Mar-20	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
SR-57 Northbound (NB), Orangewood Avenue to Katella Avenue	TBD		Apr-16	Dec-18	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Project G	TBD		Apr-16	Mar-19	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
SR-57 (NB), Katella Avenue to Lincoln Avenue	\$78.7		Apr-08	Jul-09	Jul-08	Nov-10	Mar-11	May-11	Aug-11	Oct-11	Sep-14			
Project G	\$38.0		Apr-08	Nov-09	Aug-08	Dec-10	Apr-11	Jul-11	Oct-11	Apr-15				
SR-57 (NB), Katella Avenue to Lincoln Avenue (Landscape)	N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Project G	N/A		N/A	N/A	May-09	Jul-10	Jun-17	Jul-17	Sep-17	Jun-18				
SR-57 (NB), Orangethorpe Avenue to Yorba Linda Boulevard	\$80.2		Aug-05	Dec-07	Feb-08	Dec-09	Apr-10	Jun-10	Oct-10	May-14				
Project G	\$52.3		Aug-05	Dec-07	Feb-08	Jul-09	Dec-09	May-10	Oct-10	Nov-14				
SR-57 (NB), Yorba Linda Boulevard to Lambert Road	\$79.3		Aug-05	Dec-07	Feb-08	Dec-09	Apr-10	Jun-10	Oct-10	Sep-14				
Project G	\$54.1		Aug-05	Dec-07	Feb-08	Jul-09	Mar-10	May-10	Oct-10	May-14				
SR-57 (NB), Orangethorpe Avenue to Lambert Road (Landscape)	N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Project G	N/A		N/A	N/A	Oct-14	Aug-17	Dec-17	Jan-18	Feb-18	Apr-19				
SR-57 (NB), Lambert Road to Tonner Canyon	TBD		TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Project G	TBD		Jul-23	Mar-26	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
SR-91 Westbound (WB), I-5 to SR-57	\$78.1		Jul-07	Apr-10	Oct-09	Feb-12	Jul-12	Aug-12	Nov-12	Apr-16				
Project H	\$59.2		Jul-07	Jun-10	Mar-10	Apr-12	Aug-12	Aug-12	Jan-13	Jun-16				
SR-91 (WB), I-5 to SR-57 (Landscape)	N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Project H	N/A		N/A	N/A	Nov-14	Aug-16	Dec-16	Feb-17	Mar-17	Nov-17				
SR-91, SR-55 to Lakeview Avenue (Segment 1)	\$100.9		Jan-15	Oct-18	Mar-20	Jan-23	Aug-23	Oct-23	Feb-24	Sep-27				
Project I	\$100.9		Jan-15	Jun-20	Mar-20	Jan-23	Aug-23	Oct-23	Feb-24	Sep-27				
SR-91, La Palma Avenue to SR-55 (Segment 2)	\$208.4		Jan-15	Oct-18	Jun-20	TBD	TBD	TBD	TBD	TBD				
Project I	\$208.4		Jan-15	Jun-20	Jun-20	Apr-23	Nov-23	Dec-23	Apr-24	Dec-27				
SR-91, Acacia Street to La Palma Ave (Segment 3)	\$116.2		Jan-15	Oct-18	TBD	TBD	TBD	TBD	TBD	TBD				
Project I	\$116.2		Jan-15	Jun-20	Nov-20	Sep-23	Apr-24	Jun-24	Sep-24	May-28				
SR-91 (WB), Tustin Interchange to SR-55	\$49.9		Jul-08	Jul-11	Jul-11	Mar-13	Jul-13	Aug-13	Oct-13	Jul-16				
Project I	\$42.5		Jul-08	May-11	Jun-11	Feb-13	Apr-13	Jun-13	Oct-13	Jul-16				
SR-91, SR-55 to SR-241	\$128.4		Jul-07	Jul-09	Jun-09	Jan-11	Apr-11	Jun-11	Sep-11	Dec-12				
Project J	\$79.7		Jul-07	Apr-09	Apr-09	Aug-10	Dec-10	Feb-11	May-11	Mar-13				

**Capital Action Plan**  
 Status Through June 2020  
 Updated: July 20, 2020

Capital Projects	Cost		Schedule												
	Baseline/Forecast		Plan/Forecast												
	(millions)		Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction					
SR-91, SR-55 to SR-241 (Landscape) Project J	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SR-91 Eastbound, SR-241 to SR-71 Project J	\$104.5	\$57.8	Mar-05	Dec-07	Jul-07	Dec-08	Mar-09	May-09	Jul-09	Aug-09	Nov-10	Jan-11	Nov-10	Jan-11	Nov-10
91 Express Lanes to SR-241 Toll Connector	TBD	TBD	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
I-405, I-5 to SR-55 Project L	TBD	TBD	Dec-14	Jul-18	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
I-405, SR-55 to I-605 (Design-Build) Project K	\$1,900.0	\$1,900.0	Mar-09	Mar-13	Mar-14	Nov-15	Feb-16	Mar-16	Mar-16	Nov-16	May-23	May-23	Nov-16	Nov-16	May-23
I-405/SR-22 HOV Connector	\$195.9	\$120.8	N/A	N/A	Sep-07	Sep-09	Mar-10	May-10	Feb-10	Aug-10	Aug-14	Mar-15	Jun-10	Mar-15	Mar-15
I-405/I-605 HOV Connector	\$260.4	\$172.6	N/A	N/A	Sep-07	Sep-09	Mar-10	May-10	Feb-10	Oct-10	Jan-15	Mar-15	Oct-10	Mar-15	Mar-15
I-405/SR-22/I-605 HOV Connector (Landscape)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
I-605, I-605/Katella Interchange Project M	\$29.0	\$29.0	Aug-16	Nov-18	TBD	TBD	Feb-16	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
<b>Grade Separation Projects:</b>															
Sand Canyon Avenue Railroad Grade Separation Project R	\$55.6	\$61.9	N/A	Sep-03	Jan-04	Jul-10	Jul-10	Jul-10	Oct-10	Feb-11	May-14	Jan-16	Feb-11	Jan-16	May-14
Raymond Avenue Railroad Grade Separation Project O	\$77.2	\$125.5	Feb-09	Nov-09	Mar-10	Aug-12	Nov-12	Nov-12	Feb-13	May-13	Aug-18	May-18	May-13	Aug-18	May-18
State College Boulevard Railroad Grade Separation (Fullerton) Project O	\$73.6	\$100.2	Dec-08	Jan-11	Jul-06	Aug-12	Nov-12	Nov-12	Feb-13	May-13	May-18	Mar-18	May-13	May-18	Mar-18
Placentia Avenue Railroad Grade Separation Project O	\$78.2	\$64.5	Jan-01	May-01	Jan-09	Mar-10	May-10	May-10	Mar-11	Jun-11	Nov-14	Dec-14	Jun-11	Nov-14	Dec-14
Kraemer Boulevard Railroad Grade Separation Project O	\$70.4	\$63.8	Jan-01	Sep-09	Jan-09	Jul-10	Jul-10	Jul-10	Apr-11	Aug-11	Oct-14	Dec-14	Aug-11	Oct-14	Dec-14
Orangethorpe Avenue Railroad Grade Separation Project O	\$117.4	\$105.9	Jan-01	Sep-09	Feb-09	Dec-11	Dec-11	Dec-11	Feb-12	May-12	Sep-16	Oct-16	May-12	Sep-16	Oct-16



**Capital Action Plan**  
 Status Through June 2020  
 Updated: July 20, 2020

Capital Projects	Cost		Schedule									
	Baseline/Forecast		Plan/Forecast									
	(millions)		Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction		
Tustin Avenue/Rose Drive Railroad Grade Separation	\$103.0		Jan-01	Sep-09	Feb-09	Dec-11	Mar-12	May-12	Aug-12	May-16	Aug-12	May-16
Project O	\$96.6		Jan-01	Sep-09	Feb-09	Jul-11	Jun-12	Oct-12	Feb-13	May-13	Feb-13	Oct-16
Lakeview Avenue Railroad Grade Separation	\$70.2		Jan-01	Sep-09	Feb-09	Oct-11	Oct-12	Feb-13	May-13	Nov-13	Nov-13	Mar-17
Project O	\$110.7		Jan-01	Sep-09	Feb-09	Jan-13	Apr-13	Sep-13	Nov-13	Nov-13	Nov-13	Jun-17
17th Street Railroad Grade Separation	TBD		Oct-14	Jun-16	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Project R	TBD		Oct-14	Nov-17	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
<b>Rail and Station Projects:</b>												
Rail-Highway Grade Crossing Safety Enhancement	\$94.4		Jan-08	Oct-08	Jan-08	Sep-08	Sep-08	Sep-08	Aug-09	Aug-09	Aug-09	Dec-11
Project R	\$90.4		Jan-08	Oct-08	Jan-08	Sep-08	Sep-08	Sep-08	Aug-09	Aug-09	Aug-09	Dec-11
San Clemente Beach Trail Safety Enhancements	\$6.0		Sep-10	Jul-11	Feb-12	Apr-12	Apr-12	Jul-12	Oct-12	Oct-12	Oct-12	Jan-14
Project R	\$5.0		Sep-10	Jul-11	Feb-12	Jun-12	Jun-12	Oct-12	May-13	May-13	May-13	Mar-14
San Juan Capistrano Passing Siding	\$25.3		Aug-11	Jan-13	Mar-15	May-16	May-16	Aug-16	Dec-16	Dec-16	Dec-16	Feb-21
Project R	\$36.4		Aug-11	Mar-14	Mar-15	Aug-18	Aug-18	Aug-18	Mar-19	Mar-19	Mar-19	Feb-21
OC Streetcar	\$424.4		Aug-09	Mar-12	Feb-16	Sep-17	Oct-17	Dec-17	Aug-18	Aug-18	Aug-18	Feb-21
Project S	\$424.4		Aug-09	Mar-15	Feb-16	Nov-17	Dec-17	Dec-17	Sep-18	Sep-18	Sep-18	Apr-22
Placentia Metrolink Station and Parking Structure	\$34.8		Jan-03	May-07	Oct-08	Jan-11	TBD	TBD	TBD	TBD	TBD	TBD
Project R	\$40.1		Jan-03	May-07	Oct-08	Feb-11	Jan-21	Jan-21	May-21	May-21	May-21	Dec-22
Orange County Maintenance Facility	TBD		Apr-20	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Project R	TBD		Apr-20	Jul-22	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Anaheim Canyon Station	\$27.9		Jan-16	Dec-16	Mar-19	May-19	May-19	Jul-19	Nov-19	Nov-19	Nov-19	Mar-21
Project R	\$29.9		Jan-16	Jun-17	Mar-18	Aug-20	Aug-20	Sep-20	Dec-20	Dec-20	Dec-20	Jul-22
Orange Station Parking Expansion	\$33.2		Dec-09	Dec-12	Nov-10	Apr-13	Jul-16	Jul-16	Nov-16	Nov-16	Nov-16	Feb-19
Project R	\$30.9		Dec-09	May-16	Nov-10	Apr-16	Jul-16	Jul-16	Jun-17	Jun-17	Jun-17	Feb-19
Fullerton Transportation Center - Elevator Upgrades	\$3.5	N/A	N/A	N/A	Jan-12	Dec-13	Dec-13	Jun-14	Sep-14	Sep-14	Sep-14	Mar-17
Project R	\$4.2	N/A	N/A	N/A	Jan-12	Dec-13	Dec-13	Aug-14	Apr-15	Apr-15	Apr-15	May-19
Laguna Niguel/Mission Viejo Station ADA Ramps	\$3.5		Jul-13	Jan-14	Jul-13	Aug-14	Aug-14	Sep-14	Jan-15	Jan-15	Jan-15	Apr-17
Project R	\$5.0		Jul-13	Feb-14	Jul-13	Jul-15	Jul-15	Jul-15	Oct-15	Oct-15	Oct-15	Sep-17
Anaheim Regional Transportation Intermodal Center	\$227.4		Apr-09	Feb-11	Jun-09	Feb-12	Feb-12	May-12	Jul-12	Jul-12	Jul-12	Nov-14
Project R & T	\$232.2		Apr-09	Feb-12	Jun-09	May-12	May-12	May-12	Sep-12	Sep-12	Sep-12	Dec-14



# Capital Action Plan

Status Through June 2020

Updated: July 20, 2020

Capital Projects	Cost		Schedule							
	Baseline/Forecast (millions)		Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction

Note: Costs associated with landscape projects are included in respective freeway projects.

Grey = Milestone achieved

Green = Forecast milestone meets or exceeds plan

Yellow = Forecast milestone is one to three months later than plan

Red = Forecast milestone is over three months later than plan

**Begin Environmental:** The date work on the environmental clearance, project report, or preliminary engineering phase begins.

**Complete Environmental:** The date environmental clearance and project approval is achieved.

**Begin Design:** The date final design work begins, or the date when a design-build contract begins.

**Complete Design:** The date final design work is 100 percent complete and approved.

**Construction Ready:** The date contract bid documents are ready for advertisement, including certification of right-of-way, all agreements executed, contract constraints are cleared.

**Advertise for Construction:** The date a construction contract is both funded and advertised for bids.

**Award Contract:** The date the construction contract is awarded.

**Construction Complete:** The date all construction work is completed and the project is open to public use.

## Acronyms

- I-5 - Santa Ana Freeway (Interstate 5)
- SR-73 - San Joaquin Freeway (State Route 73)
- SR-55 - Costa Mesa Freeway (State Route 55)
- SR-57 - Orange Freeway (State Route 57)
- SR-91 - Riverside Freeway (State Route 91)
- SR-22 - Garden Grove Freeway (State Route 22)
- I-405 - San Diego Freeway (Interstate 405)
- SR-241 - Foothill/Eastern Transportation Corridor (State Route 241)
- I-605 - San Gabriel River Freeway (Interstate 605)
- ADA - Americans with Disabilities Act

## Capital Programs Division Fiscal Year 2019-20 Performance Metrics Through June 2020

### Begin Environmental

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
Orange County Maintenance Facility			X					✓	
Total Forecast/Actual	0	0	1	0	0	0	0	1	1

### Complete Environmental

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
I-5/EI Toro Road Interchange			X						(missed)
I-5, I-405 to SR-55					X	✓			
SR-55, I-5 to SR-91						✓	X		
SR-91, SR-57 to SR-55							X	✓	
Total Forecast/Actual	0	0	1	0	1	2	2	1	4

### Begin Design

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
SR-91, SR-55 to Lakeview Avenue					X	✓			
SR-91, La Palma Avenue to SR-55								✓	(early)
Total Forecast/Actual	0	0	0	0	1	1	0	1	1

### Complete Design

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
Anaheim Canyon Metrolink Station	X								(missed)
SR-55, I-405 to I-5							X	✓	
Total Forecast/Actual	1	0	0	0	0	0	1	1	2

### Construction Ready

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
Anaheim Canyon Metrolink Station			X						(missed)
I-5, Alicia Parkway to El Toro Road			X					✓	
Placentia Metrolink Station and Parking Structure					X				(missed)
Total Forecast/Actual	0	0	2	0	1	0	0	1	3

### Advertise Construction

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
I-5, SR-73 to Oso Parkway	X	✓							
Anaheim Canyon Metrolink Station			X						(missed)
I-5, Alicia Parkway to El Toro Road					X			✓	
Placentia Metrolink Station and Parking Structure					X				(missed)
Total Forecast/Actual	1	1	1	0	2	0	0	1	4



## Capital Programs Division Fiscal Year 2019-20 Performance Metrics Through June 2020

### Award Contract

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
I-5, SR-73 to Oso Parkway			X	✔					
Anaheim Canyon Metrolink Station							X		(missed)
I-5, Alicia Parkway to El Toro Road							X		(missed)
Placentia Metrolink Station and Parking Structure							X		(missed)
Total Forecast/Actual	0	0	1	1	0	0	3	0	4

### Complete Construction

Project Description	FY 20 Qtr 1		FY 20 Qtr 2		FY 20 Qtr 3		FY 20 Qtr 4		FY 20
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
No "Complete Construction" milestones scheduled for FY 2019-20									
Total Forecast/Actual	0	0	0	0	0	0	0	0	0

Totals	2	1	6	1	5	3	6	6	19
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**Begin Environmental:** The date work on the environmental clearance, project report, or preliminary engineering phase begins.

**Complete Environmental:** The date environmental clearance and project approval is achieved.

**Begin Design:** The date final design work begins or the date when a design-build contract begins.

**Complete Design:** The date final design work is 100 percent complete and approved.

**Construction Ready:** The date contract bid documents are ready for advertisement, right-of-way certified, all agreements executed, and contract constraints are cleared.

**Advertise for Construction:** The date a construction contract is both funded and advertised for bids.

**Award Contract:** The date the construction contract is awarded.

**Construction Complete:** The date all construction work is completed and the project is open to public use.

#### Acronyms

I-5 - Santa Ana Freeway (Interstate 5)

SR-73 - San Joaquin Freeway (State Route 73)

SR-55 - Costa Mesa Freeway (State Route 55)

SR-57 - Orange Freeway (State Route 57)

SR-91 - Riverside Freeway (State Route 91)

I-405 - San Diego Freeway (Interstate 405)

X = milestone forecast in quarter

✔ = milestone accomplished in quarter

## Capital Programs Division Fiscal Year 2020-21 Performance Metrics Plan

### Begin Environmental

Project Description	FY 21 Qtr 1		FY 21 Qtr 2		FY 21 Qtr 3		FY 21 Qtr 4		FY 21
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
I-5, Avenida Pico to San Diego County Line							X		
Total Forecast/Actual	0	0	0	0	0	0	1	0	1

### Complete Environmental

Project Description	FY 21 Qtr 1		FY 21 Qtr 2		FY 21 Qtr 3		FY 21 Qtr 4		FY 21
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
No "Complete Environmental" milestones scheduled for FY 2020-21									
Total Forecast/Actual	0	0	0	0	0	0	0	0	0

### Begin Design

Project Description	FY 21 Qtr 1		FY 21 Qtr 2		FY 21 Qtr 3		FY 21 Qtr 4		FY 21
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
SR-91, Acacia Street to La Palma Avenue			X						
I-605/Katella Avenue Interchange			X						
I-5, Yale Avenue to SR-55							X		
Total Forecast/Actual	0	0	2	0	0	0	1	0	3

### Complete Design

Project Description	FY 21 Qtr 1		FY 21 Qtr 2		FY 21 Qtr 3		FY 21 Qtr 4		FY 21
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
Anaheim Canyon Metrolink Station	X								
Total Forecast/Actual	1	0	0	0	0	0	0	0	1

### Construction Ready

Project Description	FY 21 Qtr 1		FY 21 Qtr 2		FY 21 Qtr 3		FY 21 Qtr 4		FY 21
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
Anaheim Canyon Metrolink Station	X								
Placentia Metrolink Station and Parking Structure					X				
SR-55, I-405 to I-5							X		
Total Forecast/Actual	1	0	0	0	1	0	1	0	3

### Advertise Construction

Project Description	FY 21 Qtr 1		FY 21 Qtr 2		FY 21 Qtr 3		FY 21 Qtr 4		FY 21
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
Anaheim Canyon Metrolink Station	X								
Placentia Metrolink Station and Parking Structure					X				
Total Forecast/Actual	1	0	0	0	1	0	0	0	2

### Award Contract

Project Description	FY 21 Qtr 1		FY 21 Qtr 2		FY 21 Qtr 3		FY 21 Qtr 4		FY 21
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
I-5, Alicia Parkway to El Toro Road	X								
Anaheim Canyon Metrolink Station			X						
Placentia Metrolink Station and Parking Structure							X		
Total Forecast/Actual	1	0	1	0	0	0	1	0	3

## Capital Programs Division Fiscal Year 2020-21 Performance Metrics Plan

### Complete Construction

Project Description	FY 21 Qtr 1		FY 21 Qtr 2		FY 21 Qtr 3		FY 21 Qtr 4		FY 21
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
San Juan Capistrano Passing Siding					X				
I-5, SR-55 to SR-57							X		
Total Forecast/Actual	0	0	0	0	1	0	1	0	2

<b>Totals</b>	4	0	3	0	3	0	5	0	15
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**Begin Environmental:** The date work on the environmental clearance, project report, or preliminary engineering phase begins.

**Complete Environmental:** The date environmental clearance and project approval is achieved.

**Begin Design:** The date final design work begins or the date when a design-build contract begins.

**Complete Design:** The date final design work is 100 percent complete and approved.

**Construction Ready:** The date contract bid documents are ready for advertisement, right-of-way certified, all agreements executed, and contract constraints are cleared.

**Advertise for Construction:** The date a construction contract is both funded and advertised for bids.

**Award Contract:** The date the construction contract is awarded.

**Construction Complete:** The date all construction work is completed and the project is open to public use.

#### Acronyms

I-5 - Santa Ana Freeway (Interstate 5)

SR-55 - Costa Mesa Freeway (State Route 55)

SR-57 - Orange Freeway (State Route 57)

SR-91 - Riverside Freeway (State Route 91)

I-605 - San Gabriel River Freeway ( Interstate 605)

I-405 - San Diego Freeway (Interstate 405)

X = milestone forecast in quarter





## COMMITTEE TRANSMITTAL

**August 10, 2020**

**To:** Members of the Board of Directors

**From:** Laurena Weinert,  Clerk of the Board

**Subject:** Comprehensive Transportation Funding Programs Semi-Annual Review - March 2020

### Regional Planning and Highways Committee Meeting of August 3, 2020

**Present:** Directors Bartlett, Chaffee, Delgleize, Muller, M. Murphy, R. Murphy, and Pulido

**Absent:** None

### **Committee Vote**

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Director Pulido was not present to vote on this item.


### **Committee Recommendations**

- A. Approve requested adjustments to the Comprehensive Transportation Funding Programs projects and Local Fair Share Program funds.
- B. Due to the unique circumstances created by the coronavirus, exempt certain Comprehensive Transportation Funding Programs and Measure M2 Eligibility Guidelines (documented in this staff report and attachments) in order to incorporate requested project adjustments.



**August 3, 2020**

**To:** Regional Planning and Highways Committee

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

**Subject:** Comprehensive Transportation Funding Programs Semi-Annual Review – March 2020

### **Overview**

The Orange County Transportation Authority recently completed the March 2020 semi-annual review of projects funded through the Comprehensive Transportation Funding Programs. This process reviews the status of Measure M2 grant-funded projects and provides an opportunity for local agencies to update project information and request project modifications. This semi-annual review cycle was unique since it was heavily influenced by project and personnel impacts of the coronavirus and the Governor's stay-at-home order. Project adjustments and proposed guidelines exemptions are presented for review and approval.

### **Recommendations**

- A. Approve requested adjustments to the Comprehensive Transportation Funding Programs projects and Local Fair Share Program funds.
- B. Due to the unique circumstances created by the coronavirus, exempt certain Comprehensive Transportation Funding Programs and Measure M2 Eligibility Guidelines (documented in this staff report and attachments) in order to incorporate requested project adjustments.

### **Background**

The Comprehensive Transportation Funding Programs (CTFP) is the mechanism which the Orange County Transportation Authority (OCTA) uses to administer funding for street, road, signal, transit, and water quality projects. The CTFP contains a variety of funding programs and sources, including Measure M2 (M2) revenues, State-Local Partnership Program funds,

and Local Partnership Program funds. The CTFP provides local agencies with a comprehensive set of guidelines for administration and delivery of various transportation funding grants.

Throughout the semi-annual review, OCTA meets with representatives from local agencies as necessary to review the status of projects and proposed project changes. This process is known as the semi-annual review. The goals of the semi-annual review are to review project status, determine the continued viability of projects, address local agency concerns, confirm availability of local match funds, and ensure timely closeout of all projects funded through the CTFP.

### ***Discussion***

The March 2020 semi-annual review process was originally scheduled to close on March 13, 2020. However, within a few days of its original closing, Governor Newsom issued Executive Order N-33-20 (stay-at-home order), which mandated that all California residents stay at home in order to combat the spread of the coronavirus (COVID-19). It quickly became apparent that the stay-at-home order was going to have significant impacts upon local agencies' abilities to conduct normal business, such as conducting city council meetings, awarding contracts, and scheduling procurements. As a result, OCTA reopened the semi-annual review process in order to accommodate new project adjustment requests. In total, after the March semi-annual review process was reopened, OCTA received an additional 51 project adjustment requests.

In total, 77 project adjustment requests including 18 delays, 11 timely use of funds extensions for CTFP projects, 15 timely use of funds extensions for the Local Fair Share Program, four scope changes, 24 project transfers, one cancellation, and four "other" requests are being recommended for Board of Directors (Board) approval. All recommended adjustment requests are itemized in Attachment A and described in Attachment B.

Local agencies identified several reasons for proposed project adjustment requests, which generally included the following.

- Delays were requested due to procurement, staffing, COVID-19-related impacts, utility, construction, and/or federal funding coordination issues.
- Extensions were requested because of delays in obtaining approvals and/or permits, right-of-way processes taking longer than expected, COVID-19-related impacts, design, staffing, project closeout, contractor scheduling, and coordination issues.
- Scope changes were requested due to either improvements on the original scope of work or to address design issues that emerged.

- Transfers of savings were requested by M2 Project V service providers (who ceased operations during COVID-19) in order to preserve unspent funds for use in subsequent fiscal years.
- A cancellation was requested due to the inability to resolve utility and contractor coordination issues.
- “Other” changes were required in order to document Project P administrative changes toward evaluation of multi-phased projects and a CTFP Guidelines exception, which was required during the CTFP Project O call for projects.

A summary of projects by phase and funding is included in the table below. Since inception of M2, OCTA has awarded approximately half a billion dollars in competitive funds, including approximately \$38 million in state and federal funds. Changes to this original allocation amount reflect the reduction in programming of approximately \$3.6 million, resulting in a cumulative total revised allocation of \$497.9 million as of March 31, 2020.

M2 CTFP Summary Table				
Project Status	September 2019 Semi-Annual Review		March 2020 Semi-Annual Review	
	Project Phases	Allocation	Project Phases	Allocations <sup>1</sup> (after adjustments)
Planned <sup>2</sup>	66	\$ 33.7	51	\$ 29.0
Started <sup>3</sup>	125	\$204.2	111	\$178.5
Pending <sup>4</sup>	86	\$ 54.1	96	\$ 82.4
Completed <sup>5</sup>	341	\$166.9	367	\$169.6
Cancelled <sup>6</sup>	50	\$ 37.9	50	\$ 38.4
<b>Total</b>	<b>668</b>	<b>\$496.8</b>	<b>675</b>	<b>\$497.9</b>

<sup>1</sup> Allocations in millions, subject to change pending final reconciliation.

<sup>2</sup> Planned - indicates that funds have not been obligated and/or are pending contract award.

<sup>3</sup> Started - indicates that the phase is underway, and funds are obligated.

<sup>4</sup> Pending - indicates that phase work is completed, and final report submittal/approval is pending.

<sup>5</sup> Completed - indicates that phase work is complete, final report is approved, and final payment has been made.

<sup>6</sup> Cancelled - indicates that the phase work will not be completed, and project savings will be returned to the program.

\* Note: the project phase and allocations listed above are subject to frequent and regular changes due primarily to project status updates, final reconciliations, and project closeout processes.

As shown above, local agencies have made considerable progress since the last semi-annual review cycle in delivering and closing out CTFP projects. Demonstrating that progress, 15 projects have advanced from “planned” to “started” phase, and 96 projects are “pending” (meaning work is complete and final submittals are pending and/or need to be finalized). Additionally, 26 projects were completed between September 2019 and March 2020.

Furthermore, additional progress not reflected in the table includes over \$1.2 million in program savings due to projects being completed under programmed amounts. In total, this brings cumulative program savings to an estimated \$48 million (including both completed and cancelled projects). All savings are returned to the source program after closeout and are made available to all agencies in subsequent competitive funding cycles.

Additionally, OCTA takes every step possible to maintain M2 requirements consistent with its various guiding policy documents and requirements. However, as discussed above, this semi-annual review cycle was highly unique due to COVID-19-related impacts. As such, some requirements identified in either the CTFP Guidelines or the M2 Eligibility Guidelines require exemption (for this cycle only) in order to approve the recommended project adjustment requests. In total, there are seven guidelines exemption requests, which are primarily related to when submittals, city council approvals, or when back up and/or supporting documentation were due. These instances are noted and/or described in the attachments A, B, and C.

From a CTFP administrative perspective, the proposed project adjustments identified in this report are appropriate and necessary. With respect to the recommended guidelines exemptions, while exceedingly rare, staff is recommending Board approval given the unique, challenging, and unforeseen environment that emerged during the COVID-19 pandemic.

This report and its recommendations were reviewed by the OCTA Technical Advisory Committee in June. Board approval of the proposed March 2020 semi-annual review adjustments and waivers is recommended. If these recommendations are approved by the Board, staff will monitor implementation of these changes through both the OCFundtracker database and future semi-annual review cycles, which are reported to the Board biannually.

### ***Summary***

OCTA has recently reviewed the status of 312 active project phases funded through the CTFP. Staff recommends approval of the recommendations, project adjustments, and waivers requested by local agencies for the March 2020 semi-annual review cycle.



***Attachments***

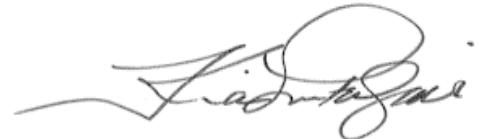
- A. Comprehensive Transportation Funding Programs, March 2020  
Semi-Annual Review Adjustment Requests
- B. Comprehensive Transportation Funding Programs, March 2020  
Semi-Annual Review Adjustment Request Descriptions
- C. Summary of Proposed Guidelines Exemptions

**Prepared by:**



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**Approved by:**



Kia Mortazavi  
Executive Director, Planning  
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**Comprehensive Transportation Funding Programs**  
**March 2020 Semi-Annual Review Adjustment Requests**

Delay Requests										
No	Agency	Project Number	Project	Project Title	Phase	Current FY	Current Allocation	Proposed Delay (Months)	Proposed FY	
1	Anaheim	19-ANAH-STIS-3928 <sup>1</sup>	W	Anaheim Safe Transit Stop Improvements	CON	19/20	\$ 480,000	24	21/22	
2	Costa Mesa	19-CMSA-STIS-3929 <sup>2</sup>	W	Costa Mesa Safe Transit Stop Improvements	CON	19/20	\$ 74,500	24	21/22	
3	Fullerton	19-FULL-TSP-3936 <sup>1,3</sup>	P	Harbor Boulevard Corridor	IMP	19/20	\$ 2,105,395	24	21/22	
4	Fullerton	19-FULL-TSP-3936 <sup>1,3</sup>	P	Harbor Boulevard Corridor	O&M	20/21	\$ 69,600	24	22/23	
5	Irvine	17-IRVN-ICE-3863 <sup>5</sup>	O	University/Ridgeline Intersection Improvement	CON	19/20	\$ 1,724,024	24	21/22	
6	Laguna Hills	19-LHLL-STIS-3931 <sup>1</sup>	W	Laguna Hills Safe Transit Stop Improvements	CON	19/20	\$ 35,000	12	20/21	
7	Laguna Niguel <sup>7</sup>	19-LNIG-CBT-3954 <sup>1,3</sup>	V	Laguna Niguel Summer Trolley - Southern Section	CAP	19/20	\$ 218,160	24	21/22	
8	Laguna Niguel <sup>7</sup>	19-LNIG-CBT-3954 <sup>1,3</sup>	V	Laguna Niguel Summer Trolley - Southern Section	O&M	19/20	\$ 667,922	24	21/22	
9	Mission Viejo	18-MVJO-ACE-3904 <sup>3,6</sup>	O	La Paz Bridge and Road Widening from Muirlands to Chrisanta	CON	19/20	\$ 3,300,843	12	20/21	
10	Newport Beach <sup>8</sup>	19-NBCH-ECP-3950 <sup>3</sup>	X	Newport Bay Trash Mitigation Project Phase 2	CON	19/20	\$ 55,099	12	20/21	
11	OCTA	19-OCTA-STIS-3953 <sup>3,5</sup>	W	OCTA Safe Transit Stop Improvements (Laguna Hills Transit Center and Newport Beach Transit Center)	CON	19/20	\$ 15,000	12	20/21	
12	OCTA	16-OCTA-TSP-3794 <sup>5</sup>	P	Brookhurst Street Traffic Signal Synchronization (Commonwealth Avenue to Pacific Coast Highway)	O&M	19/20	\$ 111,360	12	20/21	
13	OCTA	16-OCTA-TSP-3795 <sup>5</sup>	P	Magnolia Avenue Traffic Signal Synchronization (Commonwealth Avenue to Banning Avenue)	O&M	19/20	\$ 96,000	12	20/21	
14	OCTA	18-OCTA-TSP-3894 <sup>1</sup>	P	Katella Avenue / Villa Park Road / Santiago Canyon Road RTSSP	O&M	19/20	\$ 53,280	24	21/22	
15	OCTA	18-OCTA-TSP-3897 <sup>1</sup>	P	Garden Grove Boulevard TSSP (Valley View Street to Bristol Street)	O&M	19/20	\$ 36,720	24	21/22	
16	OCTA	18-OCTA-TSP-3901 <sup>1</sup>	P	Main Street RTSSP	O&M	19/20	\$ 50,688	24	21/22	
17	OCTA	18-OCTA-TSP-3905 <sup>1</sup>	P	Los Alisos Boulevard Route Project	O&M	19/20	\$ 31,140	24	21/22	
18	Orange	19-ORNG-STIS-3933 <sup>3,5</sup>	W	Orange Safe Transit Stop Improvements	CON	19/20	\$ 98,300	12	20/21	
<b>Delays - Total Phase Allocations (18)</b>							<b>\$ 9,223,031</b>			

**Reasons for Project Adjustments**

1. Procurement related
2. Staffing issue
3. Coronavirus (COVID-19) related
4. Utility coordination
5. Construction coordination
6. Federal funding coordination

**Exemption requests**

7. CTFP Guidelines - city council concurrence to be submitted with semi-annual review requests and prior to Board approval.
8. CTFP Guidelines - Project X Tier I projects are not eligible for delay requests.

**Acronyms**

- Board - Board of Directors
- CAP - Capital
- CON - Construction
- CTFP - Comprehensive Transportation Funding Programs
- FY - Fiscal Year
- IMP - Implementation
- O&M - Operations and Maintenance
- OCTA - Orange County Transportation Authority
- RTSSP - Regional Traffic Signal Synchronization Program
- TSSP - Traffic Signal Synchronization Program

**Comprehensive Transportation Funding Programs**  
 March 2020 Semi-Annual Review Adjustment Requests

Timely Use of Funds Extension Requests - CTFP Programs*									
No	Agency	Project Number	Project	Project Title	Phase	Current FY	Current Allocation	Proposed Time Extension (Months)	Proposed Expenditure Deadline
1	Anaheim	17-ANAH-ACE-3860 <sup>1,2</sup>	O	Lincoln Avenue Widening (East Street to Evergreen Street)	ROW	17/18	\$ 1,147,669	24	9/27/2022
2	Brea	16-BREA-FST-3802 <sup>2</sup>	O	SR-57 & Lambert Road Interchange Improvements	ROW	17/18	\$ 3,109,857	24	6/6/2022
3	County of Orange	17-ORCO-ACE-3868 <sup>3,7</sup>	O	Cow Camp Road Segment 2A & 2B Construction	CON	17/18	\$ 4,522,774	12	6/15/2022
4	Irvine	17-IRVN-TSP-3875 <sup>4</sup>	P	Irvine Boulevard Signal Synchronization Project	O&M	18/19	\$ 80,640	24	5/22/2024
5	Irvine	18-IRVN-TSP-3902 <sup>5</sup>	P	Culver Drive / Bonita Canyon Drive / Ford Road RTSSP	IMP	18/19	\$ 1,064,848	24	4/24/2024
6	Irvine	18-IRVN-TSP-3902 <sup>5</sup>	P	Culver Drive / Bonita Canyon Drive / Ford Road RTSSP	O&M	19/20	\$ 74,880	24	6/2/2025
7	Laguna Woods	14-LWDS-TSP-3707 <sup>3,6</sup>	P	El Toro Road Regional Traffic Signal Synchronization	O&M	15/16	\$ 28,800	24	6/17/2022
8	Laguna Woods	14-LWDS-TSP-3708 <sup>3,6</sup>	P	Moulton Parkway Regional Traffic Signal Synchronization	O&M	15/16	\$ 71,040	24	6/17/2022
9	Santa Ana	16-SNTA-ACE-3814 <sup>2</sup>	O	Warner Avenue Improvements and Widening (Main Street to Oak Street)	ROW	16/17	\$ 1,697,153	24	8/16/2022
10	Santa Ana	17-SNTA-ACE-3869 <sup>2</sup>	O	Warner Avenue Improvements - Oak Street to Grand Avenue	ENG	17/18	\$ 811,125	24	8/14/2022
11	Santa Ana	17-SNTA-ACE-3870 <sup>2</sup>	O	Warner Avenue Improvements from Main Street to Orange Avenue	ROW	17/18	\$ 8,586,900	24	8/16/2022
<b>CTFP Timely Use of Funds Extensions (11) - Total Phase Allocations</b>							<b>\$ 21,195,686</b>		

**Reasons for Project Adjustments**

1. Delays in obtaining necessary plan approvals and/or permits
2. ROW issues and/or delays
3. COVID-19 related
4. Design issues
5. Staffing issue
6. Project closeout
7. Contractor scheduling and utility coordination

**Acronyms**

- ROW - Right-of-Way
- SR-57 - State Route 57
- ENG - Engineering

\*Once obligated, CTFP funds expire 36 months from the contract award date. Local agencies may request a one-time extension of up to 24 months.

**Comprehensive Transportation Funding Programs**  
 March 2020 Semi-Annual Review Adjustment Requests

Timely Use of Funds Extension Requests - LFS*							
No	Agency	FY	Disbursement Date	Disbursement	Proposed Extension Amount	Proposed Interest Extension Amount	Extension Deadline
1	Brea	17/18	11/7/2017	\$ 155,700	\$ 155,700	\$ -	11/7/2022
2	Costa Mesa	17/18	11/7/2017	\$ 405,346	\$ 405,346	\$ -	11/7/2022
3-11	Villa Park <sup>1,2</sup>	15/16	6/30/2016	\$ 15,339	\$ 15,339	\$ -	6/30/2021
		16/17	9/13/2016	\$ 13,599	\$ 13,599	\$ -	9/13/2021
			11/15/2016	\$ 13,711	\$ 13,711	\$ -	11/15/2021
			1/10/2017	\$ 16,538	\$ 16,538	\$ -	1/10/2022
			3/14/2017	\$ 14,465	\$ 14,465	\$ -	3/14/2022
			5/23/2017	\$ 12,731	\$ 12,731	\$ -	5/23/2022
			6/30/2017	\$ 15,345	\$ 15,345	\$ -	6/30/2022
		17/18	9/12/2017	\$ 13,650	\$ 13,650	\$ -	9/12/2022
			11/7/2017	\$ 14,509	\$ 14,509	\$ -	11/7/2022
12-15	Yorba Linda	16/17	5/23/2017	\$ 146,012	\$ 146,012	\$ -	5/23/2022
			6/30/2017	\$ 175,993	\$ 175,993	\$ -	6/30/2022
		17/18	9/12/2017	\$ 157,305	\$ 157,305	\$ -	9/12/2022
			11/7/2017	\$ 167,004	\$ 167,004	\$ -	11/7/2022
<b>LFS Timely Use of Funds Extensions (15) - Total</b>					<b>\$ 1,337,247</b>		

\*The Expenditure Guidelines specify that net revenues received by local jurisdictions through the LFS Program shall be expended or encumbered within three years. An extension may be granted but is limited to a total of five years from the date of receipt of funds. OCTA uses the check date as the date of receipt of funds. Requests for extension must be submitted as part of the semi-annual review process prior to the end of the third year from the date of receipt of funds. Requests for extension must include a plan of expenditure.

**Exemption requests**

1. M2 Eligibility Guidelines - funds extensions must be submitted as part of the semi-annual review process prior to the end of the third year from the date of receipt of funds.
2. CTFP and M2 Eligibility Guidelines - a plan of expenditure be submitted with semi-annual review timely use of funds extension requests.

**Acronyms**

LFS - Local Fair Share  
 M2 - Measure M2

**Comprehensive Transportation Funding Programs**  
 March 2020 Semi-Annual Review Adjustment Requests

Scope Change Requests								
No	Agency	Project Number	Project	Project Title	Phase	Current FY	Current Allocation	Proposed Allocation
1	Fullerton	15-FULL-TSP-3769 <sup>1</sup>	P	Malvern Avenue/Chapman Avenue Corridor RTSSP	O&M	18/19	\$ 127,200	\$ 127,200
2	Irvine	16-IRVN-TSP-3791 <sup>2</sup>	P	Irvine Center Drive/Edinger Avenue Signal Synchronization	IMP	16/17	\$ 1,714,560	\$ 1,714,560
3	Irvine	16-IRVN-TSP-3792 <sup>2</sup>	P	Von Karman Avenue/Tustin Ranch Road Signal Synchronization	IMP	16/17	\$ 1,353,580	\$ 1,353,580
4	La Habra	15-LHAB-TSP-3773 <sup>2</sup>	P	Imperial Highway/State Route-90 Corridor	IMP	15/16	\$ 1,745,240	\$ 1,745,240
<b>Scope Changes (4) - Total Phase Allocations</b>							<b>\$ 4,940,580</b>	<b>\$ 4,940,580</b>

**Reasons for Project Adjustments**

1. Technology upgrades/ enhanced project benefits
2. Design Issue

**Comprehensive Transportation Funding Programs**  
 March 2020 Semi-Annual Review Adjustment Requests

Transfer Requests									
No	Agency	Project Number	Project	Project Title	Phase	Current FY	Current Allocation	Transfer Amount	Proposed Allocation
1	County of Orange	16-ORCO-CBT-3822 <sup>1</sup>	V	Orange County RanchRide	O&M	19/20M	\$ 1,929,137	TBD	TBD
2	Dana Point	14-DPNT-CBT-3742 <sup>1</sup>	V	Summer Weekend Trolley/Harbor Shuttle	O&M	19/20M	\$ 420,576	TBD	TBD
3	Dana Point	16-DPNT-CBT-3823 <sup>1</sup>	V	Dana Point PCH Trolley	O&M	19/20M	\$ 388,272	TBD	TBD
4,5	Dana Point	18-DNPT-CBT-3911 <sup>1</sup>	V	Dana Point Trolley Continuity and Expansion and Weekend Service	CAP	19/20M	\$ 110,250	TBD	TBD
					O&M	19/20M	\$ 1,082,566	TBD	TBD
6	La Habra	16-OCTA-CBT-3835 <sup>1</sup>	V	La Habra Special Event Shuttle Services	O&M	19/20M	\$ 89,757	TBD	TBD
7,8	Laguna Beach	18-OCTA-CBT-3912 <sup>1</sup>	V	Summer Breeze Bus Service	CAP	19/20M	\$ 4,680	TBD	TBD
					O&M	19/20M	\$ 536,725	TBD	TBD
9,10	Laguna Niguel	19-LNIG-CBT-3954 <sup>1</sup>	V	Laguna Niguel Summer Trolley - Southern Section	CAP	19/20M	\$ 218,160	TBD	TBD
					O&M	19/20M	\$ 667,922	TBD	TBD
11	Lake Forest*	16-LFOR-CBT-3829 <sup>1</sup>	V	Shuttle Service between train station and Panasonic	O&M	19/20M	\$ 778,035	TBD	TBD
12,13	Mission Viejo	16-OCTA-CBT-3836 <sup>1</sup>	V	Mission Viejo Local Transit Circulator	CAP	19/20M	\$ 475,300	TBD	TBD
					O&M	19/20M	\$ 2,445,982	TBD	TBD
14,15	Newport Beach	16-NBCH-CBT-3832 <sup>1</sup>	V	Balboa Peninsula Trolley	CAP	19/20M	\$ 262,768	TBD	TBD
					O&M	19/20M	\$ 348,705	TBD	TBD
16,17	Newport Beach	18-NBCH-CBT-3913 <sup>1</sup>	V	The Balboa Peninsula Shuttle Expansion Program	CAP	19/20M	\$ 110,400	TBD	TBD
					O&M	19/20M	\$ 168,000	TBD	TBD
18	Irvine	16-OCTA-CBT-3833 <sup>1</sup>	V	Irvine iShuttle Route West - Tustin Station - Irvine Business Complex	O&M	19/20M	\$ 2,168,913	TBD	TBD
19	Irvine	16-OCTA-CBT-3834 <sup>1</sup>	V	Irvine iShuttle Route East - Irvine Station - East	O&M	19/20M	\$ 2,162,639	TBD	TBD
20	San Clemente	16-SCLM-CBT-3840 <sup>1</sup>	V	San Clemente Summer Trolley	O&M	19/20M	\$ 510,598	TBD	TBD
21	San Clemente	16-SCLM-CBT-3841 <sup>1</sup>	V	San Clemente Rideshare Services	O&M	19/20M	\$ 845,283	TBD	TBD
22	San Clemente	18-SCLM-CBT-3914 <sup>1</sup>	V	San Clemente Trolley Expansion	O&M	19/20M	\$ 1,104,215	TBD	TBD
23, 24	San Juan Capistrano	18-SJCP-CBT-3915 <sup>1</sup>	V	Special Event and Weekend Summer Trolley Service	CAP	19/20M	\$ 304,164	TBD	TBD
					O&M	19/20M	\$ 654,478	TBD	TBD
<b>Transfer Requests (24) - Total Project Allocations</b>							<b>\$ 17,787,525</b>	<b>\$ -</b>	<b>\$ -</b>

**Reasons for Project Adjustment**

1. COVID-19 related: project savings in earlier phases/years can support work in later awarded phases/years.

**Acronyms**

PCH - Pacific Coast Highway

\* Note: This project is currently pending cancellation in August 2020.

**Comprehensive Transportation Funding Programs**  
 March 2020 Semi-Annual Review Adjustment Requests

Cancellation Requests								
No	Agency	Project Number	Project	Project Title	Phase	Current FY	Current Allocation	Proposed Allocation
1	Cypress	14-CYPR-ECP-3731 <sup>1,2</sup>	X	Priority Sediment/ Pollution Removal	CON	14/15	\$ 211,840	\$ -
<b>Cancellations (1) - Total Phase Allocations</b>							<b>\$ 211,840</b>	<b>\$ -</b>

**Reasons for Project Adjustments**

1. Utility coordination issues
2. Contractor coo 2. Contractor coordination issues

**Comprehensive Transportation Funding Programs**  
 March 2020 Semi-Annual Review Adjustment Requests

Other: CTFP Requests										
No	Agency	Project Number	Project	Project Title	Phase	Initial Contract Award Date <sup>1</sup>	Notice to Proceed Date <sup>2</sup>	Expenditure Deadline (Based off NTP)	Board Approved Time Extension (Months)	Updated Expenditure Deadline
1	Buena Park	14-BPRK-TSP-3703	P	Artesia Boulevard Corridor Signal Synchronization (Valley View Avenue to Dale Street)	O&M	6/23/2015	9/26/2018	9/26/2021	24 <sup>3</sup>	9/26/2023
2	Santa Ana	14-SNTA-TSP-3710	P	Harbor Boulevard Corridor Traffic Signal Synchronization	O&M	4/21/2015	4/30/2018	4/30/2021	24 <sup>4</sup>	4/30/2023
3	Santa Ana <sup>5</sup>	20-SNTA-ACE-3968	O	Bristol Street Improvements Phase 3A - Civic Center Drive to Washington Avenue	CON	N/A	N/A	N/A	N/A	N/A
4	Santa Ana <sup>5</sup>	20-SNTA-ACE-3969	O	Bristol Street Improvements Phase 4 - Warner Avenue to St. Andrew Place	CON	N/A	N/A	N/A	N/A	N/A

<sup>1</sup> Initial contract constitutes the combined contract for both PI and O&M phases.

<sup>2</sup> Per the CTFP Guidelines, local agencies should issue a separate NTP while combining contracts for both the PI and O&M phases. NTP date will be considered the date of encumbrance for the O&M phase.

<sup>3</sup> Approved by the Board on December 12, 2016 during September 2016 semi-annual review.

<sup>4</sup> Approved by the Board on June 12, 2017 during March 2017 semi-annual review.

**Exemption request**

<sup>5</sup> Due to the COVID-19 pandemic and the timing of when OCTA reinstated the City of Santa Ana's (City) eligibility to receive M2 funds, the City was unable to comply with the CTFP Guidelines requirement specifying that final city council resolutions be submitted at least four weeks prior to the consideration of programming recommendations by the OCTA Board.

**Acronyms**

NTP - Notice to Proceed

PI - Primary Implementation



**Comprehensive Transportation Funding Programs  
March 2020 Semi-Annual Review Adjustment Request Descriptions**

**Delays**

Local agencies may request up to an additional 24-months to obligate funds. During the March 2020 semi-annual review cycle, the following delay requests were submitted:

The City of Anaheim (Anaheim) is requesting a 24-month delay for the construction (CON) phase of the Anaheim Safe Transit Stop Improvements Project (19-ANAH-STS-3928). Anaheim is engaged in a bus shelter maintenance and operations contract, which is set to expire in December 2020. Upon expiration, a request for proposals for a new contract will be released, which will include new shelter types and designs. The additional time will allow Anaheim to procure bus shelters under the new contract and ensure consistency in shelter design throughout the city.

The City of Costa Mesa is (Costa Mesa) requesting a 24-month delay for the CON phase of the Costa Mesa Safe Transit Stop Improvements Project (19-CMSA-STS-3929) due to limited staff availability.

The City of Fullerton is requesting a 24-month delay for both the primary implementation (IMP) and the operation and maintenance (O&M) phases of the Harbor Boulevard Corridor Project (19-FULL-TSP-3936) to allow additional time to finalize the award of an engineering consultant contract. This request is due to unforeseen delays and impacts caused by Executive Order N-33-20 issued in response to the coronavirus (COVID-19).

The City of Irvine (Irvine) is requesting a 24-month delay for the CON phase of the University/Ridgeline Intersection Improvement Project (17-IRVN-ICE-3863). The additional time will bring the timing of the construction in line with the construction of another street improvement project: University Drive Widening from Ridgeline Drive to Interstate 405. Aligning the construction schedules of the two projects on University Drive will minimize construction impacts on commuters and residents.

The City of Laguna Hills (Laguna Hills) is requesting a 12-month delay for the CON phase of the Laguna Hills Safe Transit Stop Improvements Project (19-LHLL-STS-3931). The project is currently under design and the additional time will allow Laguna Hills to finalize the award of a construction contract.

The City of Laguna Niguel (Laguna Niguel) is requesting a 24-month delay for the Capital (CAP) and (O&M) phases of the Laguna Niguel Summer Trolley – Southern Section (19-LNIG-CBT-3954) to allow additional time to finalize selection and execution of a contractor agreement. This request is due to unforeseen delays and impacts caused by Executive Order N-33-20 issued in response to COVID-19. Note: as part of this adjustment, Board of Directors' (Board) approval of a waiver to the Comprehensive

## **Comprehensive Transportation Funding Programs March 2020 Semi-Annual Review Adjustment Request Descriptions**

Transportation Funding Programs (CTFP) requirement that city council concurrence be submitted with semi-annual review delay requests and prior to Board approval is requested.

The City of Mission Viejo (Mission Viejo) is requesting a 12-month delay for the CON phase of the La Paz Bridge and Road widening from Muirlands to Chrisanta Project (18-MVJO-ACE-3904). This project includes federal grant funding and Mission Viejo is requesting a delay due to unforeseen delays in the federal authorization process, as well as the unforeseen delays and impacts caused by Executive Order N-33-20 issued in response to COVID-19. The additional time will bring the timing for the Measure M2 (M2) grant funding in line with the federal grant funding.

The City of Newport Beach (Newport Beach) is requesting a 12-month delay for the CON phase of the Newport Bay Trash Mitigation Project Phase 2 Project (19-NBCH-ECP-3950) due to unforeseen delays and impacts caused by Executive Order N-33-20 issued in response to COVID-19. Note: as part of this adjustment, Board approval of a waiver to the CTFP requirement that Project X Tier I projects not be granted delays is requested.

The Orange County Transportation Authority (OCTA) is requesting a 12-month delay for the CON phase of the OCTA Safe Transit Stop Improvements at Laguna Hills Transit Center and Newport Beach Transit Center (19-OCTA-STS-3953) due to unforeseen delays in construction, as well as unforeseen delays and impacts caused by Executive Order N-33-20 issued in response to COVID-19.

OCTA, as administrative lead is requesting two 12-month delays for the O&M phase for the following projects. The request is due to unforeseen delays in construction.

- Brookhurst Street Traffic Signal Synchronization from Commonwealth Avenue to Pacific Coast Highway Project (16-OCTA-TSP-3794)
- Magnolia Avenue Traffic Signal Synchronization from Commonwealth Avenue to Banning Avenue Project (16-OCTA-TSP-3795)

OCTA, as administrative lead, is requesting 24-month delays for the O&M phase for the following projects. The request is due to protracted procurement efforts necessary to execute the contract and start the implementation phase (IMP).

- Katella Avenue/Villa Park Road/Santiago Canyon Road Regional Traffic Signal Synchronization Project (RTSSP [18-OCTA-TSP-3894])
- Garden Grove Boulevard Traffic Signal Synchronization Project (TSSP) from Valley View Street to Bristol Street (18-OCTA-TSP-3897)

**Comprehensive Transportation Funding Programs  
March 2020 Semi-Annual Review Adjustment Request Descriptions**

- Main Street RTSSP (18-OCTA-TSP-3901)
- Los Alisos Boulevard Project (18-OCTA-TSP-3905)

The City of Orange is requesting a 12-month delay for the CON phase of the Orange Safe Transit Stop Improvements Project (19-ORNG-STS-3933) to allow additional time for cost benefit analysis with regard to shelter installation/construction coordination, as well as unforeseen delays and impacts caused by Executive Order N-33-20 issued in response to COVID-19.

**CTFP Timely Use of Funds Extensions**

Once obligated, CTFP funds expire 36 months from the contract award date. Local agencies may request an extension(s) of up to 24 months. During this semi-annual review cycle, the following CTFP timely use of funds extension requests were submitted:

Anaheim is requesting a 24-month timely use of funds extension for the right-of-way (ROW) phase of the Lincoln Avenue Widening Project (17-ANAH-ACE-3860) from September 2020 to September 2022. Additional time is required due to delays in obtaining necessary permits and ROW acquisitions.

The City of Brea (Brea) is requesting a 24-month timely use of funds extension for the ROW phase of the State Route 57 and Lambert Road Interchange Improvements Project (16-BREA-FST-3802) from June 2020 to June 2022. Additional time is required to finalize ROW processes, which include sign relocation work, site restoration, and relinquishment of a ROW portion that will be under California Department of Transportation's (Caltrans) purview.

The County of Orange is requesting a 12-month timely use of funds extension for the CON phase of the Cow Camp Road Segment 2A and 2B Construction Project (17-ORCO-ACE-3868) from June 2021 to June 2022. Additional time is required due to unforeseen delays and impacts caused by Executive Order N-33-20 issued in response to COVID-19, including contractor scheduling and utility relocation coordination challenges.

Irvine is requesting a 24-month timely use of funds extension for the O&M phase of the Irvine Boulevard Signal Synchronization Project (17-IRVN-TSP-3875) from May 2022 to May 2024. The request is due to reassessment and redesign of the initial signal synchronization plans during the IMP that contributed to the protracted length of time for construction.

**Comprehensive Transportation Funding Programs  
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Irvine is requesting a 24-month timely use of funds extension for both the IMP and O&M phases of the Culver Drive/Bonita Canyon Drive/Ford Road RTSSP (18-IRVN-TSP-3902) from April 2023 to April 2025. The request is due to staffing changes that contributed to the protracted length of time for the entire project.

The City of Laguna Woods is requesting a 24-month timely use of funds extension from June 2020 to June 2022 for the following two projects listed below to allow additional time for project closeout due to unforeseen closing delays and impacts caused by Executive Order N-33-20 issued in response to COVID-19.

- The O&M phase of the El Toro Road RTSSP (14-LWDS-TSP-3707)
- The O&M phase of the Moulton Parkway RTSSP (14-LWDS-TSP-3708)

The City of Santa Ana (Santa Ana) is requesting a 24-month timely use of funds extension from August 2020 to August 2022 for the following three projects. Additional time will allow for negotiation with remaining property and business owners to provide relocation assistance and to carry out the design improvements until acquisition is completed.

- The ROW phase of the Warner Avenue Improvements and Widening from Main Street to Oak Street Project (16-SNTA-ACE-3814)
- The engineering (ENG) phase of the Warner Avenue Improvements from Oak Street to Grand Avenue Project (17-SNTA-ACE-3869)
- The ROW phase of the Warner Avenue Improvements from Main Street to Orange Avenue Project (17-SNTA-ACE-3870)

**Local Fair Share (LFS) Timely Use of Funds Extensions**

Once issued, LFS funds expire 36 months from the check issuance date. Local agencies may request an extension(s) of up to 24-months. During this semi-annual review cycle, the following timely use of funds LFS extension requests were submitted:

Brea is requesting a 24-month timely use of funds extension of \$155,700 from November 2020 to November 2022. The funds being considered for extension were disbursed in one installment and must be expended by the extension deadline provided in Attachment A.

Costa Mesa is requesting a 24-month timely use of funds extension of \$405,346 from November 2020 to November 2022. The funds being considered for extension were disbursed in one installment and must be expended by the extension deadlines provided in Attachment A.

## **Comprehensive Transportation Funding Programs March 2020 Semi-Annual Review Adjustment Request Descriptions**

The City of Villa Park is requesting a 24-month timely use of funds extension for \$129,887. The funds being considered for the extension were disbursed in nine separate installments and must be expended by the extension deadlines provided in Attachment A. Note: as part of this adjustment, Board approval of a waiver to the M2 Eligibility Guidelines requirement that funds extensions must be submitted as part of the semi-annual review process prior to the end of the third year from the date of receipt of funds is requested. A waiver to the CTFP and Eligibility Guidelines requirement that a plan of expenditure be submitted as part of an LFS timely use of funds extension request is also requested.

- \$15,339, from June 2019 to June 2021
- \$13,599, from September 2019 to September 2021
- \$16,538, from January 2020 to January 2022
- \$14,465, from March 2020 to March 2022
- \$12,731, from May 2020 to May 2022
- \$15,345, from June 2020 to June 2022
- \$13,650, from September 2020 to September 2022
- \$14,509, from November 2020 to November 2022

The City of Yorba Linda is requesting a 24-month timely use of funds extension for \$646,314. The funds being considered for extension were disbursed in four separate installments and must be expended by the extension deadlines provided in Attachment A.

- \$146,012, from May 2020 to May 2022
- \$175,993, from June 2020 to June 2022
- \$157,305, from September 2020 to September 2022
- \$167,004, from November 2020 to November 2022

### **Scope Changes**

Local agencies may request minor scope changes for CTFP projects if they can assure that project benefits as committed to in the initial application can still be delivered. During this semi-annual review cycle, the following scope change requests were submitted:

The City of Fullerton, as administrative lead for the Malvern Avenue/Chapman Avenue Corridor RTSSP (15-FULL-TSP-3769), is requesting a scope change to the O&M phase. The change includes central system software/hardware upgrades at respective city management centers, video detection installation upgrades, uninterruptible power supply system upgrades in traffic signal cabinets, and communication upgrades. These scope changes were identified during construction and were deemed to be beneficial to the overall intent and goals of the project.

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Irvine, as administrative lead for the Irvine Center Drive/Edinger Avenue Signal Synchronization Project (16-IRVN-TSP-3791), is requesting a scope change to the IMP phase. The change includes the addition of an Automated Traffic Signal Performance Measures (ATSPM) application, the Signal Performance Measures (SPM) application installed for Irvine, and the Centrats SPM module for the City of Tustin (Tustin). The scope change will improve the monitoring of the signal timing at all project intersections.

Irvine, as administrative lead for the Von Karman Avenue/Tustin Ranch Road Signal Synchronization Project (16-IRVN-TSP-3792), is requesting a scope change to the IMP phase. The scope change includes the addition of an ATSPM application, the SPM application installed for both Irvine and Tustin and the addition of a television monitor to Tustin's traffic management center. The scope changes will improve the monitoring of the signal timing at all project intersections.

The City of La Habra (La Habra), as administrative lead for the Imperial Highway/State Route 90 Corridor Project (15-LHAB-TSP-3773), is requesting a scope change to the IMP phase. The proposed change includes removing communications equipment installation, which was included in the initial application at the direction of Caltrans. The security and firewall equipment necessary for video sharing communication requested by Caltrans will be purchased and implemented through the Caltrans Integrated Corridor Management instead. The scope change also includes installation of additional conduit needed to separate power cable from fiber optic connections at various intersections due to conduit-overfill conditions, which were identified during the inventory and design stages. The cost savings from removing the communications equipment will go towards funding the additional conduit. As such, the proposed modifications will be accommodated within the existing approved grant allocation.

**Transfers**

The CTFP Guidelines allow agencies to request to transfer 100 percent of savings of funds between subsequent phases or years within a project. Funds can only be transferred to a phase or year that has already been awarded competitive funds. Such requests must be made prior to the acceptance of a final report and submitted as part of the semi-annual review. During this review cycle, the following transfer requests were submitted as a result of the impacts of COVID-19 and the need to suspend Project V services:

The County of Orange is requesting a transfer for the Orange County Ranch Ride (16-ORCO-CBT-3822). The transfer includes savings from fiscal year (FY) 2019-20 and from all FYs moving forward from the O&M phase in an amount to be determined and is to be distributed to FY 2020-21 or the immediate subsequent year on a go forward basis.

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The City of Dana Point (Dana Point) is requesting a transfer for the Summer Weekend Trolley/Harbor Shuttle (14-DPNT-CBT-3742). The transfer includes savings from FY 2019-20 and from all FYs moving forward from the O&M phase in an amount to be determined and is to be distributed to FY 2020-21 or the immediate subsequent year on a go forward basis.

Dana Point is requesting a transfer for the Dana Point Pacific Coast Highway Trolley (16-DPNT-CBT-3823). The transfer includes savings from FY 2019-20 and from all FYs moving forward from the O&M phase in an amount to be determined and is to be distributed to FY 2020-21 or the immediate subsequent year on a go forward basis.

Dana Point is requesting a transfer for the Dana Point Trolley Continuity and Expansion and Weekend Service (18-DNPT-CBT-3911). The transfer includes savings from FY 2019-20 and from all FYs moving forward from the CAP and O&M phases in amounts to be determined and are to be distributed to FY 2020-21 or the immediate subsequent year on a go forward basis.

La Habra is requesting a transfer for the La Habra Special Event Shuttle Services (16-OCTA-CBT-3835). The transfer includes savings from FY 2019-20 and from all FYs moving forward from the O&M phase in an amount to be determined and is to be distributed to FY 2020-21 or the immediate subsequent year on a go forward basis.

The City of Laguna Beach is requesting a transfer for the Summer Breeze Bus Service (18-OCTA-CBT-3912). The transfer includes savings from FY 2019-20 and from all FYs moving forward from the CAP and O&M phases in amounts to be determined and are to be distributed to FY 2020-21 or the immediate subsequent year on a go forward basis.

Laguna Niguel is requesting a transfer for the Laguna Niguel Summer Trolley - Southern Section (19-LNIG-CBT-3954). The transfer includes savings from FY 2019-20 and from all FYs moving forward from the CAP and O&M phases in amounts to be determined and are to be distributed to FY 2020-21 or the immediate subsequent year on a go forward basis.

The City of Lake Forest is requesting a transfer for the Shuttle Service between the Irvine Metrolink Station and Panasonic (16-LFOR-CBT-3829). The transfer includes savings from FY 2019-20 and from all FYs moving forward from the O&M phase in an amount to be determined and is to be distributed to FY 2020-21 or the immediate subsequent year on a go forward basis. Note: this project is currently pending cancellation in August 2020. As such, this proposed transfer is only being advanced in the event that the proposed cancellation either does not occur or occurs later than currently anticipated.

**Comprehensive Transportation Funding Programs  
March 2020 Semi-Annual Review Adjustment Request Descriptions**

Mission Viejo is requesting a transfer for the Mission Viejo Local Transit Circulator (16-OCTA-CBT-3836). The transfer includes savings from FY 2019-20 and from all FYs moving forward from the CAP and O&M phases in amounts to be determined and are to be distributed to FY 2020-21 or the immediate subsequent year on a go forward basis.

Newport Beach is requesting a transfer for the Balboa Peninsula Trolley (16-NBCH-CBT-3832). The transfer includes savings from FY 2019-20 and from all FYs moving forward from the CAP and O&M phases in amounts to be determined and are to be distributed to FY 2020-21 or the immediate subsequent year on a go forward basis.

Newport Beach is requesting a transfer for the Balboa Peninsula Shuttle Expansion Program (18-NBCH-CBT-3913). The transfer includes savings from FY 2019-20 and from all FYs moving forward from the CAP and O&M phases in amounts to be determined and are to be distributed to FY 2020-21 or the immediate subsequent year on a go forward basis.

Irvine is requesting to transfer project savings from FY 2019-20 and from all FYs moving forward from the O&M phase in amounts to be determined and to be distributed to FY 2020-21 or the immediate subsequent year on a go forward basis for the following two projects.

- Irvine iShuttle Route West – Tustin Station – Irvine Business Complex (16-OCTA-CBT-3833)
- Irvine iShuttle Route East – Irvine Station – East (16-OCTA-CBT-3834)

The City of San Clemente (San Clemente) is requesting a transfer for the San Clemente Summer Trolley (16-SCLM-CBT-3840). The transfer includes savings from FY 2019-20 and from all FYs moving forward from the O&M phase in an amount to be determined and is to be distributed to FY 2020-21 or the immediate subsequent year on a go forward basis.

San Clemente is requesting a transfer for the San Clemente Rideshare Services (16-SCLM-CBT-3841). The transfer includes savings from FY 2019-20 and from all FYs moving forward from the O&M phase in an amount to be determined and is to be distributed to FY 2020-21 or the immediate subsequent year on a go forward basis.

San Clemente is requesting a transfer for the San Clemente Trolley Expansion (18-SCLM-CBT-3914). The transfer includes savings from FY 2019-20 and from all FYs moving forward from the O&M phase in an amount to be determined and is to be distributed to FY 2020-21 or the immediate subsequent year on a go forward basis.



## **Comprehensive Transportation Funding Programs March 2020 Semi-Annual Review Adjustment Request Descriptions**

The City of San Juan Capistrano is requesting a transfer for the Special Event and Weekend Summer Trolley Service (8SJCP-CBT-3915). The transfer includes savings from FY 2019-20 and from all FYs moving forward from the CAP and O&M phases in amounts to be determined and are to be distributed to FY 2020-21 or the immediate subsequent year on a go forward basis.

### **Cancellations**

Local agencies may request to cancel projects. Cancelled projects are eligible to reapply upon resolution of the issues that led to the original project cancellation. During this review cycle, the following cancellation request was received:

The City of Cypress is requesting to cancel the CON phase for the Priority Sediment/Pollution Removal Project (14-CYPR-ECP-3731) due to utility conflicts and the contractor's availability.

### **Other**

Once obligated, CTFP funds expire 36 months from the contract award date. Local agencies may request an extension(s) of up to 24 months. For Project P grants, local agencies should issue a single Notice to Proceed (NTP) for the O&M phase when a combined contract/agreement is awarded for both the primary implementation (PI) and O&M phases. The NTP date will be considered the date of encumbrance for the O&M phase. The following timely use of funds extension deadlines were approved by the Board in previous semi-annual reviews and fund expenditure deadlines are being updated based off the O&M NTP issuance date.

The City of Buena Park received Board approval for a 24-month timely use of funds extension during the September 2016 semi-annual review for the O&M phase of the Artesia Boulevard Corridor Signal Synchronization, Valley View Avenue to Dale Street Project (14-BPRK-TSP-3703). The extension to June 23, 2020 was based off the combined contract award date of June 23, 2015 for both the PI and O&M phases. The NTP for O&M was issued on September 26, 2018, thus the expenditure deadline for the O&M phase is September 26, 2021. With the previously Board-approved action, the updated expenditure deadline is now September 26, 2023.

The City of Santa Ana (Santa Ana) received Board approval for a 24-month timely use of funds extension during the March 2017 semi-annual review for the O&M phase of the Harbor Boulevard Corridor Traffic Signal Synchronization Project (14-SNTA-TSP-3710). The extension to April 21, 2020 was based off the combined contract award date of April 21, 2015 for both the PI and O&M phases. The NTP for O&M was issued on April 30, 2018, thus the expenditure deadline for the O&M phase is April 30, 2021.

**Comprehensive Transportation Funding Programs  
March 2020 Semi-Annual Review Adjustment Request Descriptions**

With the previously Board-approved action, the updated expenditure deadline is now April 30, 2023.

Santa Ana was programmed by the Board to receive Regional Capacity Program construction funds in May 2020 for the following two projects.

- Bristol Street Improvements Phase 3A – Civic Center Drive to Washington Avenue  
20-SNTA-ACE-3968
- Bristol Street Improvements Phase 4 – Warner Avenue to St. Andrew Place  
20-SNTA-ACE-3969

Due to the COVID-19 pandemic and the timing of when OCTA reinstated Santa Ana's eligibility to receive M2 funds, Santa Ana was unable to comply with the CTFP Guidelines requirement specifying that final city council resolutions be submitted at least four weeks prior to the consideration of programming recommendations by the Board. As such, this CTFP Guidelines exception is noted here (along with all other guidelines exceptions) for documentation purposes.

