COMPREHENSIVE BUSINESS PLAN

Fiscal Year 2008

Orange County Transportation Authority

OCTA

INTRODUCTION

Orange County Transportation Authority

OCTA

January 28, 2008

To Honorable Chris Norby & Members of the OCTA Board of Directors:

I am pleased to present the approved Fiscal Year 2008 Comprehensive Business Plan for the Orange County Transportation Authority (OCTA). This business plan provides the OCTA Board of Directors and the citizens of Orange County with a comprehensive summary of OCTA's transportation plans and commitments consistent with OCTA's mission to "Enhance the quality of life in Orange County by delivering safer, faster and more efficient transportation solutions."

The approved Fiscal Year 2008 Comprehensive Business Plan focuses on implementing the Board approved strategic initiatives and the five-year Comprehensive Funding Strategy. This includes being fiscally prudent and responsible, as well as enhancing the Authority's communication with the general public, Orange County's cities, and our OCTA Board of Directors. The Business Plan is a financially constrained business planning tool providing a twenty-year cash flow for OCTA's transportation programs and projects, while utilizing conservative economic assumptions. It also serves as the baseline for developing the Fiscal Year 2008-09 Annual Budget.

The approved Comprehensive Business Plan details a comprehensive, multi-modal approach with a wide breadth of proposed improvements - all designed to improve mobility for Orange County residents. In addition to current transportation activities, OCTA has identified several priorities forming the blueprint for strategic transportation programs to be implemented, including implementation of the Renewed Measure M Early Action Plan, implementation of bus rapid transit, the construction of the Interstate 5 Gateway project as well as expansion of Metrolink service. These transportation priorities will help us maintain the quality of life and economic productivity we have come to expect and enjoy in Orange County.

The approved Fiscal Year 2008 Comprehensive Business Plan is consistent with the assumptions for the first twenty years of the *New Directions* Long-Range Transportation Plan, published July 17, 2006. Together, they provide a detailed roadmap for mobility in Orange County.

Sincerely,

Arthur T. Leahy
Chief Executive Officer

The Authority is governed by an eighteen-member Board of Directors consisting of five members of the Orange County Board of Supervisors, 10 city council members selected by the cities in the supervisorial district in which they represent, two public members selected by the other fifteen board members, and serving in a non-voting capacity is a representative appointed by the Governor of California. OCTA is managed by a Chief Executive Officer, who acts in accordance with the direction, goals, and policies articulated by the Board of Directors.

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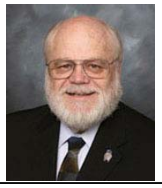

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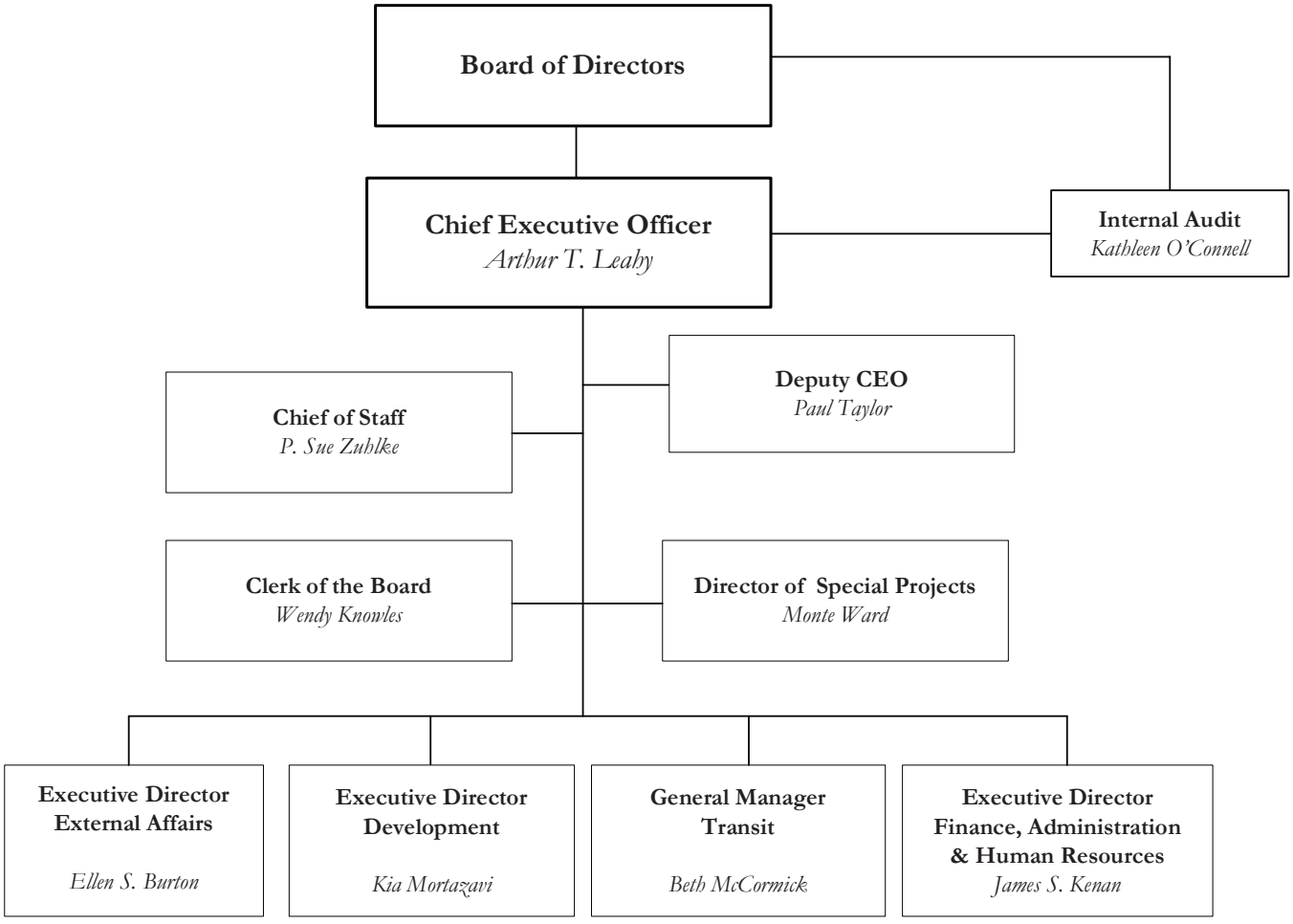
Organizational Chart