## Summary of Proposed Guidelines Exemptions

Guidelines Document	Requirement	Rationale	Resolution/Remedy	Project Phases Requesting Exemption(s)
CTFP Guidelines	City council concurrence to be submitted with semi-annual review requests and prior to Board approval.	Due to limited staffing and competing challenges as a result of the COVID-19 pandemic, evidence of council approval was not submitted as of the publishing of this staff report.	City council concurrence submitted on July 22, 2020.	19-LNIG-CBT-3954 (CAP)
CTFP Guidelines	City council concurrence to be submitted with semi-annual review requests and prior to Board approval.	Due to limited staffing and competing challenges as a result of the COVID-19 pandemic, evidence of council approval was not submitted as of the publishing of this staff report.	City council concurrence submitted on July 22, 2020.	19-LNIG-CBT-3954 (O&M)
CTFP Guidelines	Project X Tier I projects are not eligible for delay requests.	Due to competing challenges as a result of the COVID-19 pandemic and the timing of the encumbrance deadline, the City of Newport Beach was unable to meet its encumbrance deadline and comply with the CTFP Guidelines requirement.	Remedy for this requirement provided through the Board action.	19-NBCH-ECP-3950
M2 Eligibility Guidelines	Funds extensions must be submitted as part of the semi-annual review process prior to the end of the third year from the date of receipt of funds.	Due to staffing turnover and competing challenges, this request was not submitted prior to the third year from the date of receipt of funds.	Remedy for this requirement provided through the Board action.	9 Local Fair Share Funds Allocations
CTFP Guidelines and M2 Eligibility Guidelines	A plan of expenditure must be submitted with semi-annual review timely use of funds extension requests.	Due to limited staffing, competing challenges, and the need to locate older documents, a plan of expenditure was unable to be submitted as of the publishing of this staff report. This plan is anticipated to be submitted with future M2 eligibility submittals.	The actual expenditures for FY 2016-17, FY 2017-18, and FY 2018-19 will be provided with the annual expenditure reports that are being submitted for the current eligibility cycle.	9 Local Fair Share Funds Allocations
CTFP Guidelines	Final city council resolutions need to be submitted at least four weeks prior to the consideration of programming recommendations by the OCTA Board.	Due to the COVID-19 pandemic and the timing of when OCTA reinstated the City of Santa Ana's eligibility to receive M2 funds, the City of Santa Ana was unable to comply with the CTFP Guidelines requirement specifying that final city council resolutions be submitted at least four weeks prior to the consideration of programming recommendations by the OCTA Board.	The Santa Ana City Council resolution was approved on April 21, 2020.	20-SNTA-ACE-3968
CTFP Guidelines	Final city council resolutions need to be submitted at least four weeks prior to the consideration of programming recommendations by the OCTA Board.	Due to the COVID-19 pandemic and the timing of when OCTA reinstated the City's eligibility to receive M2 funds, the City of Santa Ana was unable to comply with the CTFP Guidelines requirement specifying that final city council resolutions be submitted at least four weeks prior to the consideration of programming recommendations by the OCTA Board.	The Santa Ana City Council resolution was approved on April 21, 2020.	20-SNTA-ACE-3969
<b>Exemption Requests - (7) Total</b>				

**Acronyms**

CTFP - Comprehensive Transportation Funding Programs  
 Board - Board of Directors  
 M2 - Measure M2  
 OCTA - Orange County Transportation Authority  
 COVID-19 - Coronavirus pandemic  
 FY - Fiscal year



COMMITTEE TRANSMITTAL

**August 10, 2020**

**To:** Members of the Board of Directors

**From:** Laurena Weinert,  Clerk of the Board

**Subject:** Measure M2 Comprehensive Transportation Funding Programs –  
2021 Annual Call for Projects

Regional Planning and Highways Committee Meeting of August 3, 2020

**Present:** Directors Bartlett, Chaffee, Delgleize, Muller, M. Murphy,  
R. Murphy, and Pulido

**Absent:** None

**Committee Vote**

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Director Pulido was not present to vote on this item.


**Committee Recommendations**

- A. Approve proposed revisions to the Comprehensive Transportation Funding Programs Guidelines.
- B. Authorize staff to issue the 2021 annual call for projects for the Regional Capacity Program.
- C. Authorize staff to issue the 2021 annual call for projects for the Regional Traffic Signal Synchronization Program.



**August 3, 2020**

**To:** Regional Planning and Highways Committee

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

**Subject:** Measure M2 Comprehensive Transportation Funding Programs - 2021 Annual Call for Projects

### **Overview**

The Measure M2 Comprehensive Transportation Funding Programs Guidelines provide the mechanism for administration of the annual competitive call for projects for Measure M2 programs, including the countywide Regional Capacity Program (Project O) and the Regional Traffic Signal Synchronization Program (Project P). The 2021 Regional Capacity Program and Regional Traffic Signal Synchronization Program call for projects is presented for review and approval.

### **Recommendations**

- A. Approve proposed revisions to the Comprehensive Transportation Funding Programs Guidelines.
- B. Authorize staff to issue the 2021 annual call for projects for the Regional Capacity Program.
- C. Authorize staff to issue the 2021 annual call for projects for the Regional Traffic Signal Synchronization Program.

### **Background**

The Regional Capacity Program (RCP) provides Measure M2 (M2) Project O funding for improvements to the Orange County Master Plan of Arterial Highways (MPAH). The RCP also provides for intersection improvements and other projects to help improve street operations and reduce congestion.

The Regional Traffic Signal Synchronization Program (RTSSP) provides M2 Project P funding for multi-agency, corridor-based signal synchronization throughout Orange County.

These programs allocate funds through a competitive process and target projects that improve traffic by considering factors such as degree of congestion relief, cost effectiveness, and project readiness.

The Comprehensive Transportation Funding Programs (CTFP) document serves as the mechanism with which the Orange County Transportation Authority (OCTA) administers the RCP and RTSSP, as well as other competitive transit (projects S, T, and V), and environmental cleanup programs (Project X).

The CTFP Guidelines (Guidelines) identify procedures and requirements that local agencies must adhere to in order to apply for M2 funding and after award, to seek reimbursement. These guidelines were first approved by the OCTA Board of Directors (Board) on March 22, 2010, and were most recently updated in March 2020.

### ***Discussion***

Updates to the Guidelines have been prepared in anticipation of the Board's authorization of the upcoming 2021 annual call for projects (call) for the RCP and RTSSP. OCTA worked closely with the Technical Steering Committee (TSC) and Technical Advisory Committee (TAC) to determine areas of the Guidelines that needed to be adjusted and/or updated. Issues and lessons learned from previous calls were also reviewed and considered. The Guidelines were reviewed and updated, as appropriate, to provide for both better consistency and streamlining throughout the document.

Guideline updates for Project O (RCP), include call dates, deadlines, and amounts. Based on available funding, staff is recommending to make \$22 million available for Project O project awards, which is lower than has been made available in past cycles due to the anticipated reduction in M2 revenues associated with the coronavirus pandemic. The updated Guidelines also include:

- Merging of environmental-related items into the sustainability category;
- Clarification that the CTFP funds may only be used toward the portion of bridge widening that is consistent with the MPAH; and
- Modified language related to rough grading based on input from the TAC.

Changes are also being proposed for the Project P (RTSSP) program. Similar to Project O changes, call dates, deadlines, and amounts were updated. For this cycle, staff is proposing making \$8 million available, which is consistent with prior calls due to the high interest in this program. Unlike the last call, OCTA

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will offer to lead projects for local jurisdictions (if requested), contingent on available resources. The updated Guidelines also include:

- Clarified scoring narrative sections;
- Clearer eligibility component descriptions for various scoring categories;
- Revisions to some scoring categories to emphasize signal coordination (over capital improvements) and faster project delivery;
- Streamlined in-kind match discussions; and
- General submittal and point determination discussions were simplified, where possible.

A more detailed summary of the proposed Guidelines changes is included in Attachment A, which provides a table of the changes, as well as in Attachment B, which provides a marked-up version of the Guidelines. Proposed changes that were deemed to be non-substantive (i.e., wording/grammatical, streamlining, and clarifications) are generally not identified here but are shown in the attachments.

These proposed Guidelines changes were presented to the TSC and TAC in June. Both committees requested broader eligibility consideration for rough grading project components. Accordingly, a change in rough grading requirements has been incorporated into the proposed Project O Guidelines. It should be noted that this change does not go as far as the TSC and TAC had requested in terms of broadening rough grading eligibility requirements. However, the proposed revisions provide an increased level of flexibility, which was previously not available to local agencies, while at the same time maintaining ease of implementation and adherence to basic M2 requirements.

The proposed Guidelines changes are being submitted to the Board for final consideration and approval. Authorization is also being requested to initiate the 2021 call, making \$30 million available for both the M2 RCP (\$22 million) and RTSSP (\$8 million) programs to support local streets and roads improvement projects through Orange County.

#### Next Steps

If the Board approves these recommendations, staff will send out letters and e-blast announcements notifying local agencies of the call's initiation and any other pertinent information.

Applications would be due to OCTA by October 22, 2020, and based upon project selection criteria as specified in the Guidelines, projects will be prioritized for Board, TSC, and TAC consideration in spring 2021. Project funds would

become available to local agencies starting July 1, 2021, and may be programmed as late as fiscal year 2023-24. A summary of the call's proposed timeline is identified below.

- Board authorization to issue call: August 2020
- Application submittal deadline: October 22, 2020
- TSC/TAC review: February/March 2021
- Committee/Board approval: May 2021

***Summary***

M2 provides funding for arterial and intersection improvements through the RCP and signal synchronization improvements through the RTSSP. The Guidelines serve as the mechanism that OCTA uses to administer these competitive funding sources. Proposed changes to these Guidelines were presented and approved by both the TSC and TAC in June, and staff is now seeking approval of proposed modifications to the Guidelines and authorization to initiate the 2021 RCP and RTSSP annual call.

***Attachments***

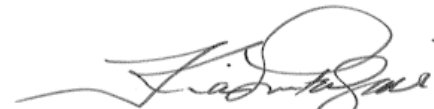
- A. 2021 CTFP Guidelines (Projects O and P) – Proposed Changes List
- B. Comprehensive Transportation Funding Programs, Guidelines Excerpt, Proposed Revisions

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**2021 CTFP Guidelines (Projects O and P) – Proposed Changes List**

No.	Section/Chapter	Subsection	Page No.	Proposed Change
1	III. Definitions	N/A	x	20. "Primary Implementation (PI) Report" refers to the report required at the end of the PI phase. It is a technical report that documents the work completed during the PI phase, which contains the Before and After Study. This is a separate report from the project final report required by the M2 Ordinance, Attachment B, Section III.A.9.
2	III. Definitions	N/A	x	21. "Operations and Maintenance (O&M) Technical Memorandum Report" refers to the report required at the conclusion of O&M phase. It is a technical report that documents the work completed during the O&M phase. This is a separate report from the project final report required by the M2 Ordinance, Attachment B, Section III.A.9.
3	III. Definitions	N/A	xi	30. The term "offset signal" refers to traffic signalized intersections within 2,700 feet from either direction of the project corridor. (Project P Only)
4	IV. Acronyms	N/A	xii	CTO – Contract Task Order
5	Ch. 1	MPAH Consistency Review and Amendment Process	1-1	Link updated to: <a href="http://www.octa.net/pdf/mpah_guidlines.pdf">http://www.octa.net/pdf/mpah_guidlines.pdf</a>
6	Ch. 2	Programming Policies	2-6	For the RTSSP (Project P) program, changes to project costs with respect to the phase allocations will be considered based upon the issuance of contract or the contract task order (CTO), provided that the readjusted phase allocations are timely and do not increase the overall grant.
7	Ch.7	2021 Call for Projects	7-3	Updated the approximate amount available for the 2021 Call, \$22 million, and the three-year period for programming of projects, FY21/22 – FY23/24.
8	Ch.7	2021 Call for Projects	7-4	Applications for the 2021 call for projects by <b>5:00 p.m. on Thursday, October 22, 2020.</b>
9	Ch.7	Application Review Process	7-13	Board authorization to issue call: August 2020 Application submittal deadline: October 22, 2020 TSC/TAC Review: February/March 2021 Committee/Board approval: May 2021
10	Ch.7	Potentially Eligible Items	7-15	Additional grading ( <del>e.g. over excavation for poor soil conditions</del> ) will be considered on a case by case basis.
11	Ch.7	Potentially Eligible Items	7-16	Roadway grading is eligible for structural sections if within the standard MPAH cross section for the facility (inclusive of any TCEs). Rough roadway grading may be considered partially eligible within the MPAH cross section and will be evaluated by OCTA on a case by case basis.
12	Ch.7	Selection Criteria	7-21 - 7-22	New facilities must be modeled through OCTAM and requests should be submitted to OCTA a minimum of six (6) weeks prior to application submittal deadline. <b>This deadline is September 10, 2020 for the 2021 Call for Projects.</b>
13	Ch.7	Selection Criteria/Current Project Readiness	7-22	Rearranged project development phases in order of actual phasing progression.
14	Ch.7	Selection Criteria/Operational Attributes (within the roadway)	7-23 – 7-24	The Water Conservation Element and Sustainability scoring elements were merged and the definition was updated to make the sustainability evaluation more comprehensive.
15	Ch.7	Selection Criteria/Improvement Characteristics	7-24	Bridge crossing: Widening of bridge crossing within the project limits to full MPAH width. Widening beyond MPAH shall not qualify for Project O funding.
16	Ch.7	New Facilities	7-25 – 7-26	Any request for modeling <b>must be submitted to OCTA no later than September 10, 2020</b> for the 2021 Call for Projects.
17	Ch.7	Table 7-2/Operational Attributes (within the roadway)	7-30	The Water Conservation Element and Sustainability scoring elements were merged, and the Water Conservation Element was removed from ACE Scoring Criteria
18	Ch.7	Table 7-2/Funding Over-Match	7-30	Made technical correction to points column for Funding Over-Match for the ACE Scoring Criteria.
19	Ch. 7	Potentially Eligible Items	7-32	Additional grading ( <del>e.g. over excavation for poor soil conditions</del> ) will be considered on a case by case basis.
20	Ch. 7	Ineligible Items	7-33	Roadway grading is eligible for structural sections if within the standard MPAH cross section for the facility (inclusive of any TCEs). Rough roadway grading may be considered partially eligible within the MPAH cross section and will be evaluated by OCTA on a case by case basis.
21	Ch.7	Selection Criteria/Current Project Readiness	7-35	Rearranged project development phases in order of actual phasing progression.

## 2021 CTFP Guidelines (Projects O and P) – Proposed Changes List

No.	Section/Chapter	Subsection	Page No.	Proposed Change
22	Ch.7	Selection Criteria/Operational Attributes (within the roadway)	7-36	The Water Conservation Element and Sustainability scoring elements were merged and the definition was updated to make the sustainability evaluation more comprehensive.
23	Ch.7	Selection Criteria/LOS Improvement	7-37	If an alternative methodology is proposed, all analysis <b>must be submitted to OCTA for review no later than September 10, 2020</b> for the 2021 Call for Projects.
24	Ch.7	Table 7-4/Operational Attributes (within the roadway)	7-41	The Water Conservation Element and Sustainability scoring elements were merged, and the Water Conservation Element was removed from ICE Scoring Criteria
25	Ch. 7	Potentially Eligible Items	7-43	Additional grading ( <del>e.g. over excavation for poor soil conditions</del> ) will be considered on a case by case basis.
26	Ch. 7	Potentially Eligible Items	7-44	Roadway grading is eligible for structural sections if within the standard MPAH cross section for the facility (inclusive of any TCEs). Rough roadway grading may be considered partially eligible within the MPAH cross section and will be evaluated by OCTA on a case by case basis.
27	Ch.7	Selection Criteria/Current Project Readiness	7-45 – 7-46	Rearranged project development phases in order of actual phasing progression.
28	Ch.7	Selection Criteria/ Operational Attributes (within the roadway)	7-46	Operational Attributes (within the roadway)
29	Ch.7	Selection Criteria/ Operational Attributes (within the roadway)	7-47	The Water Conservation Element and Sustainability scoring elements were merged and the definition was updated to make the sustainability evaluation more comprehensive.
30	Ch.7	Selection Criteria/LOS Improvement	7-47	If HCM 2010 is proposed for intersections as an alternative methodology, all analysis <b>must be submitted to OCTA no later than September 10, 2020</b> and the cost for independent review shall be reimbursed by the applicant.
31	Ch.7	Table 7-6/Operational Attributes (within the roadway)	7-53	The Water Conservation Element and Sustainability scoring elements were merged and the Water Conservation Element was removed from FAST Scoring Criteria
32	Ch.7	Table 7-6/Funding Over-Match	7-53	Made technical correction to points column for Funding Over-Match for the FAST Scoring Criteria.
33	Ch.7	Table 7-6/Coordination with Freeway	7-53	Clarified heading for category: Coordination with Freeway Mainline Improvements
34	Ch. 8	Regional Traffic Signal Synchronization Program	8-1	The Master Plan will be revised and updated by OCTA <del>every three years and will provide details on the status and performance of the traffic signal synchronization activities over that period.</del>
35	Ch. 8	2021 Call for Projects	8-2	M2 is anticipated to provide approximately <b>\$8 million</b> for signal coordination across Orange County.
36	Ch. 8	2021 Call for Projects	8-2	<p>5. Projects are funded for a grant period of three (3) years and are divided into two phases:</p> <ol style="list-style-type: none"> <li>a. <u>Primary Implementation (PI)</u> – includes the required implementation of optimized signal timing as well as any signal improvements proposed as part of a project. A <del>Project R</del>report is required at the conclusion of this phase to document work completed during the PI phase. This PI <del>Project</del> Report shall be submitted with the final report <del>according to the payment process.</del></li> <li>b. <u>Ongoing Operations and Maintenance (O&amp;M)</u> – includes the required monitoring and improving optimized signal timing in addition to any optional communications and/or detection support. O&amp;M will begin after the optimized signal timing is implemented and be required for the remainder of the project (typically 2 Years). A <del>Final</del> O&amp;M Report is required at the conclusion of this phase to document work completed during the O&amp;M phase and shall be submitted with the final report.</li> </ol>

**2021 CTFP Guidelines (Projects O and P) – Proposed Changes List**

No.	Section/Chapter	Subsection	Page No.	Proposed Change
37	Ch. 8	2021 Call for Projects	8-2 – 8-3	6. This information shall be collected both before and after any signal timing changes have been made and after the PI implemented and approved by all agencies. . . The Before and After Study shall be submitted <del>after the PI phase is completed</del> as part of the PI Project Report.
38	Ch. 8	2021 Call for Projects	8-3	7. Any corridor or portion of a corridor funded through this call cannot re-apply for funding until the three-year grant period or commitment to operate signal synchronization beyond the three-year grant period is completed, whichever ends later and a final report has been submitted to OCTA.
39	Ch. 8	Applications	8-3	OCTA shall require agencies to submit applications for the call for projects by <b>5:00 p.m. on Thursday, October 22, 2020.</b>
40	Ch. 8	Application Process	8-4	Agencies seeking funding must complete an online application, a supplemental application in the OCTA's latest format, and provide supporting . . .
41	Ch. 8	Application Process	8-4	However, the total number of corridors per route or grid corridor projects will be limited to three (3) and the total number of intersections between these corridors are limited to fifty (50).
42	Ch. 8	Other Application Materials	8-5	A Supplemental Application (available on the OCTA website and OCFundtracker) is <u>required</u> to be completed for each project application and included in the electronic submittal. <b>Any Supplemental Application not submitted in the 2021 format will NOT be considered.</b>
43	Ch. 8	Other Application Materials/Lead Agency	8-5	<u>Lead Agency:</u> Eligible jurisdictions consistent with Measure M2 ordinance definitions and requirements.
44	Ch. 8	Other Application Materials/Participating Agencies	8-5	<del>If a draft copy of these resolutions of support . . . by OCTA's Board of Directors.</del> If the application claims Caltrans as a participant, then it shall contain a letter of support from Caltrans for the specific project and letters of support from all applicable agencies pledging to sign a cooperative agreement with Caltrans at the start of the project. The lead agency shall also pledge this commitment in the cover letter of the application. The required Caltrans fee will be a line item in the improvements list. The applicable agencies will be required to cover the required 20% match for the Caltrans line items. All agencies that have a Caltrans intersection/ramp in their jurisdiction is required to sign a cooperative agreement with Caltrans in order for the entire project to claim Caltrans as a participant.
45	Ch. 8	Other Application Materials/Project Support	8-5 – 8-6	<del>Project Support: If proposed project has . . . asked for detailed information only if necessary, to adequately evaluate the project application.</del>
46	Ch. 8	Lead Agency	8-6	This Program is administered through a single lead agency: See Lead Agency definition above.
47	Ch. 8	Lead Agency	8-6	<del>OCTA Lead:</del> <b>[NOT AVAILABLE FOR 2020 CALL FOR PROJECTS]</b> OCTA may, . . . work and cost elements by project. For example, accounting for OCTA's administrative and project management efforts by incorporating an additional 10 percent of the total project cost when calculating the Cost Benefit of the project.
48	Ch. 8	Lead Agency	8-6	Applications must be prepared by a designated local agency acting in a lead capacity during grant preparation. <del>Projects nominated for OCTA lead shall be discussed at the Traffic Forum.</del>
49	Ch. 8	Lead Agency	8-6	The application will be scored using the criteria outlined in the <del>previous</del> following sections.
50	Ch. 8	OCFundTracker Application Components	8-7	Transportation Significance <del>VMT</del> , Cost Benefit, Project Characteristics, <del>Transportation Significance</del> , Maintenance of Effort, Project Scale, Project Scale, Number of Local Agencies, Current Project Status <del>Readiness</del> , and Funding Match Rate.
51	Ch. 8	Application Review and Program Adoption	8-7	Board authorization to issue call: August 2020 Application submittal deadline: October 22, 2020 TSC/TAC Review: February/March 2021 Committee/Board approval: May 2021
52	Ch. 8	Checklist Guide	8-7	The checklist should be provided as a <del>cover sheet</del> table of contents for each application submitted.
53	Ch. 8	Project Definition	8-8	Projects previously awarded RTSSP funding must be complete with a Final Report submitted and approved by to OCTA. . . . <del>Communication system improvements. Signal Synchronization Corridor project.</del>

**2021 CTFP Guidelines (Projects O and P) – Proposed Changes List**

No.	Section/ Chapter	Subsection	Page No.	Proposed Change
54	Ch. 8	Project Definition	8-8	<p>Applicant agency and owning agency must . . . form a route. A “grid” project shall consist of one main corridor that is specifically identified in the application with a maximum of two crossing corridors to make a grid. Grid projects shall also be multijurisdictional with a minimum of two local agencies, excluding Caltrans. For a grid project, applicant agency and owning agency must demonstrate through simulation or actual vehicle counts the following:</p> <ul style="list-style-type: none"> <li>• Show that timing changes on the main corridor will greatly impact the crossing corridor(s)</li> <li>• Crossing corridors shall have closely spaced signals in close proximity to the main corridor with timing changes along these crossings impacting the operation of the main corridor</li> </ul> <p>All corridors in the grid shall individually meet the Minimum Eligibility Requirements and, as part of the project, travel time studies shall also be collected along all corridors making the grid. <del>Linked corridors may also combine at the point of intersection to form a single local Master offset Control Point (TO) for future Zone operations.</del></p>
55	Ch. 8	Project Definition	8-9	Therefore, active transportation elements may be included as part of the project, as outlined in the following section.
56	Ch. 8	Eligible Activities	8-9	<ul style="list-style-type: none"> <li>o <del>Signal Coordination</del></li> </ul>
57	Ch. 8	Eligible Activities	8-9	<p>These improvements are restricted to the signal synchronization project limits but may include synchronization with traffic signalized intersections <del>on intersection corridors where new optimized timing has occurred within the past three years; maximum distance for either direction from crossing arterial within intersection is 2,700 feet from either direction of the project corridor.</del> These offset signals; however, will not be counted towards the total number of signals on the project (for implementation of timing plans only). All improvements must be designed to enhance the specific project. <del>The following are a list of potentially eligible items as part of a signal coordination project:</del></p> <p><del>In addition,</del> Expenditures related to the design of systems, permitting, and environmental clearance are eligible for funding.</p>
58	Ch. 8	Eligible Activities	8-9 – 8-10	Caltrans encroachment permits and agency to Caltrans Cooperative Agreement fees are eligible activities. This includes Caltrans labor, such as expenses for reviewing signal timing plans, providing signal timing parameters, and providing existing timing sheets, etc. Applicant must specify how to handle Caltrans intersections on project.
59	Ch. 8	Funding Estimates	8-10	Because of the limited amount of funds available for the RTSSP, project cap of \$75,000 per signal or \$250,000 per project corridor mile included as part of each project (whichever is higher) has been established for this call for projects. Note that any offset signals will not be counted towards the total number of signals on the project.
60	Ch. 8	Selection Criteria	8-10 – 8-11	<p><del>Transportation Significance: Vehicle Miles Traveled (VMT):</del> Points are awarded for projects that include offset signals along the project corridor, route, or grid. These offset signals do not count towards the project cap; however, are in relatively close proximity to affect the operation of the corridor(s). The applicant shall identify the number of offset signals on the corridor and the percentage of those offset signals that will be included in the project.</p> <p>VMT is calculated as the Centerline length of segment(s) on the corridor, route, or grid proposed for synchronization multiplied by the existing average daily traffic (ADT) for the proposed segment(s) length.</p>
61	Ch. 8	Selection Criteria	8-11	<p>VMT should be calculated by the smallest segmentation on which the city typically collects ADT data. <del>(maximum: 20 points)</del></p> <p>ADT must be based upon actual count information taken within <del>the</del> 36 months preceding the application date and include 24-hour, midweek, bi-directional counts for each segment. All supporting data shall be organized in order in which they appear for the calculation of the VMT. Data from the OCTA Traffic Flow Map may not be used. Furthermore, outdated and/or non-compliant counts may result in project ineligibility (maximum: 30 points)</p>
62	Ch. 8	Cost Benefit	8-11	<u>Cost Benefit:</u> Total project cost divided by Existing VMT. If the applicant is electing OCTA to be the lead agency, the total project cost in this calculation must also include an additional 10% of the total project for OCTA administrative and project management efforts. This additional 10% is used to determine the project effectiveness only and is not counted towards the overall project budget cap. (maximum: 10 points)
63	Ch. 8	Selection Criteria/Project Characteristics	8-11 – 8-14	<p><u>Project Characteristics:</u> Points are awarded based on the type and relevance of the proposed project. For instance, maximum points are awarded to projects that are timing only without any capital improvements or points accumulate if a signal synchronization project is combined with improvements as defined below per the “Eligible Activities” section above. &lt;list relocated from Eligible Activities – note that changes are only shown for any addition or deletion not relocation or formatting&gt;</p> <ul style="list-style-type: none"> <li>• Real-time traffic actuated operations and demonstration projects can be claimed for any one of the following (4 points): <ul style="list-style-type: none"> <li>o Traffic Responsive only if all signals, in at least one agency on the project, are included in the system.</li> <li>o Peer-to-Peer program on traffic control devices.</li> </ul> </li> </ul>

## 2021 CTFP Guidelines (Projects O and P) – Proposed Changes List

No.	Section/ Chapter	Subsection	Page No.	Proposed Change
				<ul style="list-style-type: none"> <li>○ Adaptive traffic signal systems only if all signals, in at least one agency on the project, are included in the system.</li> <li>○ Bluetooth and/or connected vehicle roadside units for at least three (3) signals on the project. If implemented, these items will require a data sharing agreement with OCTA.</li> <li>● Automated Traffic Signal Performance Measures (ATSPM) system can only be claimed (4 points) if all signals, in at least one agency on the project, are included in the system, which will also be used during the O&amp;M phase of the project. If implemented, these items will require a data sharing agreement with OCTA.</li> <li>● Intelligent cameras that include analytics, such as automated continuous counts and other metrics can only be claimed (3 points) if a minimum of three (3) implementations are included on the project. Furthermore, confirmation that an analytics module or camera with built-in analytics will be purchased for this category to receive points. If implemented, these cameras will require a data sharing agreement with OCTA.</li> <li>● Detection system that will increase the number of inputs into the signal controller for the purpose of signal performance measures (e.g. ATSPM) and traffic counts can only be claimed (3 points) if a minimum of three (3) implementations are included on the project.</li> <li>● Installation of new and/or improved traffic control devices to improve the accessibility, mobility and safety of the facility for pedestrians and bicyclists can be claimed (3 points) if a minimum of three (3) implementations are included on the project. This can include: <ul style="list-style-type: none"> <li>○ Inductive loops, video detection, radar, sonar, thermal, hybrids thereof, and other types of detection systems that can distinguish bicycles. This includes implementing a separate bicycle minimum and/or clearance parameter in the traffic signal controller.</li> <li>○ ADA compliant Pedestrian Signals including, but not limited to, tactile and audible buttons in countdown signal heads.</li> </ul> </li> <li>● New or upgraded communication systems (2 points) <ul style="list-style-type: none"> <li>○ New contemporary communication system improvements (e.g. Ethernet) including all conduits, pull boxes, fiber optic and/or copper cabling (not to exceed 120 strands), network switches and distribution systems. These systems should be sufficiently sized for the need capacity of the Intelligent Transportation System (ITS) network. Excess capacity is deemed non-participating and also, cannot be used as part of the required project match.</li> <li>○ Replacement fiber optic or copper cabling for network communication. Fiber optic is the preferred medium and includes pull boxes, network switches, and distribution systems.</li> <li>○ Software and hardware for system traffic control</li> <li>○ Control and monitoring interconnect conduit (including upgrades or replacement of existing systems).</li> <li>○ Communication closure systems of conduit, cable, and associated equipment that are outside of project limits but complete a designated communications link to an existing network for the Advanced Transportation Management System (ATMS) for an agency or agencies. Only communication links that are installed from a central location and/or communications hub to the project corridor that does not currently have a fiber connection to a central location are eligible.</li> </ul> </li> <li>● Intersection/field system modernization and replacement (2 points) <ul style="list-style-type: none"> <li>○ Traffic signal controller replacement of antiquated units with Advanced Transportation controller (ATC) units. ATC shall comply with latest industry standards.</li> <li>○ Controller cabinet (assemblies) replacements that can be shown to enhance signal synchronization.</li> <li>○ Closed Circuit Television (CCTV).</li> <li>○ Uninterruptible Power Supply (UPS) for ATMS and intersection field equipment. For ATMS, UPS shall solely provide electrical power for ATMS Server(s), one dedicated workstation (console terminal) and related communications devices. UPS for ATMS is not intended to provide power to entire TMC and approval of request for UPS is at the sole discretion of OCTA.</li> <li>○ Active Transportation/Pedestrian Safety related elements <ul style="list-style-type: none"> <li>▪ High-Intensity Activated crosswalk signaling systems (HAWK) Pedestrian detection modules Bicycle detection modules.</li> <li>▪ Rectangular Rapid Flashing Beacon Systems (RRFB) including striping, legends, and signage.</li> </ul> </li> </ul> </li> <li>● Minor signal operational improvements (2 points) <ul style="list-style-type: none"> <li>○ Emergency Vehicle Preempt (EVP) intersection control equipment only</li> <li>○ Transit Signal Priority (TSP) intersection control equipment only</li> <li>○ Channelization (signing, striping, raised pavement markers, in lane flashing guidance or warning marking systems, and legends) improvements required for traffic signal phasing.</li> <li>○ Traffic signal phasing improvements that will improve traffic flow and system performance including protected permissive left turn phasing and shared pedestrian phasing, excluding display equipment and other ineligible activities as mentioned in these guidelines.</li> </ul> </li> <li>● Traffic Management Center (TMC)/Traffic Operations Centers (TOC) and motorist information (1 point) <ul style="list-style-type: none"> <li>○ New TMCs or TOCs (any project funded under this category should plan for center-to-center communication (C2C) with nearby agencies and/or OCTA).</li> <li>○ Upgrades to existing TMCs or TOCs (any project funded under this category should plan for C2C with nearby agencies and/or OCTA).</li> <li>○ Motorist information systems (up to 10 percent (10%) of total project costs for PI phase only).</li> </ul> </li> </ul>

**2021 CTFP Guidelines (Projects O and P) – Proposed Changes List**

No.	Section/Chapter	Subsection	Page No.	Proposed Change																																																				
				<ul style="list-style-type: none"> <li>o Video display equipment, including wall monitors, screens, mounting cabinets, and optical engines (up to 10 percent (10%) of total construction costs for PI phase only).</li> <li>• New or upgraded vehicle, pedestrian, and bicycle detection that does not already meet the above categories can be claimed (1 point) if there are a minimum of three (3) implementations along the signal synchronization corridors to ensure necessary conditions for signal synchronization: inductive loops, video detection, radar, sonar, thermal, hybrids thereof, and other types of detection systems.</li> </ul> <p>Note: that only one feature can be selected for any qualifying improvement; for example, an implementation of a new video detection system that can distinguish bicycles can be selected for points under the "Separate Bicycle/ADA Pedestrian Detection" or "New/Upgraded Detection", but not both. (maximum: 10 points)</p>																																																				
64	Ch. 8	Selection Criteria/Maintenance of Effort	8-14	<b>Maintenance of Effort:</b> Points are earned for a commitment to operate the project signal synchronization timing for a defined period of time beyond the three-year grant period. Note that the project will not be eligible for funding until after the completion of all maintenance commitments. (maximum: 5 points)																																																				
65	Ch. 8	Selection Criteria/Project Scale	8-14 – 8-15	<b>Project Scale:</b> Points are earned for including more intersections along signal synchronization network <del>or serving as a signal corridor "gap closure"</del> . For a grid, the number of signals and percent of signals being retimed will only be calculated for the corridor that is designated as the Main Corridor. (maximum: 240 points)																																																				
66	Ch. 8	Selection Criteria/Number of Local Agencies	8-15	<b>Number of Local Agencies:</b> Points are earned for including multiple local agencies as part of the project. (maximum: 120 points)																																																				
67	Ch. 8	Selection Criteria/Current Project Readiness-Status	8-15	<del>Current Project Readiness-Status:</del> Points are earned based on the current status of the project development. Points for re-timing of a corridor can be claimed only if at least 75% of the previous project is part of the new application. <del>Evidence of actual preliminary engineering performed for proposals requesting funding for implementation phases must be provided to qualify for points related to this attribute.</del> Points can also be claimed for applicants who provide evidence that they can complete primary implementation within twelve months. Agencies that receive points for this category <b>cannot request delays or time extensions throughout the life of the project.</b>																																																				
68	Ch. 8	Selection Criteria/Funding Rate	8-15	The percentages shown in Table 8-1 apply to overall match rates <del>above a local agency's minimum requirement.</del>																																																				
69	Ch. 8	Table 8-1/VMT	8-16	<table border="0"> <tr> <td><b>Transportation Significance</b></td> <td>Vehicle Miles Travelled (VMT)</td> <td>Points:</td> <td>320</td> </tr> <tr> <td colspan="4"><hr/></td> </tr> <tr> <td></td> <td>Inclusion of offset signals within 2700'</td> <td>Points</td> <td>90% or above                      10</td> </tr> <tr> <td></td> <td>50 – 89%</td> <td>5</td> <td></td> </tr> <tr> <td></td> <td>&lt; 50%</td> <td>0</td> <td></td> </tr> <tr> <td colspan="4" style="text-align: center;"><b>AND</b></td> </tr> <tr> <td></td> <td>Vehicle Miles Traveled (VMT) Range</td> <td></td> <td></td> </tr> </table>	<b>Transportation Significance</b>	Vehicle Miles Travelled (VMT)	Points:	320	<hr/>					Inclusion of offset signals within 2700'	Points	90% or above                      10		50 – 89%	5			< 50%	0		<b>AND</b>					Vehicle Miles Traveled (VMT) Range																										
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70	Ch. 8	Table 8-1/Economic Effectiveness	8-16	o Cost Benefit (Total \$/VMT) Range* —																																																				
71	Ch. 8	Table 8-1/Project Characteristics	8-16	<table border="0"> <tr> <td><u>Project Feature</u></td> <td><u>Points</u></td> <td><u>Timing Only, No Capital</u></td> <td><u>10</u></td> </tr> <tr> <td>Adaptive Traffic &amp; Demonstration Projects</td> <td>4</td> <td></td> <td></td> </tr> <tr> <td><del>TMC/TOC Connections Between Agencies</del></td> <td><del>4</del></td> <td></td> <td></td> </tr> <tr> <td>Automated Traffic Signal Perf. Measures</td> <td>43</td> <td></td> <td></td> </tr> <tr> <td>Intelligent Cameras</td> <td>32</td> <td></td> <td></td> </tr> <tr> <td>Detection for ATSPM and counts</td> <td>3</td> <td></td> <td></td> </tr> <tr> <td>Separate Bicycle/ADA Pedestrian Detection</td> <td>32</td> <td></td> <td></td> </tr> <tr> <td>New/Upgraded Communications Systems</td> <td>2</td> <td></td> <td></td> </tr> <tr> <td>Intersection/Field System Modernization</td> <td>2</td> <td></td> <td></td> </tr> <tr> <td>Minor Signal Operational Improvements</td> <td>2</td> <td></td> <td></td> </tr> <tr> <td><del>New Protected/Permissive Signals</del></td> <td><del>2</del></td> <td></td> <td></td> </tr> <tr> <td>TMC/TOC and Motorist Information</td> <td>1</td> <td></td> <td></td> </tr> <tr> <td>New/Upgraded Detection</td> <td>1</td> <td></td> <td></td> </tr> </table>	<u>Project Feature</u>	<u>Points</u>	<u>Timing Only, No Capital</u>	<u>10</u>	Adaptive Traffic & Demonstration Projects	4			<del>TMC/TOC Connections Between Agencies</del>	<del>4</del>			Automated Traffic Signal Perf. Measures	43			Intelligent Cameras	32			Detection for ATSPM and counts	3			Separate Bicycle/ADA Pedestrian Detection	32			New/Upgraded Communications Systems	2			Intersection/Field System Modernization	2			Minor Signal Operational Improvements	2			<del>New Protected/Permissive Signals</del>	<del>2</del>			TMC/TOC and Motorist Information	1			New/Upgraded Detection	1		
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**2021 CTFP Guidelines (Projects O and P) – Proposed Changes List**

No.	Section/Chapter	Subsection	Page No.	Proposed Change														
73	Ch. 8	Table 8-1/Number of Signals on Main Corridor Coordinated by Project	8-16	<p><b>Project Scale</b> <span style="float:right"><b>Points: 420</b></span></p> <p>Number of Signals on Main Corridor Coordinated by Project</p> <table border="1"> <thead> <tr> <th>Range</th> <th>Points</th> </tr> </thead> <tbody> <tr> <td>50+</td> <td>510</td> </tr> <tr> <td>40 - 49</td> <td>48</td> </tr> <tr> <td>30 - 39</td> <td>36</td> </tr> <tr> <td>20 - 29</td> <td>24</td> </tr> <tr> <td>10 - 19</td> <td>12</td> </tr> <tr> <td>&lt; 10</td> <td>0</td> </tr> </tbody> </table>	Range	Points	50+	510	40 - 49	48	30 - 39	36	20 - 29	24	10 - 19	12	< 10	0
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74	Ch. 8	Table 8-1/Percent of Main Corridor Signals Being Retimed	8-16	<p>Percent of Main Corridor Signals Being Retimed</p> <table border="1"> <thead> <tr> <th>Range</th> <th>Points</th> </tr> </thead> <tbody> <tr> <td>90% or above</td> <td>510</td> </tr> <tr> <td>80 - 89%</td> <td>48</td> </tr> <tr> <td>70 - 79%</td> <td>36</td> </tr> <tr> <td>60 - 69%</td> <td>24</td> </tr> <tr> <td>50 - 59%</td> <td>12</td> </tr> <tr> <td>&lt; 50%</td> <td>0</td> </tr> </tbody> </table>	Range	Points	90% or above	510	80 - 89%	48	70 - 79%	36	60 - 69%	24	50 - 59%	12	< 50%	0
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75	Ch. 8	Table 8-1/Number of Jurisdictions	8-16	<p><b>Number of Jurisdictions</b> <span style="float:right"><b>Points: 210</b></span></p> <p>Total Number of Involved Jurisdictions</p> <table border="1"> <thead> <tr> <th>Range</th> <th>Points</th> </tr> </thead> <tbody> <tr> <td>5 or more</td> <td>2010</td> </tr> <tr> <td>4</td> <td>168</td> </tr> <tr> <td>3</td> <td>126</td> </tr> <tr> <td>2</td> <td>84</td> </tr> <tr> <td>1</td> <td>0</td> </tr> </tbody> </table>	Range	Points	5 or more	2010	4	168	3	126	2	84	1	0		
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76	Ch. 8	Table 8-1/Current Project Readiness	8-16	<p><b>Current Project Readiness-Status</b> <span style="float:right"><b>Points: 10</b></span></p> <table border="1"> <thead> <tr> <th>Project Status</th> <th>Points</th> </tr> </thead> <tbody> <tr> <td>Re-timing 75% of prior RTSSP project</td> <td>5</td> </tr> <tr> <td>Implementation within 12 months</td> <td>5</td> </tr> </tbody> </table>	Project Status	Points	Re-timing 75% of prior RTSSP project	5	Implementation within 12 months	5								
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77	Ch. 8	Matching Funds	8-18-8-19	Examples of staffing commitment . . . directly enhance the signal synchronization project. Project match beyond 20 percent (20%) is limited to cash match only. Please note, overmatch is subject to the same audit and requirements as in-kind match.														
78	Ch. 8	Matching Funds	8-19	Allowable signal system investment . . .made by the agency. For OCTA-led projects, match for equipment shall be in cash except when an agency elects to purchase equipment per the application.														
79	Ch. 8	Matching Funds	8-19	<p>The specific matching requirement by project category type is listed below for city agency led projects:</p> <table border="1"> <thead> <tr> <th>Project category</th> <th>Type of matching allowed*</th> </tr> </thead> <tbody> <tr> <td>Signal coordination</td> <td>In-kind match** or cash match</td> </tr> <tr> <td>New or upgraded detection</td> <td>In-kind match** or cash match</td> </tr> </tbody> </table>	Project category	Type of matching allowed*	Signal coordination	In-kind match** or cash match	New or upgraded detection	In-kind match** or cash match								
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**2021 CTFP Guidelines (Projects O and P) – Proposed Changes List**

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80	Ch. 8	Matching Funds	8-20	New signal system investment (limited to eligible activities)														
81	Ch. 8	Matching Funds	8-20–8-21	<p>Relocated from Lead Agency Section</p> <p>Additionally, for projects designating OCTA as lead agency . . . when the local agency develops the application:</p> <ul style="list-style-type: none"> <li>• Primary Implementation (PI) (12 months) <ul style="list-style-type: none"> <li>o Project Administration - Each local . . . administration).</li> <li>o Signal Synchronization Timing - Each local . . . agency intersection.</li> <li>o Before and After Study - Each local . . . local agency.</li> <li>o Engineering design/review - Each local . . . local agency intersection.</li> <li>o System integration - Each local . . . on improvements).</li> <li>o Construction management - Each local . . . depending on improvements.</li> </ul> </li> <li>• Ongoing O&amp;M (24 months) - Each local . . . project O&amp;M report.</li> </ul> <p>For projects designating a local agency . . . using a different formula (e.g., 2-5 hours per local agency signal for 24 months).</p>														
82	Ch. 8	Matching Funds	8-21	Participating agencies pledging in-kind services shall be responsible for keeping track of said hours and/or improvements. For OCTA-led projects, an in-kind services match report will be requested throughout the project to ensure agencies meet their promised in-kind match. All submissions shall include backup documentations, such as accounting/payroll detailed summaries, third-party invoices (consultant, contractor, and equipment) and are subject to Audit.														
83	Ch. 8	Data Compatibility	8-22	<p>All count data, including average daily traffic (ADT) and intersection turning movement (ITM), collected as part of any funded project shall be provided to OCTA in <del>one of the two following digital formats: 1) Microsoft Excel format. NDS/Southland Car Counters style Excel spreadsheet; or 2) JAMAR comma separated value style text file. The data shall then be loaded into the OCTA Roadway Operations and Analysis Database System (ROADS).</del> Any data files containing numeric intersection or node identifiers shall use the same node identification (ID) numbers as is stored and maintained by OCTA. OCTA shall provide a listing of intersections and corresponding unique node ID numbers upon request. Each count data file name shall adhere to the following file naming describe the year the counts were collected, agency, type of count file, intersection name, and OCTA node ID number. <del>or .esv.</del> As an example, a turning movement count file recently collected for the intersection of Harbor Boulevard and Wilson Street in the City of Costa Mesa would be given the filename 2020_CostaMesa_ITM_Harbor-Wilson_2020_ITM_4534.esv.xls.</p> <p>All traffic signal synchronization data collected and compiled as part of any funded project for both existing (before) and final optimized (after) conditions shall be provided to OCTA in Synchro version 10 <del>esv latest Universal Traffic Data Format (UTDF) format and version combined data UTDF-format.</del> This data shall include the validated network layout, node, link, lane, volume, timing, and phase data for all coordinated times. The nodes for these files shall also correspond to the OCTA node ID numbers. <del>All such data shall be consistent with the OCTA ROADS database.</del></p>														
84	Ch. 8	Project Summary Information	8-22	For each application that is recommended for funding, the agency shall submit a PowerPoint presentation summarizing the pertinent project information for TAC review and discussion purposes. The presentation shall be no more than three (3) slides and should contain, at a minimum, a project description, project benefits, location map, and cost estimate. <b>OCTA staff will request the PowerPoint when/if a project is recommended for funding.</b>														



**2021 CTFP Guidelines (Projects O and P) – Proposed Changes List**

No.	Section/ Chapter	Subsection	Page No.	Proposed Change
85	Ch. 8	Exhibit 8-1: Checklist	8-23– 8-24	<p><b>RTSSP Online Application – submitted through OCFundTracker</b></p> <ol style="list-style-type: none"> <li>1. Transportation Significance <del>Vehicle Miles Traveled</del></li> <li>2. Benefit Cost Ratio</li> <li>3. Project Characteristics</li> <li>4. <del>Transportation Significance</del></li> <li>4. Maintenance of Effort</li> <li>5. Project Scale</li> <li>6. Number of Jurisdictions</li> <li>7. <del>Current Project Readiness Status</del></li> <li>8. Funding Over-Match</li> </ol> <p><b>Section 1: Key Technical Information</b></p> <ol style="list-style-type: none"> <li>a. Name of Project Corridor/Grid Route <del>Limits</del></li> <li>b. Project Limits</li> <li>c. Project Length</li> <li>d. Number of Signalized Intersections Along Corridor</li> <li>e. Participating Agencies/Traffic Forum Members</li> <li>f. Lead Agency</li> <li>g. Designation of the corridor to synchronize: <del>priority corridor, signal synchronization network corridor, or master plan of arterial highways corridor</del></li> <li>h. Project start date and end date, including any commitment to operate signal synchronization <del>beyond the three-year grant period</del></li> <li>i. Previous funding</li> <li>j. Contact Information</li> <li>k. Signalized intersections that are part of the project <del>Traffic Forum members</del></li> <li>l. Project Map Depicting the Project Limits</li> </ol> <p><b>Section 2: Regional Significance <del>Lead Agency</del></b></p> <p><b>Section 3: Acknowledgement of Required Tasks <del>Resolutions of Support from the Project's Traffic Forum Members</del></b></p> <p><b>Section 4: Funding Needs/Costs <del>Preliminary Plans for the Proposed Project by Task</del></b>  <del>The plans shall include details about both phases of the project: Preliminary Implementation (PI) and Ongoing Operations and Maintenance (O&amp;M). The plan should be organized using the following setup:</del></p> <p><del>Primary Implementation shall include details about the following:</del></p> <ul style="list-style-type: none"> <li><del>–Task 1: Project Administration (required)</del></li> <li><del>–Task 2: Data Collection (required)</del></li> <li><del>–Task 3: Field Review and Plans Specifications and Estimates (required)</del></li> <li><del>–Task 4: Corridor “Before” Study (required)</del></li> <li><del>–Task 5: Signal Timing Optimization and Implementation (required)</del></li> <li><del>–Task 6: Corridor “After” Study (required)</del></li> <li><del>–Task 7: Synchronization System Construction (required)</del></li> <li><del>–Task 8: Project Report (required)</del></li> <li><del>–Task 9: On-going Operations and Maintenance (required)</del></li> </ul> <p><del>Ongoing O&amp;M will begin after the PI of the project is completed. It shall include details about the following:</del></p> <ol style="list-style-type: none"> <li>a. <del>Monitoring and improving optimized signal timing (required)</del></li> <li>b. <del>Communications and detection support (optional)</del></li> </ol>

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				<del>c. O&amp;M Final Memorandum (required)</del> a. Summary of Project Cost b. Summary of Cost by Agency c. Table I: Agency Improvement Preferences d. Table II: Description of Work by Intersection <b>Section 5: Detailed Local Match Commitment Total Proposed Project Cost by Task</b> <del>a. Table I: Summary of Improvements</del> <del>b. Table II: Detailed Improvement Breakdown</del> <b>Section 6: Project Schedule for the 3 Year Grant Period by Task</b> a. Project State and End Dates b. Project Schedule by Task c. Agency Commitment of Extended Monitoring and Maintenance <b>Section 7: Matching Funds</b> <b>Section 8: Environmental Clearances and Other Permits</b> <b>Section 9: Calculations Used for Develop Selection Criteria Inputs</b> <b>Section 10: Any additional Information Deemed Relevant by the Applicant</b> <b>Appendices</b> a. Agency Resolutions b. Vehicle Miles Traveled (VMT) c. Calculations and Estimated Points d. Additional Information (Optional)
86	Ch. 8	Exhibit 8-2 Resolution	8-25	The City Council of the City of _____ hereby requests the Orange County Transportation Authority allocate funds in the amounts specified in the City's application to said City from the Regional Traffic Transportation Signal Synchronization Program.
87	Ch.9	Payment Requests	9-4	3. Documentation of the Contract Award – The agency shall submit a minute order, agency resolution, or other council/board action showing award of the contract and the contract amount. After contract award, the agency shall submit the project name, contractor/consultant company name, and project scope including bid/task list, for each contract. The city clerk, clerk of the board, or appropriate equivalent shall certify minutes. Agencies that use on-call consultants shall submit a purchase order or Notice to Proceed (NTP) that includes the project-specific scope of work for the contractor.
88	Ch.9	Payment Requests	9-4	5. Work Schedule – OCTA prefers a complete project schedule, but an agency may provide as little as the expected start and completion dates for preliminary engineering, final engineering, right-of-way, and construction phases on the Engineering & Construction Phase Initial Report Form 10-1A.
89	Ch. 9	Final Payment Documentation Requirements	9-7	5. Final Report Form – The local agency shall prepare a final report form using the Engineering & Construction Phase Final Report Form 10-5A.
90	Ch. 9	Procedures for Receiving Funds	9-12	<del>O&amp;M will begin after the PI of the project is completed and be required for the remainder of the project and last for a minimum of two (2) years.</del> Primary Implementation (PI) includes the following: • Producing a Final PI Report, which includes the Before and After Study for the proposed project (required)
91	Ch. 9	Procedures for Receiving Funds	9-12	<del>Ongoing Operation and Maintenance (O&amp;M) will begin after the PI of the project is completed.</del> Includes the following: • Final O&M Report
92	Ch. 9	Initial Payment Requests for Primary Implementation	9-13	The <del>PI</del> final report has been provided so a lead agency can determine the reporting and documentation required for an initial payment request. Staff may request additional documentation that is not listed on the <del>PI</del> final rReport prior to approving the request. The electronic versions of the forms are available through the OCFundtracker.
93	Ch. 9	Initial Payment Requests for Primary Implementation	9-14	<del>Final</del> Report Submission

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94	Ch. 9	Example of Initial Reimbursement for Primary Implementation (PI):	9-14	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;"><b>CTFP Grant Allocation</b></td> <td style="text-align: center;"><b>OCTA Match Rate</b></td> <td style="text-align: center;"><b>Local Agency Match Rate</b></td> </tr> <tr> <td style="text-align: center;">\$960,000.00</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">20%</td> </tr> </table> <p><b>Step 1</b> Eligible Expenses x OCTA Match Rate = Product \$1,000,000.00 x 80% = \$800,000.00</p> <p><b>Step 2</b> Check if Product is greater than or less than CTFP Grant Allocation Amount: \$800,000 vs \$960,000</p> <p><b>Step 3</b> Use the lower of the Product or CTFP Grant Allocation In this case, the \$800,000.00 amount is lower</p> <p><b>Step 4</b> Then multiply the amount by 75% (Initial Payment Percentage)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">\$800,000.00</td> <td style="text-align: center;">x</td> <td style="text-align: center;">75%</td> <td style="text-align: center;">=</td> <td style="text-align: center;">\$600,000.00</td> </tr> <tr> <td colspan="4"></td> <td style="text-align: center;">Invoice Amount</td> </tr> </table>	<b>CTFP Grant Allocation</b>	<b>OCTA Match Rate</b>	<b>Local Agency Match Rate</b>	\$960,000.00	80%	20%	\$800,000.00	x	75%	=	\$600,000.00					Invoice Amount
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95	Ch. 9	Final Payment Requests for Primary Implementation	9-15	A <del>template for the before and after study is available.</del> The PI Report, which includes the <u>Before and After Study</u> for RTSSP, shall be included as a requirement at the end of the Primary Implementation phase and as part of the Final Report as required by the M2 Ordinance, Attachment B, Section III.A.9 <del>for reimbursement purposes.</del>																
96	Ch. 9	O&M Project Final Report	9-15 – 9-16	<b>O&amp;M Project Final Report</b> The <del>project final</del> O&M Report shall be completed in accordance with all CTFP Guidelines upon the end of the <del>three-year grant period</del> O&M phase. In addition, the <del>final</del> O&M Report shall summarize the O&M period, <del>full project through the three-year grant period, include the Before and After Study from the PI phase, and report on additional updates/information that result from the Ongoing Operation and Maintenance phase.</del> documenting the O&M efforts and procedures for continuing maintenance. At a minimum, the O&M Report shall include when travel runs were conducted and issues and solutions throughout the phase. The report shall document all planned and programmed improvements on the study corridor as well as recommendations for further infrastructure improvements that would likely enhance the corridor signal coordination project results.																

- Acronyms  
 CTFP – Comprehensive Transportation Funding Program  
 O&M – Operations & Maintenance  
 N/A – Not applicable  
 OCTA – Orange County Transportation Authority  
 RTSSP – Regional Transportation Signal Synchronization Program  
 RCP – Regional Capacity Program  
 Board – Board of Directors  
 M2 – Measure M2  
 PI – Primary Implementation  
 CCTV -Closed Circuit Television  
 ADA – Americans with Disabilities Act  
 Caltrans – California Department of Transportation

**Comprehensive Transportation Funding Programs,  
Guidelines Excerpt, Proposed Revisions**

## III. Definitions

1. The term "agency," "agencies," "local agency" or any form thereof shall be described in Precept 2.
2. "Competitive funds" refers to funding grants received through the Comprehensive Transportation Funding Programs (CTFP).
3. The term "complete project" is inclusive of acquiring environmental documents, preliminary engineering, Right-of-Way (ROW) acquisition, construction, and construction engineering.
4. The term "cost overrun" in reference to projects awarded through the CTFP shall refer to any and all costs beyond the original estimate that are necessary to complete the approved project scope.
5. The term "encumbrance" or any variation thereof shall mean the execution of a contract or other action (e.g. city council award of a primary contract or issuance of a purchase order and Notice to Proceed (NTP)) to be funded by Net Revenues.
6. The term "escalation" or "escalate" is the inflationary adjustment, as determined by the Engineering News Record (ENR) Construction Cost Index (CCI) 20-city average, added to the application funding request (current year basis) for ROW and construction phases (see Precept 13).
7. The term "environmental mitigation" is referred to as environmental clean-up/preservation measures made as part of that project's environmental clearance.
8. For the purpose of these guidelines, the terms "excess right-of-way" and "surplus right-of-way" shall interchangeably refer to ROW acquired for a specific transportation purpose that is not needed for that purpose. ROW designation shall be acknowledged by applicant to OCTA within sixty calendar days of designation. Furthermore, surplus property plan must also be provided to OCTA at time of designation.
9. The term "Fast Track" shall refer to projects that apply for both planning and implementation phase funding in a single competitive application/call for projects.
10. The term "Fully Burdened Labor Rates" include Work Force Labor Rate (WFLR) plus overhead (see Chapter 9).
11. The term "funding grant," "grant," "project funding," "competitive funds," "project programming" shall refer to the total amount of funds approved by the Board through the CTFP competitive process.
12. The term "Gap Closure" shall refer to the construction of a roadway to its full MPAH build-out for the purpose of connecting two existing ends of that roadway by filling

- in a missing segment or for completing the terminus of an MPAH roadway. This applies to increased roadway capacity only as it relates to vehicular traffic.
13. The term “implementing agency” is the agency responsible for managing the scope, cost and schedule of the proposed project as defined in the grant application.
  14. The term “lead agency” shall refer to the agency responsible for the submission of the grant application.
  15. The term “Master Funding Agreements” or any form thereof shall refer to cooperative funding agreements described in Precept 4.
  16. The term “match rate”, “local match”, “local matching funds”, or any variation thereof, refers to the match funding that an agency is pledging through the competitive process and disposed of through procedures in Chapter 9.
  17. A “micro-purchase” is any purchase that does not exceed \$2,500. For the purposes of proof of payment, only an invoice is required.
  18. The term “obligate” or any variation thereof shall refer to the process of encumbering funds.
  19. “OCFundtracker” refers to the online grant application and payment system used by OCTA to administer the competitive programs awarded through the CTFP. Refer to <https://ocfundtracker.octa.net/>.
  20. “Primary Implementation (PI) Report” refers to the report required at the end of the PI phase. It is a technical report that documents the work completed during the PI phase, which contains the Before and After Study. This is a separate report from the project final report required by the M2 Ordinance, Attachment B, Section III.A.9.
  - ~~20.~~21. “Operations and Maintenance (O&M) Technical Memorandum Report” refers to the report required at the conclusion of O&M phase. It is a technical report that documents the work completed during O&M phase. This is a separate report from the project final report required by the M2 Ordinance, Attachment B, Section III.A.9.
  - ~~21.~~22. The term “project phase” or any form thereof shall refer to the three distinct project phases (engineering, right-of-way, and construction) OCTA funds through the CTFP. Additionally, the “engineering phase” shall include the preparation of environmental documents, preliminary engineering, and ROW engineering. The “ROW phase” shall include ROW acquisition, utility relocation and adjustment to private property as contained in the ROW agreements, private improvements taken, Temporary Construction Easements (TCE), severance damages, relocation costs that are the legal obligation of the agency, as well as loss of good will,

fixtures and equipment including legal cost. The “construction phase” shall include construction and construction engineering. A fourth phase defined as “Operations & Maintenance” applies to select programs and is described more fully in the applicable program chapter.

- ~~22-23~~. Programming for RCP (Project O) follows a sequential process related to Planning and Implementation elements as described more fully in Chapter 2. The Planning step includes environmental evaluation, planning and engineering activities. The Implementation step includes ROW and construction activities.
- ~~23-24~~. The term “project phase completion” refers to the date that the local agency has paid the final contractor/consultant invoice (including retention) for work performed and any pending litigation has been adjudicated for the engineering phase or for the ROW phase, and all liens/claims have been settled for the construction phase. The date of project phase completion will begin the 180-day requirement for the submission of a project final report as required by the M2 Ordinance, Attachment B, Section III.A.9.
- ~~24-25~~. The term “Public-Private Partnerships” is defined as direct financial contributions, sponsorships or ROW dedications for eligible program activities.
- ~~25-26~~. The term “reasonable” in reference to project phase costs shall refer to a cost that, in its nature and amount, does not exceed that which would normally be incurred under the circumstances prevailing at the time the decision was made to incur the cost. Factors that influence the reasonableness of costs: whether the cost is of a type generally recognized as ordinary and necessary for the completion of the work effort and market prices for comparable goods or services.
- ~~26-27~~. The term “savings” or “project savings” in reference to projects awarded through the CTFP are any grant funds remaining on a particular project phase after all eligible items within the approved project scope have been reimbursed.
- ~~27-28~~. “Sustainability”, as it applies to capacity enhancing infrastructure projects, refers to project elements that support environmental benefits such as use of renewable or recycled resources.
- ~~29~~. The term “Work Force Labor Rates (WFLR)” include direct salaries plus direct fringe benefits.
- ~~28-30~~. The term “offset signal” refers to traffic signalized intersections within 2,700 feet from either direction of the project corridor. (Project P Only)

## IV. Acronyms

AADT – Average Annual Daily Traffic

ACE – Arterial Capacity Enhancements

ADA – Americans with Disabilities Act of 1990

ADT – Average Daily Trips

A/E – Architectural/Engineering

APIRI – Applications Programming Interface with Referenced Implementations

ATC – Advanced Transportation Controller

ATMS – Advanced Transportation Management System

BMP – Best Management Practices

B/RVH – Boardings Divided by the Revenue Vehicle Hours

C2C – Center-to-Center Communication

CASQA – California Stormwater Quality Association

CAPPM – Cost Accounting Policies and Procedures Manual

CCI – Construction Cost Index

CCTV – Closed Circuit Television

CDS – Continuous Deflection Separator

CFS – Climate Forecast System

CE – Categorical Exclusion

CEQA – California Environmental Quality Act

CIP – Capital Improvement Plan

CPI – Catchment Prioritization Index

CSPI – Corridor System Performance Index

CTC – California Transportation Commission

CTFP – Comprehensive Transportation Funding Programs

CTO – Contract Task Order

ECAC – Environmental Cleanup Allocation Committee

ECP – Environmental Cleanup Program

EIR – Environmental Impact Report



## Chapter 1 - Eligibility

### Overview

To apply for the CTFP, local agencies must fulfill an annual eligibility process. OCTA established this process to ensure that improvements are consistent with regional plans. The cities and county approved a process reflecting the eligibility criteria found in Measure M. Eligibility packages are due to OCTA by June 30 of each year.

In order to receive CTFP and M2 LFS funds, OCTA must deem agencies as eligible. OCTA shall annually distribute an eligibility information package to local agencies. Below is a brief list of requirements:

- Adoption of a Capital Improvement Program (CIP)
- Adoption of a General Plan Circulation Element which does not preclude implementation of the MPAH
- Adoption of a Pavement Management Plan
- Adoption of a Local Traffic Signal Synchronization Plan
- Satisfied Maintenance of Effort requirements
- Approved agreement to expend funds within three years of receipt (based upon award date for competitive M2 projects and based on the date OCTA issues check to local agency for LFS and Senior Mobility Programs)
- Adopt an annual Expenditure Report
- Submit Project Final Report for all Net Revenue projects

The M2 Eligibility Guidelines outline the eligibility requirements in detail. OCTA updates the Eligibility Preparation Manual annually and encourages agencies to use it as a reference when preparing items to meet eligibility requirements (see <http://www.octa.net/pdf/M2EligibilityGuidelines.pdf>). Agencies will submit a CIP through an electronic database application (see <http://ocfundtracker.octa.net/> <http://websmartcip.octa.net/>). OCTA develops a manual and workshops to prepare local agency staff for the annual eligibility process.

### MPAH Consistency Review and Amendment Process

Through a transfer agreement with the County of Orange, OCTA assumed responsibility for administering the MPAH starting in mid-1995. As the administrator, OCTA is responsible for maintaining the integrity of the MPAH through coordination with cities and the County and shall determine an agency's consistency with the MPAH. In order to provide a mechanism to communicate MPAH policies and procedures, OCTA prepared the Guidance for the Administration of the Orange County Master Plan of Arterial Highways (see [http://www.octa.net/pdf/mpah\\_guidlines.pdf](http://www.octa.net/pdf/mpah_guidlines.pdf)). The guidance document is to assist

OCTA, the County, and the cities of Orange County to maintain the MPAH as a vital component of transportation planning in the County. The guidance document outlines, in detail, the MPAH consistency review and amendment process. Agencies can find contact information for OCTA staff assigned to MPAH administration in the manual.

## **Additional Information Regarding MPAH**

The agency's General Plan Circulation Element must be consistent with the MPAH. In order for an agency's circulation element to be consistent with the MPAH, it shall have a planned-carrying capacity equivalent to the MPAH for all MPAH links within the agency's jurisdiction. "Planned capacity" shall be measured by the number of through lanes on each arterial highway as shown on the local circulation element. Agencies are not considered "inconsistent" as a result of existing capacity limitations on arterials which are not yet constructed to the circulation element design.

The agency must also submit a resolution attesting that no unilateral reduction in lanes has been made on any MPAH arterials. For a sample resolution, see the Measure M2 Eligibility Guidelines.

## Chapter 2 – Project Programming

### Program Consolidation

The M2 RCP improvement categories (see Chapter 7) will combine projects into one application review process. The programs of the CTFP will act as the project funding source. The consolidation of programs will help eliminate confusion among the various requirements and allow the greatest flexibility for programming projects. Other funding programs (Projects S, T, V, W, and X) have similar eligibility requirements, but OCTA will evaluate and approve these projects through a separate process.

### Sequential Programming Process – RCP

Timely and efficient use of funding is a critical success factor for the CTFP. Historically, agencies were encouraged to develop long term projects spanning three or more years which often led to delays in implementing final project phases. This dynamic led to larger-than-anticipated funding program cash balances and an inability to fund smaller time sensitive projects in the interim.

In response to concerns raised by the Board and the Taxpayers Oversight Committee responsible for M2 oversight, OCTA will use annual calls that serve a near term programming window (3 years), as well as a sequential funding approach for M2 projects. OCTA expects this new approach to aid in a timelier use of funding and limit the potential for unanticipated project completion delays inherent with long lead time projects.

Sequential funding is a two-step process. Step One, also known as the planning phase, includes funding requests for planning/environmental, engineering and ROW engineering activities. Step Two, also known as the implementation phase, includes ROW engineering/acquisition and construction activities. ROW engineering can be requested in either the planning or implementation phases. Projects must complete the planning phase before an agency requests implementation phase funding during a call for projects. Exceptions to this rule include the following:

- An agency may request implementation funding prior to completion of the planning phase if the jurisdiction can demonstrate that the planning phase activities are underway, are substantially complete and the agency will complete the activities within six months of the start of the new phase programmed year.

OR

- An agency may request a Fast Track approach, seeking funds for planning and implementation phase at the same time. The agency must demonstrate that the policy variance is necessary due to the project schedule and waiting until the next annual call for projects to apply for implementation phase funding presents undue hardship or could jeopardize the overall project delivery and milestones. The

agency will waive the opportunity to request a project delay under this approach. The Fast Track approach is permitted only for projects that do not have ROW acquisition needs. If seeking engineering funds, the local agency must have received environmental clearance and demonstrate that all necessary easements and titles are in place for local agency use. Under no circumstances will the Fast Track option be considered for local agency convenience as this could delay implementation of other projects that are shelf ready.

Each call for projects will cover a three-year period that overlaps subsequent future cycles. Funding targets for each cycle are based upon prior funding commitments, anticipated revenues, reprogramming of unused grants (cancellations and savings), and a set aside for future funding cycles.

As part of each call for projects, OCTA will determine an appropriate balance between grants made for the planning and implementation phases.

## **Tiered Funding**

Project funding for RCP (Project O) will follow a tiered funding process that differentiates between large and small projects. The tiered process is described in detail in Chapter 7.

## **Funding Projections – Call for Projects**

Revenue estimates for M2 are updated annually. Programming decisions are based upon conservative economic assumptions provided by Southern California academic institutions. In the future, OCTA will add project cancellations and realized savings from completed projects to anticipated revenues for redistribution in the first year of each funding cycle.

## **Project Cost Escalation**

OCTA will escalate approved ROW and construction projects in years two and three. The match rate percentage identified by implementing agencies in the project grant application shall remain constant throughout the project. This includes projects where the programming has been escalated for future years. OCTA will base escalation rates for future years on ENR CCI 20 City Average escalation rates.

## **Programming Adjustments**

OCTA bases funding grants on cost estimates that agencies provide and that OCTA validates against industry norms during the evaluation process. Agencies must provide estimates in current year dollars.

Projects programmed in Year Two or Year Three of each funding cycle include a CCI-based adjustment factor for the ROW and construction phases only. Lead agencies shall not receive grant increases. Cost overruns are the responsibility of local agencies and

may count against agencies' match rate commitment for eligible activities. Local agencies may request scope adjustments to meet budget shortfalls when the agency can demonstrate substantial consistency and attainment of proposed transportation benefits compared to the original project scope.

When agencies are preparing applications, **all cost estimates must be in current year dollars with Month and Year cited.** OCTA will review each cost estimate thoroughly and will escalate ROW and construction costs based on the year OCTA programs the project grant. For example, if an agency's cost estimate lists construction costs for a project and OCTA programs the project for Year Three of the funding cycle, then OCTA will escalate the costs by the CCI-based adjustment factor, compounded annually, beginning in Year One of the funding cycle.

## Project Readiness

In an effort to better utilize project funding and maintain project schedules, programming of funding for CTFP under the sequential approach has been revised. In general, to program grants for Step Two (ROW or construction phases), a project must either have:

1. Project-level approval for environmental clearance, California Environmental Quality Act (CEQA), for M2 programs, (National Environmental Policy Act (NEPA) and CEQA for federally funded programs), or;
2. Exempt (categorically or statutorily) under CEQA and/or NEPA (as applicable).

OCTA will not consider any projects for funding for ROW and construction without final adopted project level environmental clearance documentation at the time of application.

## Programming Policies

OCTA will not increase grants after the initial programming for each phase except through project savings transfers, where applicable. Project savings are defined as the grant value remaining after one project phase (such as engineering) has been completed. Transfers should be identified during the SAR phase. Formal request of savings transfers must be accompanied by updated information and justification for the intended phase. Scope reductions are not considered project savings. Overall projects savings at the conclusion of a project are returned to the original program for reprogramming in a subsequent call for projects. This section is intended to clarify rather than replace the transfer policy identified in Precept 22.

In order to receive ROW and construction grants, a project must have all environmental clearances in place. OCTA shall not release final payment for the planning stage (includes final design) until confirmation of environmental clearance is provided.

Agencies are responsible for costs that exceed the project grant, maintaining the project schedule, and maintaining the project scope.

An agency's grant will be cancelled if the agency does not encumber the funds within the programmed fiscal year. An agency may request a delay in accordance with the time extension policy described in the precepts.

An agency must have a fully executed Letter Agreement prior to the obligation of funds.

As stated above, an agency's grant is based on the project's cost as requested and programmed with established escalation rates. If project costs escalate beyond original estimates and the agency is unable to cover additional costs, a request to reduce the project scope or limits will be considered where feasible. For the RTSSP (Project P) program, changes to project costs with respect to the phase allocations will be considered based upon the issuance of contract or contract task order (CTO), provided that the readjusted phase allocations are timely and do not increase the overall grant. All requests for changes in scope and limits must be submitted to OCTA in advance of the change. This request will be evaluated on a case-by-case basis and must be approved by the TAC and the Board prior to initiation of the change by the lead agency. The lead agency must submit a letter to OCTA no later than June 30th of the year in which funds are programmed stating the reasons for cost increases, a proposal for project scope or limit reduction, and an explanation of why approval of the request is warranted. The review process is similar to the appeals process mentioned above.

## Schedule change requests

Grants approved as part of the CTFP process are subject to timely delivery requirements. Implementation schedules are determined by the lead agency (applicant). Contract work must be awarded prior to the end of the programmed fiscal year to encumber the funds. If work cannot be initiated within this time frame, a request to defer funding may be submitted to OCTA for consideration. Project status is reviewed every six months during the SAR process. Expired project funding is subject to withdrawal from project and reprogramming in a subsequent call for projects.

Funding delays must be submitted to OCTA in conjunction with the SAR process. These reviews are typically held in Fall and Spring. Emergency extensions after the Spring SAR may be considered on a case by case basis, but no less than ninety (90) calendar days prior to the encumbrance deadline. The M2 Ordinance permits a delay for up to 24 months. Implementing agencies may request a one-time delay of up to 24 months per project grant. Agencies shall justify this request, receive City Council/Board of Supervisor concurrence, and seek approval of OCTA staff, the TAC and Board as part of the SAR process. Projects that are expected to incur extensive delays beyond the parameters of the program should consider cancellation and reapplication at a future date. Advancement requests may be considered during the review process and may be approved subject to funding availability.

## Timely use of funds

For project phases, excluding ROW, funds will expire after 36 months from encumbrance. For the ROW phase, funds will expire after 36 months from the date of the first offer letter. Extensions up to 24 months may be granted through the SAR. Extension requests must be received no less than ninety (90) calendar days prior to the encumbrance deadline. Additional extensions may be considered on a case by case basis for the RCP (Project O) and the RTSSP (Project P).

## Project Advancements

Agencies wishing to advance a project by one fiscal year, or more may request project advancement. Advancement requests will be considered only if program funds are available. The grant will be de-escalated according to the original escalation rate.

Requests must be submitted as part of the SAR. All advancements will be reviewed by the TAC and approved by the Board. If approved, the agency and project will be required to meet the new fiscal year award or encumbrance deadline.

Should OCTA be unable to accommodate an advancement request due to cash flow constraints, the agency may still move forward with the project using local funding. (See Precept 6) The lead agency must have a fully executed letter agreement prior to beginning work. The lead agency may subsequently seek reimbursement of CTFP funds in the fiscal year in which funds are programmed. Reimbursement shall follow the standard CTFP process (see Chapter 9). Prior approval is not necessary if the project is being advanced through local funds.

## Semi-Annual Review

OCTA staff will conduct a comprehensive review of CTFP projects on a semi-annual basis to determine the status of projects. Project updates will be provided by the local agencies and uploaded to OCFundtracker. Follow-up meetings to these updates will be held as needed. Semi-annual project reviews are usually scheduled to occur in March and September of each year.

Projects are reviewed to:

1. Update project cost estimates. For any project experiencing cost increases exceeding 10 percent (10%) of the originally contracted amount, a revised cost estimate must be submitted to OCTA. This is applicable even if the increase is within the overall grant amount.
2. Review the project delivery schedule
3. Determine the project's continued viability
4. Verify project O&M expenditures (e.g. ECP (Project X))

5. Discuss any potential issues with external fund sources committed as match against the competitive funds

Prior to each review meeting, OCTA staff will distribute a list of active projects to each local agency. Each agency will be contacted as needed and asked to participate in the upcoming review where each agency's project schedules, cost estimates, and scope will be reviewed. Agencies will be given the opportunity to request program changes (e.g. delaying and advancing funds from one fiscal year to another) and each adjustment will be considered on a case-by-case basis. The agency should be prepared to explain any changes and provide all necessary supporting documentation. Generally, the local agency is responsible for the implementation of the projects as approved by OCTA, however consideration will be given for circumstances beyond the lead agency's control that affect scope, cost, or schedule.

Based on the semi-annual review meetings, OCTA staff will develop and present recommendations for project adjustments to the TAC. Requests for project changes (delays, advancements, scope modifications, etc.) will be considered on an individual basis. The following action plan has been developed for the semi-annual review process:

- Require local agencies to submit status reports, project worksheets, and supporting documentation to OCTA for all project adjustments.
- Require local agencies to abide by the **Time Extension Policy**:
  - Agencies may request a delay of up to 24 months per grant. Local agencies will be required to justify this request and seek approval of OCTA staff, the TAC, and the Board as part of the semi-annual review process.
  - Approved schedule changes will require an update of the local jurisdiction's seven-year CIP and the OCTA cooperative funding agreement.
  - Evidence of Council approval (resolution, minute order, or notification) must be provided prior to Board approval of delays.
  - An administrative extension may be granted for expiring M2 funds for a project phase that is clearly engaged in the procurement process (advertised but not yet awarded). The local agency must notify OCTA, submit a written request, for an extension, and provide evidence of advertisement prior to the award deadline.
  - Agencies that have requested Fast Track funding cannot request time extensions.

## Environmental Cleanup Program Operations and Maintenance Reporting

For Tier 1 of the ECP (Project X), cash match is required. Ongoing Operations and Maintenance (O&M) of the project can no longer be pledged as a match.



## Chapter 7 – Regional Capacity Program (Project O)

### Overview

The RCP (Project O) is a competitive program that will provide more than \$1 billion over a thirty-year period. The RCP replaces the Measure M local and regional streets and roads competitive programs (1991-2011).

Although each improvement category described in this chapter has specific eligible activities, the use of RCP funding is restricted to and must be consistent with the provisions outlined in Article XIX and the California State Controller’s [Guidelines Relating to Gas Tax Expenditures for Cities and Counties](#) (March 2019). These Guidelines are available at the following link: [https://www.sco.ca.gov/Files-AUD/gas\\_tax\\_guidelines31219.pdf](https://www.sco.ca.gov/Files-AUD/gas_tax_guidelines31219.pdf).

The MPAH serves as the backbone of Orange County’s arterial street network. Improvements to the network are required to meet existing needs and address future demand. The RCP is made up of three (3) individual program categories which provide improvements to the network:

- The ACE improvement category complements freeway improvement initiatives underway and supplements development mitigation opportunities on arterials throughout the MPAH.
- The ICE improvement category provides funding for operational and capacity improvements at intersecting MPAH roadways.
- The FAST focuses upon street to freeway interchanges and includes added emphasis upon arterial transitions to interchanges.

Projects in the arterial, intersection, and interchange improvement categories are selected on a competitive basis. All projects must meet specific criteria in order to compete for funding through this program.

Also included under the RCP is the Regional Grade Separation Program (RGSP), which is meant to address vehicle delays and safety issues related to at-grade rail crossings. Seven rail crossing projects along the MPAH network were identified by the California Transportation Commission (CTC) to receive TCIF. TCIF allocations required an additional local funding commitment. The RGSP captures these prior funding commitments. Future calls for projects for grade separations are not anticipated.

## Funding Estimates

Funding will be provided on a pay-as-you go basis. The RCP will make an estimated \$1.1 billion (in 2005 dollars) available during the 30-year M2 program. Programming estimates are developed in conjunction with periodic calls for projects. Funding is shared with intersection, interchange and grade separation improvement categories. No predetermined funding has been set aside or established for street widening.

## Programming Approach

Programming decisions are based upon project prioritization ranking, feasibility and readiness. Each round of funding has resulted in a diverse range of activities, cost and competitive score. Funding applications may seek financial assistance for planning, engineering, ROW, construction or a combination of these activities. Effective grant programs include a combination of project development as well as implementation projects. In order to ensure continued distribution of funding opportunities between small and large-scale projects, a tiered funding approach will be used.

Typically, OCTA has made approximately \$32 million available for each RCP (Project O) programming cycle. Category 1 projects are limited to those projects requesting \$5 million or less. Category 2 projects are defined as those requesting more than \$5 million in Measure M2 funds.

**Tiered Funding Approach:** The two-tiered funding (Tier 1 and Tier 2) approach will only be applicable to the RCP. This approach is proposed to prioritize high scoring projects while providing a balanced program with funding availability for small and large projects. The first tier is for projects scoring 50 points or higher, and the second tier is for all projects after first satisfying the Tier I ranking. Within Tier 1, two categories would be established with 60 percent (60%) (Category 1) of the M2 funds available for smaller projects (requesting \$5 million or less), and 40 percent (40%) (Category 2) of the M2 funds available for larger projects (requesting \$5 million or more). This approach is intended to broaden the distribution of M2 funds to higher scoring/lower cost projects and retain the ability to fund larger projects without placing formal funding caps on allocations. Any M2 funds not programmed in Tier I will be designated for Tier 2 allocation. A funding split between small and large projects is not recommended for Tier 2.

Applications may be for any project phase provided it represents a meaningful, logical terminus and is consistent with scoping from a previously funded project if applicable (i.e., if engineering was previously funded, the ROW and/or construction request must be for the same project scope).

	Category 1 (60%)	Category 2 (40%)
Tier I >=50	<ul style="list-style-type: none"> <li>• \$0 - \$5 million</li> <li>• Score at least 50 points</li> <li>• Logical, standalone project</li> <li>• Unallocated balance shifts to Tier II for programming</li> </ul>	<ul style="list-style-type: none"> <li>• \$5+ million request</li> <li>• Score at least 50 points</li> <li>• Logical, standalone project</li> <li>• Unallocated balance shifts to Tier II for programming</li> </ul>
Tier II	<ul style="list-style-type: none"> <li>• Balance of unallocated funds from Tier I prioritization</li> <li>• Request can be of any dollar value to compete in Tier II</li> <li>• Multiple segments of the same project cannot be submitted under both categories.</li> </ul>	

## 2021~~0~~ Call for Projects

Contingent on OCTA’s Board approval, the 2021 Call for Projects (call) for RCP (Project O) – under M2 is anticipated to provide approximately **\$22 million** for streets and roads improvements across Orange County.

Funding will be provided for the three RCP funding programs: ACE, ICE, and FAST. Chapter 7 details the specific program’s intent, eligible project expenditures, ineligible project expenditures, and additional information that may be needed when applying for funds. Each section should be read thoroughly before applying for funding. Application should be prepared for the program that best fits the proposed project.

For this call, OCTA shall program projects for a three-year period (FY 21/22 – 23/24), based upon the current estimate of available funds. For specifics on the funding policies that apply to this call, refer to the Program Precepts as found in Section IV of these guidelines.

## Applications

In order for OCTA to consider a project for funding, applications will be prepared by the lead agency. A separate application package must be completed for each individual project. Multiple variations of the same project (i.e. with different local match rates) will not be considered. If funding is requested under multiple program components for a single project (i.e. arterials and intersections) a separate application must be prepared for each request. OCTA shall require agencies to submit both online and hardcopy

applications for the 202<sup>1</sup> call for projects by **5:00 p.m. on Thursday, October 22, 2020**. **Late and/or incomplete submittals will not be accepted.**

Since each funding program has slightly different application requirements, an "Internal Application Checklist Guide" has been provided for the three programs under the RCP (Exhibits 7-1, 7-2, and 7-3). The checklist guide identifies the basic forms and documentation required for each of the program components. In addition, items required at the time of project submittal are differentiated from supplemental items due later. The appropriate **checklist must be provided as a cover sheet for each application submitted**. For any items that are required for the candidate project or program that are missing or incomplete, an explanation should be included in a cover letter with the application. In addition to this checklist guide, please review the **Attachments/Additional Information** section of each program component for a description of supplementary documentation which may be required to support your agency's project application in specific cases.

Additionally, **three (3) unbound hardcopies** of the application and any supporting documentation must be submitted to OCTA by the application deadline.

Hardcopy applications should be mailed to:

OCTA  
Attention: Alfonso Hernandez  
600 S. Main Street  
P.O. Box 14184 Orange, CA 92863-1584

Hardcopy applications can be hand delivered to:

600 S. Main Street  
Orange, CA 92868

## Exhibit 7-1

### Arterial Capacity Enhancement (ACE)

#### CTFP Application Checklist Guide

##### **Planning – Environmental & Engineering**

- CTFP Online Application – submitted through OCFundtracker
- Project Description, Scope of Work and Project Limits
- Cost Estimate for Complete Project - ALL PHASES
- General Application Sample Resolution
- ADT Counts and LOS Calculations
- Aerial Photo w/ Proposed Improvements Shown

##### **Right-of-Way**

- CTFP Online Application – submitted through OCFundtracker
- Project Description Detail (include plat maps and legal descriptions for proposed acquisitions)
- Detailed right-of-way Acquisition/Disposal Plan using the OCTA provided right-of-way acquisition/disposal plan form available for download at <https://ocfundtracker.octa.net>.
- Cost Estimate for Complete Project - ALL PHASES
  - Estimated right-of-way Cost by Parcel (Land, Improvements Taken, Severance, Goodwill, Incidental Expenses)\*
- General Application Sample Resolution
- CEQA Compliance Form (CE, Negative Declaration, EIR)
- Aerial Strip Map w/ Existing and Proposed Improvements Shown
  - Include right-of-way Improvements and Parcels to be Acquired
- Preliminary Construction Layout Plans\*
- ADT and LOS Calculations

##### **Construction**

- CTFP Online Application – submitted through OCFundtracker
- Project Construction Specifications
- Cost Estimate for Complete Project - ALL PHASES
- General Application Sample Resolution
- CEQA Compliance Form (CE, Negative Declaration, EIR)
- Project Development Documents - Project Report or Materials Report \*
- Approved Project Construction Plans\*
- ADT and LOS Calculations

***NOTE: To qualify for the 10 percent (10%) local match discount for measurable improvement of PCI, please include documentation from the last two PMP biennial Measure M Eligibility submittals that provide average PCI for Overall System.***

***\*Items are due after first application review. OCTA staff will contact you regarding those projects that will require this additional information.***

## Exhibit 7-2

### Intersection Capacity Enhancement (ICE)

#### CTFP Application Checklist Guide

##### **Planning – Environmental & Engineering**

- CTFP Online Application – submitted through OCFundtracker
- Project Description, Scope of Work and Project Limits
- Cost Estimate for Complete Project - ALL PHASES
- General Application Sample Resolution
- Peak Hour Turning Movement Counts, LOS Calculations, and ADT for each leg of the intersection
- Aerial Photo w/ Proposed Improvements Shown

##### **Right-of-Way**

- CTFP Online Application – submitted through OCFundtracker
- Project Description Detail (include plat maps and legal descriptions for proposed acquisitions)
- Detailed right-of-way Acquisition/Disposal Plan using the OCTA provided right-of-way acquisition/disposal plan form available for download at <https://ocfundtracker.octa.net>.
- Cost Estimate for Complete Project - ALL PHASES
  - Estimated right-of-way Cost by Parcel (Land, Improvements Taken, Severance, Goodwill, Incidental Expenses) \*
- General Application Sample Resolution
- Peak Hour Turning Movement Counts, LOS/ICU Calculations, and ADT for each leg of the intersection
- CEQA Compliance Form (CE, Negative Declaration, EIR)
- Aerial Strip Map w/ Existing and Proposed Improvements Shown
  - Include right-of-way Improvements and Parcels to be Acquired
- Preliminary Construction Layout Plans\*

##### **Construction**

- CTFP Online Application – submitted through OCFundtracker
- Project Construction Specifications
- Cost Estimate for Complete Project - ALL PHASES
- General Application Sample Resolution
- Peak Hour Turning Movement Counts, LOS Calculations, and ADT for each leg of the intersection
- CEQA Compliance Form (CE, Negative Declaration, EIR)
- Project Development Documents - Project Report or Materials Report \*
- Approved Project Construction Plans\*

***NOTE: To qualify for the 10 percent (10%) local match discount for measurable improvement of PCI, please include documentation from the last two PMP biennial Measure M Eligibility submittals that provide average PCI for Overall System.***

***\*Items are due after first application review. OCTA staff will contact you regarding those projects that will require this additional information.***

## Exhibit 7-3

### Freeway Arterial/Streets Transition (FAST)

#### CTFP Application Checklist Guide

##### **Planning – Environmental & Engineering**

- CTFP Online Application – submitted through OCFundtracker
- Project Description, Scope of Work and Project Limits
- Cost Estimate for Complete Project - ALL PHASES
- General Application Sample Resolution
- Peak Hour Turning Movement Counts, LOS Calculations, ADT for arterial and ramp exit volumes
- Caltrans Letter of Support
- Aerial Photo w/ Proposed Improvements Shown

##### **Right-of-Way**

- CTFP Online Application – submitted through OCFundtracker
- Project Description Detail (include plat maps and legal descriptions for proposed acquisitions)
- Detailed right-of-way Acquisition/Disposal Plan using the OCTA provided right-of-way acquisition/disposal plan form available for download at <https://ocfundtracker.octa.net>.
- Cost Estimate for Complete Project - ALL PHASES
  - Estimated right-of-way Cost by Parcel (Land, Improvements Taken, Severance, Goodwill, Incidental Expenses) \*
- General Application Sample Resolution
- Peak Hour Turning Movement Counts, LOS Calculations, and ADT for each leg of the intersection
- CEQA Compliance Form (CE, Negative Declaration, EIR)
- Aerial Strip Map w/ Existing and Proposed Improvements Shown
  - Include right-of-way Improvements and Parcels to be Acquired
- Preliminary Construction Layout Plans\*

##### **Construction**

- CTFP Online Application – submitted through OCFundtracker
- Project Construction Specifications
- Cost Estimate for Complete Project - ALL PHASES
- General Application Sample Resolution
- Peak Hour Turning Movement Counts, LOS Calculations, and ADT for each leg of the intersection
- CEQA Compliance Form (CE, Negative Declaration, EIR)
- Project Development Documents - Project Report or Materials Report\*
- Approved Project Construction Plans\*
- Appropriate agreements between Caltrans and the project lead agency need to be in draft form and/or in place.

***NOTE: To qualify for the 10 percent (10%) local match discount for measurable improvement of PCI, please include documentation from the last two PMP biennial Measure M Eligibility submittals that provide average PCI for Overall System.***

***\*Items are due after first application review. OCTA staff will contact you regarding those projects that will require this additional information.***

## Attachments

### OC Fundtracker Application

Agencies must submit a copy of the OCFundtracker application and scoring information with all application submittals. This document is created within the OCFundtracker web-based application.

### "Project Cost Estimate" Form

Include a separate attachment listing all expenditures and costs for the project. Accurate unit prices and a detailed description of work, including design, will be critical when the candidate project is reviewed. For example, design applications should include major tasks that will be performed. ROW cost estimate should include parcel information (including project area needed), improvements taken, severance damages, ROW engineering, appraisal and legal costs. Construction should include a listing of all bid items including a maximum 10 percent (10%) allowance for contingencies and a maximum 15 percent (15%) allowance for construction engineering/project management. The anticipated disbursement of costs (e.g., Agency, Other, Non-Eligible) must also be completed. Agencies should reference the program from which funding is expected to be allocated when completing this portion of the form. Each of the funding programs described in these guidelines may have differing matching fund requirements.

If more than one project phase is requested to be funded, a separate project cost estimate form is to be completed for each phase, or each phase must be clearly indicated, and a subtotal prepared on this form. Separate forms should also be prepared if funding for project phases is being requested over multiple fiscal years.

### "Sample Resolution" Form

A resolution or minute action must be approved by the local jurisdiction's governing body prior to the Board approval of grant funds. A sample resolution is included as Exhibit 7-4. Local agencies, at a minimum, must include items a-h. The mechanism selected shall serve as a formal request for CTFP funds and states that matching funds will be provided by the agency, if necessary. All project requests must be included in this action. **If a draft copy of the resolution is provided, the local jurisdiction must also provide the date the resolution will be finalized by the local jurisdiction's governing body.**

### ROW Acquisition/Disposal Plan

For all projects requesting ROW phase funding, a detailed plan for acquisition/disposal of excess right-of-way, along with any reasonable labor costs expected, must be included. The ROW acquisition/disposal plan and labor cost estimate must be submitted using the



“ROW acquisition/disposal plan” form provided by OCTA and available for download at <https://ocfundtracker.octa.net>.

## Project Summary Information

For each application that is recommended for funding, the agency shall submit a PowerPoint presentation summarizing the pertinent project information for TAC review and discussion purposes. The presentation shall be no more than three (3) slides and should contain, at a minimum, a project description, project benefits, location map, and cost estimate. **OCTA staff will request the PowerPoint when/if a project is recommended for funding.**

## Pavement Management Supporting Documentation

The M2 Ordinance provides for a 10 percent (10%) reduction in the required local match if the agency can either:

- a. Show measurable improvement of paved road conditions during the previous reporting period defined as an overall weighted (by area) average system improvement of one Pavement Condition Index (PCI) point with no reduction in the overall weighted (by area) average PCI in the MPAH or local street categories;

or

- b. Road pavement conditions during the previous reporting period within the highest 20% of the scale for road pavement conditions in conformance with OCTA Ordinance No. 3, defined as a PCI of 75 or higher, otherwise defined as in “good condition”.

If an agency is electing to take the 10 percent (10%) local match reduction, **supporting documentation indicating either the PCI improvement or PCI scale must be provided.**

## Additional Information

The following documentation should be included with your completed project application:

If a project includes more than one jurisdiction and is being submitted as a joint application, one agency shall act as lead agency and must provide a resolution of support from the other agency.

1. Letters of support for the candidate project (optional).
2. Geotechnical\materials reports for all applicable candidate projects (e.g., widening, intersection improvement, new roadway). The reports should contain sufficient detail for an accurate assessment of improvements needed and costs, since funding will be jeopardized if a project is unable to meet proposed schedule and costs.

3. Preliminary plans, if available for the project. The plans (1"=40' preferred) should include:
  - a. Existing and proposed ROW (include plat maps and legal descriptions for proposed acquisitions).
  - b. Agency boundaries, dimensions and station numbers.
  - c. Existing and proposed project features such as: pavement width and edge of pavement, curb, gutter and sidewalk, raised median, driveway reconstruction, signal pole locations, etc.
  - d. Typical cross sections.
  - e. Proposed striping.
  - f. Structural sections per the materials report.
  - g. Proposed traffic signals, storm drains, bridges, railroad crossing improvements, safety lighting, etc.
  - h. If requesting funds for traffic signals, include a traffic signal warrant(s) prepared by the City Traffic Engineer or City Engineer.
  - i. If the project includes construction, relocation, alteration or widening of any railroad crossing or facility, include a copy of the letter of intent sent to the railroad, a copy of which must be sent to the Public Utilities Commission (PUC). Any project including work of interest to a railroad will not be considered for eligibility until the railroad and PUC have been notified.
  - j. If the project is proposed as a staged project and additional funds will be necessary in subsequent calls for projects, the preliminary project statement should be accompanied with a complete preliminary estimate and schedule for the completion of the entire project.
  - k. If the project is proposed as a safety improvement, provide justifying accident data for the past three years and show the expected decrease in intersection or mid-block accident rate.
4. Current 24-hour traffic counts (taken for a typical mid-week period within the preceding 12-month period) for the proposed segment. Projects submitted without "current counts" will be considered incomplete and non-responsive.

**Exhibit 7-4**

**Sample Resolution for Candidate Orange County  
Comprehensive Transportation Programs Projects**

A resolution of the \_\_\_\_\_ City Council approving the submittal of \_\_\_\_\_ improvement project(s) to the Orange County Transportation Authority for funding under the Comprehensive Transportation Program

THE CITY COUNCIL OF THE CITY OF \_\_\_\_\_ HEREBY RESOLVES, DETERMINES, AND ORDERS AS FOLLOWS THAT:

- (a) WHEREAS, the City of \_\_\_\_\_ desires to implement the transportation improvements listed below; and
- (b) WHEREAS, the City of \_\_\_\_\_ has been declared by the Orange County Transportation Authority to meet the eligibility requirements to receive M2 "Fair Share" funds; and
- (c) WHEREAS, the City's Circulation Element is consistent with the County of Orange Master Plan of Arterial Highways; and
- (d) WHEREAS, the City of \_\_\_\_\_ will not use M2 funds to supplant Developer Fees or other commitments;
- (e) WHEREAS, the City/County must include all projects funded by Net Revenues in the seven-year Capital Improvement Program as part of the Measure M2 Ordinance eligibility requirement.
- (f) WHEREAS, the City of \_\_\_\_\_ will provide a minimum in \_\_% in matching funds for the \_\_\_\_\_ project as required by the Orange County Comprehensive Transportation Funding Programs Guidelines; and
- (g) WHEREAS, the Orange County Transportation Authority intends to allocate funds for transportation improvement projects, if approved, within the incorporated cities and the County; and
- (h) WHEREAS, the City/County authorizes a formal amendment to the seven-year Capital Improvement Program to add projects approved for funding upon approval from the Orange County Transportation Authority Board of Directors, if necessary.

NOW, THEREFORE, BE IT RESOLVED THAT:

The City Council of the City of \_\_\_\_\_ hereby requests the Orange County Transportation Authority allocate funds in the amounts specified in the City's application to said City from the Comprehensive Transportation Funding Programs. Said funds, if approved, shall be matched by funds from said City as required and shall be used as supplemental funding to aid the City in the improvement of the following street(s):

ADOPTED BY THE CITY COUNCIL on \_\_\_\_\_, 20\_\_\_\_.

SIGNED AND APPROVED on \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

\*Required language a-h

## Application Review Process

OCTA staff will conduct a preliminary review of all applications for completeness and accuracy, request supplemental information (i.e., plans, aerial/strip maps, CEQA forms) for projects that appear to rank well during initial staff evaluations, and prepare a recommended program for the TSC. In addition, OCTA may hire a consultant(s) to verify information within individual applications such as, but not limited to, project scope, cost estimates, ADT and LOS. These applications will be selected through a random process.

The following guidelines will be used in reviewing project applications. Any application that does not meet these minimum guidelines must include an explanation of why the guidelines were not met:

1. The travel lane width should be no less than 11 feet (12 feet if adjacent to a raised median or other obstruction) for all arterial highways.
2. For divided roadways, the minimum median width should be no less than 10 feet to allow for turning movements. Divided roadways are defined as those with either a painted or raised median.
3. Arterial highways that are designated for uses in addition to automobile travel (e.g., bicycle, pedestrian, parking) shall provide additional ROW consistent with local jurisdiction standards to facilitate such uses.
4. An eight-lane roadway should provide for a continuous median, protected dual or single left-turn pockets as warranted at signalized intersections, single left-turn pockets at non-signalized intersections, and a right-turn lane at signalized intersections where determined necessary by traffic volumes. ROW for a free right-turn lane should be provided at locations warranted by traffic demand.
5. A six-lane divided roadway should provide a continuous median, protected dual or single left-turn pockets as warranted by existing traffic at all signalized intersections, and single left-turn pockets at non-signalized intersections. A right-turn option lane should also be provided as warranted by traffic demand.
6. A four-lane divided roadway should provide a continuous median, protected dual or single left-turn pockets at all signalized intersections, and a left-turn pocket at all non-signalized intersections. A right-turn lane should also be provided as warranted by traffic demand.
7. A four-lane undivided roadway shall provide for a single left-turn pocket at all intersections as warranted by traffic demand.

Applications will be reviewed by OCTA for consistency, accuracy and concurrence. Applications determined complete in accordance with the program requirements will be

scored, ranked and submitted to the TSC, TAC and Board for consideration and funding approval.

Local agencies awarded funding will be notified as to which projects have been funded and from what sources after the Board takes action. A tentative call schedule is detailed below:

Board authorization to issue call: [August 2020](#)

Application submittal deadline: October [22, 2020](#)

TSC/TAC Review: February/March [2021](#)

Committee/Board approval: May [2021](#)

## Funding

M2 RCP (Project O) funding will be used for this call.

The CTFP Guidelines include a provision that allows applicants to request ROW and/or construction funding prior to completion of the planning phase (including final design) provided that the phase is underway, substantially complete and the agency will complete the activities within six months of the start of the new phase programmed year. **A thorough review of eligible activities is not always possible during the call for projects evaluation period. As a result, it is possible that cost elements contained within an application and included in a funding recommendation may ultimately be deemed ineligible for program participation. The applicant is responsible for ensuring projects are implemented according to eligible activities contained within the program guidelines.**

## Arterial Capacity Enhancements (ACE)

### Overview

The MPAH serves as the backbone of Orange County's arterial street network. Improvements to the network are required to meet existing needs and address future traffic demand. The ACE improvement category complements freeway improvement initiatives underway, supplements development mitigation activities and enables improvements based upon existing deficiencies.

Projects in the ACE improvement category are selected on a competitive basis. Projects must meet specific criteria in order to compete for funding through this program.

### Objectives

- Complete MPAH network through gap closures and construction of missing segments
- Relieve congestion by providing additional roadway capacity where needed
- Provide timely investment of M2 Revenues
- Leverage funding from other sources

### Project Participation Categories

The ACE category provides capital improvement funding (including planning, design, ROW acquisition and construction) for capacity enhancements on the MPAH for the following:

- Gap closures – the construction of a roadway to its full MPAH build-out for the purpose of connecting two existing ends of that roadway by filling in a missing segment or for completing the terminus of an MPAH roadway. This applies to increased roadway capacity only as it relates to vehicular traffic.
- Roadway widening where additional capacity is needed
- New roads / extension of existing MPAH facility

### Eligible Activities

- Planning, environmental clearance
- Design
- ROW acquisition
- Construction (including curb-to-curb, lighting, drainage, etc.)

## Potentially Eligible Items

Below is a list of potentially eligible items. However, final determination of the eligibility of all project related costs will be made at the time of reimbursement. Prior to the submittal of an application for funding, or at any point in the project life cycle, local agencies may meet with OCTA staff to review the eligibility of project related costs.

### **Application review and approval does not guarantee the eligibility of all items.**

- Direct environmental mitigation for projects funded by ACE (subject to limitations identified in precepts)
- Storm drains/catch basins/detention basins/bioswales/other pollutant discharge mitigation devices
- Sound walls (in conjunction with roadway improvement mitigation measures)
- Aesthetic improvements including landscaping within the project ROW (eligible improvements up to 10 percent (10%) of construction costs, provided costs are reasonable for the transportation benefit)
- ITS infrastructure (advance placement in anticipation of future project)
- Rehabilitation and/or resurfacing of existing pavement when necessitated by proposed improvement (such as change in profile and cross section)
- Improvements to private property if part of a ROW settlement agreement
- Utility relocation where the serving utility has prior rights as evidenced by a recorded legal document
- Roadway grading within the ROW (inclusive of any TCE and/or ROW agreement related improvements) should not exceed a depth for normal roadway excavation (e.g. structural section). Additional grading ~~(e.g. over excavation for poor soil conditions)~~ will be considered on a case by case basis. Agencies shall provide supporting documentation (e.g. soils reports, ROW agreements) to justify the additional grading.
- Additional ROW to accommodate significant pedestrian volumes or bikeways shown on a Master Plan of Bikeways or in conjunction with the "Complete Streets" effort. These will be considered for eligibility on a case by case basis during the application process.
- Installation of a pedestrian activated traffic signal where necessitated by pedestrian traffic warrants or other engineering criteria.

Environmental mitigation will be allowed only as required for the proposed roadway improvement, and only as contained in the environmental document. Program participation in environmental mitigation shall not exceed 25 percent (25%) of the total eligible construction costs.

Longitudinal storm drains are eligible for program participation when the storm drain is an incidental part (cost is less than 25 percent (25%) of the total eligible construction cost) of an eligible improvement. Program participation shall not exceed 10 percent (10%) of the cost of storm drain longitudinal/parallel and main lines. Storm drain inlets, connectors, laterals and cross culverts shall have full participation in ACE Program funding. Storm drains outside standard MPAH ROW widths are not eligible, excluding catch basins within reasonable distance and in general proximity to a project intersection (e.g. within ten feet of the curb return). Catch basins and drainage systems extending into adjacent areas (including public streets) shall not be eligible past the first catch basin designated by aforementioned criteria.

The relocation of detention basins/bioswales are potentially eligible dependent on prior rights and will be given consideration on a case by case basis (see utility relocations below).

Soundwalls are eligible only if they are required as part of the environmental mitigation for the proposed project and the Measure M contribution to the cost of soundwalls shall not exceed 25 percent (25%) of the total eligible construction costs. Aesthetic enhancements and landscaping in excess of minimum environmental mitigation requirements are subject to limitations described in this section above.

Roadway grading is eligible for structural sections if within the standard MPAH cross section for the facility (inclusive of any TCEs). Rough roadway grading may be considered partially eligible within the MPAH cross section and will be evaluated by OCTA on a case by case basis.

~~Roadway grading will be eligible for structural sections within the roadway ROW. Additional grading required within the project limits will be subject to OCTA's review. OCTA will make the determination based on the additional documentation provided to demonstrate local agency's financial obligation to pay for such improvements. Rough roadway grading must be complete prior to project start.~~

## Utility Relocations

The expenses associated with the relocation of utilities are eligible for RCP reimbursement only when all conditions listed below have been met:

- The relocation is made necessary due to conflict with proposed improvements.
- The facility to be relocated is within the project right-of-way.
- It has been determined that the local agency is legally liable for either a portion of or all of the relocation costs.

Liability can be determined by property rights, franchise rights/agreements, state and local statutes/ordinances, permits, a finding by the local agency's counsel, or other



recorded legal document. Documentation providing proof of the local agency's liability for the costs of utility relocation must be submitted with an initial payment request (see Chapter 9). Utilities funded through enterprise funds shall not be eligible for reimbursement.

If a relocation is eligible to be reimbursed, and to be performed by the utility owner or by the utility owner's contractor, the work should be included in the ROW phase costs and clearly identified in the project application submittal. For eligible relocations to be performed during the construction phase by the local agency's contractor, the work should be included in the plans and specifications similar to other construction activities. Adjustment of existing utilities to grade (e.g. water valves, manhole frames and covers), due to new roadway cross sections are not eligible in the construction phase subject to the limitations previously described. New or relocated fire hydrants are ineligible.

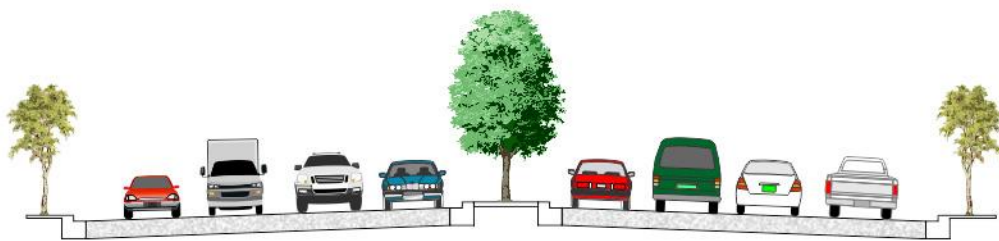
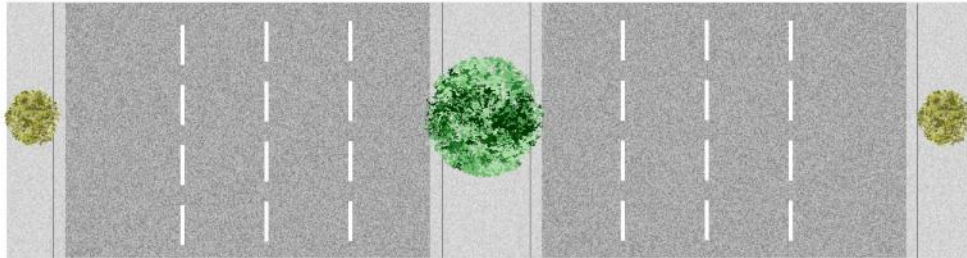
In all cases, eligible costs shall only include "in-kind" relocation. No reimbursements will be made for betterments above the cost of "in-kind" relocation. Additionally, costs submitted for program reimbursement must include any salvage credits received.

## Ineligible Expenditures

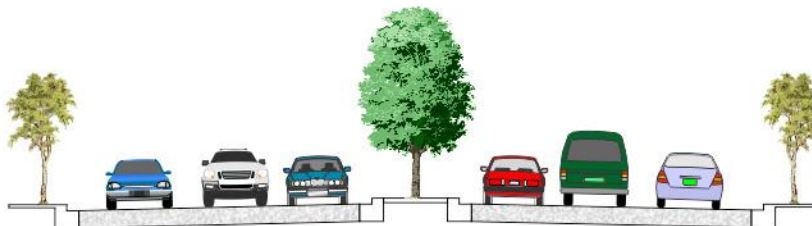
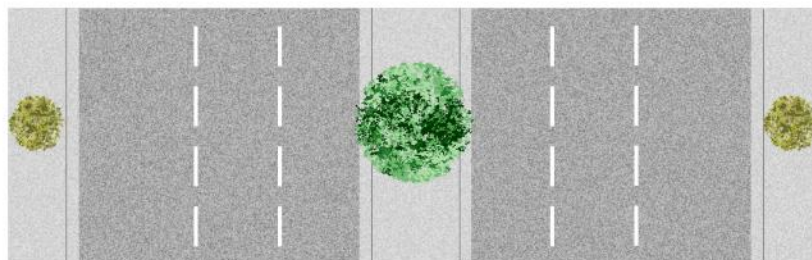
Items that are not eligible under the ACE Program are:

- Grading outside of the roadway ROW not related to a TCE or ROW agreement.
- Rehabilitation (unless performed as component of capacity enhancement project)
- Reconstruction (unless performed as component of capacity enhancement project)
- Grade Separation Projects
- Enhanced landscaping, aesthetics and gateway treatments (landscaping that exceeds that necessary for normal erosion control and ornamental hardscape)
- ROW acquisition and construction costs for improvements greater than the typical ROW width for the applicable MPAH Roadway Classification. (See standard MPAH cross sections in Exhibit 7-5) Where full parcel acquisitions are necessary to meet typical ROW requirements for the MPAH classification, any excess parcels shall be disposed of in accordance with the provisions of these guidelines, State statutes as outlined in Article XIX and the California State Controllers Guidelines Relating to Gas Tax Expenditures.
- Utility Betterments
- Construction of new utilities

Exhibit 7-5  
Standard MPAH Cross Sections

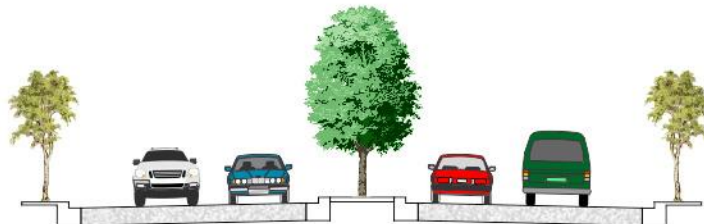
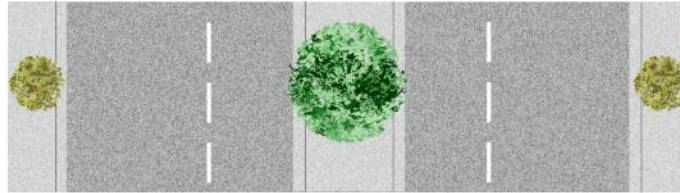


PRINCIPAL  
144 FT  
(8 LANES, DIVIDED)

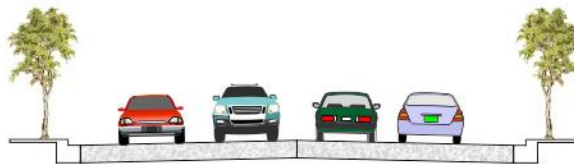
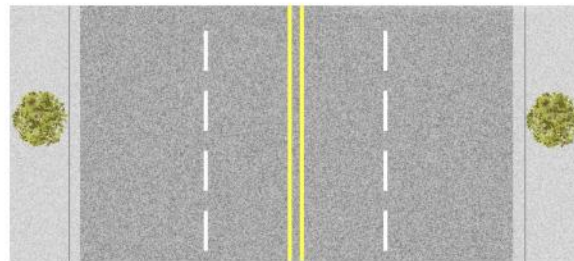


MAJOR  
120FT  
(6 LANES, DIVIDED)

## Exhibit 7-5 *continued* Standard MPAH Cross Sections

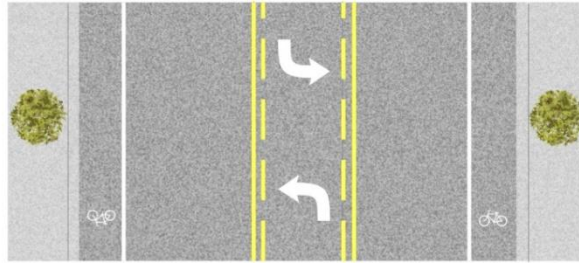


PRIMARY  
100 FT  
(4 LANES, DIVIDED)

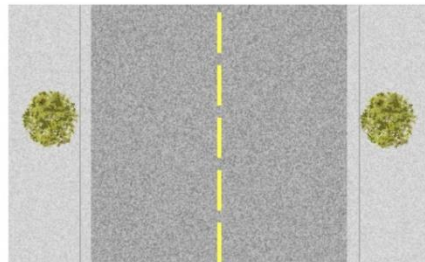


SECONDARY  
80 FT  
(4 LANES, UNDIVIDED)

Exhibit 7-5 *continued*  
Standard MPAH Cross Sections



DIVIDED COLLECTOR  
80 FT  
(2 LANES, DIVIDED)



COLLECTOR  
56 FT  
(2 LANES, UNDIVIDED)

## Master Plan of Arterial Highway Capacities

Below are the approximate roadway capacities that will be used in the determination of LOS:

<u>Type of Arterial</u>	<u>Level of Service (LOS)</u>				
	<b>A</b> .51 - .60 v/c	<b>B</b> .61 - .70 v/c	<b>C</b> .71 - .80 v/c	<b>D</b> .81 - .90 v/c	<b>E</b> .91 - 1.00 v/c
8 Lanes Divided	45,000	52,500	60,000	67,500	75,000
6 Lanes Divided	33,900	39,400	45,000	50,600	56,300
4 Lanes Divided	22,500	26,300	30,000	33,800	37,500
4 Lanes (Undivided)	15,000	17,500	20,000	22,500	25,000
2 Lanes Divided	9,000	12,000	15,000	20,000	22,000
2 Lanes (Undivided)	7,500	8,800	10,000	11,300	12,500

*Note: Values are maximum Average Daily Traffic*

## Selection Criteria

Specific selection criteria will be used to evaluate competitive program project applications. Emphasis is placed on existing usage, proposed Vehicle Miles Traveled (VMT), level of services benefits, local match rate funding and overall facility importance. Technical categories and point values are shown on Tables 7-1 and 7-2. Data sources and methodology are described below.

Projected/Current Average Daily Trips (ADT): Current ADT is the preferred method of measuring congestion. However, traffic counts projected to the year of opening for the project will be allowed as part of the competitive evaluation. These must be submitted along with current 24-hour traffic counts for the proposed segment for comparison purposes. The agency must submit the project projected ADT, current ADT, the delta, and justification of the increase. Regarding “current” counts, these are defined as those taken for a typical mid-week period within the preceding 12-months. Projects submitted without “current counts” will be considered incomplete and non-responsive. Project applications using projected ADT must use traffic counts taken within the preceding 12 months. Project applications not using projected ADT may use traffic counts taken within the 36 months preceding the release date of the current call. **Note:** New facilities must be modeled through OCTAM and requests should be submitted to OCTA a minimum of six (6) weeks prior to application submittal deadline. **This deadline is September 10,**

**2020 for the 2021 Call for Projects.** If modeling requests are not submitted six (6) weeks prior to the application submittal deadline, the application will not be considered. For agencies where event, weekend, or seasonal traffic presents a significant issue, Average Annual Daily Traffic (AADT) counts can be used, provided the agency gives sufficient justification for the use of AADT.

**VMT:** Centerline length of segment proposed for improvement multiplied by the existing ADT for the proposed segment length. Measurement must be taken proximate to capacity increase. VMT for improvements covering multiple discrete count segments are calculated on a weighted average basis.

**Current Project Readiness:** This category is additive. Points are earned for the highest qualifying designation at the time applications are submitted. Local agency should select the most current phase of the project.

- Environmental Approvals – applies where all environmental clearances have been obtained on the project.
- Preliminary design (35 percent (35%) level) – will require certification from the City Engineer and is subject to verification.
- Final Design (PS&E) – applies where the jurisdiction’s City Engineer or other authorized person has approved the final design.
- ROW (all offers issued) – applies where offers have been made for every parcel where acquisition is required and/or offers of dedication or orders of immediate possession have been received by the jurisdiction. Documentation of ROW possession will be required with application submittal.
- ROW (all easements and titles) – applies where no ROW is needed for the project or where all ROW has been acquired/dedicated.
- ~~ROW (All easements and titles) – applies where no ROW is needed for the project or where all ROW has been acquired/dedicated.~~
- ~~ROW (all offers issued) – applies where offers have been made for every parcel where acquisition is required and/or offers of dedication or orders of immediate possession have been received by the jurisdiction.~~
- ~~Final Design (Plan, Specification and Estimate (PS&E)) – applies where the jurisdiction’s City engineer or other authorized person has approved the final design.~~
- ~~Preliminary design (35 percent (35%) level) – will require certification from the City Engineer and is subject to verification.~~
- ~~Environmental Approvals – applies where all environmental clearances have been obtained on the project.~~

Cost Benefit: Total project cost (including unfunded phases) divided by the existing ADT (or modeled ADT for new segments).

Funding Over-Match: The percentages shown apply to match rates above a jurisdiction's minimum local match rate requirement. M2 requires a 50 percent (50%) local match for RCP projects. This minimum match can be reduced by up to 25 percentage points if certain eligible components are met. If a jurisdiction's minimum match target is 30 percent and a local match of 45 percent (45%) is pledged, points are earned for the 15 percent (15%) over-match differential. The pledged amount is considered the committed match rate and will be required, at a minimum, from the local agency throughout the life of the project.

Transportation Significance: Roadway classification as shown in the current MPAH.

Operational Attributes (within the roadway): This category is additive. Each category, except Active Transit Routes, must be a new feature added as a part of the proposed project.

- Pedestrian Facilities: Placement of a new sidewalk where **none currently exists** along an entire segment of proposed project.
- Meets MPAH configuration: Improvement of roadway to full MPAH standard for the segment classification.
- Active Transit Route(s): Segments served by fixed route public transit service.
- Bus Turnouts: Construction of bus turnouts.
- Bike Lanes: Installation of new bike lanes
- Median (Raised): Installation of a mid-block raised median where none exists today. Can be provided in conjunction with meeting MPAH standards.
- Remove On-street Parking: Elimination of on-street parking in conjunction with roadway widening project. Can be provided in conjunction with meeting MPAH standards and installation of new bike lanes.
- Sustainability Elements: Includes the use of multiple complete street elements, recycled materials during the roadway construction process (recycled aggregate or rubberized asphalt) or the installation of solar lighting within the roadway cross section, or water conservation elements that reduce water consumption, compared to current usage within project limits; such as the replacement of existing landscaping with hardscape and/or "California Native" drought tolerant type landscaping; the replacement of existing sprinklers with drip irrigation systems; the installation of new "grey" or recycled water systems where such does not currently exist. Other elements of sustainability may be considered on a case by case basis. Points are awarded at construction phase only.

- ~~• Water Conservation: Includes elements that reduce water consumption, compared to current usage within project limits, such as the replacement of existing landscaping with hardscape and/or "California Native" drought tolerant type landscaping; the replacement of existing sprinklers with drip irrigation systems; the installation of new "grey" or recycled water systems where such does not currently exist.~~
- Safety Improvements: Project features that increase the safety of pedestrians. These elements can include the new installation of; median barriers, curb extensions, residential traffic diverters, pedestrian crossing islands, pedestrian activated signals, crosswalk enhancements, safety signage, and the addition, modification, or improvement of existing pedestrian signals. Other elements of safety may be considered on a case by case basis.
- Other (Golf cart paths in conformance with California Vehicle Code and which are demonstrated to remove vehicle trips from roadway).

Improvement Characteristics: Select one characteristic which best describes the project:

- Gap Closures: the construction of a roadway to its full MPAH build-out for the purpose of connecting two existing ends of that roadway by filling in a missing segment or for completing the terminus of an MPAH roadway. This applies to increased roadway capacity only as it relates to vehicular traffic.
- New Facility/Extensions: Construction of new roadways.
- Bridge crossing: Widening of bridge crossing within the project limits to full MPAH width. Widening beyond MPAH shall not qualify for Project O funding.
- Adds capacity: Addition of through traffic lanes.
- Improves traffic flow: Installation of a median, restricting cross street traffic, adding midblock turn lanes, or elimination of driveways.

LOS Improvement: This category is a product of the existing or projected LOS based upon volume/capacity– or v/c -- and LOS improvement "with project". **Projects must meet a minimum existing or projected LOS of "D" (.81 v/c) "without project" condition to qualify for priority consideration for funding.** Existing LOS is determined using current 24-hour traffic counts for the proposed segment. However, for projects where traffic volumes follow unconventional patterns, unidirectional volumes may be proposed as an acceptable alternate methodology for determining LOS. If unidirectional volumes are used for LOS calculations, ADT for the proposed direction of improvement shall serve as the basis for ADT, cost benefit and vehicle miles travelled (VMT) scoring categories. Projects that do not meet the minimum LOS "D" can be submitted but are not guaranteed consideration as part of the competitive process.

If during the competitive process, it is determined that additional programming capacity exists after all eligible projects with LOS "D" have been funded, a consideration of projects



with a minimum LOS "C" (.71 v/c) may be undertaken. Such consideration will be at the discretion of OCTA. Projects with a LOS better than "C" (.70 v/c) will not be considered.

## Application Process

Project grants are determined through a competitive application process. Local agencies seeking funding must complete a formal application and provide supporting documentation that will be used to evaluate the project proposal as outlined below. Detailed instructions and checklists are provided in this chapter.

### Complete application

- Funding needs by phase and fiscal year
- Local committed match funding source, confirmed through city council resolution or minute order
- Supporting technical information (including current traffic counts)
- Project development and implementation schedule
- ROW status and detailed plan for acquisition/disposal of excess right-of-way. The ROW acquisition/disposal plan must be submitted using the "ROW acquisition/disposal plan" form provided by OCTA and available for download at <https://ocfundtracker.octa.net>.
- Any additional information deemed relevant by the applicant
- Grants subject to Master Funding Agreement

Calls are expected to be issued on an annual basis, or as determined by the Board. Complete project applications must be submitted by the established due date to be considered eligible for consideration.

## Minimum Eligibility Requirements

Projects must have an existing or projected LOS "D" (.81 v/c) or worse to qualify for priority consideration for funding in this program.

All project roadways must be identified on the MPAH network. Local streets not shown on the MPAH are not eligible for funding through this program.

## New Facilities

New facilities must be modeled through OCTAM. A local agency planning on submitting a request for funding for a new facility must submit a modeling request a minimum of six (6) weeks prior to the application submittal deadline. If modeling requests are not submitted six (6) weeks prior to the application submittal deadline, the application associated with the related project will not be considered. Any request for modeling **must**

be submitted to OCTA no later than **September 10, 2020** for the 2021 Call for Projects.

Facility Modeling: For consistency purposes, all proposed new facilities will be modeled by OCTA using the most current version of OCTAM. Applicants may supplement their application with a locally-derived model with OCTAM used for validation purposes. The facility will be modeled with the lane capacity reflected in the application.

Average Daily Trips Determination: OCTAM will provide an “existing” ADT using a “with project” model run under current conditions. The ADT for the proposed segment will serve as the ADT value to be considered in the application.

LOS Improvement: LOS on existing facilities may be positively or negatively affected by a proposed new roadway segment through trip redistribution. A current condition model run is generated “with” and “without” the proposed project. The intent is to test the efficacy of the proposed segment. A comparison of these before and after project runs (using current traffic volumes) yields potential discernable changes in LOS. The greatest benefit is generally on a parallel facility directly adjacent to the proposed project. Trip distribution changes generally dissipate farther from the project. For evaluation purposes, the segment LOS (determined through a simple volume / capacity calculation) for the “with” and “without project” will be used for the existing LOS and LOS improvement calculations.

## Matching Funds

Local agencies are required to provide local match funding for each phase of the project. As prescribed by the M2 Ordinance, the minimum local match requirement is 50 percent (50%) with potential to reduce this amount if certain eligibility requirements are met. The amount pledged during the application process is considered the committed match rate and will be required, at a minimum, from the local agency throughout the life of the project. Actual project contributions by the local agency are dependent on final project costs and may not be equal to the committed match rate in the event of cost overruns. OCTA will not increase the funding grant to cover cost overruns. Ineligible expenditures do not contribute to the local match rate.

## Other Application Materials

Supporting documentation will be required to fully consider each project application. In addition to the funding plan described above, local agencies will be required to submit the following materials:

Council Approval: A Council Resolution or Minute Order action authorizing request for funding consideration with a commitment of local match funding must be provided with the project application. **If a *draft* copy of the resolution is provided, the local**

**agency must also provide the date the resolution will be finalized by the local agency's governing body.** A final copy of the City Council approved resolution must be provided at least four (4) weeks **PRIOR** to the consideration of programming recommendations by OCTA's Board of Directors.

Project Documentation: If proposed project has completed initial planning activities (such as PSR or equivalent, EIR, or design), evidence of approval should be included with the application. Satisfactory evidence includes project approval signature page, engineer-stamped site plan, or other summary information to demonstrate completion or planning phases. An electronic copy of the PSR and/or environmental document must be supplied as applicable. The applicant will be asked for additional detailed information if necessary, to adequately evaluate the project application.

Project Summary Information: With each application being recommended for funding, the agency shall submit a PowerPoint presentation summarizing the pertinent project information for review and discussion purposes. The presentation shall be no more than three (3) slides and should contain, at a minimum, a project description, project benefits, location map, and cost estimate. **OCTA staff will request the PowerPoint when/if a project is recommended for funding.**

## Reimbursements

This program is administered on a reimbursement basis for capital improvements, planning, design, and ROW acquisition. Reimbursements will be disbursed upon review and approval of an acceptable initial payment submittal, final report, and consistency with Master Funding Agreement or cooperative agreement if federal funds are awarded. The reimbursement process is more fully described in Chapter 9 of this manual.

## Project Cancellation

If a local agency decides to cancel a project, for whatever reason, the agency shall notify OCTA as soon as possible. Projects deemed infeasible during the planning phase shall bring that phase to a logical conclusion, file a final report, and cancel remaining phases so that remaining funds can be reprogrammed without penalty. All ROW funding received for property acquisition prior to cancellation shall be repaid upon cancellation even if property has been acquired. All construction funding received prior to cancellation shall be repaid upon cancellation.

Cancelled projects will be eligible to reapply upon resolution of issues that led to original project termination. Agencies can resubmit an application for funding consideration once either the cancellation of the existing funding grant has been approved by the OCTA Board or is in the process of approval through the semi-annual review. In the event the OCTA Board does not approve the cancellation, the lead agency will be required to withdraw the application.

## Audits

All M2 payments are subject to audit. Local agencies must follow established accounting requirements and applicable laws regarding the use of public funds. Failure to submit to an audit in a timely manner may result in loss of future funding. Misuse or misrepresentation of M2 funding will require remediation, which may include repayment, reduction in overall grant, and/or other sanctions to be determined. Audits shall be conducted by OCTA's Internal Audit department or other authorized agent either through the normal annual process or on a schedule to be determined by the Board (see Chapter 10).

Proceeds from the sale of excess ROW acquired with program funding must be paid back to the project fund as described in Chapter 9 and the Master Funding Agreement.

**Table 7-1  
Regional Capacity Program  
Street Widening Selection Criteria**

<b>Category</b>	<b>Points Possible</b>	<b>Percentage</b>
<b>Facility Usage</b>		<b>30%</b>
Existing ADT	10	10%
Existing VMT	10	10%
Current Project Readiness	10	10%
<b>Economic Effectiveness</b>		<b>15%</b>
Cost Benefit	10	10%
Funding Over-Match	5	5%
<b>Facility Importance</b>		<b>20%</b>
Transportation Significance	10	10%
Operational Efficiency	10	10%
<b>Benefit</b>		<b>35%</b>
Improvement Characteristics	10	10%
Level of Improvement and Service	25	25%
<b>Total</b>	<b>100</b>	<b>100%</b>

## Table 7-2 Street Widening Point Breakdown

### ACE SCORING CRITERIA Point Breakdown for Arterial Capacity Enhancement Projects Maximum Points = 100

Facility Usage <span style="float: right;">Points: 30</span>		
<u>Existing ADT Range</u>		<u>Points</u>
45+	thousand	10
40 – 44	thousand	8
35 – 39	thousand	6
30 – 34	thousand	5
25 – 29	thousand	4
20 – 24	thousand	3
15 – 19	thousand	2
10 – 14	thousand	1
<10	thousand	0
<u>VMT Range</u>		<u>Points</u>
31+	thousand	10
26 – 30	thousand	8
22 – 25	thousand	6
18 – 21	thousand	5
14 – 17	thousand	4
11 – 13	thousand	3
08 – 10	thousand	2
04 – 07	thousand	1
<4	thousand	0
<u>Current Project Readiness</u>		<u>Max Points: 10</u>
ROW (All Easement and Titles)		5
Final Design (PS&E)		4
Environmental Approvals		2
Preliminary Design (35%)		2
ROW (All Offers Issued)		2
Points are additive. Design and ROW limited to highest qualifying designation.		
Economic Effectiveness <span style="float: right;">Points: 15</span>		
<u>Cost Benefit (Total \$/ADT)</u>		<u>Points</u>
<u>Range*</u>		
< 49		10
50 – 74		9
75 – 99		7
100 – 149		5
150 – 199		4
200 – 249		3
250 – 299		2
300 – 349		1
350+		0
Funding Over-Match (local match/project cost) minus minimum local match requirement.		
<u>Range*</u>		<u>Points</u>
25+%		5
20 – 24%		4
15 – 19%		3
10 – 14%		2
05 – 09%		1
00 – 04%		0
*Range refers to % points above agency minimum requirement.		
Facility Importance <span style="float: right;">Points: 20</span>		
<u>Transportation Significance Range</u>		<u>Points</u>
Principal or CMP Route		10
Major		8
Primary		6
Secondary		4
Collector		2
<u>Operational Attributes (within the roadway)</u>		<u>Max Points: 10</u>
Pedestrian Facilities (New)		3
Meets MPAH Configs.		3
Bike Lanes (New)		3
Active Transit Route(s)		2
Bus Turnouts		2
Median (Raised)		2
Remove On-Street Parking		2
Water Conservation Elements		2
Safety Improvements		2
Sustainability Elements		2
Other		2
Benefit <span style="float: right;">Points: 35</span>		
<u>Improve Characteristics</u>		<u>Points</u>
Gap Closure		10
New Facility/Extension		8
Bridge Crossing		8
Adds Capacity		6
Improves Traffic Flow		2
LOS Improvement <span style="float: right;">Max Points: 25</span>		
<u>Existing LOS Starting Point Range (LOS Imp x LOS Starting Pt)</u>		<u>Points</u>
1.01+		5
.96 – 1.00		4
.91 – .95		3
.86 – .90		2
.81 – .85		1
<.81		0
LOS Improvements with Project (exist. Volume)		
<u>Existing LOS Starting Point Range</u>		<u>Points</u>
.20+		5
.16 – .20		4
.10 – .15		3
.05 – .09		2
.01 – .05		1
<.01		0

## Intersection Capacity Enhancements (ICE)

### Overview

The MPAH serves as the backbone of Orange County's arterial street network. Intersections at each intersecting MPAH arterial throughout the County will continue to require improvements to mitigate current and future needs. The ICE improvement category complements roadway improvement initiatives underway and supplements development mitigation opportunities.

Projects in the ICE improvement category are selected on a competitive basis. Projects must meet specific criteria in order to compete for funding through this program.

For the purposes of the ICE improvement category, the limits of an intersection shall be defined as the area that includes all necessary (or planned) through lanes, turn pockets, and associated transitions required for the intersection. Project limits of up to a maximum of 600 feet for each intersection leg are allowable. Projects that, due to special circumstances, must exceed the 600-foot limit, shall include in their application the request for a technical variance. The project shall be presented to the TSC by the local agency to request approval of the variance.

### Objectives

- Improve MPAH network capacity and throughput along MPAH facilities
- Relieve congestion at MPAH intersections by providing additional turn and through lane capacity
- Improve connectivity between neighboring jurisdiction by improving operations
- Provide timely investment of M2 revenues

### Project Participation Categories

The ICE category provides capital improvement funding (including planning, design, ROW acquisition and construction) for intersection improvements on the MPAH network for the following:

- Intersection widening – constructing additional through lanes and turn lanes, extending turn lanes where appropriate, and signal equipment
- Street to street grade separation projects

### Eligible Activities

- Planning, environmental clearance
- Design (plans, specifications, and estimates)
- ROW acquisition

- Construction (including bus turnouts, curb ramps, median, and striping)

## Potentially Eligible Items

Below is a list of potentially eligible items. However, final determination of the eligibility of all project related costs will be made at the time of reimbursement. Prior to the submittal of an application for funding, or at any point in the project life cycle, local agencies may meet with OCTA staff to review the eligibility of project related costs.

### **Application review and approval does not guarantee the eligibility of all items.**

- Required environmental mitigation for projects funded by ICE
- Storm drains/catch basins/detention basins/bioswales/other pollutant discharge mitigation devices
- Sound walls (in conjunction with roadway improvement mitigation measures)
- Aesthetic improvements including landscaping within the project ROW (eligible improvements up to 10 percent (10%) of construction costs, provided costs are reasonable for the transportation benefit)
- Signal equipment (as incidental component of program), including the installation or upgrade of pedestrian countdown heads
- Bicycle detection systems
- Rehabilitation and/or resurfacing of existing pavement when necessitated by proposed improvement (such as change in profile and cross section)
- Improvements to private property if part of a ROW settlement agreement
- Utility relocation where the serving utility has prior rights as evidenced by a recorded legal document and are located within the roadway right-of-way.
- Roadway grading within the ROW (inclusive of any TCEs and/or ROW agreement related improvements) should not exceed a depth for normal roadway excavation (e.g. structural section). Additional grading (~~e.g. over excavation for poor soil conditions~~) will be considered on a case by case basis. Agencies shall provide supporting documentation (e.g. soils reports, ROW agreements) to justify the additional grading.

## Ineligible Items

- Grading outside of the roadway ROW not related to a TCE or ROW agreement.
- ROW acquisition greater than the typical ROW width for the applicable MPAH Roadway Classification. Additional turn lanes not exceeding 12 feet in width needed to maintain an intersection LOS D requiring ROW in excess of the typical ROW width for the applicable MPAH classification shall be fully eligible. Where full parcel acquisitions are necessary to meet typical ROW requirements for the MPAH classification any excess parcels shall be disposed of in accordance with State



statutes and the acquisition/disposal plan submitted in accordance with these guidelines.

- Enhanced landscaping and aesthetic improvements (landscaping that exceeds that necessary for normal erosion control and ornamental hardscape).

Environmental mitigation will be allowed only as required for the proposed roadway improvement and only as contained in the environmental document. Program participation in environmental mitigation shall not exceed 25 percent (25%) of the total eligible project costs.

Longitudinal storm drains are eligible for program participation when the storm drain is an incidental part (cost is less than 25 percent (25%) of the total eligible improvement cost) of an eligible improvement. Program participation shall not exceed 10 percent (10%) of the cost of storm drain longitudinal/parallel and main lines. Storm drain inlets, connectors, laterals and cross culverts shall have full participation in ICE improvement category funding. Storm drains outside standard MPAH ROW widths are not eligible, excluding catch basins within reasonable distance and in general proximity to a project intersection (e.g. within ten feet of the curb return). Catch basins and drainage systems extending into adjacent areas (including public streets) shall not be eligible past the first catch basin.

Soundwalls are eligible only if they are required as part of the environmental clearance for the proposed project and shall not exceed 25 percent (25%) of the total eligible project costs. Aesthetic enhancements and landscaping in excess of minimum environmental mitigation requirements are subject to limitations described in the "Potentially Eligible Item" section above.

The relocation of detention basins/bioswales/other pollutant discharge mitigation devices are potentially eligible dependent on who has prior rights and will be given consideration on a case by case basis (see utility relocations below).

Roadway grading is eligible for structural sections if within the standard MPAH cross section for the facility (inclusive of any TCEs). Rough roadway grading may be considered partially eligible within the MPAH cross section and will be evaluated by OCTA on a case by case basis.

~~Roadway grading is eligible for structural sections. OCTA assumes rough roadway grading is complete prior to project start and is considered an ineligible item.~~

## Utility Relocations

The expenses associated with the relocation of utilities are eligible for RCP reimbursement only when all conditions listed below have been met:

- The relocation is made necessary due to conflict with proposed improvements.
- The facility to be relocated is within the project right-of-way.

- It has been determined that the local agency is legally liable for either a portion of or all of the relocation costs.

Liability can be determined by property rights, franchise rights/agreements, state and local statutes/ordinances, permits, a finding by the local agency's counsel, or other recorded legal document. Documentation providing proof of the local agency's liability for the costs of utility relocation must be submitted with an initial payment request (see Chapter 9). Utilities funded through enterprise funds shall not be eligible for reimbursement.

If a relocation is eligible to be reimbursed, and to be performed by the utility owner or by the utility owner's contractor, the work should be included in the ROW phase costs and clearly identified in the project application submittal. For eligible relocations to be performed during the construction phase by the local agency's contractor, the work should be included in the plans and specifications similar to other construction activities. Adjustment of existing utilities to grade (e.g. water valves, manhole frames and covers), due to new roadway cross sections are generally eligible in the construction phase.

In all cases, eligible costs shall only include "in-kind" relocation. No reimbursements will be made for betterments above the cost of "in-kind" relocation. Additionally, costs submitted for program reimbursement must include any salvage credits received.

## Selection Criteria

Specific selection criteria will be used to evaluate competitive program project applications. Emphasis is placed on existing usage, LOS benefits, local match funding, and overall facility importance. Technical categories and point values are shown on Tables 7-3 and 7-4. Data sources and methodology are described below.

Projected/Current Average Daily Trips (ADT): Current ADT is the preferred method of measuring congestion. However, traffic counts projected to the year of opening for the project will be allowed as part of the competitive evaluation. These must be submitted along with current 24-hour traffic counts for the proposed segment for comparison purposes. The agency must submit the project's projected ADT, current ADT, the delta, and justification of the increase. Regarding "current" counts, these are defined as those taken for a typical mid-week period within the preceding 12-months. Project applications using projected ADT must use traffic counts taken within the preceding 12 months. Project applications not using projected ADT may use traffic counts taken within the preceding 36 months. Project applications without "current" counts will be deemed incomplete and non-responsive. Average ADT for the east and west legs of the intersection will be added to the average ADT for the north and south legs.

For agencies where event or seasonal traffic presents a significant issue, AADT counts can be used, provided the agency gives sufficient justification for the use of AADT.

Current Project Readiness: This category is additive. Points are earned for each satisfied readiness stage at the time applications are submitted. Local agency should select the most current phase of the project.

- Environmental Approvals – applies where all environmental clearances have been obtained on the project.
- Preliminary design (35 percent (35%) level) – will require certification from the City Engineer and is subject to verification.
- Final Design (PS&E) – applies where the jurisdiction’s City Engineer or other authorized person has approved the final design.
- ROW (all offers issued) – applies where offers have been made for every parcel where acquisition is required and/or offers of dedication or orders of immediate possession have been received by the jurisdiction. Documentation of ROW possession will be required with application submittal.
- ROW (all easements and titles) – applies where no ROW is needed for the project or where all ROW has been acquired/dedicated.

Cost Benefit: Total project cost (included unfunded phases) divided by the existing ADT (or modeled ADT for new segments).

Funding Over-Match: The percentages shown apply to match rates above a jurisdiction’s minimum match rate requirement. M2 requires a 50 percent (50%) local match for RCP projects. This minimum match can be reduced by up to 25 percentage points if certain eligible components are met. If a jurisdiction’s minimum match target is 30 percent (30%) and a local match of 45 percent (45%) is pledged, points are earned for the 15 percent (15%) over-match. The pledged amount is considered the committed match rate and will be required, at a minimum, from the local agency throughout the life of the project.

Coordination with Contiguous project: Projects that complement a proposed arterial improvement project with a similar implementation schedule earn points in this category. This category is intended to recognize large projects that segregate intersection components from arterial components for funding purposes.

Transportation Significance: Roadway classification as shown in the current MPAH.

Operational Attributes (within the roadway): This category is additive. Each category must be a new feature added as a part of the proposed project.

- Bike Lanes: Extension of bike lanes through intersection
- Bus Turnouts: Construction of a bus turnout as a new feature.
- Lowers density: Addition of through travel lanes.
- Channels traffic: Addition and/or extension of turn pockets (other than free right turn).

- Free right turn: installation of new free right or conversion of an existing right turn to free right
- Protected/permissive left turn: Convert from protected to protected/permissive
- Pedestrian Facilities: Placement of a new sidewalk if none currently exists.
- Grade separations: Street to street grade separations and do not apply to rail grade separation projects which are covered by the grade separation program category.
- Sustainability -Elements: Includes the use of multiple complete street elements, the installation of solar lighting within the roadway cross section, or water conservation elements that reduce water consumption, compared to current usage within project limits; such as the replacement of existing landscaping with hardscape and/or "California Native" drought tolerant type landscaping; the replacement of existing sprinklers with drip irrigation systems; the installation of new "grey" or recycled water systems where such does not currently exist. Other elements of sustainability may be considered on a case by case basis. Points are awarded at construction phase only.~~Includes the use of recycled materials during the roadway construction process (recycled aggregate or rubberized asphalt) or the installation of solar lighting within the roadway cross section. Other elements of sustainability may be considered on a case by case basis.~~
- ~~• Water Conservation: Includes elements that reduce water consumption. Such as the replacement of existing landscaping with hardscape and/or "California Native" drought tolerant type landscaping; the replacement of existing sprinklers with drip irrigation systems; the installation of new "grey" or recycled water systems where such does not currently exist.~~
- Safety Improvements: Project features that increase the safety of pedestrians. These elements can include the new installation of: median barriers, curb extensions, residential traffic diverters, pedestrian crossing islands, pedestrian activated signals, crosswalk enhancements, safety signage, and the addition, modification, or improvement of existing pedestrian signals. Other elements of safety may be considered on a case by case basis.