Orange County Transportation Authority



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EXECUTIVE SUMMARY

Orange County Transportation Authority

Introduction

As an organization, OCTA is comprised of seven distinct programs with unique characteristics and objectives; however, these programs work together to accomplish OCTA's Authority-wide mission. The programs include: Bus Operations, Metrolink, Measure M, Renewed Measure M, the 91 Express Lanes, Planning & Capital Projects, and Motorist & Taxicab Services.

Bus Operations

Orange County began bus operations in August of 1972 with eight local fixed routes. In the first full year of operations in 1973, service consisted of 18 local fixed routes and carried approximately 2.1 million riders. Today, service has grown to 81 bus routes and annual boardings exceed 68 million.

Bus operations represents OCTA's core business unit delivering fixed route and paratransit bus services for Orange County residents. Fixed route service represents the core of bus operations and includes local fixed route, local community fixed route, express, StationLink, and shuttle services. Paratransit bus services include ACCESS service and Special Agency Transportation service.

Fixed Route Service

Local fixed route, local community fixed route, and shuttle services carry 97% of fixed route service passengers, while express and StationLink service carry 2% and 1%, respectively. Figure 1 (below) shows the forecasted growth in scheduled revenue vehicle hours for local, express, and StationLink services from Fiscal Year 2008 through 2027. Local service, which includes local fixed route, local community fixed route, and shuttle services, is forecasted to grow approximately 11% over the next five years and 23% over the next 20 years.

Figure 1 - Fixed Route Revenue Vehicle Hours

Service Type	FY08	FY12	FY17	FY22	FY27
Local	1,853.0	2,064.5	2,112.5	2,206.9	2,274.5
Express	60.8	70.4	95.9	95.9	95.9
StationLink	26.9	30.1	31.2	31.2	31.2
Total	1,940.7	2,165.0	2,239.6	2,334.0	2,401.6

Growth over the next five years is primarily driven by the implementation of a new bus rapid transit (BRT) service beginning in Fiscal Year 2010. In Fiscal Year 2010, OCTA will introduce BRT service, which combines a simple route layout, frequent service and limited stops. The service is expected to have travel speeds approximately 20 percent faster than those of regular local service. It is anticipated that BRT service will increase ridership and operational cost efficiencies as well as the ability to apply innovations to other Authority services.

Express service is forecasted to grow 16% by Fiscal Year 2012 with the addition of two new lines. One line will extend from Riverside to the Anaheim Resort in Fiscal Year 2009 and the second will extend from San Clemente to Laguna Hills beginning in Fiscal Year 2012.