**LOS Improvement:** This category is a product of the existing or projected LOS based upon v/c and LOS improvement "with project" using ICU calculation with 1,700 vehicles per lane per hour and a .05 clearance interval. Calculations will be based upon "current" arterial link and turning movement counts projected to opening year. **Projects must meet a minimum existing or projected LOS of "D" (.81 v/c) to qualify for priority consideration for funding.** Existing LOS is determined using peak hour traffic counts/turning movements AM/PM peak periods) for the proposed segment utilizing ICU methodology and using 1,700 vehicles per lane/per hour and a .05 clearance interval.

For projects where traffic volumes follow unconventional patterns (e.g. unidirectional congestion, large disparity between AM and PM peaks, etc.) HCM 2010 may be proposed

as an alternate methodology for determining LOS. HCM calculations must use SYNCHRO and be supported with complete calculation documentation using standard industry approaches and current signal timing plans. If an alternative methodology is proposed, all analysis **must be submitted to OCTA for review no later than September 10, 2020** for the 2021 Call for Projects. OCTA will contract with an independent third-party firm to review the technical analysis. The cost for the review will be charged to the applicant.

Projects that do not meet the minimum LOS "D" can be submitted but are not guaranteed consideration as part of the competitive process.

If during the competitive process, it is determined that additional programming capacity exists after all eligible projects with LOS "D" have been funded, a consideration of projects with a minimum LOS "C" (.71 v/c) may be undertaken. Such consideration will be at the discretion of OCTA. Projects with a LOS better than "C" (.70 v/c) will not be considered.

## Application Process

Project grants are determined through a competitive application process. Local agencies seeking funding must complete a formal application and provide supporting documentation that will be used to evaluate the project proposal as outlined below. Detailed instructions and checklists are provided in this chapter.

- Complete application
  - Funding needs by phase and fiscal year
  - Local match funding source, confirmed through city council resolution or minute order
  - Supporting technical information (including current arterial link and turning movement counts)
  - Project development and implementation schedule
  - ROW status and a detailed plan for acquisition/disposal of excess right-of-way. The ROW acquisition/disposal plan must be submitted using the "ROW acquisition/disposal plan" form provided by OCTA and available for download at <https://ocfundtracker.octa.net>.
  - Any additional information deemed relevant by the applicant
- Grants subject to master funding agreement

Calls for projects are expected to be issued on an annual basis, or as determined by the Board. Complete project applications must be submitted by the established due date to be considered eligible for consideration.

## Minimum Eligibility Requirements

Projects must have an existing or projected LOS "D" (.81 v/c) or worse to qualify for priority consideration for funding in this program.

All project roadways must be identified on the MPAH network. Local streets not shown on the MPAH are not eligible for funding through this program.

## Matching Funds

Local agencies are required to provide local match funding for each phase of the project. As prescribed by the M2 Ordinance, the minimum local match requirement is 50 percent (50%) with potential to reduce this amount if certain eligibility requirements are met. The amount pledged during the application process is considered the committed match rate and will be required, at a minimum, from the local agency throughout the life of the project. Actual project contributions by the local agency are dependent on final project costs and may not be equal to the committed match rate in the event of cost overruns. OCTA will not increase the funding grant to cover cost overruns. Ineligible expenditures do not contribute to the local match rate.

## Other Application Materials

Supporting documentation will be required to fully consider each project application. In addition to the funding plan described above, local agencies will be required to submit the following materials:

Council Approval: A Council Resolution or Minute Order action authorizing request for funding consideration with a commitment of local match funding must be provided with the project application. **If a *draft* copy of the resolution is provided, the local agency must also provide the date the resolution will be finalized by the local agency's governing body.** A final copy of the City Council approved resolution must be provided at least four (4) weeks **PRIOR** to the consideration of programming recommendations by OCTA's Board of Directors.

Project Documentation: If proposed project has completed initial planning activities (such as PSR or equivalent, EIR, or design), evidence of approval should be included with the application. Satisfactory evidence includes project approval signature page, engineer-stamped site plan, or other summary information to demonstrate completion or planning phases. An electronic copy of the PSR and/or environmental document must be supplied as applicable. The applicant will be asked for additional detailed information only if necessary, to adequately evaluate the project application.

Project Summary Information: With each application being recommended for funding, the agency shall submit a PowerPoint presentation summarizing the pertinent project information for review and discussion purposes. The presentation shall be no more than

three (3) slides and should contain, at a minimum, a project description, project benefits, location map, and cost estimate. **OCTA staff will request the PowerPoint when/if a project is recommended for funding.**

## Reimbursements

This program is administered on a reimbursement basis for capital improvements, planning, design, and ROW acquisition. Reimbursements will be disbursed upon review and approval of an acceptable initial payment submittal, final report and consistency with Master Funding Agreement or cooperative agreement. The reimbursement process is more fully described in Chapter 9 of this manual.

## Project Cancellation

If a local agency decides to cancel a project, for whatever reason, the agency shall notify OCTA as soon as possible. Projects deemed infeasible during the planning phase shall bring that phase to a logical conclusion, file a final report, and cancel remaining phases so that remaining funds can be reprogrammed without penalty. ROW funding received for property acquisition prior to cancellation shall be repaid upon cancellation even if property has been acquired. Construction funding received prior to cancellation shall be repaid upon cancellation.

Cancelled projects will be eligible for re-application upon resolution of issues that led to original project termination.

## Audits

All M2 payments are subject to audit. Local agencies must follow established accounting requirements and applicable laws regarding the use of public funds. Failure to submit to an audit in a timely manner may result in loss of future funding. Misuse or misrepresentation of M2 funding will require remediation which may include repayment, reduction in overall grant, and/or other sanctions to be determined. Audits shall be conducted by OCTA's Internal Audit department or other authorized agent either through the normal annual process or on a schedule to be determined by the Board (see Chapter 10).

Proceeds from the sale of excess ROW acquired with program funding must be paid back to the project fund as described in Chapter 9 and the Master Funding Agreement.

**Table 7-3  
Regional Capacity Program  
Intersection Improvement Selection Criteria**

<b>Category</b>	<b>Points Possible</b>	<b>Percentage</b>
<b>Facility Usage</b>		<b>25%</b>
Existing ADT	15	15%
Current Project Readiness	10	10%
<b>Economic Effectiveness</b>		<b>20%</b>
Cost Benefit	10	10%
Funding Over-Match	5	5%
Coordination with Contiguous Project	5	5%
<b>Facility Importance</b>		<b>30%</b>
Transportation Significance	10	10%
Operational Efficiency	20	20%
<b>Benefit</b>		<b>25%</b>
LOS Improvement	25	25%
<b>Total</b>	<b>100</b>	<b>100%</b>



## Table 7-4 Intersection Widening Point Breakdown

### ICE SCORING CRITERIA

#### Point Breakdown for Intersection Capacity Enhancement Projects Maximum Points = 100

Facility Usage <span style="float: right;">Points: 25</span>			Facility Importance <span style="float: right;">Points: 30</span>																																																																											
<table border="1"> <thead> <tr> <th>ADT Range*</th> <th></th> <th>Points</th> </tr> </thead> <tbody> <tr><td>60+</td><td>thousand</td><td>15</td></tr> <tr><td>55 – 59</td><td>thousand</td><td>13</td></tr> <tr><td>50 – 54</td><td>thousand</td><td>11</td></tr> <tr><td>45 – 49</td><td>thousand</td><td>9</td></tr> <tr><td>40 – 44</td><td>thousand</td><td>7</td></tr> <tr><td>35 – 39</td><td>thousand</td><td>5</td></tr> <tr><td>30 – 34</td><td>thousand</td><td>3</td></tr> <tr><td>25 – 29</td><td>thousand</td><td>1</td></tr> </tbody> </table> <p>*AVG ADT for east and west legs plus AVG ADT for north and south legs of intersection.</p> <table border="1"> <thead> <tr> <th>Current Project Readiness</th> <th>Max Points: 10</th> </tr> </thead> <tbody> <tr><td>ROW (All Easement and Titles)</td><td>5</td></tr> <tr><td>Final Design (PS&amp;E)</td><td>4</td></tr> <tr><td>Environmental Approvals</td><td>2</td></tr> <tr><td>Preliminary Design (35%)</td><td>2</td></tr> <tr><td>ROW (All Offers Issued)</td><td>2</td></tr> </tbody> </table> <p>Points are additive. Design and ROW limited to highest qualifying designation.</p>			ADT Range*		Points	60+	thousand	15	55 – 59	thousand	13	50 – 54	thousand	11	45 – 49	thousand	9	40 – 44	thousand	7	35 – 39	thousand	5	30 – 34	thousand	3	25 – 29	thousand	1	Current Project Readiness	Max Points: 10	ROW (All Easement and Titles)	5	Final Design (PS&E)	4	Environmental Approvals	2	Preliminary Design (35%)	2	ROW (All Offers Issued)	2	<table border="1"> <thead> <tr> <th>Transportation Significance Range</th> <th>Points</th> </tr> </thead> <tbody> <tr><td>Principal or CMP Route</td><td>10</td></tr> <tr><td>Major</td><td>8</td></tr> <tr><td>Primary</td><td>6</td></tr> <tr><td>Secondary</td><td>4</td></tr> <tr><td>Collector</td><td>2</td></tr> </tbody> </table> <p>Operational Attributes (within the roadway) <span style="float: right;">Max Points: 20</span></p> <table border="1"> <tbody> <tr><td>Grade Separations</td><td>10</td></tr> <tr><td>Bus Turnouts</td><td>4</td></tr> <tr><td>Bike Lanes</td><td>4</td></tr> <tr><td>Ped. Facilities (New)</td><td>4</td></tr> <tr><td>Free Right</td><td>4</td></tr> <tr><td>Lowers Density</td><td>3</td></tr> <tr><td>Channels Traffic</td><td>3</td></tr> <tr><td>Protected/Permissive Left Turn</td><td>2</td></tr> <tr><td><del>Water Conservations Elements</del></td><td><del>2</del></td></tr> <tr><td>Safety Improvements</td><td>2</td></tr> <tr><td>Sustainability Elements</td><td>2</td></tr> </tbody> </table>			Transportation Significance Range	Points	Principal or CMP Route	10	Major	8	Primary	6	Secondary	4	Collector	2	Grade Separations	10	Bus Turnouts	4	Bike Lanes	4	Ped. Facilities (New)	4	Free Right	4	Lowers Density	3	Channels Traffic	3	Protected/Permissive Left Turn	2	<del>Water Conservations Elements</del>	<del>2</del>	Safety Improvements	2	Sustainability Elements	2
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## Freeway Arterial/Streets Transitions (FAST)

### Overview

The MPAH serves as the backbone of Orange County's arterial street network. Current and future needs at existing interchanges along MPAH highways and freeways will need to be addressed in order to improve connectivity between freeways and MPAH arterials. The interchange improvement program complements roadway improvement initiatives underway as well, and supplements development mitigation opportunities.

Projects in the FAST improvement category are selected on a competitive basis. Projects must meet specific criteria in order to compete for funding through this program.

### Objectives

- Improve transition to and from Orange County freeways with emphasis on MPAH performance
- Provide timely investment of M2 revenues

### Project Participation Categories

The FAST category provides capital improvement funding (including planning, design, ROW acquisition and construction) for interchange improvements on the MPAH network for the following:

- MPAH facility interchange connections to Orange County freeways (including on-ramp, off-ramp and arterial improvements)

### Eligible Activities

- Planning, environmental clearance
- Design
- ROW acquisition
- Construction (including ramps, intersection and structural improvements/reconstruction incidental to project)
- Signal equipment (as incidental component of the program)

### Potentially Eligible Items

Below is a list of potentially eligible items. However, final determination of the eligibility of all project related costs will be made at the time of reimbursement. Prior to the submittal of an application for funding, or at any point in the project life cycle, local agencies may meet with OCTA staff to review the eligibility of project related costs.

**Application review and approval does not guarantee the eligibility of all items.**

- Direct environmental mitigation for projects funded by FAST (details below)
- Storm drains/catch basins/detention basins/bioswales/other pollutant discharge mitigation devices (details below)
- Aesthetic improvements including landscaping within the project ROW (eligible improvements up to 10 percent (10%) of construction costs, provided costs are reasonable for the transportation benefit)
- Rehabilitation and/or resurfacing of existing pavement when necessitated by proposed improvement (such as change in profile and cross section)
- Improvements to private property if part of a ROW settlement agreement
- Utility relocation where the serving utility has prior rights as evidenced by a recorded legal document
- Roadway grading within the ROW shall not exceed a depth for normal roadway excavation (e.g. structural section) or as required by TCEs, and/or ROW agreement related improvements. Additional grading (~~e.g. over excavation for poor soil conditions~~) will be considered on a case by case basis.
- Auxiliary lanes if necessitated by interchange improvements
- Soundwalls (in conjunction with roadway improvement mitigation measures)

Environmental mitigation will be allowed only as required for the proposed roadway improvement, and only as contained in the environmental document. Program participation in environmental mitigation shall not exceed 25 percent (25%) of the total eligible project costs.

Longitudinal storm drains are eligible for program participation when the storm drain is an incidental part (cost is less than 25 percent (25%) of the total eligible improvement cost) of an eligible improvement. Program participation shall not exceed 10 percent (10%) of the cost of storm drain longitudinal/parallel and main lines. Storm drain inlets, connectors, laterals and cross culverts shall have full participation in FAST improvement category funding. Storm drains outside standard MPAH ROW widths are not eligible, excluding catch basins within reasonable distance and in general proximity to a project intersection (e.g. within ten feet of the curb return). Catch basins and drainage systems extending into adjacent areas (including public streets) shall not be eligible past the first catch basin.

Soundwalls are eligible only if they are required as part of the environmental mitigation for the proposed project and shall not exceed 25 percent (25%) of the total eligible project cost. Aesthetic enhancements and landscaping in excess of minimum environmental mitigation requirements are eligible at up to 10 percent (10%) of the total eligible construction costs, provided costs are reasonable for the transportation benefit.

The relocation of detention basins/bioswales are potentially eligible dependent on prior rights and will be giving consideration on a case by case basis (see utility relocations below).

Roadway grading is eligible for structural sections if within the standard MPAH cross section for the facility (inclusive of any TCEs). Rough roadway grading may be considered partially eligible within the MPAH cross section and will be evaluated by OCTA on a case by case basis.

~~Roadway grading is eligible for structural sections if within the standard MPAH cross section for the facility (inclusive of any TCEs). OCTA assumes rough roadway grading is complete prior to project start and is generally considered an ineligible item.~~

## Utility Relocations

The expenses associated with the relocation of utilities are eligible for RCP reimbursement only when:

- The relocation is made necessary due to conflict with proposed improvements.
- The facility to be relocated is within the project right-of-way.
- It has been determined that the local agency is legally liable for either a portion of or all of the relocation costs.

Liability can be determined by property rights, franchise rights/agreements, state and local statutes/ordinances, permits, a finding by the local agency's counsel, or other recorded legal document. Documentation providing proof of the local agency's liability for the costs of utility relocation must be submitted with an initial payment request (see Chapter 9). Utilities funded through enterprise funds shall not be eligible for reimbursement.

If a relocation is eligible to be reimbursed, and to be performed by the utility owner or by the utility owner's contractor, the work should be included in the ROW phase costs and clearly identified in the project application submittal. For eligible relocations to be performed during the construction phase by the local agency's contractor, the work should be included in the plans and specifications similar to other construction activities. Adjustment of existing utilities to grade (e.g. water valves, manhole frames and covers), due to new roadway cross sections are generally eligible in the construction phase.

In all cases, eligible costs shall only include "in-kind" relocation. No reimbursements will be made for betterments above the cost of "in-kind" relocation. Additionally, costs submitted for program reimbursement must be reduced by any salvage credits received.

## Ineligible Projects

- Seismic retrofit projects (unless combined with eligible capacity enhancements)

- Enhanced landscaping, aesthetics and gateway treatments (landscaping that exceeds that necessary for normal erosion control and ornamental hardscape).

## Selection Criteria

Specific selection criteria will be used to evaluate competitive program project applications. Emphasis is placed on existing usage, level of services benefits, local match funding and overall facility importance. Technical categories and point values are shown on Tables 7-5 and 7-6. Data sources and methodology are described below.

Projected/Current Average Daily Trips (ADT): Current ADT is the preferred method of measuring congestion. However, traffic counts and ramp volumes projected to the year of opening for the project will be allowed as part of the competitive evaluation. These must be submitted along with current 24-hour traffic counts for the proposed segment for comparison purposes. The agency must submit the project projected ADT, current ADT, the delta, and justification of the increase. Regarding “current” counts, these are defined as those taken for a typical mid-week period within the preceding 12-months. Project applications using projected ADT must use traffic counts taken within the preceding 12 months. Project applications not using projected ADT may use traffic counts taken within the preceding 36 months. Project applications without “current” counts will be deemed incomplete and non-responsive. Average ramp intersection volume for each interchange ramp will be used for the current counts. New facilities will rely on projected ramp volume based upon Caltrans approved projection.

For agencies where event or seasonal traffic presents a significant issue, AADT counts can be used, provided the agency gives sufficient justification for the use of AADT.

Current Project Readiness: This category is additive. Points are earned for each satisfied readiness stage at the time applications are submitted. Local agency should select the most current phase of the project.

- ROW (all offers issued) – applies where offers have been made for every parcel where acquisition is required and/or offers of dedication or orders of immediate possession have been received by the jurisdiction. Documentation of ROW possession will be required with application submittal.
- ROW (all easements and titles) – applies where no ROW is needed for the project or where all ROW has been acquired/dedicated.
- Project Approvals/Environmental Documentation (PA/ED) – applies where a Project Report-level analysis has been completed and environmental approvals have been attained. Furthermore, Environmental Approvals and Preliminary Design (35 percent (35%) level) are included with the PA/ED phase for FAST.
- Project Study Report (PSR) or equivalent – applies where the proposed project has completed initial planning activities, such as Environmental Impact Report (EIR), or design). Evidence of approval should be included with the application.

Satisfactory evidence includes project approval signature page, engineer-stamped site plan, or other summary information to demonstrate completion or planning phases. The applicant will be asked for detailed information only if necessary, to adequately evaluate the project application.

- ~~• ROW (all easements and titles) — applies where no ROW is needed for the project or where all ROW has been acquired/dedicated).~~
- ~~• ROW (all offers issued) — applies where offers have been made for every parcel where acquisition is required and/or offers of dedication have been received by the jurisdiction.~~
- ~~• Final Design (PS&E) — applies where the jurisdiction's City engineer or other authorized person has approved the final design.~~
- ~~• Preliminary design (35 percent (35%) level) — will require certification from the City engineer and is subject to verification.~~
- ~~• Project Approvals/Environmental Documentation (PA/ED) — applies where a Project Report-level analysis has been completed and environmental approvals have been attained.~~

Cost Benefit: Total project cost (including unfunded phases) divided by the existing ADT (or modeled ADT for new segments).

Funding Over-Match: The percentages shown apply to match rates above a jurisdiction's minimum local match requirement. M2 requires a 50 percent (50%) local match for RCP projects. This minimum match can be reduced by up to 25 percentage points if certain eligible components are met. If a jurisdiction's minimum match target is 30 percent (30%) and a local match of 45 percent (45%) is pledged, points are earned for the 15 percent (15%) over-match. The pledged amount is considered the committed match rate and will be required, at a minimum, from the local agency throughout the life of the project.

Coordination with Freeway Project: Interchanges planned to coincide with or accommodate programmed freeway improvements receive points in this category.

Transportation Significance: Roadway classification as shown in the current MPAH.

Operational Attributes (within the roadway) Efficiencies: This category is additive. Each category, except Active Transit Routes, must be a new feature added as a part of the proposed project.

- Eliminate left turn conflicts: Ramp intersection reconfiguration which does not permit left turns onto ramps.
- Coordinated signal: Ramp intersections within a coordinated corridor where coordination did not previously exist.
- Add turn lanes: Increase in number of turn lanes on arterial.
- Add traffic control: Signalization of ramp intersection.

- Enhanced ramp storage: Extension or widening of existing ramp to improve off-street storage capacity.
- Pedestrian facilities: Add crosswalk and/or sidewalk to ramp or bridge crossing within context of interchange improvements.
- Active Transit Route: facility contains a currently active OCTA transit route
- Sustainability Elements: Includes the use of multiple complete street elements, the installation of solar lighting within the roadway cross section, or water conservation elements that reduce water consumption, compared to current usage within project limits; such as the replacement of existing landscaping with hardscape and/or "California Native" drought tolerant type landscaping; the replacement of existing sprinklers with drip irrigation systems; the installation of new "grey" or recycled water systems where such does not currently exist. Other elements of sustainability may be considered on a case by case basis. Points are awarded at construction phase only. ~~Includes the use of recycled materials during the roadway construction process (recycled aggregate or rubberized asphalt) or the installation of solar lighting within the roadway cross section. Other elements of sustainability may be considered on a case by case basis.~~
  - ~~• Water Conservation: Includes elements that reduce water consumption. This includes the replacement of existing landscaping with hardscape and/or "California Native" drought tolerant type landscaping; the replacement of existing sprinklers with drip irrigation systems; the installation of new "grey" or recycled water systems where such does not currently exist.~~
- Safety Improvements: Project features that increase the safety of pedestrians. These elements can include the new installation of: intersection median barriers, curb extensions, pedestrian crossing islands, crosswalk enhancements, safety signage, and the addition, modification, or improvement of existing pedestrian signals. Other elements of safety may be considered on a case by case basis.

LOS Improvement: This category is a product of the existing or projected LOS based upon v/c and LOS improvement "with project" for arterial based improvements and ICU for intersection-based improvements. **Projects must meet a minimum existing or projected LOS of "D" (.81 v/c) to qualify for priority consideration for funding.** Existing LOS is determined using current 24-hour traffic counts for arterials and peak hour turning movements at intersections for the proposed segment. However, for projects where traffic volumes follow unconventional patterns (e.g. unidirectional congestion, large disparity between AM and PM peaks, etc.) alternate methodologies for determining LOS can be proposed. If HCM 2010 is proposed for intersections as an alternative methodology, all analysis **must be submitted to OCTA no later than September 10, 2020** and the cost for independent review shall be reimbursed by the applicant. Projects that do not meet the minimum LOS "D" can be submitted but are not guaranteed consideration as part of the competitive process.

If during the competitive process, it is determined that additional programming capacity exists after all eligible projects with LOS "D" have been funded, a consideration of projects with a minimum LOS "C" (.71 v/c) may be undertaken. Such consideration will be at the discretion of OCTA. Projects with a LOS better than "C" (.70 v/c) will not be considered.

Improvement Characteristics: Select the attribute that best fits your project definition.

- New facility: New interchange where none exists.
- Partial facility: New interchange which does not provide full access.
- Interchange reconstruction: improvement of existing interchange to provide additional arterial capacity (widening of overcrossing or undercrossing).
- Ramp reconfiguration: Widening of ramp or arterial to improve turning movements or other operational efficiencies.
- Ramp metering: Installation of metering on ramp.

## Application Process

Project grants are determined through a competitive application process. Local agencies seeking funding must complete a formal application and provide supporting documentation that will be used to evaluate the project proposal as outlined below.

- Complete application
  - Funding needs by phase and fiscal year
  - Local match funding source
  - Supporting technical information
  - Project development and implementation schedule
  - ROW status and a detailed plan for acquisition/disposal of excess right-of-way. The ROW acquisition/disposal plan must be submitted using the "ROW acquisition/disposal plan" form provided by OCTA and available for download at <https://ocfundtracker.octa.net>.
  - Any additional information deemed relevant by the applicant
- Grants subject to a Master Funding Agreement or cooperative agreement if federal funds are awarded

Calls for projects are expected to be issued on an annual basis, or as determined by the OCTA Board of Directors. Complete project applications must be submitted by the established due date to be considered eligible for consideration.

## Minimum Eligibility Requirements

Projects must have an existing or projected LOS "D" (.81 v/c) or worse to qualify for priority consideration for funding in this program. Worst peak hour period is used for this evaluation and eligibility purposes.



## Matching Funds

Local agencies are required to provide local match funding for each phase of the project. As prescribed by the M2 Ordinance, a 50 percent (50%) minimum local match is required. A lower local match may be permitted if certain eligibility criteria are met. The amount pledged during the application process is considered the committed match rate and will be required, at a minimum, from the local agency throughout the life of the project. Actual project contributions by the local agency are dependent on final project costs and may not be equal to the committed match rate in the event of cost overruns. OCTA will not increase the funding grant to cover cost overruns. Ineligible expenditures do not contribute to the local match rate.

## Reimbursements

This program is administered on a reimbursement basis for capital improvements, planning, design, and ROW acquisition. Reimbursements will be disbursed upon review and approval of an acceptable initial payment submittal, final report and consistency with Master Funding Agreement. The reimbursement process is described in Chapter 9.

## Caltrans Coordination

Caltrans is not eligible to submit applications or receive payment under this program. Only cities or the County of Orange may submit applications and receive funds. This program was designed to benefit local agencies.

Coordination with Caltrans will be essential for most, if not all, of the projects submitted for this program. Local agencies should therefore establish contacts with the Caltrans District 12 Office (Project Development Branch) to ensure that candidate projects have been reviewed and approved by Caltrans. All other affected agencies should be consulted as well.

**Agencies submitting projects for this program must have confirmation from Caltrans that the proposed improvement is consistent with other freeway improvements as evidenced by an agreement or other formal document.**

Applications should be submitted so that interchange projects are done in conjunction with construction of other freeway improvements whenever possible. However, if the interchange project can be done in advance of the freeway project, verification and/or supporting documentation must be submitted showing the interchange improvement has merit for advanced construction and that it will be compatible with the freeway design and operation. Additionally, the interchange improvements should take into account the ultimate freeway improvements if the interchange is to be improved in advance.

## Project Cancellation

If a local agency decides to cancel a project, for whatever reason, the agency shall notify OCTA as soon as possible. Projects deemed infeasible during the planning phase shall bring that phase to a logical conclusion, file a final report, and cancel remaining phases so that remaining funds can be reprogrammed without penalty. ROW funding received for property acquisition prior to cancellation shall be repaid upon cancellation even if property has been acquired. Construction funding received prior to cancellation shall be repaid upon cancellation.

Cancelled projects will be eligible for re-application upon resolution of issues that led to original project termination.

## Audits

All M2 payments are subject to audit. Local agencies must follow established accounting requirements and applicable laws regarding the use of public funds. Failure to submit to an audit in a timely manner may result in loss of future funding. Misuse or misrepresentation of M2 funding will require remediation which may include repayment, reduction in overall grant, and/or other sanctions to be determined. Audits shall be conducted by OCTA's Internal Audit department or other authorized agent either through the normal annual process or on a schedule to be determined by the Board (see Chapter 10).

Proceeds from the sale of excess ROW acquired with program funding must be paid back to the project fund as described in Chapter 9 and Master Funding Agreement.

## Other Application Materials

Supporting documentation will be required to fully consider each project application. In addition to the funding plan described above, local agencies will be required to submit the following materials:

Council Approval: A Council Resolution or minute order authorizing request for funding consideration with a commitment of local match funding must be provided with the project application. **If a draft copy of the resolution is provided, the local agency must also provide the date the resolution will be finalized by the local agency's governing body.** A final copy of the City Council approved resolution must be provided at least four (4) weeks **PRIOR** to the consideration of programming recommendations by OCTA's Board of Directors.

Project Documentation: If proposed project has completed initial planning activities (such as PSR or equivalent, EIR, or design), evidence of approval should be included with the application. Satisfactory evidence includes project approval signature page, engineer-stamped site plan, or other summary information to demonstrate completion of planning

phases. An electronic copy of the PSR and/or environmental document must be supplied as applicable. The applicant will be asked for additional detailed information only if necessary, to adequately evaluate the project application.

Project Summary Information: With each application being recommended for funding, the agency shall submit a PowerPoint presentation summarizing the pertinent project information for review and discussion purposes. The presentation shall be no more than three (3) slides and should contain, at a minimum, a project description, project benefits, location map, and cost estimate. **OCTA staff will request the PowerPoint when/if a project is recommended for funding.**

**Table 7-5  
Freeway/Arterial Street Transitions  
Interchange Improvement Selection Criteria**

<b>Category</b>	<b>Points Possible</b>	<b>Percentage</b>
<b>Facility Usage</b>		<b>20%</b>
Existing ADT	10	10%
Current Project Readiness	10	10%
<b>Economic Effectiveness</b>		<b>25%</b>
Cost Benefit	10	10%
Matching Funds	10	10%
Coordination with Freeway Project	5	5%
<b>Facility Importance</b>		<b>25%</b>
Transportation Significance	10	10%
Operational Efficiencies	15	15%
<b>Benefit</b>		<b>30%</b>
Existing LOS	10	10%
LOS Reduction w/ Project	10	10%
Improvement Characteristics	10	10%
<b>Total</b>	<b>100</b>	<b>100%</b>

## Table 7-6 Interchange Improvement Point Breakdown

### FAST SCORING CRITERIA

#### Point Breakdown for Freeway/Arterial Street Transitions Projects Maximum Points = 100

Facility Usage <span style="float: right;">Points: 20</span>			Facility Importance <span style="float: right;">Points: 25</span>		
<u>ADT Range*</u>			<u>Transportation Significance Range</u>		
55+	thousand	10	Principal or CMP Route		10
50 – 54	thousand	9	Major		8
45 – 49	thousand	8	Primary		6
40 – 44	thousand	6	Secondary		4
35 – 39	thousand	4	Collector		2
30 – 34	thousand	3			
25 – 29	thousand	2			
20 – 24	thousand	1			
<10 – 19	thousand	0			
*Arterial plus daily ramp exit volume			<u>Operational Attributes (within the roadway)</u>		
			Max Points: 15		
<u>Current Project Readiness</u>			Eliminate Left Turn Conflict		
Max Points: 10			Add Turn Lanes		
ROW (All Easement and Titles)		6	Enhanced Ramp Storage		
ROW (All Offers Issued)		4	Pedestrian Facilities (New)		
Final Design (PS&E)		4	Coordinated Signal		
PA/ED		2	<del>Water Conservation Elements</del>		
Project Study Report or Equiv.		1	Safety Improvements		
			Sustainability <u>Elements</u>		
			Add Traffic Control		
Points are additive. ROW is the highest qualifying designation.					
Economic Effectiveness <span style="float: right;">Points: 25</span>			Benefit <span style="float: right;">Points: 30</span>		
<u>Cost Benefit (Total \$/ADT)</u>			LOS Improvement		
<u>Range*</u>			Max Points: 20		
< 20		10	Calculation: Avg. LOS Imp + Avg. LOS Starting Point		
20 – 39		8	<u>LOS Reduction w/ Project (existing Volume) Range</u>		
40 – 79		6			
80 – 159		4	.20+		10
160 – 319		2	.16 – .19		8
320 – 640		1	.10 – .15		6
>640		0	.05 – .09		4
			<.05		2
Funding Over-Match (local match/project cost) minus minimum local match requirement.					
<u>Range*</u>			<u>Existing LOS Range</u>		
30+%		10	1.06+		10
25 – 29%		8	1.01 – 1.05		8
20 – 24%		6	0.96 – 1.00		6
15 – 19%		4	0.91 – 0.95		4
10 – 14%		2	0.86 – 0.90		2
050 – 09%		1	0.81 – 0.85		1
Range refers to % points above agency minimum requirement			Improvement Characteristics		
Coordination with Freeway <u>Mainline Improvements</u>			Max Points: 10		
<u>Project Range</u>			<u>Improvement Characteristics</u>		
Yes		5	New Facility (Full Interchange)		
No		0	New Facility (Partial Interchange)		
			Interchange Reconstruction		
			Ramp Reconfiguration		
			Ramp Metering		

## Regional Grade Separation Program (RGSP)

### Background

Seven rail crossing projects along the MPAH network were identified by the CTC to receive Trade Corridors Improvement Funds (TCIF). These TCIF allocations required an additional local funding commitment. To meet this need, the Board approved the commitment of \$160 million in RCP (Project O) funds to be allocated from M2. The RGSP captures these prior funding commitments.

Future calls for projects for grade separations are not anticipated.

## Chapter 8 – Regional Traffic Signal Synchronization Program (Project P)

### Overview

The RTSSP (Project P) includes competitive funding for the coordination of traffic signals across jurisdictional boundaries including Project based operational and maintenance funding. OCTA will provide funding priority to programs and projects, which are multi-jurisdictional in nature.

The RTSSP is based on the Traffic Signal Synchronization Master Plan (Master Plan). The Board adopted the Master Plan as an element of the MPAH on July 26, 2010. The Master Plan defines the foundation of the RTSSP. The Master Plan consists of the following components:

- Regional signal synchronization network
- Priority corridors for accelerated signal synchronization
- Definition of Traffic Forums
- Model agreements presenting roles and responsibilities for Project P
- Signal synchronization regional assessment every three years
  - NOTE: For Call for Projects 202~~1~~, Priority Corridors are an eligible inclusion, but no additional points will be awarded. A Priority Corridor is on the Signal Synchronization Network.

The Master Plan will be reviewed and updated by OCTA ~~every three years and will provide details on the status and performance of the traffic signal synchronization activities over that period~~. Local agencies are required to adopt and maintain a Local Traffic Signal Synchronization Plan (Local Plan) that is consistent with the Master Plan and shall issue a report on the status and performance of its traffic signal synchronization activities. Details on both the Master Plan and requirements for Local Plan development are available in the "Guidelines for the Preparation of Local Signal Synchronization Plans". A hard copy of these guidelines can be requested from OCTA.

The remainder of this chapter details the key components of the RTSSP:

- Funding guidelines for the competitive call for projects
- 202~~1~~ Call for Projects

Projects compete for funding as part of the RTSSP. Projects submitted by local agencies as part of the call must meet specific criteria. Projects are rated based on scoring criteria and are selected based on their competitive ratings.

## Objectives

- Synchronize traffic signals across jurisdictions
  - Monitor and regularly improve the synchronization.
  - Synchronize signals on a corridor, intersecting crossing arterial and/or route basis reflecting existing traffic patterns in contiguous zones or road segments that have common operations.

## 2021~~0~~ Call for Projects

Contingent on OCTA's Board approval, the 2021~~0~~ Call for Projects (call) for RTSSP (Project P)– under M2 is anticipated to provide approximately **\$8 million** for signal coordination across Orange County. The following information provides an overview of the 2021~~0~~ RTSSP Call for Projects:

1. Projects must result in new, optimized, and field-implemented coordination timing.
2. Project shall be a single contiguous corridor or set of contiguous corridors related to each other. Multiple corridors and related systems of corridors that form a "grid" may be submitted as a single optimized timing project. However, the total number of corridors per project will be limited to three (3) and the total number of intersections between these corridors are limited to fifty (50).
3. Projects selected will be programmed after July 1 of the programmed year (July 1 – June 30).
4. Project delays resulting in a time extension request will fall within the process outlined in the CTFP Guidelines.
5. Projects are funded for a grant period of three (3) years and are divided into two phases:
  - a. Primary Implementation (PI) – includes the required implementation of optimized signal timing as well as any signal improvements proposed as part of a project. A ~~Project R~~report is required at the conclusion of this phase to document work completed during the PI phase. This ~~PI Project~~Report shall be submitted according to the payment process with the final report.
  - b. Ongoing Operations and Maintenance (O&M) – includes the required monitoring and improving optimized signal timing in addition to any optional communications and/or detection support. O&M will begin after the optimized signal timing is implemented and be required for the remainder of the project (typically 2 Years). A ~~O&M Report Technical Memorandum~~ is required at the conclusion of this phase to document work completed during the O&M phase and shall be submitted with the final report.
6. Projects shall include a Before and After Study. This study shall collect morning, mid-day, and evening peak periods using travel times, average speeds, green lights to red lights, stops per mile, and the derived corridor system performance index (CSPI) metric. This information shall be collected both before and afterany signal



timing changes have been ~~made implemented and approved by all agencies and after the PI.~~ The study shall compare the information collected both before and after the timing changes. Comparisons should identify the absolute and percent differences for the entire corridor, by segment, direction, and time period. Segments will be defined by major traffic movements as observed during the project (e.g. commuting segments between freeways, pedestrian-friendly segments in a downtown area, etc.). The Before and After study shall also include field inventory, count data, modeling data, and Greenhouse Gas calculations. The Before and After Study shall be submitted ~~after the PI phase is completed~~ as part of the PI ~~Project~~ Report.

7. Any corridor or portion of a corridor funded through this call cannot re-apply for funding until the three-year grant period or commitment to operate signal synchronization beyond the three-year grant period is completed, whichever ends later and a final report has been submitted to OCTA.
8. This chapter identifies the selection criteria for projects, eligible activities, minimum project requirements, data compatibility required as part of any funded project, and other key information.

Additional details of the specific program's intent, eligible project expenditures, ineligible project expenditures, and additional information that may be needed when applying for funds are included in this chapter. Each section should be read thoroughly before applying for funding. Applications should be prepared for the program that best fits the proposed project.

For specifics on the funding policies that apply to this call, refer to the Program Precepts as found in Section IV of these guidelines.

## Applications

In order for OCTA to consider a project for funding, applications will be prepared by the local agency responsible for the project application. OCTA shall require agencies to submit applications for the call for projects by **5:00 p.m. on Thursday, October 22, 2020.** Late and/or incomplete submittals will not be reviewed or considered. The local agency responsible for the project application must submit the application and any supporting documentation via OCFundtracker as outlined below.

A separate application package must be completed for each individual project and uploaded to OCFundtracker. **Three (3) unbound printed copies and one electronic copy on a USB, thumb drive, memory stick, or via electronic file upload and/or email** of each complete application shall also be mailed or delivered to:

Orange County Transportation Authority  
550 South Main Street  
P.O. Box 14184

Orange, California 92863-1584  
Attn: Alfonso Hernandez  
Email: [AHernandez@octa.net](mailto:AHernandez@octa.net)

## Application Process

Project grants are determined through a competitive application process administered by OCTA. Agencies seeking funding must complete an online application, a supplemental application in the OCTA's latest format, and provide supporting documentation that will be used to evaluate the project proposal as outlined below. Key information to be provided as part of the application process includes:

- Funding needs by phase and fiscal year
- Percent match rate including funds type, source, and description (minimum 20 percent (20%))
- Lead agency (default – local agency)
- Lead and supporting agencies names
- Supporting technical information
- Project development and implementation schedule
- Environmental clearances and other permits
- Any additional information deemed relevant by the applicant
- Complete photographic field review (including cabinet interiors and communication facilities) for all projects that exceed one million dollars in capital improvements. Original photos shall be uploaded to OCFundtracker or included with electronic copy of application.

A call for projects for the funding cycle will be issued as determined by the Board. Complete project applications must be submitted by the established due dates to be considered eligible for consideration.

An application should be submitted for a single corridor or route corridor project. Multiple corridors that form a "grid" may be submitted as separate or single project(s). However, the total number of corridors per route or grid corridor projects will be limited to three (3) and the total number of intersections between these corridors are limited to fifty (50). A single corridor project not proposed as a connected route or grid project may be submitted and is not subject to the 50-intersection limit. The following instructions should be used in developing project applications.

Applications will be reviewed by OCTA for consistency, accuracy, and concurrence. Once applications have been completed in accordance with the Program requirements, the projects will be scored, ranked, and submitted to the TSC, TAC, and the Board for consideration and funding approval. OCTA reserves the right to evaluate submitted project costs for reasonableness as part of the review and selection process and suggest

potential revisions to make the cost more appropriate. Grants will be subject to funding agreements with OCTA.

## Other Application Materials

Supporting documentation is required to fully consider each project application. A Supplemental Application ~~Template~~ (available on the OCTA website and OCFundtracker) is required to be completed for each project application and included in the electronic submittal. **Any Supplemental Application not submitted in the 2021 format will NOT be considered.** ~~Note: There is a new section for all costs, on a line item basis, in excel format for both project phases.~~ The template is distributed with other application materials at the issuance of the Call for Projects. In addition to the funding plan described above, local agencies will be required to submit the following materials:

Lead Agency: Eligible jurisdictions consistent with Measure M2 ordinance definitions and requirements.

Participating Agencies: All participating agencies must be identified and adopted City Council resolutions or Minute Order actions authorizing the participating agency's support of the project under the lead agency must be included. ~~If a draft copy of these resolutions of support are provided, the local agency must also provide the date the resolution will be finalized by the participating agency's governing body.~~ A final copy of the City Council approved resolution must be provided at least four (4) weeks **PRIOR** to the consideration of programming recommendations by OCTA's Board of Directors. If the application claims Caltrans as a participant, then it shall contain a letter of support from Caltrans for the specific project and letters of support from all applicable agencies pledging to sign a cooperative agreement with Caltrans at the start of the project. The lead agency will shall also pledge this commitment in the cover letter of the application. The required Caltrans fee will be a line item in the improvements list. The applicable agencies will be required to cover the required 20% match for the Caltrans line items. All agencies that have a Caltrans intersection/ramp in their jurisdiction are required to sign a cooperative agreement with Caltrans in order for the entire project to claim Caltrans as a participant.

Council Approval: A Council Resolution or Minute Order action authorizing request for funding consideration with a commitment of project local match funding must be provided with the project application from all participating agencies. **If a draft copy of the resolution is provided, the local agency must also provide the date the resolution will be finalized by the local agency's governing body.** A final copy of the City Council approved resolution must be provided at least four (4) weeks **PRIOR** to the consideration of programming recommendations by OCTA's Board of Directors.

~~Project Support: If proposed project has completed initial planning activities (such as PSR or equivalent, EIR, or design), evidence of approval should be included with the~~

~~application. Satisfactory evidence includes project approval signature page, engineer-stamped site plan, or other summary information to demonstrate completion or planning phases. The applicant will be asked for detailed information only if necessary, to adequately evaluate the project application.~~

## Lead Agency

This Program is administered through a single lead agency: [See Lead Agency definition above.](#)

Local Agency Lead: Only the lead agency will receive payments in accordance with the CTFP Guidelines regarding payment for costs related to project for optimized signal timing development, capital improvements, planning, and related design. Payments will be disbursed consistent with Chapter 9. The lead agency is responsible for reimbursing other agencies as part of the effort. Additionally, the lead agency is also responsible for ensuring that all agencies participating in the project provide the local match proposed in the project application.

OCTA Lead: ~~[NOT AVAILABLE FOR 2020 CALL FOR PROJECTS]~~ OCTA may, at the request of the involved local agencies, act as the lead agency for RTSSP projects. If the involved local agencies would like OCTA to implement a project on the signal synchronization network, the local agency shall work cooperatively with OCTA to develop the scope of work and cost elements of the project. [For example, accounting for OCTA's administrative and project management efforts by incorporating an additional 10 percent of the total project cost when calculating the Cost Benefit of the project.](#) The lead local agency shall contact OCTA with **a written request at least four weeks prior to deadline for submittal of the project grant application.** [Applications must be prepared by a designated local agency acting in a lead capacity during grant preparation.](#) ~~Projects nominated for OCTA lead shall be discussed at the Traffic Forum.~~ Applications must include a complete photographic field review (as outlined above) when submitted. The application will be scored using the criteria outlined in the ~~previous~~ [following](#) sections. Based on local agency interest and OCTA resource availability, a limited number of projects [can](#) be developed and implemented by OCTA.

If any projects that are designated as OCTA lead are awarded funding, OCTA will then be responsible for implementation of the project including optimized signal timing development, capital improvements, planning, and related design. OCTA will implement the project based on the cost estimates developed in the application. Project elements may be modified based on final costs with the agreement of all participating agencies. OCTA will be responsible for ensuring that all agencies participating in the project provide the local match as identified in the project application (minimum 20 percent (20%)).

[<match discussion moved to Matching Funds section>](#)

## OCFundtracker Application Components

Final applications MUST be submitted via OCFundtracker and in hard copy format. Selection criteria must be inputted as part of the OCFundtracker online application and includes the following categories of information:

Transportation Significance VMT, Cost Benefit, Project Characteristics, Transportation Significance, Maintenance of Effort, Project Scale, Project Scale, Number of Local Agencies, Current Project Status Readiness, and Funding Match Rate.

## Application Review and Program Adoption

OCTA staff will conduct a preliminary review of all applications for completeness and accuracy, may request supplemental information for projects during initial staff evaluations, and prepare a recommended program of projects for the TSC. In addition, OCTA may hire a consultant(s) to verify information within individual applications including, but not limited to, project scope, cost estimates, vehicle miles traveled, and average daily traffic.

Final programming recommendations will be provided to the TSC and TAC for approval. Recommendations will be presented to the Board, who will approve projects for funding under the CTFP.

OCTA shall distribute copies of the approved program to each participating local jurisdiction with any qualifying conditions stipulated for the jurisdiction's funded project(s). Local agencies awarded funding will be notified as to which projects have been funded and from what sources after the Board takes action. A tentative call schedule is detailed below:

Board authorization to issue call: August 2020

Application submittal deadline: October 22, 2020

TSC/TAC Review: February/March 2021

Committee/Board approval: May 2021

## Checklist Guide

The "Project P Regional Traffic Signal Synchronization Program Application Checklist" has been provided for the RTSSP (Exhibit 8-1). The checklist identifies the basic documentation required for the program. In addition to items required at the time of project submittal, additional items that are not specified may be requested later. The checklist should be provided as a cover sheet table of contents for **each** application submitted. For any items that are required for the candidate project or program that are

missing or incomplete, an explanation should be included in a cover letter with the application.

## Sample Resolution Form

A resolution or minute action must be approved by the local agency's governing body. A sample resolution is included as Exhibit 8-2. Local agencies, at a minimum, must include items a-h from the sample resolution. The mechanism selected shall serve as a formal request for RTSSP funds and states that matching funds will be provided by the agency, if necessary. All project requests (i.e., multiple corridors proposed for RTSSP funds) must be included in this action.

## Project Definition

Local agencies are required to submit complete projects that, at minimum, result in field-implemented coordinated timing. Project tasks that are eligible for funding can consist of design, engineering, construction, and construction management. Partial projects that include design improvements, but do not field implement the improvements are ineligible.

Projects must consist of a corridor along the priority corridor network, signal synchronization network, or the MPAH. Projects previously awarded RTSSP funding must be complete with a ~~final~~ Final report ~~Report~~ submitted ~~and approved by to~~ OCTA. Projects can be the full length of the corridor or a segment that complies with the project requirements identified later in the chapter. <communication text moved to Selection Criteria section>

Applicant agency and owning agency must demonstrate through simulation, or actual vehicle counts showing Origin – Destination that proposed linked corridors ~~tdo~~ form a route. A "grid" project shall consist of one main corridor that is specifically identified in the application with a maximum of two crossing corridors to make a grid. Grid projects shall also be multijurisdictional with a minimum of two local agencies, excluding Caltrans. For a grid project, applicant agency and owning agency must demonstrate through simulation or actual vehicle counts the following:

- Show that timing changes on the main corridor will greatly impact the crossing corridor(s)
- Crossing corridors shall have closely spaced signals in close proximity to the main corridor with timing changes along these crossings impacting the operation of the main corridor

All corridors in the grid shall individually meet the Minimum Eligibility Requirements summarized—and, as part of the project, travel time studies shall also be collected along all corridors making the grid. ~~Linked corridors may also combine at the point of intersection to form a single local Master offset Control Point (T<sub>0</sub>) for future Zone operations.~~

Multimodal consideration of bicyclists and pedestrians along or crossing the intersection or roadway may enhance overall circulation. Therefore, active transportation elements may be included as part of the project as outlined in the following section.

## Eligible Activities

The primary purpose of the Program is to provide funding for projects that develop and maintain corridor-based, multi-jurisdictional signal synchronization along corridors throughout Orange County. All projects funded by this Program must be corridor-based and have a signal coordination component that includes the following:

### ~~• Signal Coordination~~

- Developing and implementing new signal synchronization timing parameters based on current travel patterns, and federal and state traffic signal timing mandates and guidance, including but not limited to the Manual on Uniform Traffic Control Devices (MUTCD)
- Monitor, maintain (minimum quarterly/maximum monthly) and/or regularly improve the newly implemented signal synchronization timing and parameters for the remainder of the project
- “Before” and “after” studies for the project comparing travel times, average speeds, ratio of green lights passed to red lights stopped (greens per red), average stops per mile, and emissions of greenhouse gases

In addition to developing optimized signal timing, a project may include other improvements as long as they contribute to the goal of multi-agency signal synchronization of corridors throughout Orange County. These improvements are restricted to the signal synchronization project limits but may include synchronization with traffic signalized intersections on intersecting corridors where new optimized timing has occurred within the past three years; maximum distance for either direction from crossing arterial within intersection in 2,700 feet from either direction of the project corridor. These offset signals; however, will not be counted towards the total number of signals on the project (for implementation of timing plans only). ~~<communication text moved to Selection Criteria section>~~-All improvements must be designed to enhance the specific project. ~~The following are a list of potentially eligible items as part of a signal coordination project:~~

~~In addition,~~ expenditures related to the design of systems, permitting, and environmental clearance are eligible for funding.

<eligible items moved and re-organized under Selection Criteria section>

Caltrans encroachment permits and agency to Caltrans Cooperative Agreement fees are eligible activities. This Includes Caltrans labor, such as expenses for reviewing signal

timing plans, providing signal timing parameters, and providing existing timing sheets, etc. Applicant must specify how to handle Caltrans intersections on project.

## Ineligible Expenditures

- Isolated traffic signal improvements
- Traffic hardware (pole, mast arms, lights, electrical, signs, etc.)
- Regular signal operation and maintenance (such as replacement of light bulbs)
- Field display equipment (Traffic signal heads other than pedestrian countdown, or special bicycle, or Transit Vehicle signal heads)
- Feasibility studies
- Relocation of utilities except for electrical service requirements
- Right-of-way
- Rewiring of complete intersection because of age or isolated mitigation

## Funding Estimates

The streets and roads component of M2 is to receive 32 percent (32%) of net revenues, 4 percent (4%) of which are allocated for the RTSSP. The RTSSP will make an estimated \$270 million (2009 dollars) available over the course of the 30-year M2 Program. Programming estimates are developed in conjunction with a call for projects cycle corresponding to concurrent funding agreements with all local agencies.

The RTSSP targets over 2,000 intersections across Orange County for coordinated operations. Because of the limited amount of funds available for the RTSSP, project cap of \$75,000 per signal or \$250,000 per project corridor mile included as part of each project (whichever is higher) has been established for this call for projects. Note that any offset signals will not be counted towards the total number of signals on the project.

## Selection Criteria

Specific selection criteria will be used to evaluate competitive program project applications. Emphasis is placed on furthering the overall goal of multi-jurisdictional, corridor-based signal synchronization.

Transportation Significance: ~~Vehicle Miles Traveled (VMT)~~: Points are awarded for projects that include offset signals along the project corridor, route, or grid. These offset signals do not count towards the project cap; however, are in relatively close proximity to affect the operation of the corridor(s). The applicant shall identify the number of offset signals on the corridor and the percentage of those offset signals that will be included in the project.

Vehicle miles traveled (VMT) is calculated as the centerline length of segment(s) on the corridor, route, or grid proposed for synchronization multiplied by the existing average



daily traffic (ADT) for the proposed segment(s) length. For instance, for a three-mile segment with one-mile interval ADT data at of 200 vehicles, 300 vehicles, and 400 vehicles, the VMT would be calculated as:

$$200 \text{ vehicles} * 1 \text{ mile} + 300 \text{ vehicles} * 1 \text{ mile} + 400 \text{ vehicles} * 1 \text{ mile} = 900 \text{ vehicle miles.}$$

VMT should be calculated by the smallest segmentation on which the city typically collects ADT data. ~~(maximum: 20 points)~~

ADT must be based upon actual count information taken within ~~the~~ 36 months preceding the application date and include 24-hour, midweek, bi-directional counts for each segment. All supporting data shall be organized in order in which they appear for the calculation of the VMT. Data from the OCTA Traffic Flow Map may not be used. Furthermore, outdated and/or non-compliant counts may result in project ineligibility. (maximum: 30 points)

**Cost Benefit:** Total project cost divided by Existing VMT. If the applicant is electing OCTA to be the lead agency, the total project cost in this calculation must also include an additional 10% of the total project for OCTA administrative and project management efforts. This additional 10% is used to determine the project effectiveness only and is not counted towards the overall project budget cap. (maximum: 10 points)

**Project Characteristics:** Points are awarded based on the type and relevance of the proposed project. For instance, maximum points are awarded to projects that are timing only without any capital improvements or points accumulate if a signal synchronization project is combined with improvements as defined ~~in~~ below per the "Eligible Activities" section above. ~~as follows:for an~~ <list relocated from Eligible Activities – note that changes are only shown for any addition or deletion not relocation or formatting>

- Real-time traffic actuated operations and demonstration projects can be claimed for any one of the following (4 points):
  - Traffic Responsive only if all signals, in at least one agency on the project, are included in the system.
  - Peer-to-Peer program on traffic control devices.
  - Adaptive traffic signal systems only if all signals, in at least one agency on the project, are included in the system.
  - Bluetooth and/or connected vehicle roadside units for at least three (3) signals on the project. If implemented, these items will require a data sharing agreement with OCTA.
- Automated Traffic Signal Performance Measures (ATSPM) system can only be claimed (4 points) if all signals, in, at least, one agency on the project, are included in the system, which will also be used during the O&M phase of the project. If implemented, these items will require a data sharing agreement with OCTA. ~~(must be connected to OCTA SPM Dashboard)~~

- Intelligent cameras that include analytics, such as automated continuous counts and other metrics can only be claimed (3 points) if a minimum of three (3) implementations are included on the project. Furthermore, confirmation that an analytics module or camera with built-in analytics will be purchased for this category to receive points. If implemented, these ~~items~~ cameras will require a data sharing agreement with OCTA.
- Detection system that will increase the number of inputs into the signal controller for the purpose of signal performance measures (e.g. ATSPM) and traffic counts can only be claimed (3 points) if a minimum of three (3) implementations are included on the project.
- Installation of new and/or improved traffic control devices to improve the accessibility, mobility and safety of the facility for pedestrians and bicyclists can be claimed (3 points) if a minimum of three (3) implementations are included on the project. This can include:
  - Inductive loops, video detection, radar, sonar, thermal, hybrids thereof, and other types of detection systems that can distinguish bicycles. This includes implementing a separate bicycle minimum and/or clearance parameter in the traffic signal controller.
  - ADA compliant Pedestrian Signals including, but not limited to, tactile and audible buttons in countdown signal heads.
- New or upgraded communication systems (2 points)
  - New contemporary communication system improvements (e.g. Ethernet) including all conduits, pull boxes, fiber optic and/or copper cabling (not to exceed 120 strands), network switches and distribution systems. These systems should be sufficiently sized for the need capacity of the Intelligent Transportation System (ITS) network. Excess capacity is deemed non-participating and also, cannot be used as part of the required project match.
  - Replacement fiber optic or copper cabling for network communication. Fiber optic is the preferred medium and includes pull boxes, network switches, and distribution systems.
  - Software and hardware for system traffic control
  - Control and monitoring interconnect conduit (including upgrades or replacement of existing systems).
  - ~~Gap~~ Communication closure systems of conduit, cable, and associated equipment that are outside of project limits but complete a designated communications link to an existing network for the Advanced Transportation Management System (ATMS) for an agency or agencies. Only ~~Gap~~ closure communications links that are installed from a central location and/or

- communications hub to the project corridor that does not currently have a fiber connection to a central location are eligible.
- ~~Communications Support~~
    - ~~Monitor, maintain, and repair signal communication systems and infrastructure along synchronized corridors to ensure necessary conditions for signal synchronization including interconnect and Central Systems and Local Systems communications equipment (two years after PI acceptance)~~
  - ~~Detection Support~~
    - ~~Monitor, maintain, and repair all detection systems and infrastructure associated with the PI Phase of a specific project along synchronized corridors to ensure necessary conditions for signal synchronization including local intersection and System Sampling Detection equipment (two years after PI acceptance)~~
  - Intersection/field system modernization and replacement (2 points)
    - Traffic signal controller replacement of antiquated units with Advanced Transportation controller (ATC) units. ATC shall comply with version 6.24 or better of latest industry standards. ATC standard 5201 and ATC standard 5401 Applications Programming Interface with Referenced Implementations (APIRI)
    - Controller cabinet (assemblies) replacements that can be shown to enhance signal synchronization.
    - Closed Circuit Television (CCTV) ~~(also can perform video detection)~~.
    - Uninterruptible Power Supply (UPS) for ATMS and intersection field equipment. For ATMS, UPS shall solely provide electrical power for ATMS Server(s), one dedicated workstation (console terminal) and related communications devices. UPS for ATMS is not intended to provide power to entire TMC and Approval of request for UPS is at the sole discretion of the AUTHORITY OCTA.
    - Active Transportation/Pedestrian Safety related elements
      - High-Intensity Activated crosswalk signaling systems (HAWK) Pedestrian detection modules Bicycle detection modules.
      - Rectangular Rapid Flashing Beacon Systems (RRFB) including striping, legends, and signage.
  - Minor signal operational improvements (2 points)
    - Emergency Vehicle Preempt (EVP) intersection control equipment only
    - Transit Signal Priority (TSP) intersection control equipment only
    - Channelization (signing, striping, raised pavement markers, in lane flashing guidance or warning marking systems, and legends) improvements required for traffic signal phasing.
    - Traffic signal phasing improvements that will improve traffic flow and system performance including protected permissive left turn phasing and shared

- pedestrian phasing, excluding display equipment and other ineligible activities as mentioned in these guidelines.
- ~~○ Improvements to comply with new federal or state standards for traffic signal design as related to signal synchronization including pedestrian, bicycle, and vehicular timing intervals, as well as the MUTCD~~
- Traffic Management Center (TMC)/Traffic Operations Centers (TOC) and motorist information (1 point)
  - New TMCs or TOCs (any project funded under this category ~~must be~~should planned ~~for~~ ~~built to be~~ center-to-center communication (C2C) ~~“ready”~~ with nearby agencies and/or OCTA).
  - Upgrades to existing TMCs or TOCs (any project funded under this category ~~must be~~should planned ~~for~~ ~~built to be~~ C2C ~~“ready”~~ with nearby agencies and/or OCTA).
  - Motorist information systems (up to 10 percent (10%) of total project costs for PI phase only).
  - Video display equipment, including wall monitors, screens, mounting cabinets, and optical engines (up to 10 percent (10%) of total construction costs for PI phase only).
- New or upgraded vehicle, pedestrian, and bicycle detection that does not already meet the above categories can be claimed (1 point) if there are a minimum of three (3) implementations:
  - ~~Upgrade detection~~ along the signal synchronization corridors to ensure necessary conditions for signal synchronization: inductive loops, video detection, radar, sonar, thermal, hybrids thereof, and other types of detection systems.

Note: that only one feature can be selected for any qualifying improvement; for example, an implementation of a new video detection system that can distinguish bicycles can be selected for points under the “Separate Bicycle/ADA Pedestrian Detection” or “New/Upgraded Detection”, but not both. (maximum: 10 points)

~~Transportation Significance: Points are earned based on the corridor being on the signal synchronization network. (maximum: 5 points) (Priority signal network corridors are eligible but will not be awarded for being on a Priority Corridor.)~~

Maintenance of Effort: Points are earned for a commitment to operate the project signal synchronization timing for a defined period of time beyond the three-year grant period. Note that the project will not be eligible for funding until after the completion of all maintenance commitments. (maximum: 5 points)

Project Scale: Points are earned for including more intersections along signal synchronization network ~~or serving as a signal corridor “gap closure”.~~ For a grid, the

number of signals and percent of signals being retimed will only be calculated for the corridor that is designated ~~ed~~ as the Main Corridor. (maximum: ~~2~~10 points)

Number of Local Agencies: Points are earned for including multiple local agencies as part of the project. (maximum: ~~1~~20 points)

Current Project ~~Readiness~~ Status: Points are earned based on the current status of the project development. Points for re-timing of a corridor can be claimed only if at least 75% of the previous project is part of the new application. Points can also be claimed for applicants who ~~will~~ provide evidence that they can complete ~~—complete~~ primary implementation within twelve months. Agencies that receive points for this category **cannot request delays or time extensions throughout the life of the project.** ~~Evidence of actual preliminary engineering performed for proposals requesting funding for implementation phases must be provided to qualify for points related to this attribute a is.~~ (maximum for category: 10 points)

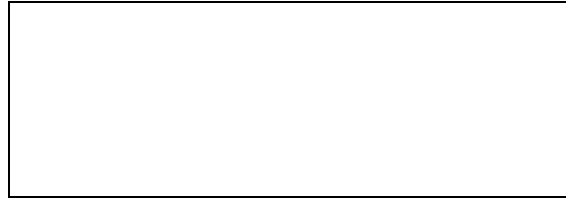
Funding Rate: The percentages shown in Table 8-1 apply to overall match rates ~~above a local agency's minimum match requirement~~. M2 requires a 20 percent (20%) local match for RTSSP projects. Project match rates above 20 percent (20%) are limited to dollar match only. (maximum: 5 points)

## Table 8-1 Point Breakdown

### RTSSP SCORING CRITERIA Point Breakdown for Regional Traffic Signal Synchronization Program Projects Maximum Points = 100

<b>Transportation Significance Vehicle Miles Travelled (VMT)</b> <b>Points: 320</b> <u>Inclusion of offset signals within 2700'</u> <b>Points</b> 90% or above <b>10</b> 50 - 89% <b>5</b> < 50% <b>0</b>  <b>AND</b>  <b>Vehicle Miles Traveled (VMT)</b> <table border="1"> <thead> <tr> <th>Range</th> <th>Points</th> </tr> </thead> <tbody> <tr><td>250+ thousand</td><td>20</td></tr> <tr><td>200 - 249 thousand</td><td>15</td></tr> <tr><td>150 - 199 thousand</td><td>10</td></tr> <tr><td>100 - 149 thousand</td><td>6</td></tr> <tr><td>50 - 99 thousand</td><td>3</td></tr> <tr><td>0 - 49 thousand</td><td>1</td></tr> </tbody> </table> <p><u>Calculation:</u> ADT x segment length (Applies only to coordinated segments of project)</p>		Range	Points	250+ thousand	20	200 - 249 thousand	15	150 - 199 thousand	10	100 - 149 thousand	6	50 - 99 thousand	3	0 - 49 thousand	1	<b>Project Scale</b> <b>Points: 210</b> Number of Signals <u>on Main Corridor</u> Coordinated by Project <table border="1"> <thead> <tr> <th>Range</th> <th>Points</th> </tr> </thead> <tbody> <tr><td>50+</td><td><b>510</b></td></tr> <tr><td>40 - 49</td><td><b>84</b></td></tr> <tr><td>30 - 39</td><td><b>63</b></td></tr> <tr><td>20 - 29</td><td><b>42</b></td></tr> <tr><td>10 - 19</td><td><b>21</b></td></tr> <tr><td>&lt; 10</td><td>0</td></tr> </tbody> </table> <p><b>AND</b></p> Percent of <u>Main Corridor</u> Signals Being Retimed <table border="1"> <thead> <tr> <th>Range</th> <th>Points</th> </tr> </thead> <tbody> <tr><td>90% or above</td><td><b>510</b></td></tr> <tr><td>80 - 89%</td><td><b>84</b></td></tr> <tr><td>70 - 79%</td><td><b>63</b></td></tr> <tr><td>60 - 69%</td><td><b>42</b></td></tr> <tr><td>50 - 59%</td><td><b>21</b></td></tr> <tr><td>&lt; 50%</td><td>0</td></tr> </tbody> </table> <p><u>Calculation:</u> Number of signals in project divided by total signals in full corridor length.</p>		Range	Points	50+	<b>510</b>	40 - 49	<b>84</b>	30 - 39	<b>63</b>	20 - 29	<b>42</b>	10 - 19	<b>21</b>	< 10	0	Range	Points	90% or above	<b>510</b>	80 - 89%	<b>84</b>	70 - 79%	<b>63</b>	60 - 69%	<b>42</b>	50 - 59%	<b>21</b>	< 50%	0
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1 year	1
None	0
<b>Transportation Significance</b>	<b>Points: 10</b>
<u>Corridor Type</u>	<u>Points</u>
Priority & Signal Synchronization Corridor	5
Corridor "Gap Closure"	5



## Minimum Eligibility Requirements

All local agencies may participate in the RTSSP. Caltrans facilities are eligible for the RTSSP, but Caltrans cannot act as the lead agency. Local agencies will be required to provide a minimum of 20 percent (20%) matching funds for eligible projects (see definition of matching funds below).

The goal of the RTSSP is to provide regional signal synchronization that cross jurisdictional, geographical, or physical boundaries. To be eligible for funding through this Program, a project must meet the following requirements:

1. Be on a street segment that is part of the signal synchronization network, or the MPAH. The project must be consistent with Local Signal Synchronization Plans and support the Regional Traffic Signal Synchronization Master Plan goals.
2. Be multi-jurisdictional, have documented support from all participating local agencies (cities, County, or Caltrans) and a minimum of 20 signals

or

Be multi-jurisdictional, have documented support from all participating local agencies (cities, County, or Caltrans) and a minimum distance of five miles

or

Include at minimum three local agencies, have documented support from all participating local agencies (cities, County, or Caltrans), and have a minimum intersection density of four intersections per mile with a minimum of eight signals

or

Include the full length of the signal synchronization network corridor, or MPAH corridor

## Matching Funds

Local agencies along the corridor are required to provide a minimum local match funding of 20 percent (20%) for each project. As prescribed by the M2 Ordinance, this includes local sources, M2 Fair Share, and other public or private sources (herein referred to as a “cash match”). Projects can designate local matching funds as cash match, in-kind match provided by local agency staff and equipment, or a combination of both.

“In-kind match” is defined as those actions that local agencies will do in support of the project including staffing commitment and/or new signal system investment related to improved signal synchronization. Examples of staffing commitment include, but are not limited to, implementation of intersection or system timing parameters, review of timing documentation, meeting participation, conducting or assisting in before/after studies, and other similar efforts that directly enhance the signal synchronization project. [Project](#)



match beyond 20 percent (20%) is limited to cash match only. Please note, overmatch is subject to the same audit and requirements as in-kind match.

Administrative staff time for documentation of in-kind services is ineligible. Staff time charged to a project is limited to the caps as described in these guidelines. Allowable signal system investment would be improvements that are “eligible activities” per the funding guidelines, which can be shown to improve signal synchronization and would not include any prior investments made by the agency. For OCTA-led projects, match for equipment shall be in cash except when an agency elects to purchase equipment per the application.

~~The specific matching requirement by project category type is listed below for city led projects:~~

<del>Project category</del>	<del>Type of matching allowed*</del>
<del>Signal coordination</del>	<del>In-kind match** or cash match</del>
<del>New or upgraded detection</del>	<del>In-kind match** or cash match</del>
<del>New or upgraded communications systems</del>	<del>In-kind match** or cash match</del>
<del>Communications and detection support</del>	<del>In-kind match** or cash match</del>
<del>Intersection/field system modernization and replacement</del>	<del>In-kind match** or cash match</del>
<del>Minor signal operational improvements</del>	<del>In-kind match** or cash match</del>
<del>TMC/TOC and motorist information systems</del>	<del>Cash match</del>
<del>Real-time traffic actuated operations and demonstration projects</del>	<del>Cash match</del>
<del>Caltrans fees and expenses (labor and capital)</del>	<del>In-kind match** or cash match</del>

~~\* Project match beyond 20 percent (20%) is limited to cash match only. Please note, overmatch is subject to the same audit and requirements as in-kind match.~~

~~\*\* In-kind match services are subject to audit.~~

In-kind match must be defined for each local agency as part of the supplemental application. In-kind match must be identified as staffing commitment and/or new signal system investment. The supplemental application template will include a section to input in-kind match type as well as additional data related to the match:

- Staffing commitment
  - Staff position
  - Number of hours
  - Hourly (fully burdened) rate
  - Total cost
- New signal system investment (limited to eligible activities)
  - Cost of any signal system investment
  - Benefit to project

O&M activities will be permitted in-kind match only for local agency oversight functions. Contract activities will require cash match. Local agency contributions identified as cash match in the application cannot be converted into in-kind match.

OCTA staff will review in detail the presented cash and in-kind match by local agency for reasonableness.

<relocated from Lead Agency section> Additionally, for projects designating OCTA as lead agency, a consultant traffic engineering firm may be contracted to provide staff and services to implement the project. Therefore, in-kind match designated as staffing commitment under an OCTA lead agency option shall be limited. The following will be used as a guide for staffing commitment, when the local agency develops the application:

- Primary Implementation (PI) (12 months)
  - Project Administration - Each local agency traffic engineer or equivalent participates in approximately 10-15 hours per month of project administration (meetings, review of reports, minutes, and other administration).
  - Signal Synchronization Timing - Each local agency traffic engineer or equivalent reviews consultant developed draft and final timing plans for intersections within the local agency, approximately 2-4 hours per local agency intersection.
  - Before and After Study - Each local agency traffic engineer or equivalent reviews consultant developed draft and final project Before and After Study, approximately 2-5 hours per local agency.
  - Engineering design/review - Each local agency traffic engineer or equivalent reviews consultant developed engineer design within the local agency, approximately 2-4 hours per affected local agency intersection.
  - System integration - Each local agency traffic engineer or equivalent provides support for this function (hours vary depending on improvements).
  - Construction management - Each local agency traffic engineer or equivalent provides construction management support including inspection (hour vary depending on improvements).

- Ongoing O&M (24 months) - Each local agency's traffic engineer or equivalent participates in continued project level meetings of 2-5 hours per local agency per month to review consultant traffic engineering progress. In addition, each local agency's traffic engineer or equivalent reviews consultant developed draft and O&M Report.

For projects designating a local agency as lead, the above may be used as a guide with additional local match related to implementation, development, design, monitoring and other costs that the local agency may choose to include as local match. For instance, O&M may be performed by in-house staff and be calculated using a different formula (e.g., 2-5 hours per local agency signal for 24 months).

Participating agencies pledging in-kind services shall be responsible for keeping track of said hours and/or improvements. For OCTA-led projects, an in-kind services match report will be requested throughout the project to ensure agencies meet their promised in-kind match. All submissions shall include backup documentations, such as accounting/payroll detailed summaries, third-party invoices (consultant, contractor, and equipment) and are subject to Audit.

## Project Cancellation

If a local agency decides to cancel a project, for whatever reason, the agency shall notify OCTA as soon as possible. Projects deemed infeasible shall bring that phase to a logical conclusion, file a final report, and cancel remaining phases so that remaining funds can be reprogrammed without penalty.

Cancelled projects will be eligible for re-application upon resolution of issues that led to original project termination.

If a lead agency decides to cancel a project before completion of the entire project, for whatever reason, the agency shall notify OCTA as soon as possible. It is the responsibility of the project lead agency to repay OCTA for any funds received.

## Project Extensions

Local agencies are provided 36 months to expend the funds from the date of encumbrance. Agencies can request timely use of funds extensions through the SAR in accordance with the CTFP guidelines. Local agencies should issue a separate NTP when combining contracts for both the PI and O&M phases. NTP requirement should be identified in the initial contract/agreement to avoid obligation of both phases at the same time. If this procedure is followed by the local agency the NTP date will be considered the date of encumbrance for the O&M phase.

## Audits

All M2 payments are subject to audit. Local agencies must follow established accounting requirements and applicable laws regarding the use of public funds. Failure to submit to an audit in a timely manner may result in loss of future funding. Misuse or misrepresentation of M2 funding will require remediation which may include repayment, reduction in overall grant, and/or other sanctions to be determined. Audits shall be conducted by OCTA Internal Audit Department or other authorized agent either through the normal annual process or on a schedule to be determined by the Board.

## Data Compatibility

All count data, including average daily traffic (ADT) and intersection turning movement (ITM), collected as part of any funded project shall be provided to OCTA ~~in one of the two following digital formats: 1) Intersection Turning Movement (ITM) counts in Microsoft Excel spreadsheet; and 2) Average Daily Traffic (ADT) counts in Excel spreadsheet format. NDS/Southland Car Counters style Excel spreadsheet; or 2) JAMAR comma separated value style text file. The data shall then be loaded into the OCTA Roadway Operations and Analysis Database System (ROADS).~~ Any data files containing numeric intersection or node identifiers shall use the same node identification (ID) numbers as is stored and maintained by OCTA. OCTA ~~shall~~ will provide a listing of intersections and corresponding unique node ID numbers upon request. Each count data file ~~name shall adhere to the following file naming describe the year the counts were collected, agency, type of count file, intersection name, and OCTA node ID number.~~ or csv. As an example, a turning movement count file recently collected for the intersection of Harbor Boulevard and Wilson Street in the City of Costa Mesa would be given the filename 2020\_CostaMesa\_ITM\_Harbor-Wilson\_2020\_ITM\_4534.csvxls.

All traffic signal synchronization data collected and compiled as part of any funded project for both existing (before) and final optimized (after) conditions shall be provided to OCTA in Synchro version 10 ~~csv latest Universal Traffic Data Format (UTDF) format and version combined data UTDF~~ format. This data shall include the validated network layout, node, link, lane, volume, timing, and phase data for all coordinated times. The nodes for these files shall also correspond to the OCTA node ID numbers. ~~All such data shall be consistent with the OCTA ROADS database.~~

## Project Summary Information

For each application that is recommended for funding, the agency shall submit a PowerPoint presentation summarizing the pertinent project information for TAC review and discussion purposes. The presentation shall be no more than three (3) slides and should contain, at a minimum, a project description, project benefits, location map, and cost estimate. OCTA staff will request the PowerPoint when/if a project is recommended for funding.

Exhibit 8-1

Project P – Regional Traffic Signal Synchronization Program Application Checklist

Project P Application Checklist	Page
<p><b>RTSSP Online Application – submitted through OCFundTracker</b></p> <ol style="list-style-type: none"> <li>1. <del>Transportation Significance</del> <u>Vehicle Miles Traveled</u></li> <li>2. Benefit Cost Ratio</li> <li>3. Project Characteristics</li> <li><del>4. Transportation Significance</del></li> <li><del>5.4.</del> Maintenance of Effort</li> <li><del>6.5.</del> Project Scale</li> <li><del>7.6.</del> Number of Jurisdictions</li> <li><del>8.7.</del> Current Project <del>Readiness</del> <u>Status</u></li> <li><del>9.8.</del> Funding Over-Match</li> </ol>	Online
<p><b>Section 1: Key Technical Information</b></p> <ol style="list-style-type: none"> <li>a. <u>Name of Project Corridor/Grid/Route</u> <del>Limits</del></li> <li>b. <u>Project Limits</u></li> <li>c. <u>Project Length</u></li> <li>d. <u>Number of Signalized Intersections Along Corridor</u></li> <li>e. <u>Participating Agencies/Traffic Forum Members</u></li> <li>f. <u>Lead Agency</u></li> <li><del>b.g.</del> <u>Designation of the co</u> <del>Designation of the corridor to synchronize: priority corridor, signal synchronization network corridor, or master plan of arterial highways corridor</del></li> <li>h. <u>Project start date and end date, including any commitment to operate signal synchronization beyond the three-year grant period</u></li> <li>i. <u>Previous funding</u></li> <li><del>e.i.</del> <u>Contact Information</u></li> <li><del>d.</del> <u>Signalized intersections that are part of the project</u></li> <li>k. <u></u></li> <li><del>e.l.</del> <u>Project Map Depicting the Project Limits</u> <del>Traffic Forum members</del></li> </ol>	
<p><b>Section 2: <del>Lead Agency</del> <u>Regional Significance</u></b></p>	
<p><b>Section 3: <del>Resolutions of Support from the Project's Traffic Forum Members</del> <u>Acknowledgement of Required Tasks</u></b></p>	
<p><b>Section 4: <del>Preliminary Plans for the Proposed Project</del> <u>Funding Needs/Costs for Proposed Project by Task</u></b></p> <ol style="list-style-type: none"> <li><del>a.</del> <u>The plans shall include details about both phases of the project: <u>Primary Implementation (PI)</u> and <u>Ongoing Operations and Maintenance (O&amp;M)</u>. The plan should be organized using the following setup:</u></li> <li><del>b.</del> <u></u></li> <li><del>c.</del> <u>Primary Implementation shall include details about the following:</u></li> <li><del>d.</del> <u>Task 1: Project Administration (required)</u></li> <li><del>e.</del> <u>Task 2: Data Collection (required)</u></li> <li><del>f.</del> <u>Task 3: Field Review and Plans Specifications and Estimates (required)</u></li> <li><del>g.</del> <u>Task 4: Corridor "Before" Study (required)</u></li> <li><del>h.</del> <u>Task 5: Signal Timing Optimization and Implementation (required)</u></li> <li><del>i.</del> <u>Task 6: Corridor "After" Study (required)</u></li> <li><del>j.</del> <u>Task 7: Synchronization System Construction (required)</u></li> <li><del>k.</del> <u>Task 8: Project Report (required)</u></li> <li><del>l.</del> <u>Task 9: On-going Operations and Maintenance (required)</u></li> <li><del>m.</del> <u>Ongoing O&amp;M will begin after the <u>PI</u> of the project is completed. It shall include details about the following:</u></li> <li><del>n.a.</del> <u>Monitoring and improving optimized signal timing (required)</u> <u>Summary of Project Cost</u></li> <li><del>e.b.</del> <u>Communications and detection support (optional)</u> <u>Summary of Cost by Agency</u></li> <li>c. <u>Table I: Agency Improvement Preferences</u></li> </ol>	

<p><del>p.d. Table II: O&amp;M Final Memorandum (required)</del> <u>Description of Work by Intersection</u></p>	
<p><b>Section 5: <del>Total Proposed Project Cost by Task</del> <u>Detailed Local Match Commitment</u></b>  <del>Table I: Summary of Improvements</del>  <del>Table II: Detailed Improvement Breakdown</del></p>	
<p><b>Section 6: Project Schedule for the 3 Year Grant Period by Task</b>  <u>a. Project State and End Dates</u>  <u>b. Project Schedule by Task</u>  <u>a.c. Agency Commitment of Extended Monitoring and Maintenance</u></p>	
<p><b><del>Section 7: Matching Funds</del></b></p>	
<p><b><del>Section 8: Environmental Clearances and Other Permits</del></b></p>	
<p><b><del>Section 9: Calculations Used to Develop Selection Criteria Inputs</del></b></p>	
<p><b><del>Section 10: Any additional Information Deemed Relevant by the Applicant</del></b></p>	
<p><b>Appendices</b>  <u>a. Agency Resolutions</u>  <u>b. Vehicle Miles Traveled (VMT)</u>  <u>c. Calculations and Estimated Points</u>  <u>a.d. Additional Information (Optional)</u></p>	

## Exhibit 8-2

### Sample Resolution for Orange County Regional Traffic Signal Synchronization Program Projects

A resolution of the \_\_\_\_\_ City Council approving the submittal of \_\_\_\_\_ improvement project(s) to the Orange County Transportation Authority for funding under the competitive Measure M2 Regional Traffic Signal Synchronization Program.

THE CITY COUNCIL OF THE CITY OF \_\_\_\_\_ HEREBY RESOLVES, DETERMINES, AND ORDERS AS FOLLOWS THAT:

- a) WHEREAS, the Measure M2 Regional Traffic Signal Synchronization Program targets over 2000 signalized intersections across Orange County to maintain traffic signal synchronization, improve traffic flow, and reduce congestion across jurisdictions; and
- b) WHEREAS, the City of \_\_\_\_\_ has been declared by the Orange County Transportation Authority to meet the eligibility requirements to receive revenues as part of Measure M2;
  - c) WHEREAS, the CITY must include all projects funded by Net Revenues in the seven-year Capital Improvement Program as part of the Renewed Measure M Ordinance eligibility requirement.
- d) WHEREAS, the CITY authorizes a formal amendment to the seven-year Capital Improvement Program to add projects approved for funding upon approval from the Orange County Transportation Authority Board of Directors, if necessary.
- e) WHEREAS, the City of \_\_\_\_\_ has currently adopted a Local Signal Synchronization Plan consistent with the Regional Traffic Signal Synchronization Master Plan as a key component of local agencies' efforts to synchronizing traffic signals across local agencies' boundaries; and
  - f) WHEREAS, the City of \_\_\_\_\_ will provide matching funds for each project as required by the Comprehensive Transportation Funding Programs Procedures Manual; and
- g) WHEREAS, the City of \_\_\_\_\_ will not use Renewed Measure M funds to supplant Developer Fees or other commitments; and
- h) WHEREAS, the City of \_\_\_\_\_ desires to implement multi-jurisdictional signal synchronization listed below; and

NOW, THEREFORE, BE IT RESOLVED THAT:

The City Council of the City of \_\_\_\_\_ hereby requests the Orange County Transportation Authority allocate funds in the amounts specified in the City's application to said City from the ~~Transportation~~ Regional Traffic Signal Synchronization Program. Said funds, if approved, shall be matched by funds from said City as required and shall be used as supplemental funding to aid the City in signal synchronization along the following street(s):

\*Required language a-h

## Chapter 9 – Reimbursements and Reporting

### Procedures for Receiving Funds

An implementing agency must encumber funds OCTA awards to a project phase within the fiscal year the grant is programmed (July 1-June 30). Prior to the encumbrance of funds, an agency must have a fully executed letter agreement with OCTA. An agency encumbers funds by awarding a contract, completing the appraisal or issuing an offer letter for one parcel of right-of-way, or by providing expense reports with supporting documentation to prove an agency's workforce costs (provided that the agency intends to complete the phase with agency staff). OCTA shall consider the primary contract or the contract with the largest dollar amount, associated with the phase's tasks, when an agency uses a contract to show encumbrance of CTFP funds. Once an agency encumbers CTFP funds for a phase, it can begin the process for receiving payment of the funds.<sup>9</sup>

OCTA will release funds through two payments. The initial payment will provide up to 75 percent (75%) of the contract award or programmed amount, whichever is less. OCTA will disburse the final payment, 25 percent (25%) of eligible funds, after it approves the final report (See Precept 34).

For situations where a grant exceeds \$2 million, the final report retention shall be capped at \$500,000 per project phase but shall in no case be less than 10 percent (10%) of the grant for that phase. Should the 75/25 payment distribution ratio result in a final payment retention that exceeds \$500,000, the payment percentages will be adjusted to meet the \$500,000 cap until the 10 percent (10%) threshold is reached (See Precept 35).

Agencies shall submit payment requests to OCTA in a timely fashion. The M2 Ordinance requires the submittal of a final report within 180 days of the project phase completion date (See M2 Ordinance/definitions/Precept 36). Failure to submit a final report within the 180-day time frame will result in an agency being found ineligible to receive net revenues. Per the M2 Ordinance, no provision for extension is allowed. The term "project phase completion" refers to the date that the local agency has paid the final contractor/consultant invoice (including retention) for work performed and any pending litigation has been adjudicated for the engineering phase or for the ROW phase, and all liens/claims have been settled for the construction phase.

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<sup>9</sup> Funds from state and federal sources funds will undertake a separate process. Local agencies must contact Caltrans local assistance for reimbursement.



OCTA will provide a separate CTFP payment supplement that includes sample forms and instructions for payment submittals and can be downloaded from the OCFundtracker database. Payment submittals are described in this chapter and must be submitted through OCTA's online database, OCFundtracker: <http://ocfundtracker.octa.net>. Detailed instructions for OCFundtracker are available online at the previously mentioned website. Staff is also available to assist agencies with this process. Agencies must upload appropriate backup documentation to the database. OCTA may request hardcopy payment requests.

## Availability of Funds

The funds granted by OCTA for each phase will be available on July 1, the first day of the fiscal year in which the funds are programmed and upon implementation of the letter agreement for the specific project.

## Cancellation of Project

If a local agency decides to cancel a project, for whatever reason, the agency shall notify OCTA as soon as possible. Projects deemed infeasible during the planning phase shall bring that phase to a logical conclusion, file a final report, and cancel remaining phases so that remaining funds can be reprogrammed without penalty. ROW funding received for property acquisition prior to cancellation shall be repaid upon cancellation, regardless of whether property has been purchased or not. Construction funding received prior to cancellation shall be repaid upon cancellation.

Cancelled projects will be eligible for re-application upon resolution of issues that led to original project termination.

## Project O - Regional Capacity Program Initial Payment

### Payment Requests

An agency shall use the report and checklist provided in the CTFP Payment Supplement (see [https://ocfundtracker.octa.net/report\\_payment\\_excel.asp](https://ocfundtracker.octa.net/report_payment_excel.asp)) in order to determine the reporting and documentation requirements for initial payment requests. Payment requirements are located in the Guidelines. Staff may request additional documentation that is not listed on the checklist prior to approving the request.

The interactive electronic versions of all payment forms can be downloaded via OCFundtracker at <http://ocfundtracker.octa.net>.

OCTA usually releases funds through two payments. The initial payment will constitute 75 percent (75%) of the eligible contract award or allocation amount, whichever is less. In addition to the bid abstract, OCTA will require local agencies to submit appropriate backup documentation for all project phases to support the initial payment request. OCTA will release the final payment of remaining balance, usually the final 25 percent (25%) of CTFP grant funds, when the project is complete and OCTA accepts the final report. The balance is determined based on final costs for CTFP eligible program expenditures. Prior to submitting the report, review the program specific section in these guidelines that addresses the final report process.

OCTA will reimburse costs associated with the Measure M informational signs (fabrication, installation, and removal) and do not count against a project's grant. Measure M informational "Funded By" sign removal costs should be requested in the Final Report.

Prior to submitting an initial payment request, a local agency may request a meeting with OCTA staff to determine eligible/ineligible items prior to requesting reimbursement.

Below is additional information regarding the documentation requirements of initial payment requests:

1. Invoice – For initial payments, an agency shall invoice for 75 percent (75%) of the contract amount or programmed amount, whichever is less. For situations where a grant exceeds \$2 million, the final report retention shall be capped at \$500,000 per project phase but shall in no case be less than 10 percent (10%) of the grant for that phase. Should the 75/25 payment distribution ratio result in a final payment retention that exceeds \$500,000, the payment percentages will be adjusted to meet the \$500,000 cap until the 10 percent (10%) threshold is reached (See Precept 35). Agencies seeking initial payment for the planning, environmental and preliminary engineering work performed by local agency forces, must submit payroll records and City Council budget allocation with the initial payment request. The payroll records should identify the project name, date of expenditures, amount, and employee position. It is recommended that a unique project key be created for each project and

all project charges be billed under that job code. OCTA staff can provide a sample of acceptable form of payroll report upon local agency request.

2. Project Certification Letter – The public works director, or appropriate equivalent, shall submit a certification letter, with applicable statements, using the Project Certification Form 10-2. This will include the certification that the project being reimbursed has meet the signage requirements laid out in Precept 21.
3. Documentation of the Contract Award – The agency shall submit a minute order, agency resolution, or other council/board action showing award of the contract and the contract amount. After contract award, the agency shall submit the project name, contractor/consultant company name, and project scope including bid/task list, for each contract. The city clerk, clerk of the board, or appropriate equivalent shall certify minutes. Agencies that use on-call consultants shall submit a purchase order or Notice to Proceed (NTP) that includes the project-specific scope of work for the contractor.
4. Revised Cost Estimate – The agency shall use the format provided in the Revised Costs Estimate Form 10-3.
5. Work Schedule – OCTA prefers a complete project schedule, but an agency may provide as little as the expected start and completion dates for preliminary engineering, final engineering, right-of-way, and construction phases on the Engineering & Construction Phase Initial Report Form 10-1A.
6. ROW Documents – Each parcel shall include an appraiser’s report, written offer letter, plat map, and legal description. Agencies attempting to acquire five or more parcels for a project shall include a parcel location map. Initial payments for ROW will be considered after submittal of a signed ROW agreement with the property owners and/or upon City Council Resolution initiating a property acquisition in accordance with the Code of Civil Procedure per §1230.010, et. seq.
7. Plans, Specifications, & Estimate (PS&E) Certification – Agencies shall submit a PS&E certification using the PS&E Certification Form 10-4. The agency engineer shall certify that the local agency properly prepared and approved plans and specifications in accordance with authorized procedures and adopted standards, followed approved scope of work, and incorporated materials report.
8. Layout Plans – An agency shall not submit layout plans that print on paper larger than 11 inches by 17 inches.
9. Documentation of Decision to Use Local Agency Forces – For all project phases, for any work performed by local agency forces in lieu of a primary contract, local agency must document that local agency forces could perform the work more cost effectively or timely than a contractor; and documentation of this decision can be supplied in case of audit.

- Documentation Supporting Local Agency Liability for Utility Relocation Costs – Local agency liability can be supported by the documentation of property rights, franchise rights/agreements, state and local statutes/ordinances, permits, or a finding by the local agency’s counsel.

## Reimbursement

OCTA shall not reimburse for a project prior to the beginning of the fiscal year of the grant. If an agency receives an advancement and begins work prior to the start of the fiscal year of the grant, the agency may request an initial payment against the grant. If an agency receives an advancement and completes a project prior to the start of the fiscal year of the grant, OCTA shall disburse the grant in a single payment. OCTA must accept the final report prior to issuing a payment.

## Calculation of Payment

Once an agency encumbers Measure M funds, the agency may request a maximum of 75 percent (75%) of the contract award amount or programmed amount, whichever is less. For situations where a grant exceeds \$2 million, (See Precept 36). An example of calculating the initial funding request for a standard 75/25 payment is described below.

### Example:

CTFP Grant Allocation	OCTA Match Rate	Local Agency Match Rate
<b>\$200,000</b>	<b>80%</b>	<b>20%</b>

#### Step 1

Eligible Expenses x OCTA Match Rate = Product  
 $\$ 225,000.00 \times 80\% = \$ 180,000.00$

#### Step 2

Check if Product is greater than or less than  
**CTFP Allocation Amount:** **\$200,000**

#### Step 3

Use the lower of the **Product** or **Allocation** **\$ 180,000.00**  
 In this case the \$180,000 amount is less

#### Step 4

Then multiply the **\$180,000** amount by 75% (Initial Payment Percentage)

\$180,000	X	75%	=	<b>\$135,000.00</b>
				<b>Invoice Amount</b>

## Project O - Regional Capacity Program Final Report and Payment Process

The remaining CTFP funds are reimbursed to the lead agency following completion of the final reporting process. This final payment is calculated by considering the grant allocation amount, the minimum local agency match rate, how much has been previously reimbursed as part of the initial payment, and the total eligible costs that can be applied to the grant (see program specific eligibility sections). M2 funds are applied proportionally to all eligible project expenses. Prior to submitting the Final Report, review the following section which includes items important to the final reporting process. The CTFP Payment Supplement provides additional instructions and sample forms to complete payment requests. Payment requirements are located in this chapter.

### Project Cost Changes

If the contract price is lower than the amount programmed, and the agency requested additional items and/or change orders during construction/study, OCTA may approve the additional costs during the review of the final report. OCTA will review these reports to:

1. Determine that the agency submitted proper justification for the change order(s)
2. Determine if the items are eligible for reimbursement
3. Confirm that expenses are within the project's original scope of work
4. The lead agency should provide information supporting the need for the change orders in the final report. Changes in project limits for construction projects are not eligible for reimbursement.

### Final Payment Documentation Requirements

The items listed below are to be submitted to complete the final reporting process.

1. Invoice - For final payments, an agency shall invoice for the remaining balance of the contract amount or programmed amount, whichever is less. Final payment request invoices shall normally be approximately 25 percent (25%) of the eligible funds. Interest earned by an agency for initial payments received shall be applied to and deducted from the final payment balance amount.
2. Project Certification Letter – The public works director, or appropriate equivalent, shall submit a certification letter, with applicable statements, using the Project Certification Form 10-2. This will include the certification that the project being reimbursed has meet the signage requirements laid out in Precept 21.
3. Documentation of the Contract Award – The agency shall submit a minute order, agency resolution, or other council/board action showing award of the contract and the contract amount. After contract award, the agency shall submit the project name,

contractor/consultant company name, and project scope including bid/task list, for each contract. The city clerk, clerk of the board, or appropriate equivalent shall certify minutes. Agencies that use on-call consultants shall submit a purchase order that includes the scope of work for the contractor.

4. PS&E Certification – Agencies shall submit a PS&E certification using the PS&E Certification Form 10-4. The agency engineer shall certify that the local agency properly prepared and approved plans and specifications in accordance with authorized procedures and adopted standards, followed approved scope of work, and incorporated materials report.
5. Final Report Form – The local agency shall prepare a final report form using the Engineering & Construction Phase Final Report ~~final report~~ Form 10-5A.
6. Division of Costs – The Division of Costs Form 10-6. Supportive material shall equal the division of costs totals that are located in the final report form.
7. OCTA shall reimburse general lump sum pay items, appraisal cost, design, and construction engineering in the same ratio as the total ROW acquisition or construction costs.
8. Proof of Project Payment – The required documentation that will be submitted includes approved contract invoices and may also include, but is not limited to, supportive material for agency work forces, equipment, material, and corresponding proof of payment. Additional records are required to be maintained as outlined in the Audit (Chapter 10).
9. Layout Plans – An agency shall not submit layout plans that print on paper larger than 11 inches by 17 inches (where applicable).
10. Documentation of Decision to Use Local Agency Forces – For all project phases, for any work performed by local agency forces in lieu of a primary contract, local agency must document that local agency forces could perform the work more cost effectively or timely than a contractor; and documentation of this decision can be supplied in case of audit.
11. Documentation Supporting Local Agency Liability for Utility Relocation Costs – Local agency liability can be supported by the documentation of property rights, franchise rights/agreements, state and local statutes/ordinances, permits, or a finding by the local agency's counsel.
12. ROW Documents – Each parcel shall include an appraiser's report, written offer letter, plat map, and legal description. Agencies attempting to acquire five or more parcels for a project shall include a parcel location map.

13. Summary of ROW Acquisition – Agencies shall submit a summary of ROW acquisition as described in the Summary of ROW acquisition Form 10-5B.
14. Notice of Completion – An agency shall submit The Notice of Completion form to certify the phase completion date (Form 10-7). See Definition 22 for phase completion date.
15. Before and After Project Photos (where applicable) – photographs showing the project before and after the improvements.

Electronic copies of all payment forms can be downloaded from OCFundtracker.

## Timely Final Reports

OCTA will work with local agencies to ensure the timeliness of final reports by utilizing the following procedures:

1. Local agencies to notify OCTA of the project phase completion date within 30 days of completion.
2. Local agencies to file a final report within 180 days of project phase completion date.
3. OCTA to issue a notification to the project manager, public works directors or TAC representative(s) 90 days after the project completion date, as reported in OCFundtracker, to remind local agencies that the final report is due in 90 days. OCTA staff will provide guidance to assist in preparation of the final report.
4. OCTA to issue a final notice letter to the project manager, public works directors or TAC representative(s) with a copy to the agency's management and finance director if OCTA does not receive the final report within 180 days of the project completion date. The final notice letter will inform the local agencies that if OCTA does not receive a response to the final notice letter and the final report within 180 days, then the funds will be unencumbered and OCTA shall request that the agency return disbursed funds, plus interest.
5. OCTA to issue the final payment to local agencies within 60 days of receiving the complete final report and all supporting documentation.

## Failure to Submit Final Report

Agencies who fail to submit a Final Report will be required to repay applicable M2 funds received for the project in a manner consistent with the Master Funding Agreement and/or will be found ineligible to receive M2 Net Revenues.

## Excess Right-of-Way

Agencies that use Net Revenues (through CTFP or LFS programs) to acquire project ROW shall dispose of land deemed in excess of the proposed transportation use. Excess land

sold by the lead agency will be disposed of in accordance with the process established in Government Code, Article 8, Surplus Land, Section 54220-54232, etc. Seq. and the ROW acquisition/disposal plan submitted as part of the application process. The agency shall return proceeds from the sale to OCTA. OCTA shall return the funds to the program of origin for future use.

Proceeds from the sale of excess ROW shall be returned to OCTA in proportion to the amount of M2 funds used in the purchase.

Agencies shall submit ROW documents for all parcels utilizing M2 Net Revenues. Agencies must submit the following documents:

- Summary of the ROW required for the project
- Plat maps and legal descriptions for ROW acquisitions
- Parcel location map
- Identification of anticipated excess right-of-way, if any
- Appraisal reports for excess right-of-way
- ROW acquisition/disposal plan

OCTA shall consider excess ROW with a value of \$10,000.00 or less as an uneconomic remnant. OCTA shall determine if excess ROW is to be considered an uneconomic remnant.

The agency shall submit a fair market value appraisal report for the excess land of each parcel. Appraisers must conduct appraisals in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). If an agency suspects that the excess ROW has a value of \$10,000.00 or less, the agency may conduct a limited fair market value appraisal to confirm the value of the excess right-of-way. The agency shall submit the appraisals with the ROW final report.

OCTA shall retain from the final payment the value of excess ROW that is proportional to OCTA's percentage match rate to the project up to OCTA's match rate of ROW grant. However, if the local agency provided additional funds beyond what was original estimated, OCTA will be reimbursed based on its proportional share of the cost of right-of-way.

An agency may include incidental expenditures from the disposal of property in their final report for the ROW grant.

An agency shall begin the process to sell excess ROW within 60 days after acceptance of the construction improvements.

OCTA shall not close-out the ROW grant or construction grant until the agency and OCTA resolve questions regarding excess right-of-way.



**Example:**

OCTA’s ROW grant:	\$500,000
OCTA grant match rate	75%
Parcel Costs:	
Cost – Parcel 1:	\$300,000
Cost – Parcel 2:	\$380,000
Cost – Parcel 3:	\$120,000
Cost – Parcel 4:	<u>\$100,000</u>
Total ROW Costs:	\$900,000
Payment with no excess ROW:	\$500,000

Excess right-of-way

Value of excess ROW for parcel 1:	\$200,000
Value of excess ROW for parcel 2:	\$105,000
Value of excess ROW for parcel 3:	\$ 0
Value of excess ROW for parcel 4:	<u>\$ 0</u>
Total Value of excess ROW:	\$305,000

OCTA contribution to ROW acquisition:

CTFP ROW contribution ÷ Agency total cost of right-of-way

$$\$500,000 \div \$900,000 = 56\%$$

OCTA’s shall reduce the final ROW payment by:

Parcel 1:	\$200,000 x 56% =	\$112,000
Parcel 2:	\$105,000 x 56% =	+ <u>\$58,800</u>
Total:		\$170,800
Payment (incorporating excess right-of-way):		\$500,000
	-	<u>\$170,800</u>
		\$329,200

## Agency Workforce and Equipment Rental

An agency must provide supporting documentation for work completed by agency staff. It is recommended that a unique project job key be created for each project and all project charges be billed under that job code. The agency shall multiply the fully burdened labor rate by the number of hours for each staff person assigned to the project. An agency may add actual overhead costs at an allowable rate up to 30 percent (30%) of payroll

and fringe benefits. Where an agency due to size cannot calculate its specific overhead rate, an agency may refer to the Cost Accounting Policies and Procedures Manual (CAPP) of the California Uniform Public Construction Cost Accounting Commission, which allows for a fixed overhead rate billing dependent on city size. Where an agency has actual overhead costs that exceed 30 percent (30%), these will be accepted when a fully audited cost allocation plan is provided and approved by the appropriate governmental entity listed in the CAPP or 2 Code of Federal Regulations Part 225.

An agency must provide supporting documentation for equipment used by local agency staff. An agency may use local agency or Caltrans surcharge and equipment rental rates.

## Technical and/or Field Review

Once an agency submits a final report for a project, OCTA shall review the report for compliance with the CTFP Guidelines and may conduct a technical and/or field review. As part of the technical/field review of a CTFP project, OCTA may:

- review ROW acquisitions and the potential for excess right-of-way
- compare hourly breakdown of staff time compared to staff time sheets
- conduct a project field review – ensure improvements are within scope
- review items that agencies self-certify
- verification of the reasonableness of project costs

OCTA may review all phases of the project.

OCTA will use the project cost estimate forms submitted with the application and revised where appropriate, project accounting records and the final report as the primary items to conduct the review. Agencies must maintain separate records for projects (i.e., expenditures, interest) to ensure compliance. OCTA will only reimburse eligible CTFP items listed on the cost estimate. The implementing agency is expected to complete the entire scope of work as presented in the original application.

See Chapter 10 for independent audit requirements beyond the technical/field review.

## Reporting of Local Fair Share (LFS)

For the purposes of reporting non-project work (maintenance, repair, and other non-project related costs) funded by Measure M LFS funds, the Measure M2 expenditure report cited M2 Ordinance, Section III(B)(8) shall satisfy reporting requirements. If LFS funds are used for projects, the local agency shall also include a list of those funds and/or other Measure M2 funds in the Project Final Report cited in Section III(B)(9).

## Project P - Regional Traffic Signal Synchronization Program Reimbursements and Reporting Requirements

The previous sections of this chapter outline the process and requirements regarding reimbursements and reporting for all competitive programs that are part of Measure M2. A lead agency shall also use the following additional reporting and documentation requirements specific to any competitive project funded through RTSSP (Project P) as part of the reimbursement process.

### Procedures for Receiving Funds

RTSSP (Project P) funds projects with a three (3) year grant. Projects are divided into two components for the purposes of reimbursements and reporting: PI and Ongoing O&M. ~~O&M will begin after the PI of the project is completed and be required for the remainder of the project and last for a minimum of two (2) years.~~

Primary Implementation (PI) includes the following:

- Project administration (required)
- Developing and implementing optimized signal synchronization timing (required)
- Producing a PI Report, which includes the Before and After Study for the proposed project (required)
- Engineering design of signal improvements for the project (optional)
- System integration (optional)
- Proposed signal improvements, construction support, and contingency (optional):
  - New or upgraded detection
  - New or upgraded communication systems
  - Intersection/field system modernization and replacement
  - Minor signal operation improvements
  - Traffic management centers
  - Real-time traffic actuated operations and demonstration projects
- Contingencies (optional)
- Construction management (optional)

Ongoing Operation and Maintenance (O&M) ~~will begin after the PI of the project is completed.~~ It includes the following:

- Monitoring and improving optimized signal timing (required)
- Communications support (optional)
- Detection support (optional)
- ~~Final~~ O&M report (required)

A lead agency must encumber funds OCTA allocates to a project within the fiscal year of the grant and after funding agreements with OCTA are executed. A lead agency encumbers funds by awarding a contract or providing expense reports to prove the lead or a participating agency's workforce costs, provided that the lead agency intends to complete the PI with lead agency or participating agency staff. Once an agency encumbers RTSSP (Project P) funds for PI, it can begin the process for receiving payment of the funds. Note that only the lead agency will receive payment of funds from OCTA. Any funds that are due to other participating agencies are the responsibility of the lead agency and not OCTA.

The project lead agency must submit payment requests through OCTA's online database, [OCFundtracker](#). Additional details about the retention caps, timely payment requests, project closeout, and payment are available in Chapter 9.

## Availability of Funds

The funds allocated for projects will be available to project lead agencies July 1<sup>st</sup> of the programmed year and after funding agreements with OCTA are executed.

## Initial Payment Requests for Primary Implementation

The initial payment will provide up to 75 percent (75%) of funds for the PI of the project. The following information specific to the RTSSP (Project P) Project is provided regarding the documentation requirements for initial payment of PI after an agency encumbers funds for the project.

The interactive electronic versions of all payment forms can be downloaded via OCFundtracker.

The PI-final report has been provided so a lead agency can determine the reporting and documentation required for an initial payment request. Staff may request additional documentation that is not listed on the PI Report prior to approving the request. The electronic versions of the forms are available through the OCFundtracker.

Below is additional information regarding documentation requirements for RTSSP payment requests. The CTFP Payment Supplement provides instructions and sample forms for the items listed.

- Invoice - For initial payments, the lead agency shall invoice for 75 percent (75%) of the contract amount or programmed amount of the project's PI, whichever is less. For final payments of the PI, the lead agency shall invoice the remaining balance of the project's PI phase contract amount or programmed amount, whichever is less
- Project Certification Letter (initial and final)

- Revised Cost Estimate (initial)
- PS&E Certification (initial and final)
- Certification of Phase (initial)
- ~~Final~~ Report Submission
- Division of Cost Schedule (final)
- Work Schedule - OCTA requires a complete project schedule, including expected start and completion dates for tasks in the PI and Ongoing O&M phases (initial and final)
- ROW Documents - No requirements as ROW is not a part of RTSSP

Detail on other aspects on Initial Payment Requests for PI including project advancement and reimbursement is available in this chapter.

### Example of Initial Reimbursement for Primary Implementation (PI):

CTFP Grant Allocation	OCTA Match Rate	Local Agency Match Rate
\$960,000.00	80%	20%

#### Step 1

$$\text{Eligible Expenses} \times \text{OCTA Match Rate} = \text{Product}$$

$$\$1,000,000.00 \times 80\% = \$800,000.00$$

#### Step 2

Check if **Product** is greater than or less than **CTFP Grant Allocation Amount**:  
**\$800,000** vs **\$960,000**

#### Step 3

Use the lower of the **Product** or **CTFP Grant Allocation**  
 In this case, the **\$800,000.00** amount is lower

#### Step 4

Then multiply the amount by **75%** (Initial Payment Percentage)

\$800,000.00	x	75%	=	\$600,000.00
				Invoice Amount

## Final Payment Requests for Primary Implementation

OCTA will release the remaining balance to the lead agency, approximately 25 percent (25%) of funds for the PI, when the project's PI phase is complete and OCTA receives the project Before and After Study. The balance is determined based on the final costs for the eligible RTSSP expenditures. The Before and After Study is defined as the following:

This study shall at minimum collect morning and evening peak period using travel times, average speeds, green lights to red lights, stops per mile, and the derived CSPI metric. In addition, greenhouse gas and gasoline savings should be identified. This information shall be developed both before any signal timing changes have been made and after the PI. The study shall compare the information collected both before and after the timing changes. Comparisons shall identify the absolute and percent differences for the entire corridor, by segment, direction, and time period. Segments will be defined by major traffic movements as observed during the project (e.g. commuting segments between freeways, pedestrian-friendly segments in a downtown area, etc.).

~~A template for the before and after study is available.~~ The PI Report, which includes the Before and After Study for RTSSP, shall be included as a requirement at the end of the Primary Implementation phase and as part of the Final Report as required by the M2 Ordinance, Attachment B, Section III.A.9~~for reimbursement purposes.~~

## Payment Requests for Ongoing Operations and Maintenance

The payments for the Ongoing O&M portion of the project award will cover the remainder of the grant period after the PI phase is completed and will be paid as a reimbursement upon proof of work/payment and receipt of invoice. The invoice should include the Final O&M report with details on the ongoing O&M work done including the required (1) work monitoring and improving optimized signal timing; and optional (2) communications and detection support.

### ~~O&M Project Final~~ O&M Report

The ~~project f~~Final O&M Rreport shall be completed in accordance with all CTFP Guidelines upon the end of the ~~\_three-year grant period~~O&M phase. In addition, the ~~final O&M R~~report shall summarize the ~~full project through the three-year grant period~~O&M period, ~~include the Before and After Study from the PI phase, and report on additional updates/information that result from the Ongoing Operation and Maintenance phase.~~ documenting the O&M efforts and procedures for continuing maintenance shall be prepared. At ~~the~~a minimum, the ~~f~~O&M rReport shall include when travel runs were conducted and issues and solutions throughout the phase. The ~~memorandum~~report shall document all planned and programmed improvements on the study corridor as well as

recommendations for further infrastructure improvements that would likely improve enhance the corridor signal coordination project results.

*Staff Update*  
*Items*







**July 9, 2020**

**To:** Transit Committee

A handwritten signature in blue ink, appearing to read "Darrell Johnson", is placed to the right of the "To:" field.

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

**Subject:** Measure M2 Community-Based Transit Circulators Program  
Project V Ridership Report

**Overview**

Measure M2 establishes a competitive program through the Community-Based Transit Circulators Program (Project V), which is designed to complement regional transit services. A ridership report on 19 active Measure M2 Project V services operating through the second and third quarter of fiscal year 2019-20 is provided for Board of Directors' information.

**Recommendation**

Receive and file as an information item.

**Background**

The Measure M2 Community-Based Transit Circulators Program (Project V) is a competitive program under Measure M2 (M2) that provides funding to eligible jurisdictions to develop and implement local transit services. Eligible services under this program include community-based circulators, shuttles, trolleys, and demand-responsive services in areas not adequately served by regional transit.

M2 Project V services are required to adhere to performance standards to gauge if the services are meeting the intended program goals. If services are not meeting standards, or are trending toward not meeting minimum standards, Orange County Transportation Authority (OCTA) staff will meet with the local agency and discuss adjustments, with an overall goal of attempting to improve ridership (i.e., boardings per revenue vehicle hour [B/RVH]). If a service continues to perform below minimum performance standards, M2 Project V funds will be subject to cancellation, consistent with Board of Directors (Board)-approved program guidelines and each project's cooperative agreement. If M2 Project V funds are cancelled, local agencies can still participate in future funding cycles of the program with new service concepts that are anticipated to be more productive.

M2 Project V-funded service performance is reported to the OCTA Board twice a year. This reporting period includes ridership information for the second and third quarter of fiscal year (FY) 2019-20 (October 1, 2019 through March 31, 2020), and reports on 19 active services.

***Discussion***

Current M2 Project V services include a combination of seasonal, special event, commuter, fixed-route, and demand-responsive projects, which meet a variety of community needs. The prior ridership report, presented to the Board on January 13, 2020, reflected 20 M2 Project V services in operation. Since then, the City of Laguna Beach's weekend Residential Trolley Service was discontinued due to low productivity. As such, this ridership report reflects 19 services.

All services must achieve or exceed six B/RVH by the end of the first year of service and ten B/RVH by the end of the second year. After the second year of service, ten B/RVH must be maintained (or exceeded) throughout the remainder of the M2 Project V grant period<sup>1</sup>.

Active M2 Project V services are identified below. Ridership details and performance standards are provided in Attachment A.

Services meeting or exceeding their respective minimum performance standards include the following:

- Dana Point – Dana Point Trolley,
- Irvine – Irvine iShuttle Route F,
- La Habra – Special Event Service,
- Laguna Beach – Off-Season Weekend Trolley Service,
- Lake Forest – Commuter Vanpool Service between the Irvine Metrolink Station and Ossur,
- Mission Viejo – Mission Viejo Local Transit Circulator,
- County of Orange – Local Circulator and Special Event Service (OC RanchRide), and
- San Clemente – On-Demand Services<sup>2</sup>.

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<sup>1</sup> Note: Performance standards for demand-responsive and/or shared ride-hailing services are defined based upon a cost per user, cost per mile, or other applicable performance measures, which OCTA and the local agency define. All other M2 Project V services are subject to the B/RVH requirements described above.

<sup>2</sup> The City of San Clemente's minimum performance standard is reported as boardings per hour of service (no minimum), so long as the cost per boarding remains under OCTA's specified

Services not operating at minimum performance standards include:

- Irvine – Irvine iShuttle Route E, and
- Lake Forest – Commuter Shuttle Service Irvine Metrolink Station and Panasonic (Panasonic Service).

Seasonal and/or Special Events Services not operating during the reporting period include:

- Dana Point – Dana Point Trolley Expansion,
- Dana Point – Dana Point Trolley Continuity,
- Huntington Beach – Huntington Beach Special Events,
- Laguna Beach – Summer Breeze Bus Service,
- Newport Beach – Balboa Peninsula Seasonal Trolley,
- Newport Beach – Balboa Peninsula Seasonal Trolley Expansion,
- San Clemente – Summer Weekend Trolley and Seasonal Service,
- San Clemente – Summer Weekday Trolley and Seasonal Service Expansion, and
- San Juan Capistrano – Special Event and Weekend Summer Trolley.

During this reporting period, the City of Mission Viejo's service satisfied the Board's requirement to achieve ten B/RVH prior through June 2020. Therefore, this service, consistent with Board action, will continue operating beyond August 2020 as long as it maintains ten B/RVH per reporting period.

The City of Irvine's (Irvine) iShuttle routes E and F were initiated last year and originally had until January 2020 to achieve six B/RVH. However, due to recent routing changes, the Board authorized a six-month extension to the year one minimum performance period for these services. As such, Irvine has through June 2020 to meet its minimum productivity requirement for these routes. It should be noted that both routes E and F were suspended at the request of Irvine effective Wednesday, March 25, 2020, due to the novel coronavirus (COVID-19) pandemic. Because the services are not operating, there will be no opportunity to determine if they met the minimum performance requirement from March through June 2020. Once these services are reinitiated, they will have lost any growth in ridership momentum and would need to essentially start over to build ridership again. Ultimately, they may need to enter into a new minimum performance start-up period. Staff will return to the Board with a recommendation once the service restoration requested is made by Irvine.

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\$9.00 per boarding. The service's cost was approximately \$5.73 per boarding, based on the latest invoicing from the City of San Clemente.

The City of Lake Forest's (Lake Forest) Commuter Shuttle Service from the Irvine Metrolink Station to Panasonic Service has been in operation since June 2017 and as such, must continue to maintain a minimum performance standard of ten B/RVH. Unfortunately, the service did not maintain its minimum performance standard requirement of ten B/RVH for this reporting period. This service is now subject to cancellation and OCTA has issued a cancellation notice to the Lake Forest.

It should be noted that the ridership productivity data that is reported in Attachment A is through March 31, 2020. Therefore, the report shows limited initial impacts of COVID-19. Accordingly, a more complete picture of COVID-19-related impacts on M2 Project V services will be provided in the next regularly scheduled M2 Project V Ridership Report, which will cover the period most affected by the Governor's stay-at-home order <sup>3</sup>.

However, in the interim, OCTA can report on the following COVID-19-related activities it has conducted with local agencies in order to support them during this challenging time:

- Confirmed that most M2 Project V services that were previously scheduled to operate this summer will be inactive<sup>4</sup>,
- Reopened the March 2020 M2 semi-annual review process and incorporated M2 Project V transfer of savings requests in order to allow local agencies (who will not be providing M2 Project V services during the pandemic) with the ability preserve unused M2 Project V funds for subsequent FYs,
- Provided local agencies with state guidance for providing transit service during the COVID-19 pandemic, and
- OCTA is also currently evaluating whether exceptions to M2 Project V minimum performance standards may be necessary for M2 Project V services.

OCTA staff will continue monitoring ridership productivity and COVID-19-related issues like those described above and continue working with local agencies in order to support them to the fullest extent possible. Staff will also continue

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<sup>3</sup> It should be noted that during the "stay-at-home" period of the COVID-19 pandemic, only three services, two Lake Forest Rideshare services, and the San Clemente Rideshare Program were operational. All other M2 Project V services were suspended. Separately, the Project S-funded Anaheim Canyon Circulator was also providing limited service.

<sup>4</sup> As of the publishing of this report, the cities of Huntington Beach and San Clemente had not made final determinations as to whether or not they will be providing M2 Project V services this summer. All other M2 Project V services, with the exception of the Anaheim Canyon Circulator and San Clemente's Rideshare Program, will not be operating this summer.

providing twice yearly updates to the Board on M2 Project V status and performance, with the next update scheduled to occur in early 2021.

***Summary***

A status report on M2 Project V services is provided for information purposes. Staff will continue to work with local agencies and monitor these services and COVID-19-related issues in order to support local agencies to the fullest extent possible. The next scheduled M2 Project V Ridership Report is scheduled for early 2021.

***Attachment***

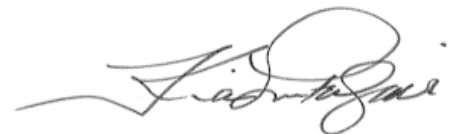
- A. Project V Services - Ridership Report

**Prepared by:**



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**Approved by:**



Kia Mortazavi  
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## Project V Services - Ridership Report

Reporting Period: Q2 and Q3 of Fiscal Year 2019-20

Agency	Service Description	Measure M2 Project V Funds	Service Type	Service Start Month/Year	Boardings Per Revenue Vehicle Hour (B/RVH) <sup>1</sup>	Notes
Dana Point	Dana Point Trolley	\$ 2,456,511	Seasonal Service	June 2015	38	
Dana Point	Dana Point Trolley Expansion	\$ 905,968	Seasonal Service	June 2017	N/A	Did not operate during reporting period
Dana Point	Dana Point Trolley Continuity	\$ 1,745,065	Seasonal Service	September 2019	N/A	Did not operate during reporting period
Huntington Beach	Huntington Beach Special Events	\$ 93,287	Special Event	July 2014	N/A	Did not operate during reporting period
Irvine	Irvine iShuttle Route E - Irvine Station - East	\$ 2,705,984	Commuter Service	February 2019	4	Service currently has through July 2020 to meet minimum performance standard
Irvine	Irvine iShuttle Route F - Tustin Station - Irvine Business Complex	\$ 2,712,258	Commuter Service	February 2019	6	Service met the performance standard for year one.
La Habra	Special Event Service	\$ 96,810	Special Event	November 2016	19	
Laguna Beach	Off-Season Weekend Trolley Service	\$ 3,612,360	Special Event	March 2015	16	
Laguna Beach	Summer Breeze Bus Service	\$ 634,357	Seasonal Service	June 2018	N/A	Did not operate during reporting period
Lake Forest	Commuter Vanpool Service Irvine Station and Ossur	\$ 148,855	Commuter Service	July 2015	22	
Lake Forest	Commuter Shuttle Service Irvine Station and Panasonic	\$ 1,226,862	Commuter Service	June 2017	9	Service did not meet minimum performance standard and cancellation notice has been issued.
Mission Viejo	Local Community Circulator	\$ 3,332,879	Local Circulator	October 2016	10	Service met the Project V minimum performance standard of ten B/RVH prior to deadline
Newport Beach	Balboa Peninsula Seasonal Trolley	\$ 685,454	Seasonal Service	June 2017	N/A	Did not operate during reporting period
Newport Beach	Balboa Peninsula Seasonal Trolley Expansion	\$ 278,400	Seasonal Service	August 2018	N/A	Did not operate during reporting period
Orange County	Local Circulator and Special Event Service (OC RanchRide)	\$ 2,041,547	Local Circulator and Special Event	June 2017	13	
San Clemente	Summer Weekend Trolley and Seasonal Service	\$ 1,181,393	Seasonal and Special Event	May 2017	N/A	Did not operate during reporting period
San Clemente	Summer Weekday Trolley and Seasonal Service Expansion	\$ 1,537,200	Seasonal and Special Event	July 2018	N/A	Did not operate during reporting period
San Juan Capistrano	Special Event and Weekend Summer Trolley Service	\$ 958,642	Seasonal and Special Event	July 2018	N/A	Did not operate during reporting period

Agency	Service Description	Measure M2 Project V Funds	Service Type	Service Start Month/Year	Boardings Per Hour of Service (B/HOS) <sup>1</sup>	Notes
San Clemente	On-Demand	\$ 914,400	Ride Hailing	October 2016	9	

1. Rounded to the next whole number.

2. N/A - No service hours during reporting period (seasonal services).

### ACRONYMS

Q2 - Quarter 2 (October - December)

Q3 - Quarter 3 (January - March)

**NOTE: Services below the minimum performance standard are shaded**

### Minimum Performance Standards for B/RVH

- Six passenger B/RVH by end of year one (12 months from the first day of operating the service).
- Maintain six B/RVH and meet or exceed ten B/RVH by end of year two.
- Ten B/RVH must then be maintained every year thereafter.

### Minimum Performance Standards for B/HOS

- Staff will continue to monitor and measure service performance and assess appropriate next steps for this program, which will include evaluation of all project related efforts and existing policies in order to determine how best to support and administer this emerging transit delivery model.



# Bridge Construction Map



**LEGEND**

- Project Limits
- Bridge Closed to Traffic During Construction
- Bridge Open to Traffic During Construction

**Anticipated Start of Construction\***

- 2018
- 2019
- 2020
- 2021

\*Subject to Change

Bridge Map as of 06/05/2020

For more information, please contact the 405 Community Outreach Team: English & Español: 888-400-8994 Tiếng Việt: 888-662-6569


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# Bridge Replacement Fast Facts

BRIDGE REPLACEMENTS							
							
	Construction Start Date*	Current	Future	Current	Future	Current	Future
<b>Bolsa Avenue</b>	2019	5	7	EB	EB/WB	None	EB/WB
<b>Bolsa Chica Road</b>	2018	4	8	NB	NB	None	NB/SB
<b>Brookhurst Street</b>	2020	8	8	NB/SB	NB/SB	None	NB/SB
<b>Bushard Street</b>	2019	4	4	NB/SB	NB/SB	NB/SB	NB/SB
<b>Edinger Avenue</b>	2020	4	4	EB	EB/WB	None	EB/WB
<b>Edwards Street</b>	2020	4	4	NB/SB	NB/SB	NB/SB	NB/SB
<b>Fairview Road</b>	2019	10	10	NB/SB	NB/SB	NB/SB	NB/SB
<b>Goldenwest Street</b>	2018	5	8	NB	NB/SB	None	NB/SB
<b>Heil Avenue Pedestrian</b>	2020						
<b>Magnolia Street</b>	2018	4	6	SB	NB/SB	None	NB/SB
<b>McFadden Avenue</b>	2018	2	4	WB	EB/WB	None	EB/WB
<b>Newland Street</b>	2021	2	4	SB	NB/SB	None	NB/SB
<b>Slater Avenue</b>	2018	4	4	NB/SB	NB/SB	NB/SB	NB/SB
<b>Springdale Street</b>	2021	4	4	NB	NB/SB	None	NB/SB
<b>Talbert Avenue</b>	2019	4	6	NB/SB	NB/SB	None	NB/SB
<b>Ward Street</b>	2020	2	4	SB	NB/SB	NB/SB	NB/SB
<b>Warner Avenue</b>	2020	8	8	EB	EB/WB	NB/SB	EB/WB
<b>Westminster Boulevard</b>	2019	6	6	EB	EB/WB	None	EB/WB

LEGEND: (NB) Northbound (SB) Southbound (EB) Eastbound (WB) Westbound (None) No Planned Improvements \*Subject to Change

For more information, please contact the 405 Community Outreach Team:  English & Español: **888-400-8994**  Tiếng Việt: **888-662-6569**

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*Information  
Items*





**To:** Members of the Board of Directors

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

**Subject:** Measure M2 Senior Mobility Program Temporary Guideline Requirement Suspension

### **Overview**

The Measure M2 Senior Mobility Program provides funding to eligible local jurisdictions interested in providing transit services that best meet the needs of seniors living within their community. Due to the impacts of the novel coronavirus, a primary service provider for several jurisdictions has terminated its operations with limited notice. The affected agencies need temporary relief from the third-party contracting requirements to allow for continuity of service. A recommended temporary suspension to the program guidelines is presented for Board of Directors' consideration.

### **Recommendation**

Approve a temporary suspension effective June 1, 2020 to May 31, 2021 of the Senior Mobility Program guideline requirement related to procuring third-party contracted transportation service using a competitive bidding process. OCTA expects that best efforts are applied to ensure that contracts entered into are the most cost effective available.

### **Background**

The Measure M2 (M2) Project U – Senior Mobility Program (SMP) provides funding to support local, community-based transportation service for seniors. Originally established in 2001 using limited state funding for bus operations, M2 Project U SMP funding was established to continue and expand the existing program. A formula funding allocation was established for all Orange County participating cities and eligible agencies based upon their senior population from the latest census. One percent of M2 net revenue is used to fund the program, and participating cities and eligible agencies must provide a minimum 20 percent local match of the total annual program expenditures. Included in the SMP are eligible non-profits. These agencies are funded locally but are required to follow requirements as specified for the M2 SMP.

To ensure compliance with the M2 Ordinance No. 3, the SMP Funding and Policy Guidelines (Guidelines) were established and approved by the Orange County Transportation Authority (OCTA) Board of Directors (Board) on February 14, 2011. Program guidelines are periodically updated as needed with the most recent SMP Guidelines adopted by the Board on November 26, 2018. The SMP Guidelines (Attachment A) specifies on page 3, 6.0 Service Guidelines, paragraph 2, that a jurisdiction may contract with a third-party service contractor at their discretion but must do so using a competitive procurement process.

The SMP is a vital connection for seniors to travel to medical appointments, grocery shopping, and senior center nutrition programs. Without the SMP, many seniors would be unable to travel or would potentially utilize OC ACCESS service.

### ***Discussion***

As a result of the novel coronavirus (COVID-19) pandemic, transit ridership has experienced a sharp decline as “stay-at-home” orders have been in place. Several SMP local jurisdictions have either suspended or modified service to provide essential trips only. Keolis Transit Services, LLC (Keolis) recently notified the six SMP local jurisdictions they serve that they will be discontinuing all transportation services in Orange County effective May 31, 2020, due to unforeseen circumstances and concerns related to the uncertainty surrounding the effects of the COVID-19 pandemic.

The six local jurisdictions are the cities of Anaheim, Costa Mesa, La Habra, Placentia, Seal Beach, and Yorba Linda. Combined, these six local jurisdictions provide approximately 48,000 trips to seniors in their communities every year. The short notice from Keolis has left these local jurisdictions with very little time to competitively procure another third-party service contractor. It typically takes a minimum of three months to issue a request for proposals (RFP), review proposals, select a provider, receive approval from city council, and award the contract. This process is also constrained by the limited number of contractors available and willing to respond to an RFP. Recently another local jurisdiction, the City of Laguna Woods, issued an RFP for their SMP transportation service and received no responses, including from the incumbent. The reason the incumbent provided for not responding to the RFP was the unknown ramifications of the COVID-19 pandemic and uncertainty of whether they could continue providing service in the foreseeable future.

As a result of the current situation, staff is recommending that the requirement related to the competitive procurement process be temporarily suspended to allow local jurisdictions currently in the program the ability to quickly secure a replacement provider in the short term. This temporary suspension would be effective through May 31, 2021. By June 1, 2021, local jurisdictions would be required to have contracts in place that have been competitively procured meeting the requirements as specified in the adopted Guidelines.

OCTA continues to require that local jurisdictions use a competitive process when able to do so. This temporary suspension is intended to provide relief to local jurisdictions who are unable to use a competitive process and, in those cases, OCTA expects that best efforts are applied to ensure that contracts entered into are the most cost effective available. In order for a local jurisdiction to exercise this suspension, they will be required to send OCTA a letter requesting to be relieved from the requirement. OCTA would send a letter in response authorizing the suspension and referencing the OCTA Board action. The OCTA letter and staff report would serve as official documentation for local jurisdiction audit purposes.

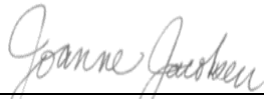
### ***Summary***

Based on challenges local jurisdictions are facing procuring third-party transit providers for the Measure M2 Senior Mobility Program, staff recommends the Board authorize the Chief Executive Officer to grant a temporary suspension of the competitive procurement requirement specified in the program guidelines during the time period of June 1, 2020 through May 31, 2021. Local jurisdictions are expected to continue to use their best efforts to ensure that contracts are cost effective.

***Attachment***

- A. Senior Mobility Program Project U Funding and Policy Guidelines

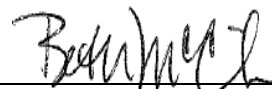
**Prepared by:**



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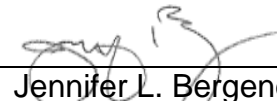
Joanne Jacobsen  
Senior Community Transportation  
Coordinator  
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**Approved by:**



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Beth McCormick  
Executive Director, Operations  
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Jennifer L. Bergener  
Chief Operating Officer, Operations/  
Deputy Chief Executive Officer  
714-560-5462

# **Senior Mobility Program Project U Funding and Policy Guidelines**

November 2018

## **1.0 Overview**

The Measure M2 (M2) Project U – Senior Mobility Program (SMP) provides funding to support local, community-based transportation service for seniors. Originally established in 2001 using limited state funding for bus operations, M2 Project U SMP funding was established to continue and expand the existing program. A formula funding allocation was established for all Orange County participating cities and eligible agencies based upon their senior population. One percent of M2 net revenue is used to fund the program and participating cities and eligible agencies must provide a minimum 20 percent local match of the total annual program expenditures.

Included in the SMP are eligible non-profits. These agencies are funded locally and must also comply with the Guidelines.

## **2.0 Objectives**

- To provide for local, community-based senior transportation services.
- To allow participating cities and eligible agencies to develop and implement senior transportation services to serve their community.
- To provide transit options for seniors which complement rather than duplicate OCTA fixed route and ACCESS paratransit service.

## **3.0 Eligibility Requirements**

Participation in the SMP is contingent upon maintaining M2 eligibility. Participating cities and eligible agencies must be eligible to receive M2 funding, established on an annual basis as specified in the M2 Ordinance Requirements for Eligible Jurisdictions, to receive the formula allocation for this program.<sup>1</sup> Adherence to strict funding guidelines is required.

Participating cities and eligible agencies are required to submit a Service Plan as described in Section 7.0 and must enter into a cooperative funding agreement with OCTA that defines the conditions of use of SMP funds prior to receiving their SMP funding allocation.

## **4.0 Funding Allocation Method & Distribution**

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<sup>1</sup> Orange County Transportation Authority Ordinance No. 3, Attachment B, Section III



Funding for the program is identified as one percent of M2 net sales tax revenue and will be allocated to eligible participating cities and eligible agencies based upon the participating cities and eligible agencies' percentage of the senior population of the county. Senior population is determined by using the most current official decennial Census information provided by the U.S. Census Bureau.

Funding allocations are based on actual sales tax receipts. Funding will be distributed on a bi-monthly basis. SMP funds must be expended within three years of receipt.

OCTA may grant a two-year extension beyond the three-year expenditure limitation; however, an extension may not exceed five years from the date of the initial funding allocation. Participating cities and eligible agencies requesting an extension beyond the three-year limitation must submit a justification letter for review and approval by OCTA at least 90 days prior to the end of the third fiscal year.

In the event the time limits for use of SMP funds are not satisfied, any retained SMP funds that were allocated to an eligible participating city and eligible agency, including interest, shall be returned to OCTA.

## **5.0 Match Requirements**

Participating cities and eligible agencies must provide a minimum 20 percent local match of the total annual program expenditures. Match funding may be made up of cash subsidies, fare revenues, donations, or in-kind contributions such as salaries and benefits for the participating cities and eligible agencies' employees who perform work on the program. Participating cities and eligible agencies may also be required to submit supporting documentation to substantiate local match expenditures. Participating cities and eligible agencies are not required to contribute the minimum match requirement on a monthly basis; however, the minimum 20 percent match requirement must be met by the end of each fiscal year, defined as June 30.

Participating cities and eligible agencies not satisfying the annual 20 percent match shall be subject to withholding of funds from future bi-monthly allocations equal to the difference between the amount of Measure M funds actually spent and the amount of Measure M funds actually matched.

### ***Example:***

Total Program Expenditures	\$100,000
Total M2 Funding Allocation	\$ 80,000
20% Required Match	\$ 20,000
Actual Reported Match	\$ 15,000

Withholding Calculation:

Total M2 Funds Spent	\$ 80,000
M2 Funding Eligibility Based on Actual Reported Match	- <u>\$ 60,000</u>
Withholding from Future Allocation(s)	\$ 20,000

**6.0 Service Guidelines**

Services provided under the SMP are available to individuals 60 years of age and older. Participating cities and eligible agencies have discretion in the types of trips provided within Orange County, such as trips to/from senior centers, medical appointments, shopping, personal care, and social/recreational activities. Participating cities and eligible agencies should use discretion when providing trips for social/recreational activities when developing their Service Plan to ensure prudent and appropriate use of taxpayer funds. SMP trips outside Orange County are restricted to medical trips only within approximately 10 miles of the Orange County border.

Participating cities and eligible agencies also have discretion in how the service is operated. Senior transportation services may be operated using employees, volunteers, or the jurisdiction may contract with a third-party service contractor. Contractors must be selected using a competitive procurement process and the participating city and eligible agency must ensure the contractor is in compliance with program guidelines and provisions included in the cooperative funding agreement.

Participating cities and eligible agencies whose program offers subsidized taxi service for seniors must ensure trips provided with SMP funding are consistent with the trip types as specified in these guidelines.

Wheelchair accessible vehicles must be available for SMP service.

Participating cities and eligible agencies will perform, or ensure that a contractor performs, maintenance of all vehicles used in the Senior Mobility Program. Participating cities and eligible agencies will ensure that its operators, or its contracted operators, are properly licensed and trained to proficiency to perform duties safely, and in a manner which treats its riders with respect and dignity.

Participating cities and eligible agencies may receive one retired OCTA ACCESS paratransit vehicle per year, free of charge, to support their senior transportation programs subject to availability. Any retired ACCESS vehicles in excess of one per year may be purchased for a cost equivalent to the refurbishment cost incurred by OCTA.

## **7.0 Service Plan Adoption**

Participating cities and eligible agencies shall submit to OCTA a SMP Service Plan which defines program services (Exhibit A). The Service Plan must be submitted using a template provided by OCTA and must be adopted by the participating cities and eligible agencies' governing body and approved by the OCTA Board of Directors. Any revision to the adopted SMP Service Plan must be submitted to OCTA in advance for review and approval. Revisions to the trips listed on the service plan will require an amendment to the cooperative funding agreement prior to implementing a change in program services.

## **8.0 Insurance**

Participating cities and eligible agencies shall procure and maintain insurance coverage as specified in their Senior Mobility Program cooperative agreements with OCTA.

## **9.0 Drug and Alcohol Testing**

Participating cities and eligible agencies shall establish and implement an alcohol and drug testing program that complies with 41 U.S.C. sections 701-707, (the Drug Free Workplace Act of 1988), and will produce any documentation necessary to establish its compliance with sections 701-707.

## **10.0 Marketing and Outreach**

Participating cities and eligible agencies shall participate as appropriate in OCTA marketing and outreach efforts to encourage the use of fixed route transit service by older adults.

## **11.0 Recognition of OCTA Sponsorship**

Participating cities and eligible agencies shall note OCTA sponsorship in any promotional material for senior mobility services funded by OCTA and shall display an OCTA-provided OC Go Senior Mobility Program decal on vehicles used in this Program, excluding taxis.

## **12.0 Vehicle Maintenance**

Participating cities and eligible agencies shall perform or ensure that a contracted vendor performs maintenance of all vehicles used in the Program, including:

Daily pre-trip inspections and completion of checklists identifying each vehicle component and system inspected.

Scheduled preventive maintenance that meets or exceeds the vehicle manufacturer's standards.

Maintaining maintenance records for each vehicle for five years.

If required, cooperation in annual motor coach carrier terminal inspections conducted by the California Highway Patrol.

### **13.0 Eligible Expenses**

Participating cities and eligible agencies shall ensure M2 funds are used for eligible direct program-related expenses which may include contract service providers, staff time, vehicle maintenance, fuel, insurance, vehicle acquisition, program supplies and materials, marketing materials, and community outreach. Participating cities and eligible agencies shall ensure all costs are program-related and are fair and reasonable. Administrative costs up to 10 percent are allowed and considered eligible program expenses. All program expenses are subject to audit.

No M2 funding shall be used by a participating city and eligible agency for other than transportation purposes authorized in the M2 Ordinance.

### **14.0 Program Revenue**

Participating cities and eligible agencies must maintain adequate controls for collecting and reporting program revenue, including donations, fees, and cash fares. Program revenue must be used to support the transportation service and may be used as part of the participating cities and eligible agencies' 20 percent local match requirement.

### **15.0 Reporting**

Participating cities and eligible agencies are required to submit reports using templates provided by OCTA. Required reporting data will include, but not be limited to, the following:

#### **A. Operational Reports**

- Number of Trips by Category
- Vehicle Service Hours
- Vehicle Service Miles

Operational reports are due 30 days after the end of the service month.

#### **B. Financial Reports**

- Program Cost Detail by Expense Category and % of Total Operating Cost
- Fares, Fees and Other Operating Revenue
- Participating City and Eligible Agency Total Contribution & Source
- Participating City and Eligible Agency Share as % of Total Operating Cost
- Cumulative Participating City and Eligible Agency Share to Date
- OCTA Contribution
- OCTA Contribution as % of Total Operating Cost

- Cumulative Contribution Received from OCTA
- Total Monthly Program Operating Cost
- Cumulative Total Program Operating Cost

Financial reports are due 60 days after the end of the quarter. Reports must be certified by the participating city and eligible agency's Finance Director or Finance Director's financial designee.

Participating cities and eligible agencies shall be required to maintain supporting documentation to substantiate reporting data. Supporting documentation may include, but is not limited to, actual receipts, contractor invoices, trip sheets, payroll, timesheets, fuel logs, and maintenance records/receipts.

#### C. Annual Questionnaire and Document Request (AQDR)

Participating cities and eligible agencies shall certify their compliance with these Guidelines annually by having their City Manager or City Manager's department director designee sign a completed version of a questionnaire sent out by OCTA. Jurisdictions shall also submit all compliance-related documents requested by OCTA. Completed AQDRs must be submitted to OCTA within 90 days of the end of the fiscal year reported upon.

Failure to meet the established reporting deadlines for any of these reports may result in future withholding of funding and/or other sanctions to be determined.

### **16.0 Audits & Inspection of Records**

M2 funding is subject to audit. Participating cities and eligible agencies shall maintain program documentation and records for a period of no less than five years. Program documents and records, including but not limited to payroll, trip sheets, invoices, vehicle maintenance, fuel, and other program-related expenses, shall be available for review by OCTA SMP administrators, auditors, and authorized agents upon request. Participating cities and eligible agencies must follow established accounting requirements and applicable laws regarding the use of public funds. Failure to submit to an audit in a timely manner may result in withholding or loss of future funding. Failure to comply with the approved Service Plan will require remediation which may include repayment, reduction in overall allocation, and/or other sanctions to be determined by the OCTA Board of Directors.

Audits shall be conducted by the OCTA Internal Audit Department, or other authorized agent, as determined by OCTA.

OCTA's failure to insist in any one or more instances of a participating city and eligible agency's performance of the provisions set forth in these guidelines shall not be construed as a waiver or relinquishment of the participating city and eligible agency's obligation to comply with these guidelines.

Moreover, only the OCTA Board of Directors shall have the authority to alter and/or waive any requirements/obligations set forth in these guidelines.



# Senior Mobility Program Agency Service Plan

Cities and eligible agencies participating in the Orange County Transportation Authority (OCTA) Senior Mobility Program (SMP) must complete the following Service Plan in order to receive SMP funding. The Service Plan must be developed in accordance with SMP Guidelines and submitted to OCTA for review. Upon review from OCTA, the Service Plan must be formally adopted by the agency’s council or governing body and approved by the OCTA Board of Directors. Any modifications to trip types (Item 3 below) requires submittal of a new Service Plan.

**Participant Information:**

Agency \_\_\_\_\_ Date \_\_\_\_\_

Program Contact \_\_\_\_\_

Phone \_\_\_\_\_ Email \_\_\_\_\_

**Service Description:**

- 1. Program goals and objectives:

2. Indicate how SMP service will be operated: *(Please check all that apply)*

- Directly-Operated       Subsidized Taxi Program
- Contract Service Provider       Other (Please Describe)
- Volunteers

3. Eligible trips provided under the SMP are limited to the following categories.

Amusement parks Aquariums/zoos Beaches and parks Charity and social group events Community/cultural events Education/employment-related Family and friends Funerals/memorial services Government offices and services Libraries/museums/cultural sites	Medical Movie theaters/concerts Nutrition programs Personal care Religious institutions Restaurants Senior Centers Shopping Sporting/fitness Transit hubs/centers
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Describe any other types of trip provided in the box below:



4. SMP Guidelines restricts trips outside of Orange County to medical trips within approximately 10 miles of the Orange County border. Do you intend to provide medical trips outside of Orange County?

Yes

No

If yes, please list any destinations outside Orange County: *(ex. - medical trips to the VA Hospital in Long Beach)*

5. Fare structure:

6. Number of vehicles:

7. Projected annual ridership:

8. Source(s) of 20 percent match funding:

**IN WITNESS WHEREOF**, \_\_\_\_\_ *(Agency Name)* \_\_\_\_\_ has formally adopted the Senior Mobility Program Agency Service Plan as written above.

AGENCY REPRESENTATIVE

(Signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

OCTA REPRESENTATIVE

(Signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**May 4, 2020**

**To:** Regional Planning and Highways Committee  
**From:** Darrell E. Johnson, Chief Executive Officer  
**Subject:** Interstate 405 Improvement Project Update

A handwritten signature in blue ink, appearing to read "Darrell Johnson", is written over the "From:" line of the header.

**Overview**

The Orange County Transportation Authority is currently underway with the implementation of the Interstate 405 Improvement Project. This report provides a project update.

**Recommendation**

Receive and file as an information item.

**Background**

The Orange County Transportation Authority (OCTA), in cooperation with the California Department of Transportation, and the cities of Costa Mesa, Fountain Valley, Huntington Beach, Seal Beach, and Westminster, is implementing the Interstate 405 (I-405) Improvement Project between State Route 73 (SR-73) and Interstate 605 (I-605) (Project). The Project will add one general purpose lane in each direction from Euclid Street to I-605, consistent with Measure M2 Project K, and will add an additional lane in each direction that will combine with the existing high-occupancy vehicle lane to provide dual express lanes in each direction of I-405 from SR-73 to I-605, otherwise known as the 405 Express Lanes.

On November 14, 2016, the OCTA Board of Directors (Board) awarded the design-build (DB) contract to OC 405 Partners (OC405), a joint venture. OCTA executed the DB contract with OC405 and issued Notice to Proceed (NTP) No. 1 on January 31, 2017. NTP No. 1 was a limited NTP for mobilization, design, and administrative activities. On July 26, 2017, the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan agreement was executed between OCTA and the United States Department of Transportation (USDOT). On July 27, 2017, OCTA issued NTP No. 2 to OC405. NTP No. 2 was a full NTP for all activities, including construction.

***Discussion***

A number of activities are ongoing as the final design, right-of-way (ROW) acquisition, utility relocations, and construction activities continue to advance. The following provides a more detailed status of Project activities.

**Financing and TIFIA Loan**

On July 26, 2017, OCTA executed a TIFIA loan agreement with the USDOT for up to \$628.93 million. Pursuant to the terms identified in the loan agreement, OCTA staff submits periodic reimbursement requisitions to the USDOT Build America Bureau and Federal Highway Administration. OCTA has received two TIFIA loan disbursements to date and anticipates receiving the third disbursement later this year.

**Tolling Contracts**

On February 26, 2018, the Board selected Kapsch TrafficCom USA, Inc., (Kapsch) to provide toll lanes system integration services for design, installation, operation, and maintenance of the electronic toll and traffic management (ETTM) system on both the 405 and 91 Express Lanes. Kapsch is currently under contract and is working closely with the design-builder to deliver fully functional express lanes upon opening in 2023. Kapsch has submitted the ETTM infrastructure final design to be used for the 405 Express Lanes, including equipment types and configurations. Kapsch has also reviewed the design-builder's plans and provided input on requirements for the Toll Operations Center (TOC) improvements. The TOC will be located at OCTA's Santa Ana Bus Base and will be staffed by Kapsch for 405 Express Lanes operations.

Staff has initiated the development of a request for proposals for the back office support and customer service center contract for the 405 Express Lanes, and plans to seek Board approval for its release in the summer of 2020.

**Design**

The final design is substantially complete at this time. The DB process allows for design refinements, and that process will continue throughout the remainder of construction.

**ROW Acquisition**

Construction of the Project impacts 288 properties, including 179 residential properties, 71 commercial/industrial properties, 37 public properties, and one railroad property. There are 287 properties identified as partial acquisitions

and one property identified as a full acquisition at the owner's request. The real property requirements for the partial acquisitions are comprised of a combination of fee acquisitions, permanent easements, temporary construction easements (TCE), permanent and temporary ground lease reductions, and access control rights needed to construct the proposed highway and express lane improvements for the Project. The full-fee acquisition, partial-fee acquisitions, permanent easements, and TCEs are required for roadway and bridge construction, soundwalls and retaining walls, drainage systems, and for the installation of above-ground and underground facilities, including electrical, telecommunication, water, sewer, gas, and storm drain systems.

The ROW acquisition program is currently on schedule. Of the 288 total properties impacted, the following summarizes the status of the ROW acquisition:

- 288 offers presented,
- 283 parcels in OCTA's possession for construction,
- 60 resolutions of necessity (RONs) approved.

No additional RONs are anticipated at this time.

#### Utility Relocations

There are currently 107 utilities that require relocation to accommodate the Project. OCTA is coordinating with 22 impacted utility owners to identify and resolve conflicts and relocation issues. To date, OCTA has executed 80 utility agreements, or over 75 percent of the agreements for utilities requiring relocation, and is in the process of finalizing the remaining utility agreements. There are several potential utility relocation risks, including a Southern California Gas transmission line and several Southern California Edison (SCE) facilities for which staff continues to develop and implement mitigation plans, as utilities are a shared risk between OCTA and OC405. Critical utility relocations that had once been considered to pose some risk, such as facilities owned by Frontier Communications, Chevron USA, Crimson Pipeline, and SCE, have been successfully completed.

#### Construction

OC405 began construction on March 6, 2018. Initial construction activities included restriping portions of the freeway and setting up concrete barriers on the outside of the freeway to protect work areas for activities such as tree removals and grading. These initial construction activities are complete. Clearing and grubbing, including tree and ground cover removal, and rough grading activities are also substantially complete at this time.

Significant roadway construction activities, including installation of drainage systems, retaining walls and soundwalls, and paving operations began in earnest in 2019 and will continue through 2020. Construction at Oceanview Channel and East Valley Channel, two major drainage facilities that cross under the freeway, is well underway. Additionally, over 50 walls are under construction or complete.

After the opening of the Slater Avenue overcrossing bridge in late August 2019, demolition and construction activities commenced on Bushard Street and Talbert Avenue. The Bushard Street and Talbert Avenue overcrossing bridge construction is actively progressing, and the bridges are anticipated to be open to traffic in late 2020 and early 2021, respectively. Construction on the McFadden Avenue overcrossing bridge also continues, and the bridge is anticipated to be open to traffic in late summer of 2020. Bushard Street, Talbert Avenue, and McFadden Avenue are all one-stage bridges, which means the bridges are closed to traffic on both sides of I-405 during demolition and reconstruction.

Significant bridge construction also continued at Fairview Road, Magnolia Street, Goldenwest Street, Westminster Boulevard, and Bolsa Chica Road overcrossings. These are two-stage bridges, which means traffic will be maintained on the remaining portion of the bridge while the first half of the new bridge is constructed. The first half of the new Magnolia Street overcrossing bridge opened in late March, and construction began on the second half of the bridge immediately thereafter. The opening of the first half of the other two-stage bridges noted is anticipated in 2020.

This past quarter, the widening of existing freeway bridges continued over Harbor Boulevard, Santa Ana River, Beach Boulevard, Bolsa overhead railroad crossing, and an old Navy railroad crossing.

Looking ahead, the remainder of 2020 will remain busy related to bridge, wall, and pavement construction.

### Project Challenges

As would be expected on a project of this magnitude, certain challenges have been encountered, including the following:

- Oversight and approvals from many different agencies and third parties
- Cost and availability of construction resources in this active construction market
- Dispute resolution and change management
- Minimizing impacts and disruptions to the public
- Timely performance of third-party utility work
- Project schedule impacts and mitigations

OCTA has worked closely with its partners and OC405 to mitigate schedule delays when identified. Schedule mitigations implemented to date include building the Slater Avenue and Edwards Street overcrossing bridges in one stage instead of two stages, improvements to the construction staging at Oceanview Channel, and the long-term closure of one of the two off-ramps from northbound I-405 to Westminster Boulevard. More recent schedule mitigations that have been implemented include extended overnight and daytime freeway lane closures to take advantage of the significantly reduced traffic volumes on the freeway the past two months related to the COVID-19 pandemic. The objectives of the schedule mitigations are to minimize impacts to the original Project completion date while balancing the minimization of traffic impacts.

Additionally, in September 2019, there was a discovery of archaeological resources within the Project site. OCTA is following established state procedures for this type of discovery and is working with the appropriate parties to ensure appropriate and respectful procedures are followed. This discovery has impacted construction at a specific location. Recently, a mitigation was implemented to minimize the impacts to the overall Project schedule.

#### Project Cost/Contingency

The overall Project cost remains \$1.9 billion, and the Project contingencies have been approximately 38 percent expended to date. This is in line with the percent complete for the Project from both a time and earned value standpoint.

#### Public Outreach

Over the past few months, the public outreach team has shifted strategies as a result of the COVID-19 pandemic. All meetings with residents, business owners, and key stakeholders have become virtual discussions, and outreach is being conducted primarily through electronic means.

As work is ongoing on a large number of walls, the public outreach team is coordinating with approximately 150 residents due to the residents' backyard walls being rebuilt as part of the Project. Residents are advised of initial activities such as installation of safety fencing and ongoing work that may be of impact, such as wall demolition and pile installation. In addition, the public outreach team is facilitating preconstruction surveys prior to pile installation activities at bridges.

The public outreach team has conducted three virtual neighborhood meetings since the start of the COVID-19 pandemic. The first was with Fountain Valley, Huntington Beach, and Westminster residents near the Magnolia Street bridge as work there began on the second half of the bridge. In addition, virtual

meetings have been held with Leisure World and College Park East residents in the City of Seal Beach for activities along North Gate Road and Almond Avenue, respectively. The meetings were attended by an average of 50 residents, and the format, a webinar during which residents were able to comment and ask questions, has been well received.

The virtual meetings are among several tools the public outreach team has begun using in lieu of face-to-face briefings and meetings, tactics that are currently on hold. Other tools include targeted social media ads; addressable geofencing to deliver information through mobile music, games, and news apps; connecting with and sharing information to community-specific social media groups within each corridor city; creating 30- to 60-second videos for social media; and tagging local traffic reporters on social media.

In the coming months, the public outreach team anticipates conducting at least two additional virtual neighborhood meetings to notify communities of the next phase of activities beginning for the Bolsa Chica Road and Goldenwest Street bridges. Typically, the team also participates in community events throughout spring and summer, however, all events have been canceled. Meanwhile, the team continues to brief key community stakeholders through conference calls and have partnered with city staff to provide updates through each city's respective communication channels.

Constituent comments and questions have dropped slightly, averaging approximately 130 per month this past quarter, down from an average of 140 per month in the last quarter of 2019. An increase in activities has driven a rise in construction emails, with an average of 12 per month going to more than 12,000 recipients. In addition, targeted social media ads continue to be a cost-effective tool while the Project interactive map and mobile app use remains steady.

#### **Next Steps**

Staff will continue to work closely with the design-builder to continue construction. This involves completing the ROW acquisition, obtaining permits, utility relocation coordination, and coordinating construction activities.

#### **Summary**

Construction continues to advance. Currently, ROW acquisition, utility relocations, public outreach, and other activities are in process to continue the construction phase of the Project.



**Attachment**

None.

**Prepared by:**



Jeff Mills, P.E.  
Senior Program Manager  
(714) 560-5925

**Approved by:**



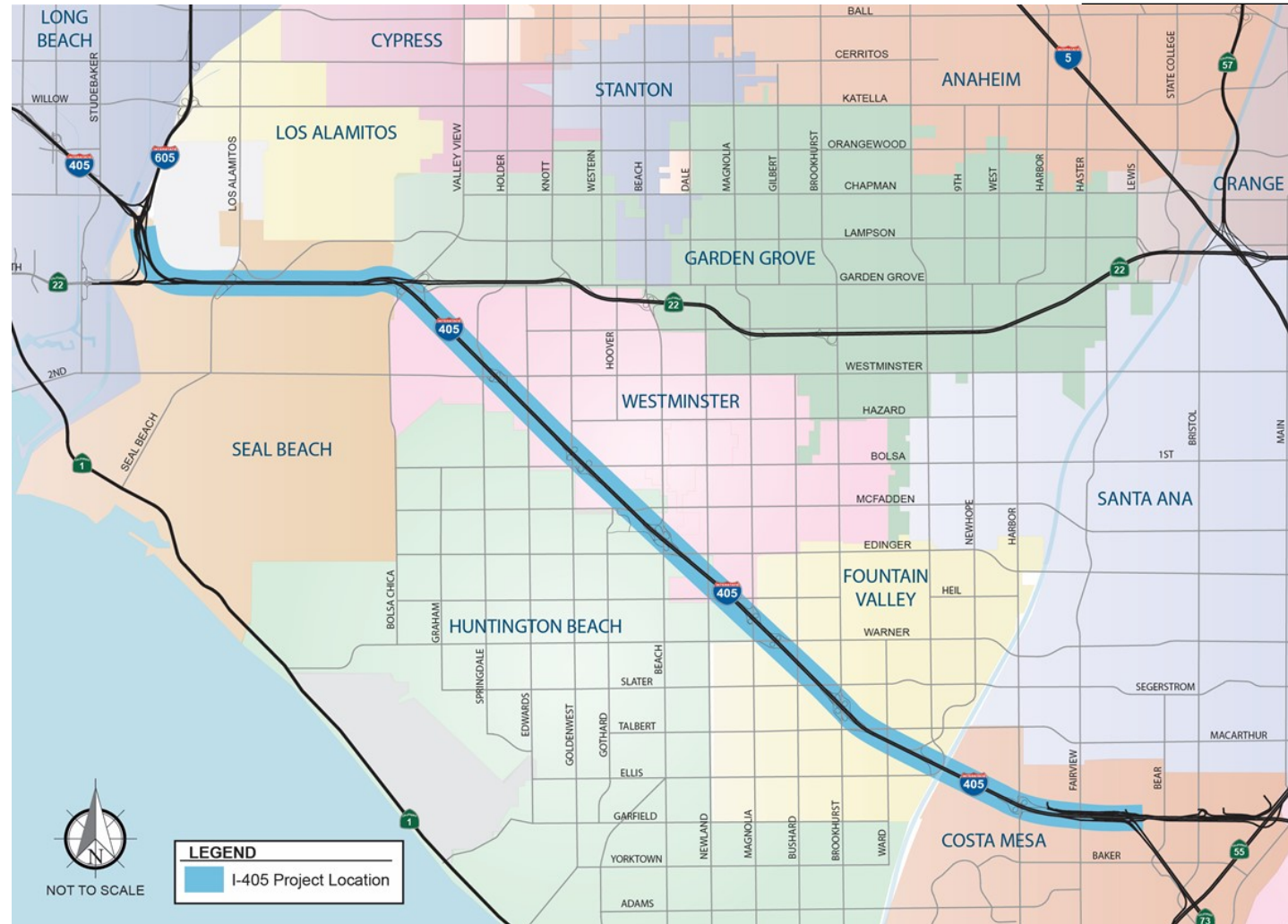
James G. Beil, P.E.  
Executive Director, Capital Programs  
(714) 560-5646



# Interstate 405 Improvement Project Update



# Project Location and Key Features



# Background



Milestone	Completion Date
Environmental clearance	May 2015
Orange County Transportation Authority Board of Directors (Board) awards design-build (DB) contract to OC 405 Partners	November 2016
Notice to Proceed (NTP) No. 1 issued	January 2017
TIFIA* loan executed	July 2017
NTP No. 2 issued	July 2017
Construction began	March 2018

\* Transportation Infrastructure Finance and Innovation Act



## Design

- Project design is substantially complete
- Future design refinements allowed in DB process

## Right-of-Way

- 288 properties impacted – on schedule overall
- 288 offers presented
- 283 properties in possession (98 percent of total parcels needed)
- 60 resolutions of necessity adopted by the Board

## Construction

- Construction over 30 percent complete
- Design-builder has approximately 700 workers involved in the I-405 Interstate Improvement Project (Project)

# Construction Update



**Concrete pavement construction**

# Construction Update



**Drainage and other roadway construction**

# Construction Update



**Wall construction**



# Construction Update



**Magnolia Street bridge demolition**

# Construction Update



**McFadden Avenue  
bridge construction**



**Westminster Boulevard  
bridge construction**

# Look Ahead for Bridge Construction



## May – June 2020

- Bolsa Chica Road bridge (first half) opens to traffic
- Goldenwest Street bridge (first half) opens to traffic

## July – December 2020

- McFadden Avenue bridge fully opens to traffic
- Bushard Street fully opens to traffic
- Start Heil Avenue pedestrian overcrossing
- Westminster Boulevard bridge (first half) opens to traffic
- Fairview Road bridge (first half) opens to traffic

# Bridge Construction Map



Bridge Map as of 08/12/2019

# Project Challenges



- Oversight and approvals from many different agencies and third parties
- Cost and availability of construction resources in this active construction market
- Change management
- Minimizing impacts and disruptions to the public
- Timely performance of third-party utility work
- Schedule impacts and mitigations

# Schedule Mitigations Implemented



## Previously Implemented

Slater Avenue bridge from two-stage to one-stage construction

Edwards Street bridge from two-stage to one-stage construction

Improvements to staging of Oceanview Channel construction

Long-term closure of one of two northbound off-ramps to Westminster Boulevard

Longer ramp closure durations

Extended and/or multiple night closures

## Recently Implemented

Work-around to take area near archaeological discovery off the future schedule critical path

Daytime lane closures due to current lower traffic volumes

- Mitigations intended to minimize impacts to Project completion date
- To be balanced with minimizing traffic impacts

# Community Engagement



Category	Average per month
Public comments, questions	130 constituents
Social media reach	186,359 users
Construction emails	12 (30 percent open rate)
Interactive map	968 users
Mobile app	272 users
Website closures list	353 downloads

# Upcoming Outreach



- Virtual Neighborhood Meetings
  - Bolsa Chica Road
  - Goldenwest Street
- Almond Avenue Soundwalls
- North Gate Utility Relocations/  
Soundwalls
- Long-Term Ramp Closures
  - Seal Beach Boulevard
  - South Coast Drive
  - Edinger Avenue
- Key Stakeholder Briefings

405 Magnolia Online Meeting

## Magnolia Street Bridge Update

**Preparing for Traffic Shift**

- **Magnolia closed, Recreation Circle to Heil Avenue**  
9 p.m. to 6 a.m. nightly\*  
Thursday, March 26-Sunday, March 29

The video player displays two images: on the left, a wide view of a bridge under construction with concrete pillars and a road surface; on the right, a closer view of a construction site with a concrete wall and rebar. A small inset video shows a person wearing a headset. The video player interface includes a progress bar at 7:49 / 1:08:06 and a 'Scroll for details' link.







**May 27, 2020**

**To:** Finance and Administration Committee

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

**Subject:** Environmental Mitigation Program Endowment Fund Investment Report for March 31, 2020

**Overview**

The Orange County Transportation Authority has developed a Natural Community Conservation Plan/Habitat Conservation Plan, acquired conservation properties, and funded habitat restoration projects to mitigate the impacts of Measure M2 freeway programs. The California Community Foundation manages the non-wasting endowment required to fund the long-term management of the conservation properties. Each quarter, the California Community Foundation publishes a comprehensive report detailing the composition of the pool and its performance.

**Recommendation**

Receive and file as an information item.

**Background**

On September 26, 2016, the Board of Directors approved the selection of the California Community Foundation (CCF) as an endowment fund manager for the Measure M2 Freeway Environmental Mitigation Program. Annually, approximately \$2.9 million will be deposited in the endowment. As of March 31, 2020, the Orange County Transportation Authority has made four deposits to the CCF Endowment Pool, each in the amount of \$2,877,000. These annual deposits are expected to continue for ten to 12 years, or until the fund totals approximately \$46.2 million.

***Discussion***

Per Attachment A, as of March 31, 2020, total pool assets in the CCF Endowment Pool were \$1.06 billion. Total foundation assets were \$1.74 billion. Performance for the CCF Endowment Pool was -9.1 percent for the month, 1.2 percent above the benchmark; -14 percent for the quarter, 1.2 percent above the benchmark. The one-year return was -7.2 percent, 0.2 percent above the benchmark.

Per Attachment B, the balance as of March 31, 2020, was \$11,137,651. The balance is below the June 30, 2020, target of \$12,440,408, due to capital markets experiencing sharp declines due to the novel coronavirus (COVID-19), and its adverse effects on economic activity. As of March 31, 2020, the CCF Endowment Pool is down -14 percent for the first quarter of this year. In April, markets continued to experience various price swings with United States stocks ending the month positive, partially reversing any losses from March. Based on preliminary data, the CCF Endowment Pool is estimated to be up between 6 percent to 7 percent in April. The CCFs Endowment Pool portfolio is well diversified, with various asset classes that can handle changes in market volatility. Staff will continue to monitor the CCF Endowment Pool investment information and will bring the results for the period ending June 30, 2020, to the Finance and Administration Committee in August.

***Summary***

The Orange County Transportation Authority is submitting a copy of the California Community Foundation Investment Report to the Board of Directors. The report is for the quarter ending March 31, 2020.

***Attachments***

- A. California Community Foundation Fund Statement – 1/1/2020 – 3/31/2020
- B. California Community Foundation Endowment Pool Investments – March 31, 2020

**Prepared by:**



Robert Davis  
Department Manager,  
Treasury and Public Finance  
714-560-5675

**Approved by:**



Andrew Oftelie  
Chief Financial Officer  
Finance and Administration  
714-560-5649



**Fund Name** OCTA - Measure M2 Environmental Mitigation Program Fund  
**Fund Start Date** 2/28/2017  
**Investment Pool(s)** Endowment Pool

**FUND STATEMENT**

**OCTA - Measure M2 Environmental Mitigation Program Fund (V398)**

1/1/2020 - 3/31/2020

**Fund Summary**

	Report Period 1/1/2020 - 3/31/2020	Calendar YTD 1/1/2020 - 3/31/2020
<b>Opening Fund Balance</b>	\$13,034,838.42	\$13,034,838.42
Contributions	0.00	0.00
Investment Activity, net	(1,862,739.04)	(1,862,739.04)
Administration & Grant Management Fees	(34,448.33)	(34,448.33)
Net Changes to Fund	(1,897,187.37)	(1,897,187.37)
<b>Ending Balance</b>	<b>\$11,137,651.05</b>	<b>\$11,137,651.05</b>

**Investment Pool Performance as of 3/31/2020**

	This Qtr.	1-Year	3-Years	5-Years	10-Years
<b>Endowment Pool</b>	-14.0%	-7.2%	1.9%	2.5%	4.8%
<b>Social Impact Endowment Pool</b>	-12.5%	-1.3%	4.2%	4.1%	6.2%
<b>Conservative Balanced Pool</b>	-6.2%	0.0%	3.2%	3.3%	n/a
<b>Short Duration Bond Pool</b>	2.2%	5.4%	3.0%	2.2%	n/a
<b>Capital Preservation Pool</b>	0.2%	1.9%	1.7%	1.1%	0.7%

**Endowment Pool** - invested for long-term growth and appreciation while providing a relatively predictable stream of distributions that keeps pace with inflation over time. The target asset allocation is 50% equities, 14% hedge funds, 22% fixed income and 14% real assets. Investment management fees are 66 basis points.

**Social Impact Endowment Pool** - invested in a diversified pool aiming for capital growth for long-term grantmaking; underlying instruments undergo rigorous environmental and social analysis, with an asset allocation of approximately 60%-75% equities and 25%-40% fixed income. Investment management fees are 68 basis points.

**Conservative Balanced Pool** - designed to aim for moderate growth and to offer diversified exposure to the U.S. equity market and to investment grade fixed income with maturities from one to five years and an asset allocation of 70% fixed income and 30% equities investments. Investment management fees are 9 basis points.

**Short Duration Bond Pool** - invested to offer diversified exposure to investment grade fixed income with maturities from one to five years for the purposes of grants over a near-term one to four year horizon. Investment management fees are 5 basis points.

**Capital Preservation Pool** - designed to preserve principal and provide liquidity for present grantmaking needs through investment in short-term fixed income and cash instruments. Investment management fees are 10 basis points.

The Endowment Pool returned -9.1% for the month of March 2020, 120 basis points ahead of its benchmark. For the trailing year, the pool returned -7.2%, 20 basis points ahead of its benchmark.

**Total Pool Assets**

\$1.06 billion (Endowment Pool), \$1.74 billion (total foundation assets) as of March 31, 2020.

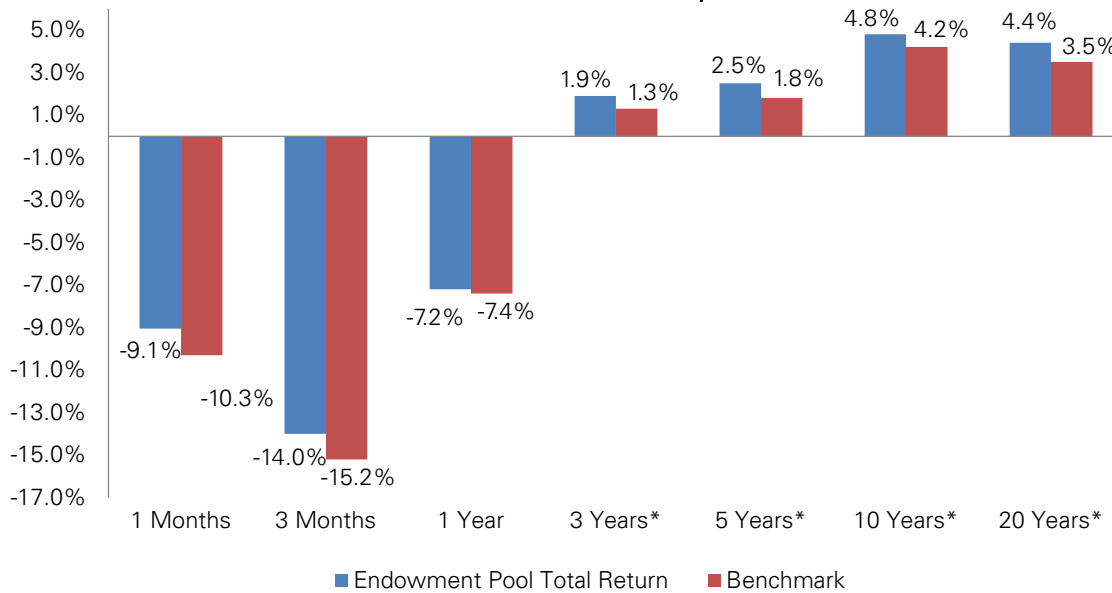
**Pool Objective**

Preserve the real (i.e., inflation-adjusted) purchasing power of the investment pool net of annual distributions for grants and expenses. An additional objective is to provide a relatively predictable, stable stream of distributions for grants and expenses that keep pace with inflation over time.

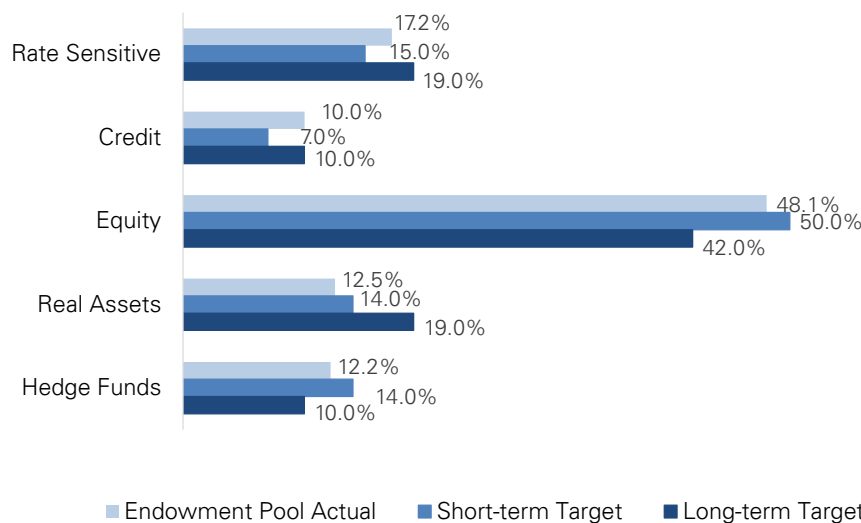
**Investment Consultant**

Meketa Investment Group

**Performance History**



**Asset Allocation**



\*Represents annualized returns.

1) Investment expense ratio approximates 0.65%, excluding fund manager incentive fees.  
 2) Investment performance is presented net of investment expenses, including fund manager incentive fees.  
 3) Total Fund Benchmark is a combination of: 48% MSCI ACWI - 2% Cambridge PE Index 1-Qtr Lag / 14% HFR FOF / 5% ODCE - 5% S&P Global Large Mid NR - 4% S&P Global Infrastructure / 9% Barc Agg. - 3% Barc 1-5 Yr. Gov/Cr - 3% Barc 0-5 Yr. US Treasury TIPs / 2% Barc High Yield - 2% S&P/LSTA Leveraged Loan - 3% JP Morgan EMBI Global Diversified.  
 4) Short-term target allocation is over 1-4 years, long-term target allocation is over 4-9 years.



**June 1, 2020**

**To:** Regional Planning and Highways Committee

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

A handwritten signature in blue ink, appearing to read "Darrell Johnson", is written over the "From:" line.

**Subject:** Measure M2 Eligibility Review Recommendations for Fiscal Year 2018-19 Expenditure Reports

### **Overview**

The Measure M2 Ordinance requires that all Orange County local agencies annually satisfy eligibility requirements in order to receive net Measure M2 revenues. As part of this requirement, fiscal year 2018-19 expenditure reports and resolutions were submitted by all local agencies. In May 2020, the Orange County Transportation Authority Taxpayer Oversight Committee affirmed that all expenditure reports were received and reviewed consistent with Measure M2 requirements. Board of Directors' approval is requested to find Orange County local agencies eligible to continue to receive net Measure M2 revenues.

### **Recommendations**

- A. Find all 35 Orange County local agencies eligible to receive net Measure M2 revenues.
- B. Direct staff to solicit from the City of Anaheim a restated fiscal year 2018-19 expenditure report to address miscategorized maintenance of effort expenditures identified in M2 Agreed Procedures Reports, Fiscal Year Ended 2019.

### **Background**

Local agencies are required to meet Measure M2 (M2) eligibility requirements and submit eligibility verification packages to the Orange County Local Transportation Authority (OCLTA) annually in order to remain eligible to receive M2 net revenues. There are 13 eligibility requirements, which local agencies must either meet and/or adhere to. However, not all 13 eligibility components require verification each eligibility cycle. For reference, a summary of M2 eligibility requirements and their respective due dates is provided in Attachment A.

---

Per the M2 Ordinance, the Taxpayer Oversight Committee (TOC) is responsible for the review of five of the 13 eligibility requirements<sup>1</sup>. These include the Congestion Management Program (CMP), Mitigation Fee Programs (MFP), Local Signal Synchronization Plans (LSSP), Pavement Management Plans (PMP), and Expenditure Reports (ER). The CMP, MFPs, LSSPs, and PMPs are due on June 30, 2020, and are typically approved by the OCTA Board of Directors (Board) in December. The ERs are due on December 31, 2020, six months after the close of the fiscal year (FY) and are typically approved by the Board in late spring. The ERs include all M2 and related transportation expenditures including maintenance of effort (MOE) spending levels. MOE is the amount the local jurisdiction's spending of discretionary funds (e.g., general fund revenues) for streets and roads purposes. The intent is to ensure that local jurisdictions do not replace discretionary transportation spending with M2 revenues.

In December 2019, the Board approved 33 local agencies as eligible to continue receiving M2 revenues. However, due to a previous finding of ineligibility, the Board only received and filed the initial eligibility packages for the cities of Santa Ana and Stanton. In April 2020, the Board reinstated the cities' eligibility to receive net M2 revenues and thereby placed these cities back on the same eligibility review cycle as all other local agencies.

Per the M2 Ordinance, the TOC is responsible for the receipt and review of ERs. To assist with this responsibility, the TOC has designated an Annual Eligibility Review (AER) Subcommittee to initially vet required M2 eligibility submittals prior to review by the TOC. Both the AER Subcommittee and TOC have now completed their respective reviews of these materials and their findings are discussed below.

### ***Discussion***

Due to the novel coronavirus (COVID-19) pandemic, the April 7, 2020 AER Subcommittee meeting was cancelled. However, in order to keep these final components of this FY's eligibility process moving, AER Subcommittee members were given eligibility review materials including FY 2018-19 ERs, resolutions, and review checklists to complete, sign, and return to OCTA. Upon receipt of these materials, AER Subcommittee members reviewed and confirmed that all 35 Orange County local agencies had submitted appropriate documentation to satisfy M2 eligibility ER requirements and made one audit recommendation.

On May 12, 2020, the TOC convened remotely and affirmed, consistent with the AER Subcommittee's conclusions, that they had received and reviewed the FY 2018-19 M2 ERs for all 35 local agencies consistent with M2 requirements. As such, the TOC's findings (Attachment B) are now being advanced to the Board for a final finding that all 35 Orange County local agencies be deemed eligible to continue to receive net M2 revenues.

---

<sup>1</sup> Note: The other eight M2 eligibility components required are reviewed by OCTA.

Additionally, staff is recommending that OCTA solicit from the City of Anaheim (City) a restated FY 2018-19 ER. During a recent audit of local agencies' MOE expenditures, auditors found that the City had included ineligible MOE expenditures in its FY 2018-19 ER. When these expenditures were removed, the City fell below its minimum MOE requirement. When discussing this finding with the City, it became apparent that the City had expended sufficient MOE expenditures but had recorded the expenses against their M2 Local Fair Share (LFS) fund. As such, the City asked to restate their FY 2018-19 ER to replace the ineligible MOE expenditures with eligible MOE expenditures that were included as LFS expenditures. In restating these expenditures, the City would also transfer an equal amount of the ineligible MOE expenditures into the appropriate LFS categories. Given that this proposal places expenditures into correct categories, staff is supportive of the City's request and is requesting Board approval to proceed with this approach.

If the Board approves this approach and the recommendations described in the previous paragraphs, this will conclude the FY 2019-20 M2 eligibility process and will result in all Orange County local agencies being deemed fully eligible to continue to receive net M2 revenues.

### ***Summary***

In May 2020, the Orange County Transportation Authority Taxpayers Oversight Committee convened remotely and affirmed that they had received and reviewed the required Measure M2 expenditure reports for all 35 Orange County local agencies. The Board of Directors is now asked to find all 35 local agencies eligible to continue to receive net Measure M2 revenues. Staff is also supportive of the City of Anaheim's request to restate its fiscal year 2018-19 expenditure report to remedy an audit finding and correct a miscategorized expenditure.



***Attachments***


- A. Measure M2 Eligibility Requirements and Submittal Schedule Summary, Fiscal Year 2019-20
- B. FY 2019-20 Measure M2 Eligibility Review of FY 2018-19 Expenditure Reports Summary

**Prepared by:**



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Transportation Funding Analyst,  
Associate  
(714) 560-5397

**Approved by:**



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

**Measure M2 Eligibility Requirements and Submittal Schedule Summary  
Fiscal Year 2019-20**

<b>Compliance Category</b>	<b>Frequency (submitted)</b>	<b>Status</b>
Capital Improvement Program	Annual (June 30, 2019)	✓
Circulation Element/Master Plan of Arterial Highways Consistency	Biennial (June 30, 2019)	✓
Congestion Management Program	Biennial (June 30, 2019)	✓
Expenditure Report	Annual (December 31, 2019)	Submitted, pending Board approval
Local Signal Synchronization Plan	Every Three Years (i.e., June 30, 2020)	N/A – next cycle
Maintenance of Effort	Annual (June 30, 2019)	✓
Mitigation Fee Program (MFP)	Biennial (June 30, 2019) <sup>1</sup>	✓
No Supplanting of Developer Fees	Annual (June 30, 2019)	✓
Pavement Management Plan (PMP)	Biennial (June 30, 2019) <sup>2</sup>	✓
Timely Submittal of Project Final Reports	Within Six Months of Project Completion	Ongoing
Timely Use of Net Revenues	Annual (June 30, 2019)	✓
Traffic Forum Participation	Annual (June 30, 2019)	✓
Transit and Non-Motorized Transportation Land Use Planning Strategies	Annual (June 30, 2019)	✓

Board – Board of Directors

N/A – Not applicable

<sup>1</sup> A jurisdiction must submit their updated program and revised fee schedule or process methodology when the jurisdiction updates their MFP and/or nexus study.

<sup>2</sup> 14 agencies update their PMPs on odd-numbered fiscal years, while 21 agencies update their PMPs on even-numbered fiscal years.

**FY 2019-20 Measure M2 Eligibility Review  
of FY 2018-19 Expenditure Reports Summary**

<b>Local Jurisdiction</b>	<b>Expenditure Report Received by Deadline</b>	<b>Resolution Received by Deadline</b>	<b>MOE Benchmark Met</b>	<b>Received and Reviewed</b>
Aliso Viejo	Yes	Yes	Yes	Yes
Anaheim	Yes	Yes	Yes <sup>1</sup>	Yes
Brea	Yes	Yes	Yes	Yes
Buena Park	Yes	Yes	Yes	Yes
Costa Mesa	Yes	Yes	Yes	Yes
County of Orange <sup>2</sup>	Yes	Yes	N/A	Yes
Cypress	Yes	Yes	Yes	Yes
Dana Point	Yes	Yes	Yes	Yes
Fountain Valley	Yes	Yes	Yes	Yes
Fullerton	Yes	Yes	Yes	Yes
Garden Grove	Yes	Yes	Yes	Yes
Huntington Beach	Yes	Yes	Yes	Yes
Irvine	Yes	Yes	Yes	Yes
La Habra	Yes	Yes	Yes	Yes
La Palma	Yes	Yes	Yes	Yes
Laguna Beach	Yes	Yes	Yes	Yes
Laguna Hills	Yes	Yes	Yes	Yes
Laguna Niguel	Yes	Yes	Yes	Yes
Laguna Woods	Yes	Yes	Yes	Yes
Lake Forest	Yes	Yes	Yes	Yes
Los Alamitos	Yes	Yes	Yes	Yes
Mission Viejo	Yes	Yes	Yes	Yes
Newport Beach	Yes	Yes	Yes	Yes
Orange	Yes	Yes	Yes	Yes
Placentia	Yes	Yes	Yes	Yes
Rancho Santa Margarita	Yes	Yes	Yes	Yes
San Clemente	Yes	Yes	Yes	Yes
San Juan Capistrano	Yes	Yes	Yes	Yes
Santa Ana	Yes	Yes	Yes	Yes
Seal Beach	Yes	Yes	Yes	Yes
Stanton	Yes	Yes	Yes	Yes
Tustin	Yes	Yes	Yes	Yes
Villa Park	Yes	Yes	Yes	Yes
Westminster	Yes	Yes	Yes	Yes
Yorba Linda	Yes	Yes	Yes	Yes

1. Expenditure report indicated, as reviewed, that the City of Anaheim had sufficient expenditures for MOE. However, a recent audit found that there were eligible LFS items listed under MOE and MOE items listed under LFS. As part of this item, Board of Directors direction is requested to allow staff to solicit a restated expenditure report in order to address the audit finding and allow the City to correct these miscategorization of funds.


2. MOE was established in 1991 with the first Measure M Program using a five-year average of the level of funding local jurisdictions spent on streets and roads between 1985 and 1990. However, Orange County Public Works and their predecessor agencies received sufficient gas tax subventions and other transportation specific funding from state, federal, and other local sources, which were required to be used for transportation. They did not and do not use discretionary funds for transportation purposes. The County uses a number of fund sources for transportation including gas tax subvention or Highway User Tax Account, federal grants, assessment districts, developer impact fees, and other transportation specific fund sources.

Acronyms

FY - Fiscal Year  
LFS - Local Fair Share  
MOE - Maintenance of Effort  
N/A - Not Applicable



**June 22, 2020**

**To:** Members of the Board of Directors 

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

**Subject:** Public Hearing to Amend the Measure M2 Orange County Local Transportation Authority Ordinance No. 3

### **Overview**

On May 11, 2020, the Board of Directors directed staff to initiate the process to amend Measure M2 Orange County Local Transportation Authority Ordinance No. 3. The amendment will temporarily change the maintenance of effort requirements for fiscal year 2019-20 and fiscal year 2020-21 to assist local jurisdictions through this unprecedented period of uncertainty due to the economic impacts of the novel coronavirus pandemic. The amendment process calls for notifications to local jurisdictions, public notification, and a public hearing prior to the adoption of the proposed amendment.

### **Recommendations**

- A. Amend the Orange County Local Transportation Authority Measure M2 Ordinance No. 3 to modify the maintenance of effort requirements for fiscal year 2019-20 and fiscal year 2020-21 to address anticipated near-term negative growth in general fund revenues due to the novel coronavirus pandemic.
- B. Direct staff to provide written notice of the amendment to local jurisdictions.

### **Background**

In November 2006, Orange County voters approved the Measure M2 Expenditure Plan, also called Measure M2 (M2). The Orange County Transportation Authority (OCTA) is committed to fulfilling the promises made in M2. This means delivering all projects and programs included in the M2 Expenditure Plan and complying with the specific requirements identified in the M2 Ordinance No. 3 (M2 Ordinance). The M2 Ordinance includes an amendment process to address unforeseen circumstances and requires a

two-thirds vote from the Board of Directors (Board), as well as a public notification process.

Local jurisdictions are required to meet specific requirements in order to receive M2 revenues, one of which is related to maintenance of effort (MOE) spending levels. MOE is the amount the local jurisdictions spend in discretionary or general fund revenues (GFR) for streets and roads purposes. The intent is to ensure that M2 revenues do not supplant funding for streets and roads that a local jurisdiction was spending prior to Measure M1 and M2. This MOE requirement is tied to the state law that authorizes local sales tax measures.

The financial impacts, as a result of the novel coronavirus (COVID-19) pandemic, and its impact to sales tax revenues, fuel sales, and local jurisdiction GFR, will not be fully understood for quite some time. However, it is clear that local jurisdictions will have challenges balancing near-term financial obligations, including meeting the MOE requirement.

### ***Discussion***

There are significant financial impacts anticipated to occur as a result of the COVID-19 pandemic that may hamper local jurisdictions' ability to satisfy MOE requirements for fiscal year (FY) 2019-20 and FY 2020-21. Initial estimates, based upon an informal OCTA poll of local jurisdictions, indicate an approximate seven percent reduction in FY 2019-20 revenues (with some estimates as high as 14 percent), and an approximate seven percent reduction in FY 2020-21 revenues (with some estimates as high as 15 percent). As a result, local jurisdictions have expressed concerns about meeting MOE requirements.

To address these issues, the proposed amendment (Attachment A) will modify the M2 Ordinance, Section 6, to add a paragraph providing local jurisdictions relief from the FY 2019-20 and FY 2020-21 MOE requirement. In summary, the proposed amendment would:

- For FY 2019-20: allow local agencies to report actual MOE that may be below the established target; and
- For FY 2020-21: allow local jurisdictions to use a proportional share (percentage) of streets and roads expenditures to GFRs based upon the proportion of the FY 2020-21 MOE benchmark to GFRs that were reported in their respective Comprehensive Annual Financial Report for FY 2018-19.

It is challenging to develop a solution that meets every jurisdiction's individual situation. However, in consultation with OCTA legal counsel, the recommended amendment is a countywide solution intended to be fair and reasonable for all jurisdictions with the goal of balancing local funding issues with the intent of the M2 Ordinance. If approved, this will provide local jurisdictions a path forward before the approaching FY 2020-21 MOE certification requirement deadline of June 30, 2020. It should be noted that OCTA considered several other options ranging from maintaining the existing MOE requirement to suspending the MOE requirement – the latter of which is inconsistent with the legislative intent of the M2 Ordinance because M2 revenues would supplant and not supplement local revenues.

#### Notification Process

On May 11, 2020, staff presented to the Board the proposed amendment and the Board directed staff to notify the public and schedule a public hearing, in accordance with M2 requirements (Attachment B). The required notification to Orange County city councils and the Board of Supervisors was distributed on May 12, 2020 (Attachment C). Notices were also published in the Orange County Register (May 17, 2020), Excelsior (May 15, 2020), and Nguoi Viet (May 15, 2020).

In addition to the legally required notification process, which requires the distribution of the notice and amendment language to city councils and the Board of Supervisors, the notification was also distributed to city managers, city finance directors, and city public works directors. OCTA staff also presented information on the proposed amendment to the Technical Advisory Committee on April 22, 2020, and held an eligibility workshop for local jurisdiction staff on April 30, 2020. A discussion regarding the proposed amendment took place on May 14, 2020, at the Orange County City Managers Association meeting, and the amendment was also presented to the Orange County Council of Governments on May 28, 2020. To date, many jurisdictions have submitted FY 2020-21 budget certifications to OCTA using the amended MOE approach described above, although these certifications are not formally due until June 30, 2020.

At the May 12, 2020 special meeting of the M2 Taxpayer Oversight Committee, staff presented the May 11, 2020 item that went to the Board. While the item was for information only, comments from the committee members were supportive and indicated appreciation that the Board was working to ensure the intent of M2 was upheld through a temporary modification and not an elimination or deferral of the MOE requirement.

Generally, local jurisdictions and key stakeholders are supportive of the amendment. The City of Costa Mesa (City) has indicated that it would prefer a different calculation that would result in a lower MOE requirement and the ability to make up MOE if not met over multiple years. It is commonly accepted that deferred investment on streets and roads would lead to future higher costs or asset failures and is therefore not advisable. Further, the M2 Ordinance amendment is intended to create a balanced countywide policy for all jurisdictions. As of the writing of this staff report, OCTA has not received any other notable comments regarding to the proposed amendment.

If the Board approves the amendment, a notification letter will be sent to local jurisdictions (Attachment D) and the amendment will become effective in 45 days.

***Summary***

On May 11, 2020, the Board directed staff to initiate the process to amend the M2 Ordinance. The amendment modifies the MOE requirements for FY 2019-20 and FY 2020-21 while upholding the legislative intent of the M2 Ordinance. The proposed amendment is presented for input and approval.

***Attachments***

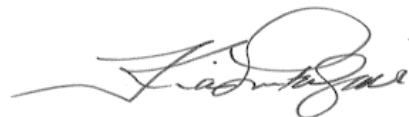
- A. Proposed Orange County Local Transportation Authority Ordinance No. 3, Maintenance of Effort Requirements, Section 6, Page 3
- B. Public Hearing Notice Published May 15 - May 17, 2020, California Newspaper Service Bureau, Daily Journal Corporation
- C. Letter to Orange County Mayors, From Steve Jones, Chairman, Dated May 12, 2020
- D. Draft Letter to Orange County Mayors/Supervisors, From Steve Jones, Chairman, Dated June 22, 2020

**Prepared by:**



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Department Manager,  
Capital Programming  
(714) 560-5915

**Approved by:**



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



**Proposed Orange County Local Transportation Authority  
Ordinance No. 3  
Maintenance of Effort Requirements**

**Section 6, Page 3**

SECTION 6. MAINTENANCE OF EFFORT REQUIREMENTS

It is the intent of the Legislature and the Authority that the Net Revenues allocated to a jurisdiction pursuant to the Ordinance for street and road projects shall be used to supplement existing local discretionary funds being used for transportation improvements. Each jurisdiction is hereby required to annually maintain as a minimum no less than the maintenance of effort amount of local discretionary funds required to be expended by the jurisdiction for local street and road purposes pursuant to the current Ordinance No. 2 for Fiscal Year 2010-2011. The maintenance of effort level for each jurisdiction as determined through this process shall be adjusted effective July 1, 2014 and every three fiscal years thereafter in an amount equal to the percentage change for the Construction Cost Index compiled by Caltrans for the immediately preceding three calendar years, providing that any percentage increase in the maintenance of effort level based on this adjustment shall not exceed the percentage increase in the growth rate in the jurisdiction's general fund revenues over the same time period. The Authority shall not allocate any Net Revenues to any jurisdiction for any fiscal year until that jurisdiction has certified to the Authority that it has included in its budget for that fiscal year an amount of local discretionary funds for streets and roads purposes at least equal to the level of its maintenance of effort requirement. An annual independent audit may be conducted by the Authority to verify that the maintenance of effort requirements are being met by the jurisdiction. Any Net Revenues not allocated pursuant to the maintenance of effort requirement shall be allocated to the remaining eligible jurisdictions according to the formula described in the Ordinance.

*In order to address the impacts of the novel coronavirus pandemic (commonly referred to as COVID-19), for fiscal year (FY) 2019-20, jurisdictions shall comply with all submittal requirements under the ordinance, including, but not limited to, those requirements under Attachment B (III) - Requirements for Eligible Jurisdictions, but will not be required to meet the required maintenance of effort (MOE) amount for that particular jurisdiction for the FY 2019-20. For FY 2020-21, jurisdictions shall be required to comply with all submittal requirements under the ordinance, including, but not limited to, those requirements under Attachment B (III) - Requirements for Eligible Jurisdictions, but shall only be required to meet the MOE amount for that particular jurisdiction for the FY at the same proportional share of streets and roads expenditures to general fund revenues based upon the proportion of the FY 2020-21 MOE benchmark to general fund revenues that were reported in their respective Comprehensive Annual Financial Report for FY 2018-19. Jurisdictions are encouraged to use their best efforts during FY 2019-20 and FY 2020-21 to meet original MOE levels.*

**Public Hearing Notice Published May 15 - May 17, 2020**

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OCTA/CLERK OF THE BOARD  
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ORANGE, CA 92863-1584

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**NOTICE OF PUBLIC HEARING**  
**CNS**  
**RE: ORANGE COUNTY TRANSPORTATION AUTHORITY AMENDMENT OF THE ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY ORDINANCE NO. 3 LIMITED AMENDMENT TO MAINTENANCE OF EFFORT REQUIREMENT**

NOTICE IS HEREBY GIVEN that the Orange County Transportation Authority (OCTA) Board of Directors will hold a public hearing at their regular meeting at 9:00 a.m. on June 22, 2020. The public hearing shall be for the purpose of considering an amendment to the Orange County Local Transportation Authority Ordinance No. 3 as a result of the novel coronavirus pandemic. The amendment proposes a limited change to the maintenance of effort requirement provision related to local jurisdictions. A copy of the proposed M2 Ordinance amendment will be available on the OCTA website through the following link: <https://octa.legistar.com/calendar.aspx>. On March 12, 2020 and March 18, 2020, Governor Gavin Newsom enacted Executive Orders N-25-20 and N-29-20 authorizing a local legislative body to hold public meetings via teleconference and make public meetings accessible telephonically or electronically to all members of the public to promote social distancing due to the state and local State of Emergency resulting from the threat of the Novel

Coronavirus (COVID-19). In accordance with Executive Order N-29-20, and in order to ensure the safety of the OCTA Board of Directors and staff, and for the purposes of limiting the risk of COVID-19, in-person participation at public meetings of the OCTA Board of Directors will not be allowed during the time period covered by the above-referenced Executive Orders. Instead, members of the public can listen to AUDIO live streaming of the public hearing by clicking on the below link: <http://www.octa.net/About-OCTA/Who-We-Are/Board-of-Directors/Live-and-Archived-Audio/>  
**ALL INTERESTED PARTIES** are invited to submit written comments with respect to the amendment by 4:00 p.m. on June 19, 2020. Written comments may be addressed to OCTA's Clerk of the Board: **Laurena Weinert**, Clerk of the Board, Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, CA 92863-1584. Telephone (714) 560-5676 or [boardofdirectors@octa.net](mailto:boardofdirectors@octa.net)  
5/17/20  
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**ORANGE COUNTY REGISTER**



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#### AVISO DE AUDIENCIA PUBLICA

RE: AUTORIDAD DE TRANSPORTE DEL CONDADO DE NARANJA  
ENMIENDA DEL CONDADO DE NARANJA  
AUTORIDAD DE TRANSPORTE LOCAL  
ORDENANZA NO. 3  
MODIFICACIÓN LIMITADA AL MANTENIMIENTO DEL REQUERIMIENTO DE ESFUERZO

SE AVISA QUE la Junta de Directores de la Autoridad de Transporte del Condado de Orange (OCTA) celebrará una audiencia pública en su reunión ordinaria del 22 de junio de 2020, a las 9:00 am. La audiencia pública será con el propósito de considerar una enmienda a la Ordenanza No. 3 de la Autoridad de Transporte Local del Condado de Orange como resultado de la nueva pandemia de coronavirus. La enmienda propone un cambio limitado en la provisión de requisitos de mantenimiento de esfuerzos relacionados con las jurisdicciones locales. Una copia de la enmienda propuesta de Measure M2 (Antigua Medida M) estará disponible en el sitio web de OCTA a través del siguiente enlace: <https://octa.registar.com/calendar.aspx>

El 12 de marzo de 2020 y el 18 de marzo de 2020, el gobernador Gavin Newsom promulgó las órdenes ejecutivas N-25-20 y N-29-20 autorizando a un cuerpo legislativo local a celebrar reuniones públicas por teleconferencia y hacer que las reuniones públicas sean accesibles por teléfono o electrónicamente a todos los miembros del público para promover el distanciamiento social debido al estado de emergencia estatal y local resultante de la amenaza del novel coronavirus (COVID-19).

De conformidad con la orden ejecutiva N-29-20, y para garantizar la seguridad de la Junta Directiva y el personal de OCTA, y con el propósito de limitar el riesgo de

COVID-19, la participación en persona en las reuniones públicas de la OCTA La Junta de Directores no estará permitida durante el período cubierto por las ordenes ejecutivas mencionadas anteriormente.

En cambio, los miembros del público pueden escuchar AUDIO en vivo de la audiencia pública haciendo clic en el siguiente enlace:

<http://www.octa.net/About-OCTA/Who-We-Are/Board-of-Directors/Live-and-Archived-Audio/>

A TODAS LAS PARTES INTERESADAS se les invita a enviar comentarios por escrito en relación con el presupuesto antes de las 4:00 p.m. del 19 de junio 2020. Los comentarios escritos pueden dirigirse a la Secretaria de la Junta Directiva:

Laurena Weinert  
Clerk of the Board  
Orange County Transportation Authority  
550 South Main Street  
P.O. Box 14184  
Orange, CA 92863-1584  
Telephone (714) 560-5676  
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550 S MAIN ST PO BOX 14184  
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#### THÔNG BÁO BUỔI HỌP CÔNG CỘNG SỞ GIAO THÔNG VẬN TẢI QUẬN CAM (OCTA) VỀ VIỆC TỰ CHỈNH ĐỔI VĂN TÀI ĐỊA PHƯƠNG QUẬN ORANGE CỦA SỞ GIAO THÔNG QUẬN CAM OCTA

XIN THÔNG BÁO. Ban Quản Trị Sở Giao thông Quận Cam (OCTA) sẽ tổ chức một phiên điều trần công khai vào lúc 9 giờ sáng thứ Hai, ngày 22 tháng 6 năm 2020. Mục đích của buổi họp công cộng này để bàn về tự chỉnh về sắc lệnh số 3 của Sở Giao thông vận tải Quận Cam trong tình hình của đại dịch coronavirus. Bản tự chỉnh đưa ra đề nghị một số thay đổi có giới hạn trong những điều kiện liên quan đến pháp lý địa phương.

Bản thảo của dự án tự chỉnh Sắc lệnh M2 này sẽ được đăng lên trang mạng của Sở Giao thông Quận Cam tại <https://octa.legistar.com/calendar.aspx>.

Vào ngày 12 tháng 3 năm 2020, Thống đốc tiểu bang California Gavin Newsom ký sắc lệnh N-25-20 và N-29-20 cho phép cơ quan hành pháp địa phương tổ chức các buổi họp cộng đồng bằng cuộc đàm thoại và thực hiện các cuộc họp công khai này cho tất cả các thành viên của cộng đồng có thể truy cập bằng điện thoại hoặc những dung cụ điện tử nhằm khuyến khích giữ khoảng cách xã hội do tình trạng khẩn cấp của tiểu bang và địa phương trước sự lan tràn nguy hiểm của đại dịch Coronavirus (COVID-19).

Theo Sắc lệnh N-29-20, để đảm bảo an toàn cho Ban Giám đốc và nhân viên OCTA và với mục đích hạn chế sự nguy hiểm của COVID-19, các cuộc họp công cộng của Ban Quản trị OCTA sẽ không có sự tham dự trực tiếp của công chúng trong suốt thời gian có đại dịch theo như sắc lệnh nói trên.

Thay vào đó, các thành viên của cộng đồng có thể nghe **ÂM THANH** phát trực tiếp các phiên điều trần công cộng này bằng cách vào trang mạng dưới đây: <http://www.octa.net/About-OCTA/Who-We-Are/Board-of-Directors/Live-and-Archived-Audio/>

Xin kính mời tất cả quý vị vui lòng gửi những ý kiến đóng góp có liên quan đến bản dự thảo ngân sách, hạn chót là 4 giờ chiều, ngày 19 tháng 6 năm 2020. Mọi thư từ xin gửi về Thư ký của Ban Quản Trị:

Laurena Weinert  
Clerk of the Board  
Orange County Transportation Authority  
550 South Main Street  
P.O. Box 14184  
Orange, CA 92863-1584  
Số điện thoại: (714) 560-5676  
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**CHIEF EXECUTIVE OFFICE**

*Darrell E. Johnson  
Chief Executive Officer*

May 12, 2020

Dear Orange County Mayors:

On May 11, 2020, the Orange County Transportation Authority (OCTA) Board of Directors (Board) directed staff to initiate the process to amend the Orange County Local Transportation Authority Measure M2 (M2) Ordinance No. 3 (Ordinance). The proposed amendment to the maintenance of effort (MOE) requirements balances the responsibility to uphold promises to the taxpayers with the need for flexibility for local agencies to address current economic uncertainties due to issues related to the novel coronavirus (COVID-19).

As the Local Transportation Authority responsible for administering M2, OCTA is committed to upholding the intent of the M2 Ordinance and the promises to the voters. One of the ordinance requirements for local jurisdictions to receive net M2 funding pertains to the MOE requirement. MOE is a minimum level of spending of local discretionary or general fund revenues for streets and roads purposes. The intent is to ensure M2 revenues are used to supplement and not supplant existing revenues.

OCTA recognizes that local jurisdictions may experience a decline in general fund revenues as a result of COVID-19, which could impact their ability to meet the MOE requirement. In response, staff considered local jurisdictions input and developed a solution intended to be fair and reasonable. The proposed amendment to the M2 Ordinance will temporarily modify the MOE requirement for fiscal year (FY) 2019-20 and FY 2020-21, providing relief by reducing the required level to be met.

The M2 Ordinance allows for amendments due to unforeseen circumstances. The process calls for a notifying local jurisdiction, a public review period, and approval by two-thirds vote from the Board. The amendment will be considered at a public hearing scheduled for the June 22, 2020 OCTA Board meeting. An excerpt of the M2 Ordinance with the proposed amendment language is enclosed for your review. The public review period for the proposed amendment is now open and the OCTA Board is seeking your comments.

The public is invited to submit written comments with respect to the amendment by 4:00 PM on Friday, June 19, 2020. Written comments may be addressed to OCTA Clerk of the Board:

May 12, 2020  
Page 2

Laurena Weinert  
Clerk of the Board  
Orange County Transportation Authority  
550 South Main Street  
P.O. Box 14184  
Orange, CA 92863-1584  
Telephone (714) 560-5676  
or  
boardofdirectors@octa.net

The May 11, 2020 staff report and public hearing notice is available on the OCTA website:

<http://octa.net/About-OCTA/Board-Calendar/NOTICE-OF-PUBLIC-HEARING-M2-Ordinance-Amendment/#>.

If you have any questions or would like to submit your comments directly, please contact Kia Mortazavi, Executive Director, Planning, at (714) 560-5741 or [kmortazavi@octa.net](mailto:kmortazavi@octa.net).

Sincerely,



Steve Jones  
Chairman

SJ:ac  
Attachments

c: Board of Directors  
Executive Staff  
Members, Orange County City Councils  
Orange County City Managers  
Members, Measure M Taxpayer Oversight Committee

**Orange County Local Transportation Authority Ordinance No. 3  
Maintenance of Effort Requirements Excerpt**

**Section 6, Page 3**

SECTION 6. MAINTENANCE OF EFFORT REQUIREMENTS

It is the intent of the Legislature and the Authority that the Net Revenues allocated to a jurisdiction pursuant to the Ordinance for street and road projects shall be used to supplement existing local discretionary funds being used for transportation improvements. Each jurisdiction is hereby required to annually maintain as a minimum no less than the maintenance of effort amount of local discretionary funds required to be expended by the jurisdiction for local street and road purposes pursuant to the current Ordinance No. 2 for Fiscal Year 2010-2011. The maintenance of effort level for each jurisdiction as determined through this process shall be adjusted effective July 1, 2014 and every three fiscal years thereafter in an amount equal to the percentage change for the Construction Cost Index compiled by Caltrans for the immediately preceding three calendar years, providing that any percentage increase in the maintenance of effort level based on this adjustment shall not exceed the percentage increase in the growth rate in the jurisdiction's general fund revenues over the same time period. The Authority shall not allocate any Net Revenues to any jurisdiction for any fiscal year until that jurisdiction has certified to the Authority that it has included in its budget for that fiscal year an amount of local discretionary funds for streets and roads purposes at least equal to the level of its maintenance of effort requirement. An annual independent audit may be conducted by the Authority to verify that the maintenance of effort requirements are being met by the jurisdiction. Any Net Revenues not allocated pursuant to the maintenance of effort requirement shall be allocated to the remaining eligible jurisdictions according to the formula described in the Ordinance.

In order to address the impacts of the novel coronavirus pandemic (commonly referred to as COVID-19), for fiscal year (FY) 2019-20, jurisdictions shall comply with all submittal requirements under the ordinance, including, but not limited to, those requirements under Attachment B (III) - Requirements for Eligible Jurisdictions, but will not be required to meet the required maintenance of effort (MOE) amount for that particular jurisdiction for the FY 2019-20. For FY 2020-21, jurisdictions shall be required to comply with all submittal requirements under the ordinance, including, but not limited to, those requirements under Attachment B (III) - Requirements for Eligible Jurisdictions, but shall only be required to meet the MOE amount for that particular jurisdiction for the FY at the same proportional share of streets and roads expenditures to general fund revenues based upon the proportion of the FY 2020-21 MOE benchmark to general fund revenues that were reported in their respective Comprehensive Annual Financial Report for FY 2018-19. Jurisdictions are encouraged to use their best efforts during FY 2019-20 and FY 2020-21 to meet original MOE levels.



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Darrell E. Johnson  
Chief Executive Officer

**DRAFT**

June 22, 2020

Dear Orange County Mayors/Supervisors:

On June 22, 2020, the Orange County Transportation Authority (OCTA) Board of Directors (Board) held a public hearing and approved an amendment to the Measure M2 (M2) Orange County Local Transportation Authority Ordinance No. 3 (M2 Ordinance). This action amends the maintenance of effort (MOE) requirements while balancing the responsibility to uphold promises to the taxpayers with the need for flexibility for local agencies to address current economic uncertainties due to issues related to the novel coronavirus (COVID-19).

As the Local Transportation Authority responsible for administering M2, OCTA is committed to upholding the intent of the M2 Ordinance and the promises to the voters. One of the M2 Ordinance requirements for local jurisdictions to receive net M2 funding pertains to MOE. MOE is a minimum level of spending of local discretionary or general fund revenues for streets and roads purposes. The intent is to ensure M2 revenues are used to supplement and not supplant existing revenues.

In accordance with the M2 Ordinance, on May 12, 2020, each city council in Orange County and the Board of Supervisors were notified of the amendment plan and provided a copy of the proposed language. The Board also notified the public and held a public hearing at the June 22, 2020 Board meeting. With the Board's approval of the amendment, the language change is effective August 6, 2020.

A copy of the revised pages from the M2 Ordinance as a result of the amendment is enclosed for your reference.

M2 has been a critical element of Orange County's efforts to fund a broad range of needed transportation projects. Through our partnerships with the cities, the County of Orange, the California Department of Transportation, and other agencies, OCTA has been successful in keeping our commitments made to the voters. Your continued support and active involvement in the delivery of M2 is appreciated.



Orange County Mayors/Supervisors  
June 22, 2020  
Page 2

Should your agency have any comments or questions on this amendment, please contact Kia Mortazavi, Executive Director, Planning, at (714) 560-5741 or kmortazavi@octa.net.

Sincerely,

Steve Jones  
Chairman

SJ:ac  
Attachments

c: Board of Directors  
Executive Staff  
Members, Orange County City Councils  
Orange County City Managers  
Members, Measure M Taxpayers Oversight Committee  
Ryan Chamberlain, Caltrans District 12

## **Orange County Local Transportation Authority Ordinance No. 3 Maintenance of Effort Requirements Excerpt**

### **Section 6, Page 3**

#### **SECTION 6. MAINTENANCE OF EFFORT REQUIREMENTS**

It is the intent of the Legislature and the Authority that the Net Revenues allocated to a jurisdiction pursuant to the Ordinance for street and road projects shall be used to supplement existing local discretionary funds being used for transportation improvements. Each jurisdiction is hereby required to annually maintain as a minimum no less than the maintenance of effort amount of local discretionary funds required to be expended by the jurisdiction for local street and road purposes pursuant to the current Ordinance No. 2 for Fiscal Year 2010-2011. The maintenance of effort level for each jurisdiction as determined through this process shall be adjusted effective July 1, 2014 and every three fiscal years thereafter in an amount equal to the percentage change for the Construction Cost Index compiled by Caltrans for the immediately preceding three calendar years, providing that any percentage increase in the maintenance of effort level based on this adjustment shall not exceed the percentage increase in the growth rate in the jurisdiction's general fund revenues over the same time period. The Authority shall not allocate any Net Revenues to any jurisdiction for any fiscal year until that jurisdiction has certified to the Authority that it has included in its budget for that fiscal year an amount of local discretionary funds for streets and roads purposes at least equal to the level of its maintenance of effort requirement. An annual independent audit may be conducted by the Authority to verify that the maintenance of effort requirements are being met by the jurisdiction. Any Net Revenues not allocated pursuant to the maintenance of effort requirement shall be allocated to the remaining eligible jurisdictions according to the formula described in the Ordinance.

*In order to address the impacts of the novel coronavirus pandemic (commonly referred to as COVID-19), for fiscal year (FY) 2019-20, jurisdictions shall comply with all submittal requirements under the ordinance, including, but not limited to, those requirements under Attachment B (III) - Requirements for Eligible Jurisdictions, but will not be required to meet the required maintenance of effort (MOE) amount for that particular jurisdiction for the FY 2019-20. For FY 2020-21, jurisdictions shall be required to comply with all submittal requirements under the ordinance, including, but not limited to, those requirements under Attachment B (III) - Requirements for Eligible Jurisdictions, but shall only be required to meet the MOE amount for that particular jurisdiction for the FY at the same proportional share of streets and roads expenditures to general fund revenues based upon the proportion of the FY 2020-21 MOE benchmark to general fund revenues that were reported in their respective*

Orange County Mayors/Supervisors  
June 22, 2020  
Page 4

Comprehensive Annual Financial Report for FY 2018-19. Jurisdictions are encouraged to use their best efforts during FY 2019-20 and FY 2020-21 to meet original MOE levels.



**June 22, 2020**

**To:** Members of the Board of Directors 

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

**Subject:** Taxpayer Oversight Committee New Member Recruitment and Lottery

**Overview**

Measure M2 Ordinance No. 3 requires a committee to oversee implementation of the program of Investment Plan. Each year, new committee members are recruited and selected to fill vacancies left by expired terms. The recruitment process for the Measure M2 Taxpayer Oversight Committee has been completed for 2020, and a lottery must take place in public session to fill vacancies in the Second and Third Supervisorial districts.

**Recommendation**

Pursuant to the Measure M2 Ordinance, conduct the lottery for final selection of new Measure M2 Taxpayer Oversight Committee members by drawing one name each representing the Second and Third Supervisorial districts from the list of recommended finalists from the Grand Jurors Association of Orange County.

**Background**

The Measure M2 Taxpayer Oversight Committee (TOC) is required by the Measure M2 (M2) Ordinance No. 3. The TOC is an independent committee representing all five supervisorial districts in the County and is responsible for ensuring the transportation projects in M2 are implemented according to the M2 Investment Plan, approved by the voters. The 11-member committee has a balanced representation of all supervisorial districts, with ten private citizens plus the Orange County Auditor-Controller. The TOC meets bimonthly to review progress on the implementation of the M2 program.

Each year, as terms of appointed members on the TOC come to an end, a recruitment process is conducted to fill vacancies. As outlined in the M2 Ordinance, the recruitment process is conducted by the Grand Jurors Association of Orange County (GJAOC). The GJAOC acts as an independent body serving in the

interest of Orange County citizens. In its role, the GJAOC appoints a five-member selection panel (Panel) to conduct the recruitment process.

The Panel has conducted the application/recruitment program since the beginning of Measure M in 1990. The first lottery took place on November 15, 1990, and the individuals chosen began meeting in January 1991, serving staggered one-year, two-year, or three-year terms. Following the same recruitment process, new members serving three-year terms have joined the committee each year, replacing outgoing members whose terms have expired.

### ***Discussion***

On June 30, 2020, the terms of two members of the TOC will expire. The current membership roster is attached (Attachment A). The schedule for the recruitment process for this year began in late January to fill vacancies in the Second and Third Supervisorial districts (Attachment B).

The Panel concluded the recruitment process to fill the two vacant positions in early May (Attachment C). A fact sheet/application form was used for recruitment purposes (Attachment D). Announcements were distributed to more than 7,000 persons by sending an announcement to the Orange County Transportation Authority (OCTA) database. Advertisements were also placed in the Los Angeles Times and the Orange County Register, and digital banners were placed on their websites. In addition, postings were made on OCTA's primary Facebook page as well as on construction project pages located within the recruitment area. In addition, targeted Facebook advertisements were used to notify residents in the Second and Third Supervisorial districts; announcements were sent to the media, cities, and elected offices; information was sent to local civic organizations and professional associations (Orange County Business Council, OC Taxpayers Association, Chambers of Commerce, etc.) to include in their newsletters and social media accounts. Also, information was sent to Orange County universities (University of California, Irvine, Chapman University, and California State University, Fullerton) to share with graduate students studying fields related to business or political science.

The members of the Panel screened 42 applications from interested citizens, looking closely at each applicant's community service record, as well as experience in community and transportation issues. The Panel considered each individual's ability to assess and analyze facts, desire to make the TOC a priority, their involvement in community organizations, any special skills or experience, and their degree of knowledge of government. In addition, the M2 Ordinance prohibits elected or appointed officials from serving on the TOC. Based on a previous amendment to the M2 Ordinance, the Panel also included more specific

questions on the application regarding conflicts of interest. Any appointed and elected officials were required to fill out an intent to resign form.

Following the initial screening process, 32 personal interviews were conducted by the Panel in an effort to gain as much insight as possible into the most qualified candidates.

The Panel is recommending 10 candidates for possible membership on the committee: five from the Second Supervisorial District, five from the Third Supervisorial District (Attachment E). Three of these recommended candidates submitted an "Intent to Resign Form," agreeing that, if selected for TOC membership, they will resign from their current public entity office position.

At the June 22, 2020, OCTA Board of Directors meeting, the Chairman or designee will select four persons by lottery to fill the vacant positions. The four new members will begin serving their terms in July 2020. Each representative will serve a three-year term.

During the lottery process, the first name drawn from each supervisorial district will be the selected committee member. The remaining names will be drawn from each supervisorial district to establish a contingency list. Should a vacancy occur, finalists would be called upon to serve on the committee in the order in which the names were drawn.

#### Resolutions for Outgoing Members

Participation on the TOC requires dedication, time, and commitment. The volunteers who serve on the TOC provide expertise and insight, resulting in thoughtful discussions regarding the implementation and oversight of Measure M2. In recognition of this contribution to the citizens of Orange County, Resolutions of Appreciation will be given to the following TOC members who have completed their terms Larry Tekler – Second Supervisorial District and Dr. Ronald T. Randolph – Third Supervisorial District.

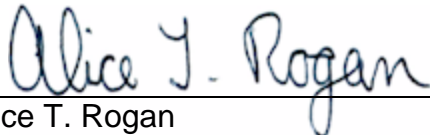
#### **Summary**

The Panel has completed its recruitment for two open positions on the TOC for the Second and Third Supervisorial districts and submitted the names of eligible candidates for the 2020 lottery to fill the two positions. Outgoing members will receive Resolutions of Appreciation.

***Attachments***

- A. Measure M Taxpayer Oversight Committee Members Fiscal Year 2019-20
- B. Measure M Taxpayer Oversight Committee 2020 Recruitment Schedule, Supervisorial Districts Two and Three
- C. Grand Jurors Association of Orange County Oversight Committee Selection Panel 2020
- D. Taxpayer Oversight Committee 2020 Membership Application
- E. Measure M Taxpayer Oversight Committee 2020 Finalists

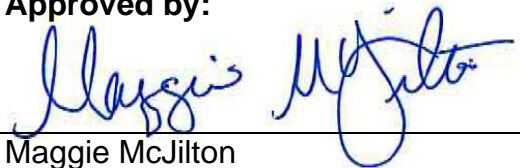
**Prepared by:**



---

Alice T. Rogan  
Director, Marketing and Public Outreach  
External Affairs  
(714) 560-5577

**Approved by:**



---

Maggie McJilton  
Interim Executive Director,  
External Affairs  
(714) 560-5824

**Measure M2  
Taxpayer Oversight Committee Members  
Fiscal Year 2019-20**

<b>District</b>	<b>Name</b>	<b>Term</b>	<b>Expiration</b>
1	Douglas P. Gillen	3 Years	2022
1	Pauline E. Merry *	3 Years	2021
2	Larry Tekler	3 Years	2020
2	Mark Kizzar	3 Years	2021
3	Ronald T. Randolph **	3 Years	2020
3	Tuan Nguyen	3 Years	2022
4	Larry A. Lang	3 Years	2021
4	Michael Pascual	3 Years	2022
5	Jeffrey Kaplan	3 Years	2021
5	Douglas Anderson	3 Years	2022
	Frank Davies: Orange County Auditor-Controller		Required by M2 Ordinance

\* Completed the remainder of Dale Soeffner's term

\*\* Completed the remainder of Andrew Lesko's term



**OC GO (FORMERLY MEASURE M) TAXPAYER OVERSIGHT COMMITTEE  
2020 RECRUITMENT SCHEDULE  
SUPERVISORIAL DISTRICTS TWO AND THREE**

Jan. 23	Planning meeting with Grand Jurors Association of Orange County (GJAOC) Selection Panel
Feb 10	Website updated with 2020 recruitment content and application
Feb 17 - Apr 17	First social media posts on Facebook and Twitter Biweekly blog in OCTA's On the Move
Feb 27	Press release distributed Information sent to County supervisors' offices, city public information officers, city clerks and city managers; Orange County Business Council (OCBC), Women's Transportation Seminar (WTS), and other organizations for newsletters/blogs/social media
Feb 28 - May 1	Biweekly social media posts (Facebook and Twitter)
February 28 - May 1	Ad in the <i>Los Angeles Times</i> (includes local community papers); <i>OC Register</i> (includes local community papers) Posted on Los Angeles Times website and Orange County Register website
May 1	Application deadline
May 4, 5, 6, 7, 8	GJAOC Selection Panel interviews candidates and prepares finalist list
May 15	GJAOC Selection Panel submits list of finalists to OCTA
May 18-22	Legal counsel review of finalists
Jun 22	OCTA Chairman draws names at Board of Directors Meeting

**2020**  
**GRAND JURORS ASSOCIATION OF ORANGE COUNTY**  
**OVERSIGHT COMMITTEE SELECTION PANEL**

William F. Underwood, Chair

Diana G. Merryman

John J. Moohr

Timothy J. Ogata

Virginia L. Zlaket

**KEEP AN EYE ON YOUR TAX DOLLARS**

**RESIDENTS NEEDED FROM THE SECOND AND THIRD SUPERVISORIAL DISTRICTS**

OC Go (also known as Measure M) is the Transportation Ordinance and Plan approved first by Orange County voters in 1990 and renewed again by voters in 2006. The combined measures raise the sales tax in Orange County by one-half cent for a total period of 50 years to alleviate traffic congestion. This money is administered by the Orange County Transportation Authority (OCTA) and pays for specific voter-approved transportation projects for freeway improvements, local street and road improvements, and rail and transit programs specified in the Plan.

OC Go calls for an independent Taxpayer Oversight Committee to oversee compliance with the Ordinance as specified in the Transportation Ordinance and Plan.

**The responsibilities of the 11-member Taxpayer Oversight Committee are to:**

- Ensure all transportation revenue collected from OC Go is spent on the projects approved by the voters as part of the Plan;
- Ratify any changes in the Plan and recommend any major changes go back to the voters for approval;
- Participate in ensuring that all jurisdictions in Orange County conform with the requirements of OC Go before receipt of any tax monies for local projects;
- Hold annual public meetings regarding the expenditure and status of funds generated by OC Go;
- Review independent audits of issues regarding the Plan and performance of the Orange County Local Transportation Authority regarding the expenditure of OC Go sales tax monies.
- Annually certify OCTA is proceeding in accordance with the Plan.

**HOW ARE MEMBERS CHOSEN?**

Taxpayer Oversight Committee candidates are chosen by the Grand Jurors Association of Orange County (GJAOC), which has formed a five-member Taxpayer Oversight Committee Selection Panel to conduct an extensive recruitment program. The panel screens all applications, conducts interviews and recommends candidates for membership on the Taxpayer Oversight Committee. The GJAOC is made up of former grand jurors who have a continuing concern for good government and whose purpose is to promote public understanding of the functions and purpose of the grand jury. The GJAOC is a neutral body serving the interests of the citizens of Orange County.

Taxpayer Oversight Committee members represent each of the five Orange County Supervisorial Districts and have been meeting regularly since 1990. At this time, the GJAOC is conducting a recruitment to fill two vacancies with one representative from each of the Second and Third Supervisorial Districts. The GJAOC will recommend as many as five finalists from each district. The new members are to be chosen by lottery at the June 22, 2020 meeting of the OCTA Board of Directors. The terms for the new committee members will begin July 1, 2020. The representatives will serve three-year terms which expire on June 30, 2023. *This is a volunteer position and no monetary compensation will be paid to committee members.* The chairperson is the elected Auditor-Controller of Orange County. The Auditor-Controller's term coincides with his/her elected/appointed term.

**WHO CAN APPLY TO SERVE?**

Any Orange County citizen 18 years or older may apply to serve on the Taxpayer Oversight Committee. Potential candidates will be reviewed on the basis of the following criteria:

1. Commitment and ability to participate in Taxpayer Oversight Committee meetings for a three-year term from July 1, 2020 to June 30, 2023. The Committee will maintain time and meeting requirements. The Committee currently meets quarterly.
2. Demonstrated interest and history of participation in community activities, with special emphasis on transportation-related activities.
3. Lack of financial conflict of interest with respect to the allocation of sales tax revenue generated by OC Go. All Taxpayer Oversight Committee members are required to sign a conflict of interest form when accepting appointment.
4. Elected or appointed city, district, county, state or federal officials **are not** eligible to serve.

**DEADLINE FOR APPLICATION:**

All applications **MUST** be received no later than **May 1, 2020**. For additional information, please call 714-974-9699 or visit [octa.net/TOC](http://octa.net/TOC) recruitment. Please print and mail completed application to:

GJAOC  
OC Go TOC Applicant Screening Panel  
P.O. Box 17923  
Irvine, CA 92623-9998

## APPLICATION FOR TAXPAYER OVERSIGHT COMMITTEE

Please type or print using dark ink. Additional sheets may be attached if needed. Please be as comprehensive as possible.

Name: \_\_\_\_\_ Email: \_\_\_\_\_

Business Address: \_\_\_\_\_  
Street City Zip Code

Residence Address: \_\_\_\_\_  
Street City Zip Code

Home Phone: \_\_\_\_\_ Business Phone: \_\_\_\_\_

Supervisory District Number: \_\_\_\_\_ (Call Registrar of Voters at (714) 567-7582 to confirm your district.)

Present Employment Status:  Employed  Unemployed  Retired

Present Occupation: \_\_\_\_\_ Employer: \_\_\_\_\_

Ethnic Origin (optional): \_\_\_\_\_ How long have you lived in Orange County? \_\_\_\_\_ year(s)

Are you a citizen of the United States?  Yes  No Are you a registered voter?  Yes  No

Have you (or your spouse) or any entity that you either work for or have a financial interest in, received any financial remuneration for goods or services provided by you, or by any entity you work for or have a financial interest in, that was paid for with OC Go revenues, either directly or indirectly, within the past 12 months?  Yes  No

If so, please explain.

Do you have any possible conflict of interest with respect to the allocation of OC Go revenues?  Yes  No

If so, please explain.

Are you currently an elected or appointed officer of any public entity?  Yes  No  
(Note: All public officers shall complete an [intent to resign form](#).)

If so, please explain.

Are you related to or closely associated with any elected official or public employee?  Yes  No

If so, please state the nature of the association.

Have you ever been convicted of malfeasance in office, or of any felony?  Yes  No

If so, please explain.

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As a member of any profession or organization, or as a holder of any office, have you ever been suspended, disbarred, or otherwise disqualified?  Yes  No

If so, please explain.

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Do you personally have any past or pending issues related to development or transportation in any Orange County city?  Yes  No

If so, please explain.

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Have you ever been involved in a lawsuit with OCTA?  Yes  No

If so, please explain.

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Do you possess research abilities, including complex reading facility and capability to assess and analyze facts?  Yes  No

Is there any reason that you may be biased and not objective if you are chosen to serve as a member of the Taxpayer Oversight Committee?  Yes  No

While no specific time commitment is predetermined, are you willing to make a conscientious effort for a period of three years to give membership on this committee a priority and participate as necessary?  Yes  No

If you are presently active or have been active in the past five years in any organization, please give the organization name, nature of your activities and duties, and appropriate dates.  
(Attach sheet if necessary)

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In what transportation-related activities have you been involved?

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What do you know about OC Go/Measure M?

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What specialized skill or expertise would you bring to the Oversight Committee?

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**EDUCATIONAL BACKGROUND:**

List highest grade completed, any degrees you hold and the college/university attended and date of graduation.

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**EMPLOYMENT BACKGROUND:**

List or attach your resume, including positions and titles held.

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**How did you hear about the Taxpayer Oversight Committee?**

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Online              | <input type="checkbox"/> Newspaper/Magazines        | <input type="checkbox"/> Social Media                |
| <input type="checkbox"/> <i>OC Register</i>  | <input type="checkbox"/> <i>OC Register</i>         | <input type="checkbox"/> <i>Facebook / Instagram</i> |
| <input type="checkbox"/> <i>LA Times</i>     | <input type="checkbox"/> <i>LA Times</i>            | <input type="checkbox"/> <i>Twitter</i>              |
| <input type="checkbox"/> <i>OCTA Website</i> | <input type="checkbox"/> <i>Local Advertisement</i> | <input type="checkbox"/> <i>E-mail</i>               |
| <input type="checkbox"/> Other: _____        |   |  |

**Why do you wish to be considered for membership on the Taxpayer Oversight Committee?**

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**APPLICATION MUST BE RECEIVED BY MAY 1, 2020**

Please print and mail completed application to:  
**GJAOC**  
**OC Go TOC Applicant Screening Panel**  
**P.O. Box 17923**  
**Irvine, CA 92623-9998**

For more information 714-974-9699.

I hereby declare the information provided in this Application for the Taxpayer Oversight Committee is true, correct and complete to the best of my knowledge. I understand that my statements may be verified and I give permission to do so.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

**MEASURE M2 TAXPAYER OVERSIGHT COMMITTEE  
2020 FINALISTS**

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**DISTRICT 2**

<b><u>NAME</u></b>	<b><u>CITY</u></b>
Michael W. Depew, Sr.	Seal Beach
Ben Nielson	Fountain Valley
Nathan Searles	Rossmoor
Harry Stephen Sloan	Newport Beach
Larry Tekler	Huntington Beach

**DISTRICT 3**

<b><u>NAME</u></b>	<b><u>CITY</u></b>
Wisam Altowajji	Tustin
Brian Beelner	Orange
Joseph McCarthy	Villa Park
Richard Ramirez	Orange
Stewart Rixson	Yorba Linda



**June 10, 2020**

**To:** Finance and Administration Committee  
**From:** Darrell E. Johnson, Chief Executive Officer  
**Subject:** Annual Update to Investment Policy for 2020

**Overview**

The Treasurer is presenting the Orange County Transportation Authority's Investment Policy for 2020. The Investment Policy sets forth the investment guidelines for all funds invested on and after June 10, 2020. As recommended under California Government Code Section 53646(a)(2), the Orange County Transportation Authority is submitting its Investment Policy to be reviewed at a public meeting. Further, the governing body of a local agency has the authorization to appoint, for a period of one year, a Treasurer to invest, reinvest, purchase, exchange, sell, or manage public funds.

**Recommendations**

- A. Adopt the 2020 Investment Policy dated June 10, 2020.
- B. Authorize the Treasurer to invest, reinvest, purchase, exchange, sell, and manage Orange County Transportation Authority funds during fiscal year 2020-21.

**Background**

The Investment Policy (Policy) sets forth the guidelines for all Orange County Transportation Authority (OCTA) investments that must conform to California Government Code (Code). The main objectives of the Policy continue to be the preservation of capital, liquidity, diversification, and a market average rate of return through economic cycles.

The Policy is reviewed and approved by the Board of Directors (Board) at least annually. However, relevant changes to the Code may warrant amendments to the Policy throughout the year.



***Discussion***

The 2020 Policy is being submitted for review and adoption by the Board. OCTA's four investment managers performed an objective evaluation of the policy as it relates to effectiveness and risk. Based on their feedback, staff is recommending changes be made to the policy.

Historically, OCTA's Policy has been more conservative than the Code and, despite the recommended changes, will remain more conservative than the Code in most areas. While there was some sentiment among investment managers to reduce minimum credit quality requirements for various security types, as well as increase allocation limits, OCTA decided in light of the current market environment that no changes would be made to the conservative approach towards credit criteria and allocation limits. Staff is comfortable that the current investment guidelines are a good match for the risk tolerance of OCTA, while providing sufficient latitude for investment managers to navigate the fixed-income market.

The primary recommended changes to the Policy, consisting of changes to improve clarity, and align definitions and reporting requirements to the Code, can be found in Attachment A. The attachment describes the current policy, recommended change, rationale for the recommended change, and the source of the recommended change.

A high-level summary of the recommended changes and the source of the recommendations are as follows:

- Add language to clarify funds that are governed by their respective bond indenture agreements (OCTA)
- Adjust language to match California Code Section 53607 regarding a monthly report to the legislative body (OCTA)
- Increase Local Agency Investment Fund deposit limit from \$65 million to \$75 million to align with the new limit set by the California State Treasurer as of January 1, 2020 (investment managers)

The 2020 Policy can be found under Attachment B, and as reference a black-line copy of the 2020 Policy (reflecting all proposed changes to the Code, including minor adjustments), can be found under Attachment C.

**Next Steps**

If the Board approves the 2020 Policy, a copy of the final Policy will be provided to each portfolio manager. Each portfolio manager will be required to acknowledge receipt and understanding of the Investment Policy changes.

**Summary**

California Government Code Section 53646(a)(2) recommends that local agencies annually review their Investment Policy at a public meeting. The Treasurer is submitting the Orange County Transportation Authority's 2020 Investment Policy for approval by the Board of Directors. Further, the Orange County Transportation Authority requests approval by the Board of Directors, authorizing the Treasurer, for a period of one year, to invest, reinvest, purchase, exchange, sell, and manage Orange County Transportation Authority funds during fiscal year 2020-21.

**Attachments**

- A. Primary Changes to Improve Clarity and Align Definitions and Reporting Requirements to the Code
- B. Orange County Transportation Authority 2020 Investment Policy June 10, 2020
- C. Black-Line Copy of Orange County Transportation Authority 2020 Investment Policy June 10, 2020

**Prepared by:**



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Robert Davis  
Department Manager  
Treasury/Public Finance  
714-560-5675

**Approved by:**



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Andrew Oftelie  
Chief Financial Officer,  
Finance and Administration  
714-560-5649

## Primary Changes to Improve Clarity and Align Definitions and Reporting Requirements to the Code

Section of Investment Policy	Page	Current Policy	Recommendation	Rationale	Recommended By
Scope	1,3	Limited language regarding funds invested according to their respective indenture.	Add language to clarify funds that are governed by their respective bond indenture agreements	To clarify investments not governed by the Investment Policy	OCTA
Responsibilities	3	Language regarding monthly and quarterly reporting	Adjust language to match California Code section 53607 regarding a monthly report to the legislative body	Combine monthly and quarterly processes into one concise and detailed report to be provided to the Finance and Administration Committee and Board of Directors on a monthly basis	OCTA
Safekeeping and Custody	4	Limited language regarding safekeeping of invested funds	Add a section regarding Safekeeping and Custody of OCTA invested funds	To provide the reader with additional clarity regarding the operation of OCTA's investment program	Investment Manager
U.S. Treasury Obligations and Federal Agency or U.S. Government Sponsored Enterprises	5	Investments are currently grouped together as "Federal Agencies and U.S. Government Sponsored Enterprises"	Separate the investment listing for U.S. Treasury Obligations and Federal Agency's or U.S. Government Sponsored Enterprises to align with the Code	To clarify specifics of each separate investment type	Investment Manager and OCTA
Municipal Debt	5	No specific language regarding defeased Municipal Debt	Add language to clarify defeased bonds as eligible securities within the Municipal Debt section	Allows flexibility since it is common for municipal bonds to be defeased throughout the life of the bond	Investment Manager and OCTA
Local Agency Investment Fund (LAIF)	7	Limits \$65 million per account invested	Increase LAIF deposit limit from \$65 million to \$75 million to align with new limit set by the California State Treasurer as of January 1, 2020	Allows additional investment flexibility within pooled investments	Investment Manager

## Proposed Changes to Investment Policy

Investment Pools	7	Language regarding Investment Pools	Add language clarifying Investment Pools are governed by their own Investment Policy for all pooled investments	To clarify governing document for investment pools	Investment Manager
Bank Deposits	8	No language regarding collateralization of bank deposits	Add language referencing code requirements for bank deposits to be collateralized.	To match code requirements and clarify collateralization requirements	Investment Manager
Credit Rating Actions	8	Limited language regarding OCTA reporting and investment manager requirements for investments put on credit watch or downgraded	Add language to clarify investment manager reporting responsibilities for rating downgrades	To provide clarity and guidance of expectations once OCTA securities are put on credit watch or downgraded	OCTA

**Orange County Transportation Authority  
2020 Investment Policy  
June 10, 2020**

**1. PURPOSE**

This Investment Policy sets forth the investment guidelines for all funds of the Orange County Transportation Authority (OCTA) invested on and after June 10, 2020. The objective of this Investment Policy is to ensure OCTA's funds are prudently invested to preserve capital, provide necessary liquidity and to achieve a market-average rate of return through economic cycles.

Investments may only be made as authorized by this Investment Policy. The OCTA Investment Policy conforms to the California Government Code (the Code) as well as customary standards of prudent investment management. Irrespective of these policy provisions, should the provisions of the Code be or become more restrictive than those contained herein, such provisions will be considered immediately incorporated into the Investment Policy and adhered to.

**2. SCOPE**

The policy applies to the investment of all funds, excluding the investment of employees' retirement funds, separate trusts, and funds invested separately under Bond Indenture Agreements (Bond Agreements). Bond Funds and Accounts (Bond Funds) shall be invested in the securities permitted by the applicable Bond Agreements. If the Bond Agreements are silent as to the permitted investments, the Bond Funds will be invested in the securities permitted by this Policy. Notwithstanding the other provisions of this Policy, the percentage limitations listed elsewhere in this Policy do not apply to Bond Funds.

**3. INVESTMENT OBJECTIVES**

The primary objectives, in priority order, of investment activities shall be:

- a. **Safety of Principal** -- Safety of principal is the foremost objective of the OCTA. Each investment transaction shall seek to ensure that capital losses are avoided, whether from institutional default, broker-dealer default, or erosion of market value of the securities.
- b. **Liquidity** -- It is important that the portfolio contain investments for which there is an active secondary market, and which offer the flexibility to be easily sold at any time with minimal risk of loss of either the principal or interest based upon then prevailing rates.
- c. **Total Return** -- The OCTA's portfolio shall be designed to attain a market-average rate of return through economic cycles.
- d. **Diversification** -- Finally, the OCTA shall diversify its portfolio(s) to avoid incurring unreasonable market risks.

#### **4. PRUDENCE**

OCTA's Board of Directors or persons authorized to make investment decisions on behalf of OCTA are trustees and fiduciaries subject to the prudent investor standard.

The standard of prudence to be used by investment officials shall be the "prudent investor" standard as defined in the Code below and shall be applied in the context of managing an overall portfolio. OCTA's investment professionals acting in accordance with written procedures and the Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control developments.

The Prudent Investor Standard: When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of OCTA, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

#### **5. ETHICS AND CONFLICTS OF INTEREST**

OCTA's officers and employees involved in the investment process shall not participate in personal business activity that conflicts with the proper execution of OCTA's investment program, or which impairs their ability to make impartial investment decisions. OCTA's investment professionals and Treasury/Public Finance Department employees are not permitted to have any material financial interests in financial institutions that conduct business with OCTA, and they are not permitted to have any personal financial/investment holdings that have a material effect on the performance of OCTA's investments.

#### **6. DELEGATION OF AUTHORITY**

Authority to manage OCTA's investment program is derived from an order of the Board of Directors. Management responsibility for the investment program is hereby delegated to OCTA's Treasurer pursuant to Section 53607 of the Code. On an annual basis, the Board of Directors is required to renew the authority of OCTA's Treasurer to invest or reinvest OCTA funds. The Treasurer is hereby authorized to delegate his authority as he determines to be appropriate. No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all actions undertaken and shall establish a system of controls to regulate the activities of subordinate professionals.

The Treasurer shall develop administrative procedures and internal control, consistent with this Investment Policy, for the operation of OCTA's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of OCTA.

## **7. RESPONSIBILITIES**

The Finance and Administration Committee of the OCTA Board of Directors, subject to the approval of the OCTA Board of Directors, is responsible for establishing the Investment Policy and ensuring investments are made in compliance with this Investment Policy. This Investment Policy shall be reviewed annually by the Board of Directors at a public meeting.

The Treasurer is responsible for making investments and for compliance with this policy pursuant to the delegation of authority to invest funds or to sell or exchange securities. Pursuant to Section 53607 of the Code, the Treasurer shall make a monthly report to the Board of Directors. The OCTA provides a monthly report to the Finance and Administration Committee and the Board of Directors in accordance with Section 53607 of the Code

The Treasurer is responsible for establishing a procedural manual for OCTA's investment program and for having an annual independent audit performed on OCTA's investments.

## **8. COMPLIANCE**

The OCTA has provided each of its portfolio managers with a copy of this Investment Policy as a part of their contract and expects its portfolio managers to invest each portfolio they manage for OCTA in accordance with the provisions of the Investment Policy or the respective Bond Agreements as applicable. When diversification limits are exceeded by a portfolio manager, the Treasurer will document the situation and include a write-up in the monthly Debt and Investment Report to the Finance and Administration Committee and the Board of Directors.

The OCTA Treasurer is responsible for verifying each portfolio manager's compliance as well as OCTA's entire portfolio's compliance with the provisions of the Investment Policy.

If OCTA's Treasurer, in his sole discretion, finds that a portfolio manager has made an investment that does not comply with the provisions of the Investment Policy, the Treasurer shall immediately notify the portfolio manager of the compliance violation. At that point, the portfolio manager is on probation for a period of one year. The second time a violation occurs while the portfolio manager is on probation, the Finance and Administration Committee shall review the error and may request that the portfolio manager responsible for the compliance violation meet with the Chair of the Finance and Administration Committee and the Treasurer as soon as practical at which time it will be decided whether the Board of Directors will be notified of the violation.

If OCTA's Treasurer finds that the portfolio manager has made a third investment while on probation that does not comply with the provisions of the Investment Policy, the Treasurer shall notify the Board of Directors of the compliance violations. OCTA may terminate services for its convenience any time by providing at least 30 days written notice.

## **9. FINANCIAL BENCHMARKS**

In order to establish a basis for evaluating investment results, the Authority uses two nationally recognized fixed income security performance benchmarks to evaluate return on investments.

The ICE/BAML 1-3-year Treasury Index and the ICE/BAML 1-3 year AAA-A U.S. Corporate and Government Index benchmarks are used for OCTA's short-term portfolios.

## **10. SAFEKEEPING AND CUSTODY**

To protect against potential losses by collapse of individual securities dealers, all deliverable securities owned by OCTA, including collateral on repurchase agreements, shall be held in safekeeping by a third party bank trust department acting as agent for OCTA under the terms of a custody agreement executed by the bank and by OCTA. All deliverable securities will be received and delivered using standard delivery-versus-payment procedures.

## **11. PERMITTED INVESTMENTS**

### Maturity and Term

All investments, unless otherwise specified, are subject to a maximum stated term of five years. Maturity shall mean the stated final maturity or the mandatory redemption date of the security, or the unconditional put option date if the security contains such a provision. Term or tenure shall mean the remaining time to maturity from the settlement date.

The Board of Directors must grant express written authority to make an investment or to establish an investment program of a longer term no less than three months prior to the investment

### Eligible Instruments and Quality

OCTA policy is to invest only in high quality instruments as permitted by the Code, subject to the limitations of this Investment Policy. If an eligible security already contained in the Authority's portfolio is subsequently placed on "Negative Credit Watch" (Credit Watch) by any of the three Nationally Recognized Statistical Rating Organizations (NRSROs), then the security will be handled under the provisions of Credit Rating Actions. Percentage holding limits and credit quality minimums in this section are applicable at the time of purchase.

### **11-1. OCTA NOTES AND BONDS**

Notes and bonds issued by OCTA, including notes and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by OCTA or by a department, board, agency or authority of OCTA which may bear interest at a fixed or floating rate.

### **11-2. U.S. TREASURY OBLIGATIONS**

United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.



### 11-3. FEDERAL AGENCY OR U.S. GOVERNMENT SPONSORED ENTERPRISES

Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or the U.S. government sponsored enterprises.

### 11-4. MUNICIPAL DEBT

Such instruments defined as being issued by a local or state agency, including:

- A. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.
- B. Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or local agency or by a department, board, agency or authority of the local agency.
- C. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.
- D. Defeased state and local obligations (as defined in A,B, or C above) as long as the obligations have been legally defeased with State and Local Government Series (SLGS), U.S. Treasury, and U.S. Agency securities and such obligations mature or otherwise terminate within five years of the date of purchase.

### 11-5. BANKERS ACCEPTANCES

Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank.

### 11-6. COMMERCIAL PAPER

The entity that issues commercial paper shall meet the following conditions:

- A. be issued by corporations that have debt other than commercial paper, if any, that is rated A-1 or its equivalent or higher by a NRSRO
- B. be issued by corporations organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000), and
- C. may not purchase more than 10 percent of the outstanding paper of any single issuer.

## 11-7. NEGOTIABLE CERTIFICATES OF DEPOSIT

Negotiable Certificates of Deposit issued by a nationally or state-chartered bank or state, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federally licensed or state licensed branch of a foreign bank.

## 11-8. REPURCHASE AGREEMENTS

Repurchase agreements collateralized by U.S. Treasuries or Agency securities as defined in the Investment Policy with any registered broker-dealer subject to the Securities Investors Protection Act or any commercial banks insured by the FDIC provided:

- A. a Securities Industry and Financial Markets Association (SIFMA) master repurchase agreement and a tri-party agreement, if applicable, representing a custodial undertaking in connection with a master repurchase agreement, which governs the transaction and has been signed by OCTA; and
- B. the securities are held free and clear of any lien by OCTA's custodian or trustee or an independent third party acting as agent "Agent" for the custodian or trustee, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$50 million and the custodian or trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for OCTA's custodian or trustee; and
- C. a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of OCTA's custodian or trustee and OCTA; and
- D. the Agent provides OCTA's custodian or trustee and OCTA with valuation of the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required 102 percent collateral percentage is not restored within two business days of such valuation.

## 11-9. MEDIUM TERM NOTES

Medium term notes are defined as all corporate and depository institution debt securities issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

## 11-10. MONEY MARKET MUTUAL FUNDS

Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. Shares may not represent more than 10 percent of the fund's or pool's asset and no more than 10% of the total portfolio may be invested in shares of any one money market mutual fund.

#### 11-11. MORTGAGE OR ASSET-BACKED SECURITIES

Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond.

#### 11-12. SUPRANATIONALS

US Dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.

#### 11-13. STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF)

LAIF is a pooled fund managed by the State Treasurer referred to in Section 16429.1 of the Code. All securities are purchased under the authority of the Code Section 16430 and 16480.4.

#### 11-14. ORANGE COUNTY TREASURY INVESTMENT POOL (OCIP)

The OCIP is a pooled fund managed by the Orange County Treasurer and is comprised of two funds, the Money Market Fund and Extended Fund. The Money Market Fund is invested in cash equivalent securities. The Extended Fund is for cash requirements past one year and is based on the Code Sections 53601 and 53635. These pools are based on the investment requirements detailed in Government Code Sections 53600 et seq. and 53630 et seq.

#### 11-15. INVESTMENT POOLS

Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations as authorized under the pools investment policy and that comply with the investment restrictions of Government Code Sections 53600 through 53610 and Section 53630.

#### 11-16. VARIABLE AND FLOATING RATE SECURITIES

Variable and floating rate securities are restricted to investments in securities with a final maturity of not to exceed five years as described above, must utilize traditional money market reset indices such as U. S. Treasury bills, Federal Funds, commercial paper or LIBOR (London Interbank Offered Rate) or SOFR (Secured Overnight Financing Rate), and must meet all minimum credit requirements previously detailed in the Investment Policy. Investments in floating rate securities whose reset is calculated using more than one of the above indices are not permitted, i.e. dual index notes.

#### 11-17. BANK DEPOSITS

Bank deposits in California banks which have a minimum short-term rating of A-1, or its equivalent or higher, by a NRSRO. Bank deposits are required to be collateralized as

specified under Government Code section 53630. The Treasurer shall draft and execute a contract describing provisions for bank deposits.

## 11-18. DERIVATIVES

Derivatives are to be used as a tool for bonafide hedging investments only where deemed appropriate. Derivatives shall not be used for the purpose of interest rate speculation.

Derivative products in any of the eligible investment categories listed above may be permitted. The Treasurer has the sole responsibility for determining which prospective investments are derivatives. Each prospective investment in a derivative product must be documented by the Treasurer as to the purpose and specific financial risk being hedged. Each such investment must be approved by the Finance and Administration Committee prior to entering into such investment.

No investments shall be permitted that have the possibility of returning a zero or negative yield if held to maturity. In addition, the investment in inverse floaters, range notes, strips derived from mortgage obligations, step-up notes and dual index notes are not permitted investments.

### **Credit Rating Actions**

Rating criteria will apply at the time of purchase of a security and monitored for changes while retained within OCTA's portfolio. A security whose credit rating has been placed on Credit Watch, or whose credit rating has been downgraded (including downgrades resulting in the rating falling below the minimum credit rating requirements) subsequent to the time of purchase, is not a violation of OCTA's Investment Policy.

Investment Managers are to notify OCTA (the Director of Finance and Administration, the Department Manager for Treasury and Public Finance, and the Department Analyst) regarding any security whose credit rating has been placed on Credit Watch or downgraded. The notice shall include a risk assessment based on OCTA's Investment Objectives, and a recommendation to retain or sell the security. The security shall be immediately reviewed by the Treasurer for action. The decision to retain the security, sell the security, or other action shall be approved by the Treasurer.

The Authority will notify the Board through its monthly reporting practices of all securities placed on Credit Watch or downgraded during the reporting period. Securities whose credit rating falls below the minimum requirements, will be noticed in the monthly debt and investment reports until the security is sold or meets the minimum credit rating requirements.

### **Diversification and Maturity Restrictions**

Diversification and maturity restrictions ensure the portfolio is not unduly concentrated in the securities of one type, industry, entity, or specific maturity thereby assuring adequate portfolio liquidity should one sector or company experience difficulties.

Outside portfolio managers must review the portfolios they manage to ensure compliance with OCTA's diversification guidelines on an ongoing basis.

**AUTHORIZED INVESTMENTS, ISSUER CONCENTRATION & MATURITY RESTRICTIONS**

Type of Investment	CA Code Maximum Maturity	CA Code Maximum % of Portfolio	CA Code Minimum Quality Requirements	OCTA Maximum % of Portfolio*	OCTA Code Minimum Quality Requirements
OCTA Notes and Bonds	5 Years	100%	None	25%	Same as CA Code
U.S. Treasury Obligations	5 Years	100%	None	Same as CA Code	Same as CA Code
Federal Agencies or U.S. Government Sponsored Enterprises	5 Years	100%	None	Same as CA Code	Same as CA Code
Municipal Debt	5 Years	100%	None	30% total, no more than 5% by any one issuer	"A" rating category or "A-1" rated, or its equivalent or higher, by an NRSRO
Bankers Acceptances	180 Days	40%, 30% of a single issuer	None	30%, no more than 5% any single issuer	"A-1" rated, or its equivalent or higher, by 2 NRSROs
Commercial Paper	270 Days	25%, 10% of a single issuer	"A-1" rated, or its equivalent or higher by an NRSRO	Same as CA Code	"A-1" rated, or its equivalent or higher, by 2 NRSROs
Negotiable Certificates of Deposit	5 Years	30%	None	30%, no more than 5% in any single issuer	"A" rating category or "A-1" rated, or its equivalent or higher, by 2 NRSROs
Repurchase Agreements	1 Year	100%	None	25%	"A" rating category or "A-1" rated, or its equivalent or higher, by 2 NRSROs
Medium Term Maturity Notes	5 Years	30%	"A" rating category, or its equivalent or higher, by an NRSRO	30% total, no more than 5% in any one issuer	Same as CA Code
Money Market/Mutual Funds	N/A	20%, 10% of any one mutual fund	"AAA" rated, or its equivalent, by 2 NRSROs	20%, 10% of fund's assets, 10% of any one mutual fund	Same as CA Code
Mortgage Pass-Through and Asset-backed Securities	5 Years	20%	"AA" rating category, or its equivalent or higher, by an NRSRO	20%, no more than 10% in Asset-backed Securities, no more than 5% in any single issuer	Same as CA Code
Supranationals	5 Years	30%	"AA" rating category, or its equivalent or higher, by an NRSRO	20%, no more than 10% in any single issuer	Same as CA Code
Local Agency Investment Fund (LAIF)**	N/A	\$75 million per account	None	\$75 million per account	Same as CA Code
Orange County Investment Pool (OCIP)	N/A	100%	None	10%	Same as CA Code
Joint Powers Authority (JPA) Investment Pools	N/A	100%	None	10%	Same as CA Code

\* Additional portfolio restrictions include bank deposits (5%) and variable and floating rate securities (30%)

\*\* Current deposit limits for LAIF regular accounts are set by the State Treasurer

## **Issuer/Counter-Party Diversification Guidelines for All Securities Except U.S. Treasuries and U.S. Government Agency Securities**

Unless otherwise specified in this policy, any one corporation, bank, local agency, special purpose vehicle or other corporate issuer name for one or more series of securities shall not exceed 5% of the portfolio.

## **Issuer/Counter-Party Diversification Guidelines for OCTA's Debt**

The Authority can purchase all or a portion of the Orange County Transportation Authority's debt, including notes and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by OCTA or by a department, board, agency or authority of OCTA which may bear interest at a fixed or floating rate, providing the purchase does not exceed 25% of the Maximum Portfolio.

## **12. SECURITIES SAFE KEEPING**

All deliverable security transactions, including collateral for repurchase agreements, entered into by OCTA shall be conducted on a delivery-versus-payment basis. Deliverable securities shall be held by a third-party custodian designated by the Treasurer, evidenced by safe keeping receipts and in compliance with Code Section 53608.

## **13. BROKER DEALERS**

The Treasurer, and investment professionals authorized by the Treasurer, may buy securities from a list of broker dealers and financial institutions that will be periodically reviewed.

Outside portfolio managers must certify that they will purchase securities from broker/dealers (other than themselves) or financial institutions in compliance with this Investment Policy.

## **14. INVESTMENT POLICY REVIEW**

This Investment Policy shall be reviewed annually by the Finance and Administration Committee of the OCTA Board of Directors to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield and diversification and its relevance to current law and economic trends.

## **15. DEFINITION OF TERMS**

**ACCRUED INTEREST:** The amount of interest that is earned but unpaid since the last interest payment date.

**AGENCY SECURITIES:** (See U.S. Government Agency Securities)

**ASK PRICE:** (Offer Price) The price at which securities are offered from a seller.

**ASSET BACKED SECURITIES (ABS):** Securities collateralized or backed by receivables such as automobile loans and credit card receivables. The assets are transferred or sold by the company to a Special Purpose Vehicle and held in trust. The SPV or trust will issue debt collateralized by the receivables.

**BANKERS ACCEPTANCES (BAs):** Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount and are obligations of the drawer (the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the BA upon maturity if the drawer does not.

**BASIS POINT:** When a yield is expressed as X.YZ%, the YZ digits to the right of the decimal point are known as basis points. One basis point equals 1/100 of one percent. Basis points are used more often to describe changes in yields on bonds, notes and other fixed-income securities.

**BID PRICE:** The price at which a buyer offers to buy a security.

**BOOK ENTRY:** The system, maintained by the Federal Reserve, by which most securities are "delivered" to an investor's custodian bank. The Federal Reserve maintains an electronic record of the ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment). These securities do not receive physical certificates.

**BOOK VALUE:** The original cost of the investment.

**CALLABLE BONDS:** A bond issue which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

**CAPITAL GAIN/LOSS:** The profit or loss realized from the sale of a security.

**CERTIFICATES OF DEPOSIT (NEGOTIABLE CDs):** A negotiable (marketable or transferable) receipt for a time deposit at a bank or other financial institution for a fixed time and interest rate.

**COLLATERAL:** Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits in an Investment Agreement.

**COMMERCIAL PAPER (CP):** Unsecured promissory notes issued by companies and government entities usually at a discount. Commercial paper is negotiable, although it is typically held to maturity.

**COUPON:** The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as "interest rate."

**CURRENT YIELD:** The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

**CUSTODIAN:** A bank or other financial institution that keeps custody of assets in the name of the depositor.

**DELIVERY VERSUS PAYMENT (DVP):** Delivery of securities with a simultaneous exchange of money for the securities.

**DERIVATIVE SECURITY:** Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

**DISCOUNT:** The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as Treasury bills and bankers' acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

**DIVERSIFICATION:** An investment principal designed to spread the risk in a portfolio by dividing investments by sector, maturity and quality rating.

**DOLLAR-WEIGHTED AVERAGE MATURITY:** A calculation that expresses the "average maturity" of an investment portfolio using each investment's maturity weighted by the size or book-value of that investment.

**DURATION:** A measure of the timing of cash flows, such as the interest payments and principal repayment, to be received from a given fixed-income security.

**FEDERAL FUNDS RATE:** Interest rate at which banks lend federal funds to each other.

**FEDERAL OPEN MARKET COMMITTEE (FOMC):** A committee within the Federal Reserve System that makes short-term monetary policy for the Fed. The committee decides either to sell securities to reduce the money supply, or to buy government securities to increase the money supply. Decisions made at FOMC meetings will cause interest rates to either rise or fall.

**FEDERAL RESERVE SYSTEM:** A U.S. centralized banking system which has supervisory powers over the 2 Federal Reserve banks and about 3,000-member banks.

**FITCH Ratings referred to as Fitch:** (See Nationally Recognized Statistical Rating Organizations)

**INTEREST:** The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

**INTEREST RATE RISK:** The risk associated with declines or rises in interest rates, which causes the market price of a fixed-income security to increase or decrease in value.

**LIQUIDITY:** The speed and ease with which an investment can be converted to cash.

**MARK-TO-MARKET:** The process by where the value of a security is adjusted to reflect current market conditions.

**MARKET RISK:** The risk that the value of a security will rise or decline as a result in changes in market conditions.



**MARKET VALUE:** The current market price of a security.

**MATURITY:** The date that the principal or stated value of an investment becomes due and payable.

**MEDIUM TERM MATURITY CORPORATE SECURITIES:** Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

**MONEY MARKET:** The market in which short-term debt instruments (Treasury bills, discount notes, commercial paper, bankers' acceptances, etc.) are issued and traded.

**MONEY MARKET MUTUAL FUNDS:** An investment company that pools money from investors and invest in a variety of short-term money market instruments.

**MOODY'S INVESTORS SERVICE, INC. referred to as Moody's:** (See Nationally Recognized Statistical Rating Organizations)

**MORTGAGE-BACKED SECURITY:** A debt instrument with a pool of real estate loans as the underlying collateral. The mortgage payments of the individual real estate assets are used to pay interest and principal on the bonds.

**MUNICIPAL DEBT:** Issued by public entities to meet capital needs.

**NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATIONS (NRSRO's):** Firms that review the creditworthiness of the issuers of debt securities, and express their opinion in the form of letter ratings (e.g. AAA, AA, A, BBB, etc.) The primary rating agencies include Standard & Poor's Global Ratings; Moody's Investor Services, Inc., Fitch Ratings and Kroll Bond Rating Agency, Inc.

**NEGOTIABLE CD:** (See Certificates of Deposit)

**NET ASSET VALUE (NAV):** The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling the fund's assets which includes securities, cash and accrued earnings, then subtracting this from the fund's liabilities and dividing by the total number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio.

**NON-CALLABLE:** Bond that is exempt from any kind of redemption for a stated time period.

**OCTA BONDS:** Bonds, notes, warrants, or other evidences of indebtedness.

**OFFER PRICE:** An indicated price at which market participants are willing to sell a security.

**PAR VALUE:** The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

**PHYSICAL DELIVERY:** The delivery of an investment to a custodian bank in the form of a certificate and/or supporting documents evidencing the investment (as opposed to "book entry" delivery).

**PORTFOLIO:** A group of securities held by an investor.

**PREMIUM:** The amount by which the price paid for a security exceeds the security's par value.

**PRIME RATE:** A preferred interest rate charged by commercial banks to their most creditworthy customers.

**PRINCIPAL:** The face value or par value of an investment.

**PURCHASE DATE:** See (Trade Date)

**REINVESTMENT RISK:** The risk that coupon payments (or other payments received) cannot be reinvested at the same rate as the initial investment.

**REPURCHASE AGREEMENTS (REPOS):** A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date. This is in essence a collateralized investment, with the difference between the purchase price and sales price determining the earnings.

**SAFEKEEPING:** Holding of assets (e.g. securities) by a financial institution.

**SECURITIES & EXCHANGE COMMISSION (SEC):** The federal agency responsible for supervising and regulating the securities industry.

**SETTLEMENT DATE:** The date on which the purchase or sale of securities is executed. For example, in a purchase transaction, the day securities are physically delivered or wired to the buyer in exchange for cash is the settlement date.

**SPECIAL PURPOSE VEHICLE (SPV):** A trust or similar structure created specifically to purchase securities and reprofile cash flows and/or credit risk. Mortgage or Asset-backed securities may be issued out of the SPV and secured by the collateral transferred from the corporation.

**STANDARD & POOR'S GLOBAL RATINGS referred to as Standard and Poor's or S & P:** (See Nationally Recognized Statistical Rating Organizations)

**SUPRANATIONAL:** A supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in member countries.

**THIRD-PARTY CUSTODIAL AGREEMENT:** (See Custodian)

**TOTAL RETURN:** The sum of all investment income plus changes in the capital value of the portfolio.

**TRADE DATE:** The date and time corresponding to an investor's commitment to buy or sell a security.

**U.S. GOVERNMENT AGENCY SECURITIES or FEDERAL AGENCIES:** U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture).

**U.S. TREASURY OBLIGATIONS:** Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. The Treasury issues both discounted securities and fixed coupon notes and bonds.

**Treasury bills:** non-interest-bearing discount securities of the U.S. Treasury with maturities under one year.

**Treasury notes:** interest-bearing obligations of the U.S. Treasury with maturities ranging from two to ten years from the date of issue.

**Treasury bond:** interest-bearing obligations issued by the U.S. Treasury with maturities ranging from ten to thirty years from the date of issue.

**Treasury STRIPS:** U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book entry record-keeping system.

**Treasury TIPS:** U.S. Treasury securities whose principal increases at the same rate as the Consumer Price Index. The interest payment is then calculated from the inflated principal and repaid at maturity.

**VARIABLE AND FLOATING RATE SECURITIES:** Variable and floating rate securities are appropriate investments when used to enhance yield and reduce risk. They should have the same stability, liquidity and quality as traditional money market securities.

**VOLATILITY:** The degree of fluctuation in the price and valuation of securities.

**YIELD:** The current rate of return on an investment security generally expressed as a percentage of the securities current price.

**ZERO COUPON SECURITIES:** Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

**Orange County Transportation Authority**  
**202019 Investment Policy**  
**June 10, 202019**

**1. PURPOSE**

This Investment Policy sets forth the investment guidelines for all funds of the Orange County Transportation Authority (OCTA) invested on and after June 10, 202019. The objective of this Investment Policy is to ensure OCTA's funds are prudently invested to preserve capital, provide necessary liquidity and to achieve a market-average rate of return through economic cycles.

Investments may only be made as authorized by this Investment Policy. The OCTA Investment Policy conforms to the California Government Code (the Code) as well as customary standards of prudent investment management. Irrespective of these policy provisions, should the provisions of the Code be or become more restrictive than those contained herein, such provisions will be considered immediately incorporated into the Investment Policy and adhered to.

**2. SCOPE**

The policy applies to the investment of all funds, excluding the investment of employees' retirement funds, separate trusts, and funds –invested separately under Bond Indenture Agreements (Bond Agreements). Bond Funds and Accountsproceeds (Bond Funds) shall be invested in the securities permitted by the applicable Bbond documentsAgreements. If the bBond documentsAgreements are silent as to the permitted investments, the Bbond proceeds Funds will be invested in the securities permitted by this Policy. Notwithstanding the other provisions of this Policy, the percentage limitations listed elsewhere in this Policy do not apply to bond-proceedsBond Funds.

**3. INVESTMENT OBJECTIVES**

The primary objectives, in priority order, of investment activities shall be:

- a. **Safety of Principal** -- Safety of principal is the foremost objective of the OCTA. Each investment transaction shall seek to ensure that capital losses are avoided, whether from institutional default, broker-dealer default, or erosion of market value of the securities.
- b. **Liquidity** -- It is important that the portfolio contain investments for which there is an active secondary market, and which offer the flexibility to be easily sold at any time with minimal risk of loss of either the principal or interest based upon then prevailing rates.
- c. **Total Return** -- The OCTA's portfolio shall be designed to attain a market-average rate of return through economic cycles.
- d. **Diversification** – Finally, the OCTA shall diversify its portfolio(s) to avoid incurring unreasonable market risks.

#### **4. PRUDENCE**

OCTA's Board of Directors or persons authorized to make investment decisions on behalf of OCTA are trustees and fiduciaries subject to the prudent investor standard.

The standard of prudence to be used by investment officials shall be the "prudent investor" standard as defined in the Code below and shall be applied in the context of managing an overall portfolio. OCTA's investment professionals acting in accordance with written procedures and the Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control developments.

The Prudent Investor Standard: When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of OCTA, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

#### **5. ETHICS AND CONFLICTS OF INTEREST**

OCTA's officers and employees involved in the investment process shall not participate in personal business activity that conflicts with the proper execution of OCTA's investment program, or which impairs their ability to make impartial investment decisions. OCTA's investment professionals and Treasury/Public Finance Department employees are not permitted to have any material financial interests in financial institutions that conduct business with OCTA, and they are not permitted to have any personal financial/investment holdings that have a material effect on the performance of OCTA's investments.

#### **6. DELEGATION OF AUTHORITY**

Authority to manage OCTA's investment program is derived from an order of the Board of Directors. Management responsibility for the investment program is hereby delegated to OCTA's Treasurer pursuant to Section 53607 of the Code. On an annual basis, the Board of Directors is required to renew the authority of OCTA's Treasurer to invest or reinvest OCTA funds. The Treasurer is hereby authorized to delegate his authority as he determines to be appropriate. No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all actions undertaken and shall establish a system of controls to regulate the activities of subordinate professionals.

The Treasurer shall develop administrative procedures and internal control, consistent with this Investment Policy, for the operation of OCTA's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of OCTA.

## 7. RESPONSIBILITIES

The Finance and Administration Committee of the OCTA Board of Directors, subject to the approval of the OCTA Board of Directors, is responsible for establishing the Investment Policy and ensuring investments are made in compliance with this Investment Policy. This Investment Policy shall be reviewed annually by the Board of Directors at a public meeting.

The Treasurer is responsible for making investments and for compliance with this policy pursuant to the delegation of authority to invest funds or to sell or exchange securities. Pursuant to Section 53607 of the Code, ~~The Treasurer shall make a monthly report to the Board of Directors. Per Section 53607 of the Code~~ The OCTA provides a monthly report to the Finance and Administration Committee and the Board of Directors in accordance with Section 53607 of the Code. ~~per section 53607 of the Board of Directors in accordance with Section 53646 (d) of the Code. Under Section 53646 (d) the Treasurer may elect to provide a report monthly instead of quarterly.~~ and shall make a quarterly report to the Board of Directors in accordance with Section 53646 (b) of the Code. Under Section 53646 (b) the Code states that the Treasurer may make a quarterly report to the Board of Directors. OCTA also provides a monthly report to the Finance and Administration Committee and provides copies to the Board of Directors per section 53607 of the Code.

The Treasurer is responsible for establishing a procedural manual for OCTA's investment program and for having an annual independent audit performed on OCTA's investments.

## 8. COMPLIANCE

The OCTA has provided each of its portfolio managers with a copy of this Investment Policy as a part of their contract and expects its portfolio managers to invest each portfolio they manage for OCTA in accordance with the provisions of the Investment Policy or the respective Bond indenture Agreements as applicable. ~~However, bond may be invested in approved short-term investments without regard to diversification limits. This may occur during the initial deposit of the bond proceeds portfolio, the final drawdown of the portfolio, or other times in between when appropriate due to drawdown requirements as requested by OCTA's Treasurer.~~ When diversification limits are exceeded by a portfolio manager, the Treasurer will document the situation and include a write-up in the monthly Debt and Investment Report ~~report the circumstances to the Finance and Administration Committee monthly and include a write-up in the quarterly Debt and Investment report to~~ the Board of Directors.

The OCTA Treasurer is responsible for verifying each portfolio manager's compliance as well as OCTA's entire portfolio's compliance with the provisions of the Investment Policy.

If OCTA's Treasurer, in his sole discretion, finds that a portfolio manager has made an investment that does not comply with the provisions of the Investment Policy, the Treasurer shall immediately notify the portfolio manager of the compliance violation. At that point, the portfolio manager is on probation for a period of one year. The second time a violation occurs while the portfolio manager is on probation, the Finance and Administration Committee shall review the error and may request that the portfolio manager responsible for the compliance violation meet with the Chair of the Finance and Administration Committee and the Treasurer

as soon as practical at which time it will be decided whether the Board of Directors will be notified of the violation.

If OCTA's Treasurer finds that the portfolio manager has made a third investment while on probation that does not comply with the provisions of the Investment Policy, the Treasurer shall notify the Board of Directors of the compliance violations. OCTA may terminate services for its convenience any time by providing at least 30 days written notice.

## 9. FINANCIAL BENCHMARKS

In order to establish a basis for evaluating investment results, the Authority uses ~~two four~~ nationally recognized fixed income security performance benchmarks to evaluate return on investments. The ICE/BAML 1-3-year Treasury Index and the ICE/BAML 1-3 year AAA-A U.S. Corporate and Government Index benchmarks are used for OCTA's short-term portfolios. ~~the ICE/BAML 1-5 year Treasury Index and the ICE/BAML 1-5 year AAA-A U.S. Corporate and Government Index benchmarks are used for the extended fund, while a customized performance benchmark may be used for the bond proceeds portfolios.~~

## 10. SAFEKEEPING AND CUSTODY

To protect against potential losses by collapse of individual securities dealers, all deliverable securities owned by OCTA, including collateral on repurchase agreements, shall be held in safekeeping by a third party bank trust department acting as agent for OCTA under the terms of a custody agreement executed by the bank and by OCTA. All deliverable securities will be received and delivered using standard delivery-versus-payment procedures.

## 11. PERMITTED INVESTMENTS

### Maturity and Term

All investments, unless otherwise specified, are subject to a maximum stated term of five years. Maturity shall mean the stated final maturity or the mandatory redemption date of the security, or the unconditional put option date if the security contains such a provision. Term or tenure shall mean the remaining time to maturity from the settlement date.

The Board of Directors must grant express written authority to make an investment or to establish an investment program of a longer term no less than three months prior to the investment

### Eligible Instruments and Quality

OCTA policy is to invest only in high quality instruments as permitted by the Code, subject to the limitations of this Investment Policy. If an eligible security already contained in the Authority's portfolio is subsequently placed on "Negative Credit Watch" ([Credit Watch](#)) by any of the three Nationally Recognized Statistical Rating Organizations (NRSROs), then the security will be handled under the provisions of [Credit Rating Actions/Downgrades](#). Percentage holding limits and credit quality minimums in this section are applicable at the time of purchase.

## 11-1. OCTA NOTES AND BONDS

Notes and bonds issued by OCTA, including notes and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by OCTA or by a department, board, agency or authority of OCTA which may bear interest at a fixed or floating rate.

## ~~11-2. U.S. TREASURY OBLIGATIONS, FEDERAL AGENCIES AND U.S. GOVERNMENT-SPONSORED ENTERPRISES~~

United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

~~Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or the U.S. government sponsored enterprises.~~

## 11-3. FEDERAL AGENCY OR U.S. GOVERNMENT SPONSORED ENTERPRISES

Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or the U.S. government sponsored enterprises.

## 11-43. MUNICIPAL DEBT

Such instruments defined as being issued by a local or state agency, including:

- A. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.
- B. Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or local agency or by a department, board, agency or authority of the local agency.
- C. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

~~C.D.~~ Defeased state and local obligations (as defined in A,B, or C above) as long as the obligations have been legally defeased with State and Local Government Series (SLGS), U.S. Treasury, and U.S. Agency securities and such obligations mature or otherwise terminate within five years of the date of purchase.

## 11-54. BANKERS ACCEPTANCES

Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank.



#### 11-65. COMMERCIAL PAPER

The entity that issues commercial paper shall meet the following conditions:

- AB. be issued by corporations that have debt other than commercial paper, if any, that is rated A-1 or its equivalent or higher by a NRSRO
- BC. be issued by corporations organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000), and
- C. ~~—D.~~ may not purchase more than 10 percent of the outstanding paper of any single issuer.

#### 11-76. NEGOTIABLE CERTIFICATES OF DEPOSIT

Negotiable Certificates of Deposit issued by a nationally or state-chartered bank or state, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federally licensed or state licensed branch of a foreign bank.

#### 11-87. REPURCHASE AGREEMENTS

Repurchase agreements collateralized by U.S. Treasuries or Agency securities as defined in the Investment Policy with any registered broker-dealer subject to the Securities Investors Protection Act or any commercial banks insured by the FDIC provided:

- A. a Securities Industry and Financial Markets Association (SIFMA) master repurchase agreement and a tri-party agreement, if applicable, representing a custodial undertaking in connection with a master repurchase agreement, which governs the transaction and has been signed by OCTA; and
- B. the securities are held free and clear of any lien by OCTA's custodian or trustee or an independent third party acting as agent "Agent" for the custodian or trustee, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$50 million and the custodian or trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for OCTA's custodian or trustee; and
- C. a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of OCTA's custodian or trustee and OCTA; and
- D. the Agent provides OCTA's custodian or trustee and OCTA with valuation of the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required 102 percent collateral percentage is not restored within two business days of such valuation.

### 11-98. MEDIUM TERM NOTES

Medium term notes are defined as all corporate and depository institution debt securities issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

### 11-109. MONEY MARKET MUTUAL FUNDS

Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. ~~Shares may not represent more than 10 percent of the money market fund's assets.~~

~~Shares of beneficial interest issued by diversified management companies, commonly called mutual funds.~~ Shares may not represent more than 10 percent of the fund's or pool's asset and no more than 10% of the total portfolio may be invested in shares of any one money market mutual fund.

### 11-1140. MORTGAGE OR ASSET-BACKED SECURITIES

Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond.

### 11-1244. SUPRANATIONALS

US Dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.

### 11-1342. STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF)

LAIF is a pooled fund managed by the State Treasurer referred to in Section 16429.1 of the Code. All securities are purchased under the authority of the Code Section 16430 and 16480.4.

### 11-1443. ORANGE COUNTY TREASURY INVESTMENT POOL (OCIP)

The OCIP is a pooled fund managed by the Orange County Treasurer and is comprised of two funds, the Money Market Fund and Extended Fund. The Money Market Fund is invested in cash equivalent securities. The Extended Fund is for cash requirements past one year and is based on the Code Sections 53601 and 53635. These pools are based on the investment requirements detailed in Government Code Sections 53600 et seq. and 53630 et seq.

### 11-1544. INVESTMENT POOLS

Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations as

authorized under the pools this investment policy and that comply with the investment restrictions of Government Code Sections 53600 through 53610 and Section 53630.

#### 11-1645. VARIABLE AND FLOATING RATE SECURITIES

Variable and floating rate securities are restricted to investments in securities with a final maturity of not to exceed five years as described above, must utilize traditional money market reset indices such as U. S. Treasury bills, Federal Funds, commercial paper or LIBOR (London Interbank Offered Rate) or SOFR (Secured Overnight Financing Rate), and must meet all minimum credit requirements previously detailed in the Investment Policy. Investments in floating rate securities whose reset is calculated using more than one of the above indices are not permitted, i.e. dual index notes.

#### 11-1746. BANK DEPOSITS

Bank deposits in California banks which have a minimum short-term rating of A-1, or its equivalent or higher, by a NRSRO. Bank deposits are required to be collateralized as specified under Government Code section 53630. The Treasurer shall draft and execute a contract describing provisions for bank deposits.

#### 11-1847. DERIVATIVES

Derivatives are to be used as a tool for bonafide hedging investments only where deemed appropriate. Derivatives shall not be used for the purpose of interest rate speculation.

Derivative products in any of the eligible investment categories listed above may be permitted. The Treasurer has the sole responsibility for determining which prospective investments are derivatives. Each prospective investment in a derivative product must be documented by the Treasurer as to the purpose and specific financial risk being hedged. Each such investment must be approved by the Finance and Administration Committee prior to entering into such investment.

No investments shall be permitted that have the possibility of returning a zero or negative yield if held to maturity. In addition, the investment in inverse floaters, range notes, strips derived from mortgage obligations, step-up notes and dual index notes are not permitted investments.

#### Credit Rating Actions Downgrades

Rating criteria will apply at the time of purchase of a security and monitored for changes while retained within OCTA's portfolio. A security whose credit rating has been placed on Credit Watch, or whose credit rating has been downgraded (including downgrades resulting in the rating falling below the minimum credit rating requirements) subsequent to the time of purchase, is not a violation of OCTA's Investment Policy. OCTA may from time to time invest in a security whose credit rating is put on notice for potential downgraded or negative credit watch, below the minimum credit quality criteria permitted by this Investment Policy.

Any security held as an investment whose credit rating falls below the minimum requirements of this Investment Policy guidelines or whose rating is put on notice for possible downgrade

~~shall be immediately reviewed by the Treasurer for action, and notification shall be made to the Board of Directors in writing as soon as practical and/or included in the monthly Orange County Transportation Authority Investment and Debt Programs report. The decision to retain the security until maturity, sell (or put) the security, or other action shall be approved by the Treasurer.~~

Investment Managers are to notify OCTA (the Director of Finance and Administration, the Department Manager for Treasury and Public Finance, and the Department Analyst) -regarding any security whose credit rating has been placed on Credit Watch or downgraded. security put on credit watch or downgraded. The notice shall include a risk assessment based on OCTA's Investment Objectives, and a recommendation to retain or sell the security. The security shall be immediately reviewed by the Treasurer for action. The decision to retain the security, sell the security, or other action shall be approved by the Treasurer.

The Authority will notify the Board through its monthly reporting practices of all securities placed on Credit Watch or downgraded during the reporting period on negative credit watch within OCTA's portfolio. The Authority will also notify the board through its monthly reporting practices all securities that were downgraded within the month. Securities whose credit rating falls below the minimum requirements, will be noticed in the monthly debt and investment reports until the security is sold or meets the minimum credit rating requirements.

### **Diversification and Maturity Restrictions**

Diversification and maturity restrictions ensure the portfolio is not unduly concentrated in the securities of one type, industry, entity, or specific maturity thereby assuring adequate portfolio liquidity should one sector or company experience difficulties.

Outside portfolio managers must review the portfolios they manage to ensure compliance with OCTA's diversification guidelines on an ongoing basis.

**AUTHORIZED INVESTMENTS, ISSUER CONCENTRATION & MATURITY RESTRICTIONS**

Type of Investment	CA Code Maximum Maturity	CA Code Maximum % of Portfolio	CA Code Minimum Quality Requirements	OCTA Maximum % of Portfolio*	OCTA Code Minimum Quality Requirements
OCTA Notes and Bonds	5 Years	100%	None	25%	Same as CA Code
U.S. Treasury Obligations	5 Years	100%	None	Same as CA Code	Same as CA Code
Federal Agencies or U.S. Government Sponsored Enterprises	5 Years	100%	None	Same as CA Code	Same as CA Code
Municipal Debt	5 Years	100%	None	30% total, no more than 5% by any one issuer	"A" rating category or "A-1" rated, or its equivalent or higher, by an NRSRO
Bankers Acceptances	180 Days	40%, 30% of a single issuer	None	30%, no more than 5% any single issuer	"A-1" rated, or its equivalent or higher, by 2 NRSROs
Commercial Paper	270 Days	25%, 10% of a single issuer	"A-1" rated, or its equivalent or higher by an NRSRO	Same as CA Code	"A-1" rated, or its equivalent or higher, by 2 NRSROs
Negotiable Certificates of Deposit	5 Years	30%	None	30%, no more than 5% in any single issuer	"A" rating category or "A-1" rated, or its equivalent or higher, by 2 NRSROs
Repurchase Agreements	1 Year	100%	None	25%	"A" rating category or "A-1" rated, or its equivalent or higher, by 2 NRSROs
Medium Term Maturity Notes	5 Years	30%	"A" rating category, or its equivalent or higher, by an NRSRO	30% total, no more than 5% in any one issuer	Same as CA Code
Money Market/Mutual Funds	N/A	20%, 10% of any one mutual fund	"AAA" rated, or its equivalent, by 2 NRSROs	20%, 10% of fund's assets, 10% of any one mutual fund	Same as CA Code
Mortgage Pass-Through and Asset-backed Securities	5 Years	20%	"AA" rating category, or its equivalent or higher, by an NRSRO	20%, no more than 10% in Asset-backed Securities, no more than 5% in any single issuer	Same as CA Code
Supranationals	5 Years	30%	"AA" rating category, or its equivalent or higher, by an NRSRO	20%, no more than 10% in any single issuer	Same as CA Code
Local Agency Investment Fund (LAIF)**	N/A	\$75 million per account	None	\$75 million per account	Same as CA Code
Orange County Investment Pool (OCIP)	N/A	100%	None	10%	Same as CA Code
Joint Powers Authority (JPA) Investment Pools	N/A	100%	None	10%	Same as CA Code

\* Additional portfolio restrictions include bank deposits (5%) and variable and floating rate securities (30%)

\*\* Current deposit limits for LAIF regular accounts are set by the State Treasurer

## **Issuer/Counter-Party Diversification Guidelines for All Securities Except U.S. Treasuries and U.S. Government Agency Securities**

Unless otherwise specified in this policy, any one corporation, bank, local agency, special purpose vehicle or other corporate issuer name for one or more series of securities shall not exceed 5% of the portfolio.

## **Issuer/Counter-Party Diversification Guidelines for OCTA's Debt**

The Authority can purchase all or a portion of the Orange County Transportation Authority's debt, including notes and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by OCTA or by a department, board, agency or authority of OCTA which may bear interest at a fixed or floating rate, providing the purchase does not exceed 25% of the Maximum Portfolio ~~and when authorized by the Internal Revenue Service.~~

### **124. SECURITIES SAFE KEEPING**

All deliverable security transactions, including collateral for repurchase agreements, entered into by OCTA shall be conducted on a delivery-versus-payment basis. Deliverable securities shall be held by a third-party custodian designated by the Treasurer, evidenced by safe keeping receipts and in compliance with Code Section 53608.

### **132. BROKER DEALERS**

The Treasurer, and investment professionals authorized by the Treasurer, may buy securities from a list of broker dealers and financial institutions that will be periodically reviewed.

Outside portfolio managers must certify that they will purchase securities from broker/dealers (other than themselves) or financial institutions in compliance with this Investment Policy.

### **143. INVESTMENT POLICY REVIEW**

This Investment Policy shall be reviewed annually by the Finance and Administration Committee of the OCTA Board of Directors to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield and diversification and its relevance to current law and economic trends.

### **154. DEFINITION OF TERMS**

**ACCRUED INTEREST:** The amount of interest that is earned but unpaid since the last interest payment date.

**AGENCY SECURITIES:** (See U.S. Government Agency Securities)

**ASK PRICE:** (Offer Price) The price at which securities are offered from a seller.

**ASSET BACKED SECURITIES (ABS):** Securities collateralized or backed by receivables such as automobile loans and credit card receivables. The assets are transferred or sold by the company to a Special Purpose Vehicle and held in trust. The SPV or trust will issue debt collateralized by the receivables.

**BANKERS ACCEPTANCES (BAs):** Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount and are obligations of the drawer (the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the BA upon maturity if the drawer does not.

**BASIS POINT:** When a yield is expressed as X.YZ%, the YZ digits to the right of the decimal point are known as basis points. One basis point equals 1/100 of one percent. Basis points are used more often to describe changes in yields on bonds, notes and other fixed-income securities.

**BID PRICE:** The price at which a buyer offers to buy a security.

**BOOK ENTRY:** The system, maintained by the Federal Reserve, by which most securities are "delivered" to an investor's custodian bank. The Federal Reserve maintains an electronic record of the ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment). These securities do not receive physical certificates.

**BOOK VALUE:** The original cost of the investment.

**CALLABLE BONDS:** A bond issue which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

**CAPITAL GAIN/LOSS:** The profit or loss realized from the sale of a security.

**CERTIFICATES OF DEPOSIT (NEGOTIABLE CDs):** A negotiable (marketable or transferable) receipt for a time deposit at a bank or other financial institution for a fixed time and interest rate.

**COLLATERAL:** Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits in an Investment Agreement.

**COMMERCIAL PAPER (CP):** Unsecured promissory notes issued by companies and government entities usually at a discount. Commercial paper is negotiable, although it is typically held to maturity.

**COUPON:** The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as "interest rate."

**CURRENT YIELD:** The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

**CUSTODIAN:** A bank or other financial institution that keeps custody of assets in the name of the depositor.

**DELIVERY VERSUS PAYMENT (DVP):** Delivery of securities with a simultaneous exchange of money for the securities.

**DERIVATIVE SECURITY:** Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

**DISCOUNT:** The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as Treasury bills and bankers' acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

**DIVERSIFICATION:** An investment principal designed to spread the risk in a portfolio by dividing investments by sector, maturity and quality rating.

**DOLLAR-WEIGHTED AVERAGE MATURITY:** A calculation that expresses the "average maturity" of an investment portfolio using each investment's maturity weighted by the size or book-value of that investment.

**DURATION:** A measure of the timing of cash flows, such as the interest payments and principal repayment, to be received from a given fixed-income security.

**FEDERAL FUNDS RATE:** Interest rate at which banks lend federal funds to each other.

**FEDERAL OPEN MARKET COMMITTEE (FOMC):** A committee within the Federal Reserve System that makes short-term monetary policy for the Fed. The committee decides either to sell securities to reduce the money supply, or to buy government securities to increase the money supply. Decisions made at FOMC meetings will cause interest rates to either rise or fall.

**FEDERAL RESERVE SYSTEM:** A U.S. centralized banking system which has supervisory powers over the 2 Federal Reserve banks and about 3,000-member banks.

**FITCH Ratings referred to as Fitch:** (See Nationally Recognized Statistical Rating Organizations)

**INTEREST:** The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

**INTEREST RATE RISK:** The risk associated with declines or rises in interest rates, which causes the market price of a fixed-income security to increase or decrease in value.

**LIQUIDITY:** The speed and ease with which an investment can be converted to cash.

**MARK-TO-MARKET:** The process by where the value of a security is adjusted to reflect current market conditions.



**MARKET RISK:** The risk that the value of a security will rise or decline as a result in changes in market conditions.

**MARKET VALUE:** The current market price of a security.

**MATURITY:** The date that the principal or stated value of an investment becomes due and payable.

**MEDIUM TERM MATURITY CORPORATE SECURITIES:** Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

**MONEY MARKET:** The market in which short-term debt instruments (Treasury bills, discount notes, commercial paper, bankers' acceptances, etc.) are issued and traded.

**MONEY MARKET MUTUAL FUNDS:** An investment company that pools money from investors and invest in a variety of short-term money market instruments.

**MOODY'S INVESTORS SERVICE, INC. referred to as Moody's:** (See Nationally Recognized Statistical Rating Organizations)

**MORTGAGE-BACKED SECURITY:** A debt instrument with a pool of real estate loans as the underlying collateral. The mortgage payments of the individual real estate assets are used to pay interest and principal on the bonds.

**MUNICIPAL DEBT:** Issued by public entities to meet capital needs.

**NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATIONS (NRSRO's):** Firms that review the creditworthiness of the issuers of debt securities, and express their opinion in the form of letter ratings (e.g. AAA, AA, A, BBB, etc.) The primary rating agencies include Standard & Poor's [CorporationGlobal Ratings](#); Moody's Investor Services, Inc., Fitch Ratings and Kroll Bond Rating Agency, Inc.

**NEGOTIABLE CD:** (See Certificates of Deposit)

**NET ASSET VALUE (NAV):** The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling the fund's assets which includes securities, cash and accrued earnings, then subtracting this from the fund's liabilities and dividing by the total number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio.

**NON-CALLABLE:** Bond that is exempt from any kind of redemption for a stated time period.

**OCTA BONDS:** Bonds, notes, warrants, or other evidences of indebtedness.

**OFFER PRICE:** An indicated price at which market participants are willing to sell a security.

**PAR VALUE:** The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

**PHYSICAL DELIVERY:** The delivery of an investment to a custodian bank in the form of a certificate and/or supporting documents evidencing the investment (as opposed to "book entry" delivery).

**PORTFOLIO:** A group of securities held by an investor.

**PREMIUM:** The amount by which the price paid for a security exceeds the security's par value.

**PRIME RATE:** A preferred interest rate charged by commercial banks to their most creditworthy customers.

**PRINCIPAL:** The face value or par value of an investment.

**PURCHASE DATE:** See (Trade Date)

**REINVESTMENT RISK:** The risk that coupon payments (or other payments received) cannot be reinvested at the same rate as the initial investment.

**REPURCHASE AGREEMENTS (REPOS):** A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date. This is in essence a collateralized investment, with the difference between the purchase price and sales price determining the earnings.

**SAFEKEEPING:** Holding of assets (e.g. securities) by a financial institution.

**SECURITIES & EXCHANGE COMMISSION (SEC):** The federal agency responsible for supervising and regulating the securities industry.

**SETTLEMENT DATE:** The date on which the purchase or sale of securities is executed. For example, in a purchase transaction, the day securities are physically delivered or wired to the buyer in exchange for cash is the settlement date.

**SPECIAL PURPOSE VEHICLE (SPV):** A trust or similar structure created specifically to purchase securities and reprofile cash flows and/or credit risk. Mortgage or Asset-backed securities may be issued out of the SPV and secured by the collateral transferred from the corporation.

**STANDARD & POOR'S [CORPORATION-GLOBAL RATINGS](#) referred to as Standard and Poor's or S & P:** (See Nationally Recognized Statistical Rating Organizations)

**SUPRANATIONAL:** A supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in member countries.

**THIRD-PARTY CUSTODIAL AGREEMENT:** (See Custodian)

**TOTAL RETURN:** The sum of all investment income plus changes in the capital value of the portfolio.

**TRADE DATE:** The date and time corresponding to an investor's commitment to buy or sell a security.

**U.S. GOVERNMENT AGENCY SECURITIES or FEDERAL AGENCIES:** U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture).

**U.S. TREASURY ~~SECURITIES~~OBLIGATIONS:** Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. The Treasury issues both discounted securities and fixed coupon notes and bonds.

**Treasury bills:** non-~~interest-bearing~~interest-bearing discount securities of the U.S. Treasury with maturities under one year.

**Treasury notes:** interest-bearing obligations of the U.S. Treasury with maturities ranging from two to ten years from the date of issue.

**Treasury bond:** interest-bearing obligations issued by the U.S. Treasury with maturities ranging from ten to thirty years from the date of issue.

**Treasury STRIPS:** U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book entry record-keeping system.

**Treasury TIPS:** U.S. Treasury securities whose principal increases at the same rate as the Consumer Price Index. The interest payment is then calculated from the inflated principal and repaid at maturity.

**VARIABLE AND FLOATING RATE SECURITIES:** Variable and floating rate securities are appropriate investments when used to enhance yield and reduce risk. They should have the same stability, liquidity and quality as traditional money market securities.

**VOLATILITY:** The degree of fluctuation in the price and valuation of securities.

**YIELD:** The current rate of return on an investment security generally expressed as a percentage of the securities current price.

**ZERO COUPON SECURITIES:** Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.



**June 22, 2020**

**To:** Members of the Board of Directors 

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

**Subject:** Taxpayer Oversight Committee Measure M2 Annual Public Hearing Results and Compliance Findings

**Overview**

Measure M, Orange County's one-half cent sales tax for transportation, passed in 1990 and renewed in 2006, calls for an independent committee to ensure compliance with the Measure M2 Ordinance. As required by the Measure M2 Ordinance, the Taxpayer Oversight Committee conducted the 29<sup>th</sup> Measure M Annual Public Hearing on June 9, 2020. The Taxpayer Oversight Committee found the Orange County Local Transportation Authority has proceeded in accordance with Measure M2 Ordinance No. 3 during 2019.

**Recommendation**

Receive and file as an information item.

**Background**

The Measure M2 (M2) Taxpayer Oversight Committee (TOC) is mandated by the Measure M2 Ordinance. The TOC is an independent committee representing all five supervisorial districts in Orange County. The TOC is responsible for ensuring the transportation projects in M2 are implemented according to the investment plan approved by the voters in 2006. The TOC meets bimonthly to review progress on the implementation of M2.

The TOC is required to hold an annual public hearing to receive comments from citizens regarding M2 as part of its oversight effort, to determine whether the Orange County Transportation Authority (OCTA), acting as the Orange County Local Transportation Authority (OCLTA), is proceeding in accordance with the M2 Transportation Ordinance and Investment Plan.

The results of the hearing and the findings of the TOC are transmitted to the OCTA Board of Directors annually. The TOC has consistently found OCTA in compliance for the past 28 years.

***Discussion***

The 29<sup>th</sup> Measure M Annual Public Hearing took place on June 9, 2020. The hearing was publicized through news releases, public notices, and posted on OCTA's social media sites and *On the Move* blog.

Following the public hearing, review of the annual financial audit of OCLTA, and all other information the committee members have been provided to date, the TOC made the determination at its June 9, 2020 meeting that during 2019, OCTA has proceeded in accordance with the M2 Transportation Ordinance and Investment Plan. Frank Davies, Chair of the TOC, prepared an official letter stating its findings (Attachment A).

Additionally, in accordance with M2 Ordinance No. 3, Section 10, Paragraph 3, Chair Davies certified that the revenues, through fiscal year ending June 30, 2019, have been spent in compliance with the M2 Ordinance.

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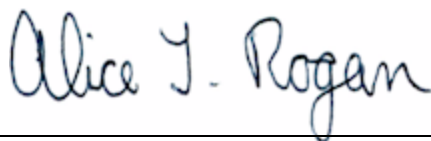
***Summary***

Subsequent to bimonthly meetings and the M2 Annual Public Hearing on June 9, 2020, the TOC has determined that OCTA is proceeding in accordance with the M2 Transportation Ordinance and Investment Plan.

***Attachment***

- A. Memo to Steve Jones, Chairman, Orange County Transportation Authority, from Frank Davies, Chair, Measure M2 Taxpayer Oversight Committee, dated June 9, 2020, Subject – 29th Measure M2 Annual Public Hearing

**Prepared by:**



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Alice T. Rogan  
Director, Marketing and Public  
Outreach  
714-560-5577

**Approved by:**



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Maggie McJilton  
Interim Executive Director,  
External Affairs  
(714) 560-5824



**Measure M2 Taxpayer Oversight Committee**

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June 9, 2020

To: Steve Jones, Chairman  
Board of Directors  
Orange County Transportation Authority

From: Taxpayer Oversight Committee

Subject: 29<sup>th</sup> Measure M2 Annual Public Hearing

In accordance with Attachment C "Taxpayer Oversight Committee," the Taxpayer Oversight Committee (TOC) is required to conduct an annual public hearing to determine whether the Orange County Transportation Authority (Authority) is proceeding in accordance with the Renewed Measure M (M2) Transportation Ordinance and Investment Plan.

The TOC conducted the annual public hearing on June 9, 2020. No items were presented at the hearing to indicate that the Authority was not proceeding in accordance with the M2 Transportation Ordinance and Investment Plan during 2019.

Based upon the above-mentioned hearing, 2018/19 Local Transportation Authority (LTA) financial audit results and all other information the TOC has to date, the TOC hereby finds the Authority is proceeding in accordance with the M2 Transportation Ordinance and Investment Plan.

Also, in accordance with Ordinance No. 3, Section 10, Paragraph 2, I certify that the M2 revenues, through fiscal year ending June 30, 2019, have been spent in compliance with the M2 Transportation Ordinance and Investment Plan.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Frank Davies', is written over a light blue horizontal line.

Frank Davies, Chair  
Measure M2 Taxpayer Oversight Committee  
Orange County Auditor-Controller



*July 6, 2020*

**To:** Regional Highways and Planning Committee  
**From:** Darrell E. Johnson, Chief Executive Officer  
**Subject:** Measure M2 Environmental Mitigation Program Update, Annual Report, and Restoration Project Amendment Request

**Overview**

Measure M2 includes a program to deliver comprehensive mitigation for the environmental impacts of 13 freeway projects in exchange for streamlined project approvals from the state and federal resources agencies. The Environmental Mitigation Program has acquired conservation properties and provided funding for habitat restoration projects as part of the Natural Community Conservation Plan/Habitat Conservation Plan. A summary of the Environmental Mitigation Program activities for 2019 is provided, in addition to a request to amend an existing agreement with the Laguna Canyon Foundation for additional restoration activities.

**Recommendations**

- A. Approve an increase to the Laguna Canyon Foundation Aliso Creek Restoration Project budget by \$275,000, consistent with the recommendations of the Environmental Oversight Committee.
- B. Authorize the Chief Executive Officer to negotiate and execute a contract amendment with the Laguna Canyon Foundation amendment, in the amount of \$275,000, for additional Aliso Creek Restoration Project activities. If approved, the maximum cumulative obligation for this project would be \$1,482,100.

**Background**

Measure M2 (M2) includes the Environmental Mitigation Program (EMP) intended to mitigate certain impacts and streamline the approval process for 13 M2 freeway projects. This was achieved through the development of a Natural Community Conservation Plan/Habitat Conservation Plan (Conservation Plan), approved by the California Department of Fish and Wildlife and the United States Fish and Wildlife Service (Wildlife Agencies) in 2017. Consistent with the Conservation Plan, OCTA has purchased seven conservation properties (Preserves) and funded 12 habitat restoration projects, depicted in Attachment A. An endowment



was established for the long-term management of the Preserves. In a parallel process, the United States Army Corps of Engineers (ACOE) and the State Water Resources Control Board (SWRCB) have also established a framework to expedite the regulatory permitting process.

The development of the Conservation Plan and subsequent purchase of these Preserves and the restoration projects has largely met the intent of the EMP, and the mitigation needs of the M2 freeway projects. Many of the restoration projects are close to or have obtained approvals from the Wildlife Agencies.

### ***Discussion***

#### **2019 Conservation Plan Annual Report**

As a commitment of the Conservation Plan, OCTA is required to prepare an annual report on the implementation processes. The executive summary for the 2019 Conservation Plan Annual Report (Annual Report) is included as Attachment B. The complete Annual Report is available on the OCTA website at <http://www.octa.net/About-OC-Go/OC-Go-Environmental-Programs/Preserve-Management/>. This Annual Report includes the tracking of biological impacts associated with covered freeway improvement projects, other management and monitoring activities on the Preserves, status and activities on the Preserves, progress of the restoration projects, and additional plan administration and public outreach activities. This Annual Report documents that OCTA's activities between January 1, 2019 and December 31, 2019, comply and are on target with the Conservation Plan commitments. OCTA will continue its efforts to complete the required objectives in a timely manner. The Annual Report was reviewed and approved by the Wildlife Agencies, provided to the EOC, and is available for public review.

#### **OCTA Preserve Fire Management Plans**

As required by the Conservation Plan, OCTA began developing fire management plans (Plan) for the Preserves in 2018. Each preserve will have its own separate Plan. The first Plan (Silverado Chaparral Preserve) has been drafted and approved by Orange County Fire Authority. OCTA is currently working with the Wildlife Agencies to obtain their final approval, which will be key to the streamlined development of additional Plans. The Wildlife Agencies are reviewing the Plans to ensure that they are consistent with the Conservation Plan objectives. It is anticipated that all Plans will be completed in 2020, then shared with the EOC and stakeholders.

### OCTA Pacific Horizon Preserve Habitat Impacts

Southern California Edison (SCE) contractors cut an unauthorized trail at the OCTA-owned Pacific Horizon Preserve (Attachment C) that is located within the City of Laguna Beach. The contractor was performing maintenance in response to California Public Resources Code 4292. This code requires the maintenance of a ten-foot radius firebreak around SCE-owned utility poles; however, the clearings exceeded the requirements and affected the protected habitat. The trail was cut through habitat on the Preserve and continues down into the County of Orange's Aliso and Wood Canyon Wilderness Park. OCTA has been coordinating with SCE, OC Parks, the Wildlife Agencies, and the California Coastal Commission to remedy this issue. SCE has agreed to repair the damage and work is underway. It is anticipated that coordination and work will continue through 2021 to complete all the needed repairs.

### Laguna Canyon Foundation (LCF) Aliso Creek Restoration Project

The LCF Aliso Creek Restoration Project was approved for funding by the Board as a restoration project in 2012. This project was originally intended to satisfy the Conservation Plan mitigation requirements, addressing the restoration needs of the Wildlife Agencies. In addition, benefits to specific watersheds were also considered to address the SWRCB and the ACOE (regulatory agencies) M2 freeway project mitigation needs. The regulatory agencies had additional restoration specific requirements that were above and beyond the needs of the Wildlife Agencies. This regulatory permitting process is a separate but parallel process to the Conservation Plan and discussed further below.

The five-year monitoring report for the Aliso Creek Restoration Project was recently completed and documented that it met or exceeded its required success criteria. However, cost increases that attributed to a higher level of effort (not originally anticipated) to meet the ACOE criteria have occurred. Most of the additional costs (approximately 80 percent) is due to additional level of effort. Specifically, an increased project monitoring timeframe (from five to ten years). Other items that warranted the budget adjustment include longer than assumed time needed to review the restoration plan, coordination with the previously proposed ACOE Aliso Creek Mainstem Project, and additional surveys and avoidance methods required by the ACOE. As a result of these additional requirements, LCF is requesting \$275,000 to cover these increased costs. If approved by the Board, the maximum cumulative obligation would be \$1,482,100. It is important to note that the revised cost is considered reasonable when compared to other funded restoration projects with the same habitat type on a per acre basis. This request was reviewed and endorsed by the EOC on May 6, 2020. Additional information on this item is included in Attachment D.

### Clean Water Act Permits Update

The M2 freeway projects are anticipated to impact jurisdictional waters, which will require mitigation. Before construction activities can occur, OCTA must obtain sections 401 and 404 Clean Water Act permits from the regulatory agencies. The Conservation Plan mitigation was also utilized to help obtain Clean Water Act permits. This has streamlined the project-level permitting processes. These efforts are the result of years of collaboration between OCTA and the regulatory agencies, and constitute another groundbreaking milestone for the M2 EMP.

### Freeway Projects Update

The following upcoming projects are in construction and were able to benefit from the EMP:

- Project C (Interstate 5 Improvement Project from State Route 73 [SR-73] to El Toro Road); and
- Project K (Interstate 405 Improvement Project from SR-73 to the Los Angeles County line).

Without the EMP's established process, these projects could have incurred mitigation-related requirements and cost, resulting in project cost and schedule risks. A strong partnership has been forged through collaboration with the environmental community as exemplified by their participation on the EOC. Furthermore, there has been substantial reduction in risk from the threat of potential lawsuits because of these partnerships.

### Endowment Fund

The Conservation Plan permits were issued by the Wildlife Agencies in mid-2017. As a result, the M2 environmental process has been streamlined, allowing OCTA to expedite the M2 freeway projects. The Conservation Plan requires the establishment of a \$34.5 million endowment to fund the long-term management of the Preserves. To date, OCTA has made four endowment deposits. Quarterly investment reports are provided to the Board, with the most recent one in June 2020. As of March 31, 2020, the balance was \$11,137,651. The balance is below the June 30, 2020 target of \$12,440,408, due to capital markets experiencing sharp declines resulting from the novel coronavirus (COVID-19) pandemic and the resulting adverse effects on economic activity. As of March 31, 2020, the California Community Foundation (CCF) endowment pool is down 14 percent for the first quarter of this year. In April, markets continued to experience various price swings with United States stocks ending the month positive, partially reversing any losses from March. Based on preliminary data, the CCF endowment pool was estimated to be up between six percent to seven percent in April. The CCF's Endowment Pool portfolio is well diversified, with

various asset classes that can handle changes in market volatility. Staff will continue to provide regular endowment updates to the Board, Finance and Administration Committee, and the EOC.

***Summary***

M2 includes an EMP that provides funding for programmatic mitigation to offset impacts of the 13 M2 freeway projects. To expedite the delivery of the M2 freeway projects, this program was initiated to implement early project mitigation through preservation and habitat restoration. This program is administered through a Conservation Plan. The 2019 Conservation Plan Annual Report has been completed, and documents that OCTA is on track and in compliance with those commitments. Impacts were documented on one of the Preserves and are now being restored. Additional funding has been requested to offset unanticipated costs for the OCTA Aliso Creek Restoration Project. To maximize the benefits of the investments, OCTA has utilized some of that same mitigation to obtain Clean Water Act permits.

***Attachments***

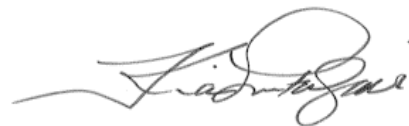
- A. OCTA Preserves and Funded Restoration Projects
- B. M2 Natural Community Conservation Plan/Habitat Conservation Plan – 2019 Annual Report
- C. OCTA Pacific Horizon Preserve Habitat Impacts 2020
- D. Aliso Creek Restoration Project Status Update

**Prepared by:**



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**Approved by:**



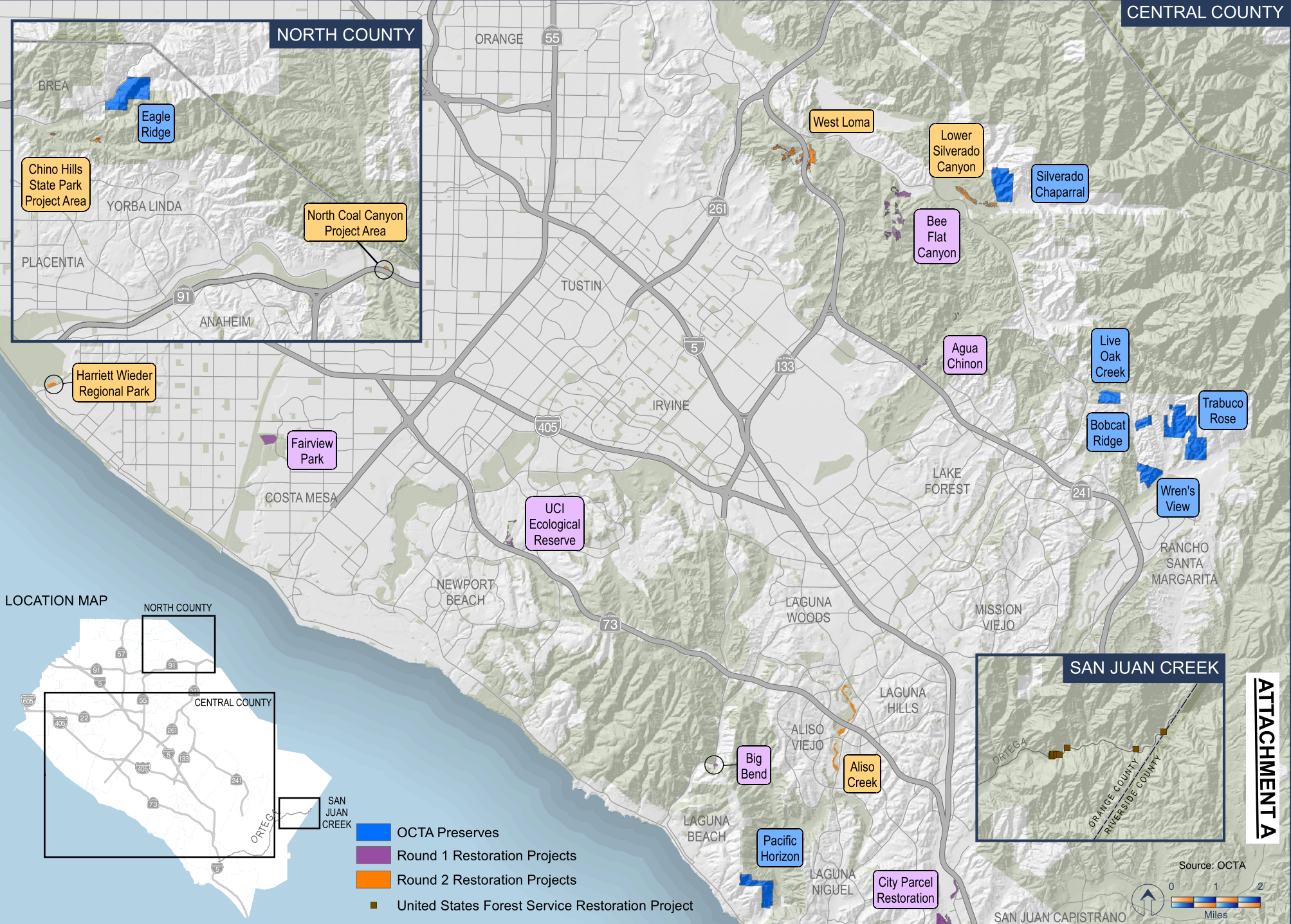
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# OCTA Preserves and Funded Restoration Projects

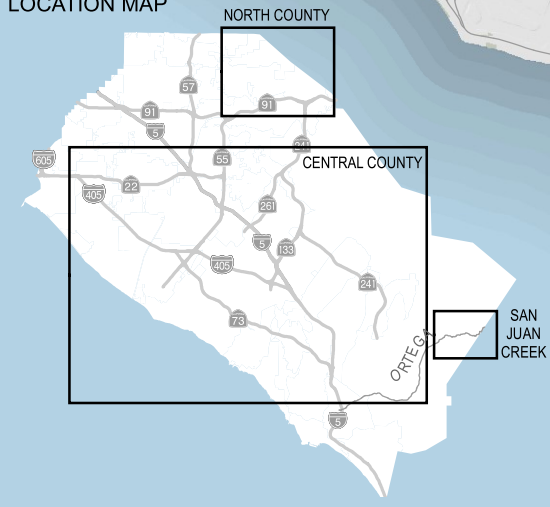


CENTRAL COUNTY

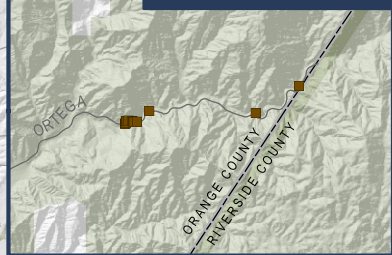
NORTH COUNTY



LOCATION MAP



SAN JUAN CREEK



- OCTA Preserves
- Round 1 Restoration Projects
- Round 2 Restoration Projects
- United States Forest Service Restoration Project

Source: OCTA



ATTACHMENT A

# **M2 NATURAL COMMUNITY CONSERVATION PLAN/HABITAT CONSERVATION PLAN – 2019 ANNUAL REPORT**



Prepared by:  
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May 2020



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## Acronyms and Definitions

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ACOE – Army Corps of Engineers

CAC – Citizen Advisory Committee

Caltrans – California Department of Transportation

CCC – California Coastal Commission

CCF – California Community Foundation

CDFW – California Department of Fish and Wildlife

CEs – Conservation Easements

CHSP – Chino Hills State Park

CNDDDB – California Natural Diversity Database

COI – Certificate of Inclusion

CSS – Coastal Sage Scrub

ECR – Environmental Commitment Report

EFM – Endowment Fund Manager

EMP – Environmental Mitigation Program

EOC – Environmental Oversight Committee. The EOC is made up of two OCTA Board members and representatives from Caltrans, the Wildlife Agencies, ACOE, environmental groups, and the public. The EOC makes recommendations on the allocation of environmental freeway mitigation funds and monitors the execution of a master agreements between OCTA and state and federal resource agencies.

ESA – Endangered Species Act

FMP – Fire Management Plan

GIS – geographic information system

GLA – Glen Lukos Associates

GSOB – Gold Spotted Oak Borer (beetle)

HCP – Habitat Conservation Plan

HMMP – Habitat Mitigation Monitoring Plan

I – Interstate

IA – Implementing Agreement

IRC – Irvine Ranch Conservancy

ISHB – Invasive shot hole borer

ISMP – Invasive Species Management Plan

M2 – The renewed Measure M (or Measure M2)

M2 NCCP/HCP – OCTA M2 Natural Communities Conservation Plan / Habitat Conservation Plan adopted on November 2017. Also referred as Plan.

NCC – Natural Communities Coalition

NCCP – Natural Community Conservation Plan

NCCPA – Natural Community Conservation Plan Act

OC – Orange County

OC Parks – Orange County Parks

OCTA – Orange County Transportation Authority

RMP – Resource Management Plan

SARP – Santa Ana River Mainstem Project

SCAG – Southern California Association of Governments

SR – State Route

TCA – Transportation Corridor Agencies

TOC – Taxpayer Oversight Committee

UCI – University of California Irvine

USFS – United States Forest Service

USFWS – U.S. Fish and Wildlife Service

Wildlife Agencies – the California Department of Fish and Wildlife (CDFW) and U.S. Fish and Wildlife Service (USFWS), collectively referred to as the Wildlife Agencies

# Executive Summary

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This is the second Annual Report for the Orange County Transportation Authority (OCTA) M2 Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP or Plan), covering all activities between January 1, 2019 and December 31, 2019. This report summarizes the tracking of impacts associated with covered freeway improvement projects and other management and monitoring activities on Preserves (Covered Activities), status and activities on the OCTA Preserves, progress on the implementation of OCTA-funded restoration projects, and additional Plan administration and public outreach activities. This Annual Report has been reviewed and approved by the California Department of Fish and Wildlife (CDFW) and U.S. Fish and Wildlife Service (USFWS), collectively referred to as the Wildlife Agencies. In addition, this Annual Report is presented to the OCTA Environmental Oversight Committee (EOC) and is available for a public review.

## Tracking Impacts from Covered Activities

OCTA keeps an accounting of the Plan-to-date impacts on habitat types from all covered freeway improvement projects to ensure impacts stay within the caps established within the Plan. To date, a total of **9.2 acres of habitat impacts have been authorized relative to a cap of 141.0 acres**. In addition, OCTA uses a consistency determination checklist to evaluate how and when avoidance and minimization measures are implemented on covered freeway improvement projects. Four projects (D, F, G, I) had consistency determinations drafted, modified, or completed within the timeframe of this Annual Report. Other tracking requirements include:

- *Tracking for Covered Plant Species Policy* – OCTA tracks the credits for covered plant species protection (on Preserves) and restoration/enhancement (restoration projects) relative to allowable impacts. The Plan-to-date balance for each plant species is net positive (intermediate mariposa lily [+1303], many-stemmed dudleya [+180], southern tarplant [+8,377 + 1 acre]).
- *Tracking Impacts on Habitat Types Resulting from Covered Activities within Preserves* – The Plan establishes a cap that no more than 13 acres (approximately 1%) of the natural habitat within the OCTA Preserves will be impacted by Preserve management activities. To date, no measurable permanent impacts have been recorded on the Preserves.
- *Maintaining Rough Proportionality* – The Plan requires implementation of conservation measures roughly proportional in time and extent to impacts on natural communities and Covered Species. To date, two restoration projects, Big Bend and City Parcel, have received sign-off from the Wildlife Agencies as meeting their success criteria and have achieved conservation credits that keeps the Plan ahead of allowable impacts.

## OCTA Preserves

OCTA acquired seven properties resulting in the protection of 1,236<sup>1</sup> acres of natural habitat (see Figure 1). In all instances, the seven Preserves are located within priority conservation areas and immediately adjacent to other protected lands. These Preserves add to the protection of large blocks of natural open space in areas important for regional conservation. OCTA has completed Resource Management Plans (RMPs) for each Preserve that includes Preserve-specific goals and objectives and define an appropriate level of public access and trail use consistent with protection of biological resources. It is anticipated that Conservation Easements will be completed and recorded in the near future. Currently each Preserve is being managed by OCTA. OCTA is working to identify and transition to long-term Preserve Managers in the near future. OCTA has contracted with the following consulting firms to support Preserve management: (1) Glenn Lukos Associates to provide biological monitoring, prepare invasive species management plans, and assist with public outreach events, (2) RECON Environmental to support general Preserve stewardship including maintenance of access roads, tree trimming, and control of public access, (3) Wildland Res Mgt to complete Fire Management Plans (FMPs), and (4) ICF to assist with general program needs including the development of the Conservation Easements. OCTA has hosted numerous Preserve-specific outreach events to educate the public about property value and access and plans to continue this process in the near term as part of a managed access approach. No fires or major events have occurred on the Preserves in 2019, although a level of trespassing and vandalism continues to occur requiring ongoing monitoring and enforcement.

## OCTA-Funded Restoration Projects

OCTA has approved funding for 11 restoration projects and a check dam removal project that will result in over 350 acres of restored habitats and improvement to habitat functions for Covered Species. The restoration projects occur throughout the Plan Area in core habitat areas and within key habitat linkages and riparian corridors (see Figure 1). The restoration projects are on lands that are currently managed and will enhance habitat for Covered Species. OCTA is working with the restoration project sponsors to complete implementation and monitoring of the restoration activities and achieve sign-off from the Wildlife Agencies that the restoration projects meet their success criteria. Each restoration project is at different stages of the process. To date, 2 of the 11 restoration projects have obtained sign-off.

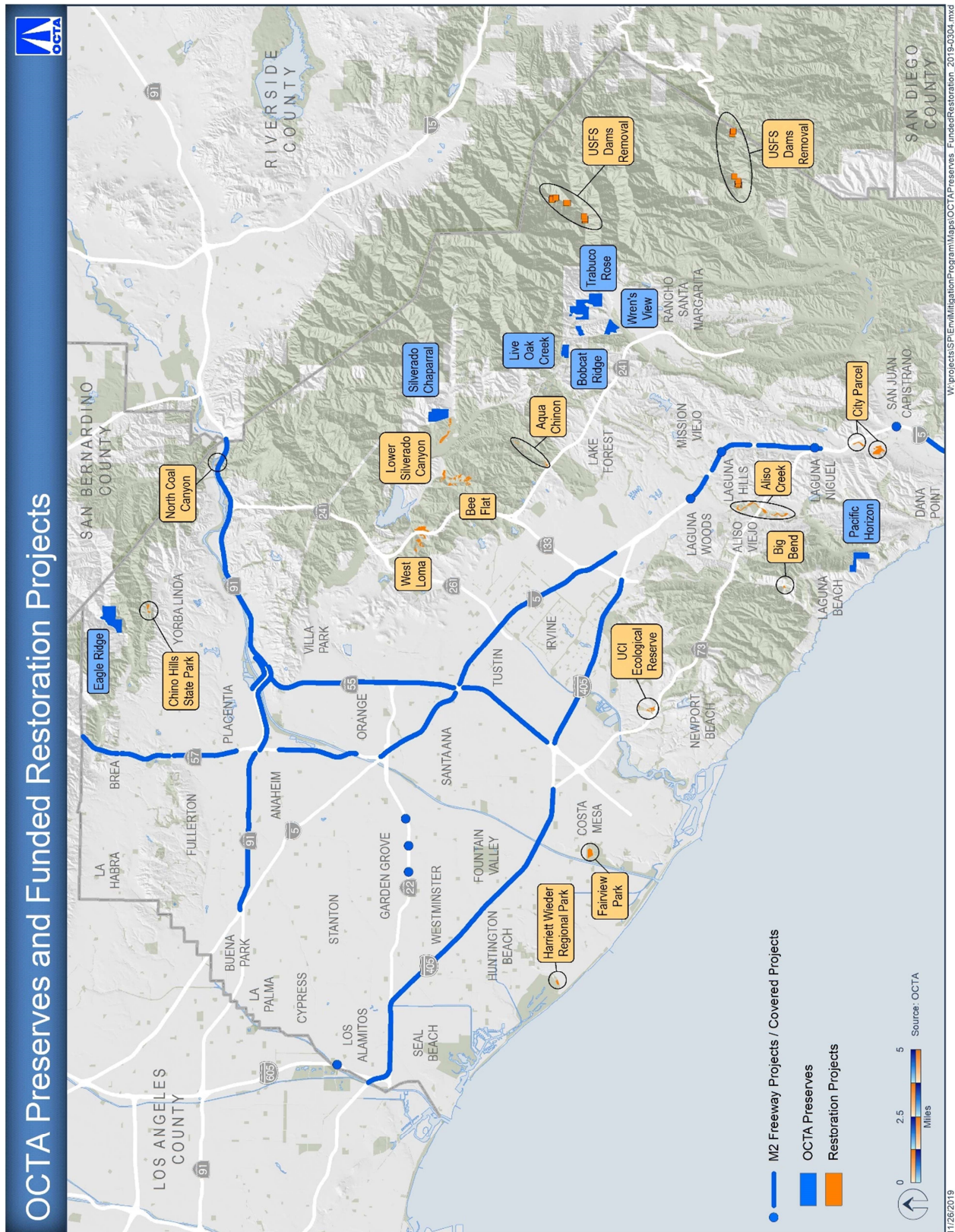
## Additional Conditions for Coverage

As part of the Conservation Analysis (Chapter 6) in the Plan, there were two Covered Species, arroyo chub and many-stemmed dudleya, noted for additional conditions for coverage above and beyond the acquisition of the OCTA Preserves and funding of restoration projects. In 2017, the EOC and Wildlife Agencies approved OCTA to fund the United States Forest Service Dam Removal restoration project that, when complete, will satisfy the conditions for coverage of arroyo chub. OCTA is currently taking steps to protect and enhance an existing population of many-stemmed dudleya on the Pacific Horizon

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<sup>1</sup> The acreage of natural habitat preserved is based on best available information using during the preparation of RMPs and may be slightly different from acreages reported in the M2 NCCP/HCP.

Figure 1 - OCTA M2 NCCP/HCP Preserves and Funded Restoration Projects





Preserve with the hope that it will expand to help meet or will meet the criteria needed to achieve coverage for many-stemmed dudleya.

## Public Outreach

OCTA has been committed to transparency in how the M2 funds have been and are being used to implement the Plan and the broader Environmental Mitigation Program (EMP). OCTA has conducted a variety of public outreach activities aimed at informing and engaging the public on the overall EMP as well as Preserve-specific issues and events. These have included public meetings during the preparation of the Preserve RMPs, maintaining a website with information and documents related to the program, and engaging in various outreach efforts and encouraging volunteer programs. In 2019, OCTA participated in 31 EMP public outreach events and meetings and 9 Preserve-specific public outreach events.

## Plan Funding

The primary source of funding for the Plan will derive from the M2 transportation sales tax designed to raise money to improve Orange County's transportation system. As part of the M2 sales tax initiative, at least 5% of the revenues from the freeway program will be set aside for the M2 EMP revenues. There are sufficient funds available through the M2 EMP to cover the development and implementation of the Plan. OCTA is currently in a 12-15 year process to accumulate and establish an endowment that will provide a long-term funding source to cover ongoing Preserve management and monitoring, adaptive management, and responses to changed circumstances, in perpetuity. In the short-term, the current M2 EMP revenue stream is used to cover Plan implementation and administration.

## Plan Administration

OCTA is responsible for implementing the Plan and staffing an NCCP/HCP Administrator position. OCTA has designated Lesley Hill as the NCCP/HCP Administrator. Her role includes overseeing Preserve management and monitoring, coordinating with restoration project sponsors, serving as the primary point of contact with the Wildlife Agencies, ensuring avoidance and minimization measures are implemented pursuant to the Plan, tracking impacts and conservation, assisting with public outreach, and preparing this Annual Report.

The Plan outlines how modifications, Minor Amendments, and Major Amendments can be made to the Plan. This Annual Report summarizes Plan modifications that have been made in collaboration with the Wildlife Agencies that address revisions to restoration project design plans and sponsors, minor Preserve boundary adjustments, and approval of a new restoration project since Plan approval. No Minor or Major Amendments are proposed.

## **1.1 Background**

In 2006, Orange County voters approved the renewal of Measure M, effectively extending the half cent sales tax to provide funding for transportation projects and programs in the county. As part of the renewed Measure M (or Measure M2), a portion of the M2 freeway program revenues were set aside for the M2 Environmental Mitigation Program (EMP) to provide funding for programmatic mitigation to offset impacts from the freeway projects in the 13 freeway segments covered by Measure M2. In 2017, Measure M2 was rebranded as OC Go. The Orange County Transportation Authority (OCTA) prepared a Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP or Plan) as a mechanism to offset potential project-related effects on threatened and endangered species and their habitats in a comprehensive manner. The Plan achieves higher-value conservation than what would be expected through project-by-project mitigation in exchange for a streamlined project review and permitting process for the Measure M2 freeway program as a whole.

## **1.2 Introduction**

The purpose of this document is to provide an update on the status of the Plan implementation activities that have occurred during the reporting period for this Annual Report. This Annual Report includes all Plan implementation undertaken in 2019. The information in this report will be used in compliance monitoring to determine if OCTA is properly implementing the M2 NCCP/HCP pursuant to relevant regulations and permit conditions. Annual tracking and reporting of the Plan implementation activities is required by Section 8.4 of the Plan; Section 10.1 of the Implementing Agreement, dated November 2016; the Federal Fish and Wildlife 10(a)(1)(B) Permit No. TE32842C-0, dated June 19, 2017; and the NCCP Permit No. 2835-2017-001-05, dated June 19, 2017.

## **1.3 Compliance Matrix**

To satisfy the terms and conditions of the state and federal take authorization, OCTA is required to fulfill the obligations outlined in the Plan and Implementing Agreement (IA). Implementation tasks associated with these regulations are completed or ongoing, as described in Table 1-1. This table summarizes the compliance actions, identifies the Plan sections, briefly describes the compliance requirement, and summarizes the steps OCTA is currently taking. The compliance actions are described in greater detail later in this report.

**Table 1-1. M2 NCCP/HCP Compliance Matrix**

<b>Compliance Action</b>	<b>Plan Section Reference</b>	<b>Description</b>	<b>Summary of OCTA Compliance</b>	<b>Annual Report Section Reference</b>
<b>Tracking Impacts</b>	5.8.1, 7.1	The NCCP/HCP Administrator will be responsible for collecting and maintaining information that tracks impacts on natural resources resulting from covered freeway improvement projects and other management and monitoring activities on Preserves (Covered Activities) to ensure that the amount of impacts that ultimately occur under the Plan stays below the amount of impacts estimated during Plan development.	OCTA has developed procedures and approaches to track project impacts to ensure they are consistent with the Plan.	Chapter 2
<b>Freeway Improvement Projects</b>	5.8.1.1	The NCCP/HCP Administrator will be responsible for tracking the status of covered freeway improvement projects.	OCTA maintains a table summarizing the status of the M2 freeway improvement projects.	2.1.1
<b>Habitat Types</b>	5.8.1.1, Appendix F	OCTA will record the acres of direct and temporary impacts to natural communities using detailed vegetation mapping completed as part of pre-construction field surveys. The detailed vegetation mapping will be cross-walked and aggregated into the major vegetation types using the Plan. Impacts on natural communities from covered	OCTA has established methods to track the amount of habitat impacts from each covered freeway improvement project. The spreadsheet tracks the cumulative amount of habitat types relative to caps established under the M2 NCCP/HCP.	2.1.2

Compliance Action	Plan Section Reference	Description	Summary of OCTA Compliance	Annual Report Section Reference
		freeway improvement projects will be measured against caps on impacts on individual habitat types and overall habitat.		
<b>Avoidance and Minimization Measures</b>	5.8.1.1	Based on the project-specific biological surveys, OCTA will ensure covered freeway improvement projects include avoidance and minimization measures into project design per guidelines and criteria included in the Plan.	OCTA has developed a consistency determination checklist used to evaluate how and when avoidance and minimization measures are implemented on covered freeway improvement projects. These checklists are submitted to the Wildlife Agencies for review and approval and measures are then included in the Certificate of Inclusion for the project.	2.1.3
<b>Covered Plant Species</b>	5.6.2.2, 5.8.1.2	To ensure any actual impacts on covered plant species are properly addressed, OCTA will implement a Covered Plant Species Policy that will involve the evaluation of impacts based on project-specific field surveys. The policy will also set forth mitigation of impacts using credits determined through field surveys of Preserves and actions taken to enhance, restore, and create populations of covered plant species as part of restoration projects approved for funding	OCTA has established a ledger to track credits and debits for covered plant species.	2.2

Compliance Action	Plan Section Reference	Description	Summary of OCTA Compliance	Annual Report Section Reference
		by OCTA. This policy will require OCTA to maintain a ledger-type accounting system to track credits and debits.		
<b>Preserve Management</b>	5.8.1.3	The Plan establishes that no more than 13 acres (approximately 1%) of the natural habitat within the Preserves will be impacted by Preserve management activities. OCTA and Preserve Managers will track any activities resulting in more than 0.1 acre of new direct effects on natural habitat within the Preserves and record this information in a ledger that will be submitted to the Wildlife Agencies as part of the Plan's Annual Report.	OCTA has established a process to track and monitor any Preserve management activities that would result in permanent impacts more than 0.1 acres. A ledger has been created. To date, no permanent impacts have been recorded on the Preserves.	2.3
<b>Maintain Rough Proportionality</b>	5.8.2	The Plan specifies that conservation measures must be implemented roughly proportional in time and extent to the impacts on habitat authorized under the Plan. Conservation measures are measured once conservation easements are recorded on Preserves and when restoration projects are signed off as meeting their success criteria.	OCTA is tracking the progress of the implementation of conservation measures relative to impacts associated with Covered Activities. The Big Bend and City Parcel restoration projects have been signed off, and the habitat credits from these restoration projects are sufficient to be ahead of impacts to date.	2.4

<b>Compliance Action</b>	<b>Plan Section Reference</b>	<b>Description</b>	<b>Summary of OCTA Compliance</b>	<b>Annual Report Section Reference</b>
<b><i>Oversight of M2 Preserve Management and Monitoring</i></b>	5.4, 7.1, 7.2			Chapter 3
<b>Acquisition</b>	5.4	The acquisition of habitat Preserves was a key component of the Plan conservation strategy. Prior to the Plan being completed, OCTA selected and acquired seven Preserves with approximately 1,236 <sup>a</sup> acres of natural habitat. The locations of the Preserves across the Plan Area are shown on Figure 1. The selection of the Preserves, completed in coordination with the Environmental Oversight Committee (EOC) and Wildlife Agencies, was designed to meet the biological goals and objectives of the Plan while also contributing to the collective goals of the existing regional network of protected areas within the Plan Area.	The collection of Preserves acquired by OCTA in the Trabuco Canyon area has created a substantial block of conservation in an area that did not previously exist as protected open space. The Preserves in Laguna Beach (Pacific Horizon), Brea (Eagle Ridge), and Silverado Canyon area (Silverado Chaparral) add to blocks of existing protected open space in Orange County. These Preserves provide for the protection of diverse habitats across the Plan Area.	3.2
<b>Initial Reconnaissance and Baseline Surveys</b>	7.2.7.4	Baseline monitoring establishes conditions at a given point in time. It is a one-time event that characterizes the status of conserved resources, as well as threats and stressors, for planning or future comparisons.	For each of the seven Preserves, OCTA contracted with Bonterra Psomas to complete baseline biological surveys that included detailed vegetation mapping and focused surveys of Covered Species.	3.2 and summarized in the 2018 First Annual Report
<b>Preparation of RMPs</b>	7.2.4	A Resource Management Plan (RMP) will be developed for	OCTA has completed RMPs for all seven Preserves. Each	3.2

Compliance Action	Plan Section Reference	Description	Summary of OCTA Compliance	Annual Report Section Reference
		<p>each Preserve that will include Preserve-specific goals and objectives relating to natural communities, Covered Species, and other ecosystem function(s), which demonstrate how the Preserve supports the overall goals and objectives of the OCTA NCCP/HCP.</p>	<p>RMP was reviewed and approved by the Wildlife Agencies. Draft RMPs were circulated for public review and OCTA held public workshops to obtain input. The Final RMPs are posted on the OCTA EMP website. The RMPs will be reviewed every 5 years and updated as necessary to prioritize management actions based on the changing Preserve needs.</p>	
<p><b>Recording of Conservation Easements (CEs)</b></p>	<p>7.2.4.1</p>	<p>Conservation easements will be recorded for each Preserve that will provide a legal mechanism to ensure each Preserve is maintained and managed in perpetuity as a habitat Preserve. Conservation easements will be recorded not later than 2 years from permit issuance. Conservation easements for each Preserve will be held by appropriate entities, depending upon the Preserve Manager.</p>	<p>OCTA is currently working on the preparation of conservation easements for each Preserve and anticipates these will be finalized in the near future.</p>	<p>3.2</p>
<p><b>Identification of Preserve Manager</b></p>	<p>8.2.1.2</p>	<p>For each Preserve, a long-term Preserve Manager will be identified.</p>	<p>OCTA is currently serving as the Preserve Manager for each Preserve. OCTA has contracted with firms (RECON and Glenn Lukos Associates [GLA]) to provide Preserve management and</p>	<p>3.2</p>

Compliance Action	Plan Section Reference	Description	Summary of OCTA Compliance	Annual Report Section Reference
			<p>monitoring assistance. High Level Security Services (HLSS) as well as Orange County Sheriff are providing security services for OCTA. OCTA will transition to a long-term Preserve Manager for each Preserve in the near future.</p>	
<p><b>General Stewardship and Preserve Management</b></p>	<p>7.2.5</p>	<p>The M2 NCCP/HCP includes guidelines for management of Preserves. These guidelines are meant to describe the range of management activities that could be needed, depending on a variety of Preserve-specific conditions.</p>	<p>OCTA has completed RMPs for each Preserve that define the Preserve-specific management activities. OCTA is currently serving as the Preserve Manager for each Preserve and has contracted with firms (RECON, GLA and HLSS), to provide Preserve management assistance.</p>	<p>3.2, Appendix C and D</p>
<p><b>Public Access Policy and Enforcement</b></p>	<p>7.2.5.7, 7.2.5.8</p>	<p>The primary purpose of acquiring the Preserves is to meet the biological requirements of the NCCP/HCP; however, the Preserves provide additional benefits, such as opportunities for passive recreation. Passive recreational use in the Preserves will be managed to be consistent with the protection and enhancement of biological resources.</p>	<p>For each Preserve, a public access approach was developed for the RMPs that addressed recreation and allowable uses that are compatible with the biological goals and objectives of the Plan. The RMPs were reviewed and approved by the Wildlife Agencies. OCTA conducts public hikes and equestrian rides at designated Preserves.</p>	<p>3.2, 6.1.2</p>
<p><b>Invasive Species Control Plan and Implementation</b></p>	<p>7.2.5.1</p>	<p>The control of invasive nonnative plant species is one of the most important</p>	<p>Invasive Species Management Plans were completed and approved by</p>	<p>3.2, Appendix C and D</p>



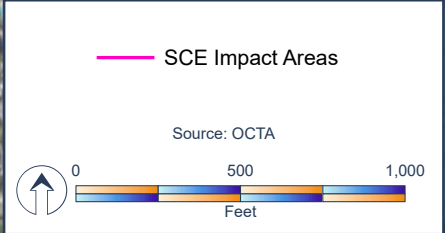
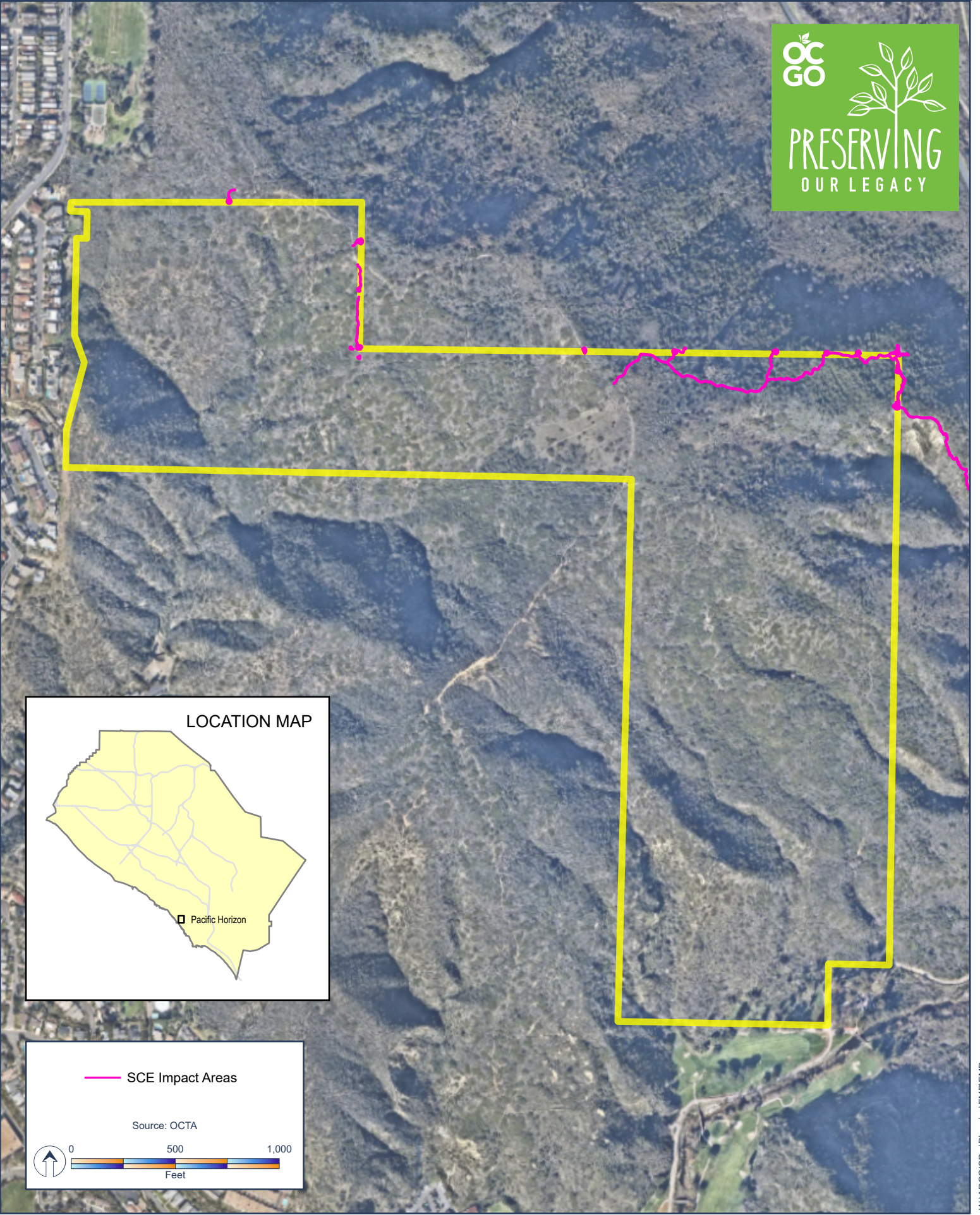
Compliance Action	Plan Section Reference	Description	Summary of OCTA Compliance	Annual Report Section Reference
		<p>components of Preserve management because these species can aggressively out-compete native species, thereby reducing habitat quality within a Preserve.</p>	<p>the Wildlife Agencies for each Preserve. These Plans (authored by GLA) include detailed mapping for existing invasive species and prioritization for invasive species treatment actions. OCTA has begun the implementation of invasive species control on the Trabuco Rose Preserve.</p>	
<p><b>Fire Management Plan and Fire Response</b></p>	<p>7.2.5.9</p>	<p>The Plan outlines the requirement for the preparation of a Fire Management Plans (FMPs) for each Preserve.</p>	<p>OCTA has contracted with Wildland Res Mgt to complete a FMP for each Preserve. Draft FMPs are anticipated to be completed in 2020. The FMPs will establish policies and approaches to maximize protection of biological resources during fire suppression activities, to the degree feasible. In 2016, there was a 1.5-acre fire on the Eagle Ridge Preserve. The fire was extinguished quickly and the burn area recovered. No fires within the OCTA Preserves have occurred during the period covered by this Annual Report.</p>	<p>3.2</p>
<p><b>Biological (Effectiveness) Monitoring</b></p>	<p>7.2.7.4 Table 7-1</p>	<p>Effectiveness monitoring assesses status and trends, as well as threats and stressors, and requires biological expertise. Effectiveness</p>	<p>OCTA has been completing surveys for Covered Species and their habitat within the Preserves based on schedules set forth in the</p>	<p>3.2, Appendix C</p>

Compliance Action	Plan Section Reference	Description	Summary of OCTA Compliance	Annual Report Section Reference
		<p>monitoring will be completed following the frequency and survey protocols listed in Table 7-1 of the M2 NCCP/HCP in perpetuity.</p>	<p>RMPs. In 2019, OCTA (GLA) also mapped cactus scrub habitat on all of the Preserves to identify key habitat areas for cactus wren, and for use in the management of sensitive resources in the context of fire management.</p>	
<b>Adaptive Management</b>	7.2.7	<p>The Plan sets forth the expectation and outlines an approach for the Preserves to be managed using an adaptive management strategy. Adaptive management provides a strategy to improve future management actions through monitoring to evaluate management effectiveness.</p>	<p>For each Preserve, OCTA has identified key issues for a focused adaptive management approach as part of the RMP development. These key issues are included as tasks in the monitoring and management of the Preserves.</p>	3.2
<b>Changed Circumstances</b>	8.6.2	<p>Changed Circumstances are defined as those events (flood; fire; drought; invasion by exotic species or disease; toxic spills, vandalism, encroachment, and other illegal human activity; and listing of non-Covered Species) that may affect a species or geographic area covered by this Plan that can reasonably be foreseen by OCTA and the Wildlife Agencies during planning and development of the Plan.</p>	<p>The Plan outlines how Changed Circumstances will be addressed should they occur. During the time period covered by this Annual Report, no events warranting a Changed Circumstance has occurred.</p>	3.2

<b>Compliance Action</b>	<b>Plan Section Reference</b>	<b>Description</b>	<b>Summary of OCTA Compliance</b>	<b>Annual Report Section Reference</b>
<b>Bi-annual Meeting of Preserve Managers</b>	7.1, 7.2.7.6	OCTA will host bi-annual meetings involving the Preserve Managers, Monitoring Biologists, the NCCP/HCP Administrator, and the Wildlife Agencies where implementation, policy, and technical issues of Preserve management will be addressed.	Because OCTA is functioning as the Preserve Manager each of the Preserves, the bi-annual meetings have not been initiated to date. OCTA has been coordinating closely with the Wildlife Agencies on Preserve activity.	N/A
<b>Regional Monitoring</b>	7.2.2	OCTA is not responsible for conducting regional monitoring outside of their specific Preserves but will contribute monitoring data collected at OCTA Preserves in a format that can be integrated with regional monitoring databases as appropriate.	OCTA is continuing to coordinate and collaborate other regional management and monitoring programs to stay abreast of regional monitoring issues. OCTA has shared monitoring results with other regional entities.	6.1.3
<b>Tracking and Facilitation of M2 Restoration Project Implementation</b>	5.5, 7.1	A key component of the M2 NCCP/HCP conservation strategy was OCTA funding restoration projects throughout the Plan Area. OCTA has funded 11 restoration projects, totaling approximately 357 acres of restored habitats, and a dam removal project. The restoration projects will enhance habitat for Covered Species.	OCTA has been providing oversight of the Restoration Project sponsors to ensure the restoration projects meet the following criteria: (1) the restored habitat meets success criteria identified in final restoration plans approved by the Wildlife Agencies; (2) the restoration project area is conserved through a conservation easement, deed restriction, or other mechanism approved by the Wildlife Agencies; and (3) the	4.1, 4.2

<b>Compliance Action</b>	<b>Plan Section Reference</b>	<b>Description</b>	<b>Summary of OCTA Compliance</b>	<b>Annual Report Section Reference</b>
			restoration site will be managed long-term in accordance with an existing management plan that defines the role for managing the biological values of the restoration project location.	
<b>'Lessons learned' monitoring of restoration projects</b>	7.3	As warranted and in consultation with the Wildlife Agencies, OCTA will conduct follow-up monitoring of restoration projects (approximately every 5 to 10 years) to evaluate the success of the restoration projects and apply 'lessons learned' to future restoration activities.	To be completed at a later date after restoration projects have been completed.	To be presented in subsequent annual reports
<b>Additional Conditions for Coverage</b>	6.5	As part of the Conservation Analysis (Chapter 6) in the M2 NCCP/HCP, there were two Covered Species, arroyo chub and many-stemmed dudleya, noted for additional conditions for coverage above and beyond the acquisition of the seven OCTA Preserves and funding of restoration projects.	OCTA has been working with the Wildlife Agencies to identify and implement actions to achieve coverage for arroyo chub and many-stemmed dudleya.	Chapter 5
<b>Arroyo Chub</b>	6.5	OCTA will implement a future restoration project focused on improving habitat conditions for arroyo chub.	OCTA has initiated the U.S. Forest Service (USFS) Dam Removal restoration project to provide conservation for arroyo chub. In 2017, the EOC and Wildlife Agencies approved moving forward with USFS Dam Removal	5.1.1, 4.2.12

Compliance Action	Plan Section Reference	Description	Summary of OCTA Compliance	Annual Report Section Reference
			<p>project and OCTA has contracted with USFS to remove 14 dams. The restoration activities began in 2018 and are anticipated to be completed in 2020. When this project has been signed off, this condition will have been met.</p>	
<p><b>Many-stemmed Dudleya</b></p>	<p>6.5</p>	<p>OCTA will protect, enhance, and/or establish a major population (i.e., 500 individuals) of many-stemmed dudleya.</p>	<p>There is a known population (four occurrences with approximately 180 individuals) identified on the Pacific Horizon Preserve. OCTA is implementing ongoing Preserve management actions to improve habitat suitability (e.g., reduction of invasive species and minimizing recreational impacts) and will monitor results to determine if the existing population can be expanded to meet the threshold.</p>	<p>5.1.2, 3.2.4</p>
<p><b>Plan Funding</b></p>	<p>8.3</p>	<p>Both the Natural Community Conservation Plan Act (NCCPA) and Endangered Species Act (ESA) require that a conservation plan approved pursuant to the respective state or federal law must assure availability of adequate funding to implement the Plan's conservation actions.</p>	<p>The primary source of funding for the Plan implementation is the M2 transportation sales tax initiative, which included at least 5% for the revenues for the EMP.</p>	<p>Chapter 7</p>



**Aliso Creek Restoration Project Status Update**

***Background***

As part of the Orange County Transportation Authority (OCTA) Environmental Mitigation Program (EMP) Early Action Plan, approximately \$55 million was estimated to be available for the EMP. This allocation was to be used for property acquisitions, habitat restoration, land management, and support of the program. Support of the program included the preparation of the OCTA Measure M2 (M2) Natural Community Conservation Plan/Habitat Conservation Plan (Conservation Plan) and technical consultant support.

With Board of Directors' (Board) allocation goal of 80 percent of funds for acquisition and 20 percent for restoration over the life of the EMP, approximately \$42 million and \$10.5 million were available for acquisitions and restoration, respectively. The first round of restoration projects resulted in six projects that were approved by the Board in September 2010. In May 2012, the Board approved an additional six restoration projects for funding. In February 2017, the Board approved funding to remove multiple dams within Orange County in partnership with the United States Forest Service. Table 1 below outlines all 12 restoration projects. A graphic depicting the restoration project locations was previously provided as Attachment A.

<b>Table 1. OCTA-Funded Restoration Projects</b>						
<b>Restoration Project</b>	<b>Sponsor</b>	<b>Proposed Cost<sup>1</sup></b>	<b>Approx. Acreage<sup>2</sup></b>	<b>Approx. Cost/Acre</b>	<b>Geographic Area</b>	<b>General Habitat Types</b>
City Parcel	San Juan Capistrano	\$1,500,000	53	\$28,300	San Juan Capistrano	Riparian corridor, coastal sage scrub (CSS), oak woodland, and native grassland
Fairview Park	Costa Mesa	\$2,000,000	23	\$87,000	Costa Mesa	Wetlands, native grassland, CSS, willow scrub, oak woodland
Irvine Ranch (Agua Chinon and Bee Flat Canyon)	Irvine Ranch Conservancy	\$1,497,160	90.1	\$16,600	Irvine	Chaparral, CSS, coast live oak/sycamore, oak woodland, native grassland, and riparian
UCI Ecological Reserve	Nature Reserve of OC	\$359,400	8.5	\$42,300	Irvine	Cactus scrub
Big Bend	Laguna Canyon Foundation	\$87,500	3.7	\$23,600	Laguna Beach	CSS and riparian woodland
Aliso Creek	Laguna Canyon Foundation	\$1,207,100	55	\$21,900	Laguna Niguel	Riparian

## Aliso Creek Restoration Project Status Update

<b>Table 1. OCTA-Funded Restoration Projects</b>						
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Chino Hills State Park <sup>3</sup>	Habitat Restoration Sciences Inc.	\$192,750	21	\$9,200	Yorba Linda	Willow riparian, oak-walnut woodland, and cactus scrub
Harriett Weider Regional Park	Bolsa Chica Conservancy	\$475,000	8.2	\$58,000	Huntington Beach	Native grassland, CSS, and riparian
Lower Silverado Canyon	Irvine Ranch Conservancy	\$1,414,435	28.4	\$49,800	County of Orange	Riparian
North Coal Canyon <sup>3</sup>	RECON Environmental Inc.	\$247,000	5.5	\$44,900	Yorba Linda	Riversidian Alluvial fan CSS
West Loma	Irvine Ranch Conservancy	\$1,335,280	62.47	\$21,400	County of Orange	Scrub and riparian
Dams Removal	United States Forest Service	\$185,000	Not Applicable	Not Applicable	County of Orange	31 dams removed within San Juan, Trabuco, and Holy Jim Creeks
Total		\$10,500,625				

Note: shaded projects were funded as part of Round 1 (2010), the unshaded projects were part of Round 2 (2017) and the dam removal was funded in 2017.

<sup>1</sup>Total for each project includes subsequent amendments or cost changes.

<sup>2</sup>Proposed acreage is subject to change and may be adjusted slightly once the restoration work is completed.

<sup>3</sup>Projects were formerly awarded to California Department of Parks and Recreation, who has subsequently withdrawn from implementation. These projects will now be implemented by two separate contractors.

The restoration projects focused on impacts which can be tied back to the 13 M2 freeway projects. Benefits to specific watersheds were also considered to address the mitigation needs of the State Water Resources Control Board (SWRCB) and the United States Army Corps of Engineers (ACOE) in relation to sections 401 and 404 of the Clean Water Act. The ACOE and the SWRCB have and will continue to issue permits, pursuant to the state and federal Clean Water Acts for the construction of the M2 freeway projects. Addressing this additional regulatory layer was a large focus of the decision-making process for Round 2 of the restoration projects. This regulatory permitting process is separate but parallel to the Conservation Plan permitting process. The funded restoration projects are integrated into the Conservation Plan to fulfill mitigation requirements.



## Aliso Creek Restoration Project Status Update

### ***Discussion***

The M2-funded restoration projects are being implemented by project sponsors within Orange County. These project sponsors essentially act as contractors performing work on behalf of OCTA. All of these projects have received M2 resources and regulatory agency approvals and are well underway. In addition, the Big Bend and City Parcel restoration projects are now complete and have been approved by the Wildlife Agencies.

OCTA staff was recently contacted by the Laguna Canyon Foundation (LCF) pursuant to the Aliso Creek Restoration Project. In general, the project is comprised of 55 acres of riparian restoration (30 acres of invasive species removal and 55 acres of native plant installation) within Aliso Creek. The project occurs within Aliso and Wood Canyon Wilderness Park owned and operated by the County of Orange. The restoration project is in its fifth year of implementation and is meeting or exceeding the required success criteria. In March 2020, OCTA received a request letter for an increase of \$275,000 to the project budget to compensate for unforeseen costs.

Work within Aliso Creek requires permits from the ACOE, California Department of Fish and Wildlife (CDFW) and SWRCB. The LCF had obtained permits from these entities and was ready to move forward with final coordination to obtain approval on the restoration plan. At that time, the project was covered by an ACOE Regional General Permit 41 for invasive plant removal and had all other required permits. LCF anticipated these permits would be adequate to move forward with the project when preparing the budget for the project.

As this project is providing mitigation for OCTA, the project was/is required to comply with the 2008 Final Compensatory Mitigation Rule, as issued by the United States Environmental Protection Agency (EPA). These requirements have resulted in cost implications from a higher level of effort (not originally anticipated) necessary to meet ACOE restoration plan criteria. The changes in the restoration plan and additional requirements from the ACOE were not originally anticipated and therefore not budgeted for this project. These requirements could not have been foreseen and were the result of many months of coordination with the ACOE to determine how the regulations applied to the different facets of this restoration project. However, as the restoration plan evolved, the ACOE indicated that additional requirements must be met.

Pursuant to the EPA 2008 Mitigation Rule, the ACOE required the following unanticipated changes to the Aliso Creek Restoration Project:

- Increase project timeframe from five to ten years. Doubling the timespan of the project would typically entail a major budget revision due to the significant annual costs of a habitat restoration project (approximately 56 percent of the cost increase).

## Aliso Creek Restoration Project Status Update

- Lengthy review of the restoration plan. Final ACOE approval of the restoration plan took several years and entailed a review process substantially longer than that of CDFW and the USFWS (approximately 18 percent of the cost increase).
- Conflict with the ACOE Aliso Creek Mainstem Project. The ACOE requested substantial modifications to the restoration plan as a result of the ACOE's proposed Aliso Creek Mainstem Project. These modifications entailed extensive additional labor costs (approximately five percent of the cost increase).
- Modified phasing of the project. Due to ongoing discussion with OCTA and the ACOE regarding project components, the ACOE required that the project be initiated in phases. This created additional material, mobilization, and labor costs due to lost economy of scale (approximately 18 percent of the cost increase).
- Additional surveys and avoidance methods. Costly additional archaeological and avoidance methods were required by the ACOE, including laying of an Arundo mat to prevent rubber track disturbance of soils (approximately three percent of the cost increase).

The LCF had anticipated the additional costs could be absorbed by other areas of the project budget. They have not requested budget increases on any of their prior habitat restoration projects, including the successfully completed OCTA-funded Big Bend Habitat Restoration Project. The Aliso Creek Restoration Project continues to meet or exceed the required success criteria and the cost increase will not impact the Conservation Plan.

The unbudgeted costs have depleted other important budgetary line items, such as habitat maintenance and monitoring. Based on the proposed budget modification, the new average cost per acre would increase from approximately \$21,900/acre to approximately \$26,900/acre. It is important to note that the revised cost for the Aliso Creek Restoration Project is still considered reasonable when compared to the cost of other funded restoration projects with the similar habitat type on a per acre basis. Even with the proposed cost increase, the Aliso Creek Restoration Project would remain in the lower half (using cost per acre as a matrix of comparison) of the OCTA-funded projects.

The Aliso Creek Restoration Project has provided valuable mitigation to a number of key M2 freeway projects. To date, the Interstate 405 (I-405 [Project K]) and Interstate 5 (I-5 [Project C]) projects have utilized this project for ACOE Section 404 permit(s) mitigation and Section 401 permits. It is also anticipated that this project will provide mitigation for the following future freeway projects: Project I (State Route 91 improvements), Project B (I-5 between State Route 55 [SR-55] and I-405) and Project L (I-405 between SR-55 and I-5). The Aliso Creek restoration is well underway with agreed upon mitigation ratios. Furthermore, mitigation requirements have been minimized and project level coordination has been reduced with the ACOE, the SWRCB, and the CDFW. Therefore, this project has greatly facilitated with the streamlining of the aforementioned key M2 freeway projects.