StationLink service provides connecting bus service during peak rush hours to major employment centers for Metrolink passengers. Metrolink tickets provide a free connection to StationLink services. StationLink service is forecasted to grow 12% by Fiscal Year 2012 to coincide with the expansion of the Metrolink system beginning in Fiscal Year 2010.

Paratransit Service

The OCTA offers paratransit service through the ACCESS program. This service is federally mandated by the Americans with Disabilities Act (ADA) and is specifically offered to individuals who are not capable of using the local bus service due to a physical or cognitive disability that prevents them from using fixed route service. It is anticipated that service levels will grow approximately 4.0% on average each year through Fiscal Year 2012, and 5.0% each fiscal year thereafter through 2027 (see Figure 2). The forecasted growth rate is much lower than the past four years, which averaged double digits. Growth of this service continues to be controlled by the implementation of the Growth Management Plan, which included changes in policy such as: eligibility, fares, use of taxi cabs to supplement the primary provider, and elimination of premium services in excess of ADA requirements.

Figure 2 - Paratransit Revenue Vehicle Hours

Service Type	FY08	FY12	FY17	FY22	FY27
ACCESS	620.1	720.6	850.0	1,034.1	1,258.2
Special Agency	8.5	8.5	8.5	8.5	8.5
Total	628.6	729.1	858.5	1,042.6	1,266.7

The OCTA also offers Special Agency Transportation services, which is an advanced reservation system for seniors traveling to congregate meal programs and selected nutrition sites. This service is provided under a contract with the Orange County Office on Aging (OoA) and the cost is shared with the OoA and the cities participating in the program.

Senior Mobility Program
OCTA established the Senior Mobility Program (SMP) in Fiscal Year 2002 to provide funding for local, community based senior transportation services. The SMP addresses the "gap" in transportation services for seniors who no longer drive but do not qualify for ACCESS service. OCTA supports up to 80% of the program through the use of Transportation Development Act Article 4.5 funds with the amount allocated to each program increasing over time based on senior population growth and the Consumer Price Index. The SMP has proven to be a cost effective alternative transportation option to meet the needs of Orange County's growing senior population.

Metrolink
Metrolink service began in Orange County in 1994 with the Orange County (OC) line followed by the Inland Empire – Orange County (IEOC) line in 1995, and the 91 Line in 2002. The three Metrolink lines serving Orange County provide a total of 44 daily weekday trains to 11 Orange County stations. The newest Metrolink station, located in the city of Buena Park, opened with full Metrolink and OCTA fixed route service on September 4, 2007. Weekend service is also offered on the OC line and IEOC line. The OC line offers 4 round trips on Saturday and Sunday, while the IEOC line offers 3 round trips on Saturday and two round trips on Sunday on a year round basis.

In November 2005, staff was authorized to begin implementation of the Metrolink Service Expansion Plan (MSEP) which will increase service levels on all three Metrolink lines serving Orange County. The primary focus of the plan will be implementing 30-minute service between Mission Viejo/Laguna Niguel and Fullerton along the OC line by the end of 2009. It is anticipated that the total number of train trips per day for all three lines serving Orange County will increase from 44 trips per day in November 2005 to 76 trips per day by the end of 2009. A capital program has been undertaken to implement the MSEP with anticipated costs of approximately $476 million dollars. Measure M will fund approximately $362 million dollars of the capital program with the balance of funds coming from federal, state and other sources. Additional projects that are closely related to, but not part of, the MSEP totaling $276 million dollars are scheduled to be implemented concurrently with projects in the MSEP. The projects are primarily related to grade separations, grade crossing improvements, and quiet zones.

Measure M will continue to fund Metrolink operations and portions of the capital program until the Measure M program sunsets on March 31, 2011. Costs for operations and capital after the sunset of Measure M will be funded primarily by Renewed Measure M, which is a continuance of the Measure M one-half cent sales tax for an additional 30 years. Approximately $1 billion dollars has been allocated for Metrolink under the Renewed Measure M program.

Metrolink Related Programs
Go Local/Transit Extensions to Metrolink
In February 2006 the OCTA Board of Directors approved the Go Local Program, which was created to broaden the reach of the Metrolink system to other activity centers and communities. The program will allow local jurisdictions to take the lead in defining, planning and implementing transit extensions that branch from Metrolink to outlying communities and major activity centers. Funding for the program will be from Measure M and Renewed Measure M, and will be awarded on a competitive basis. Thirty million dollars in Measure M funds, and one billion dollars in Renewed Measure M funds have been allocated for the program.

Convert Metrolink Station(s) to Regional Gateways that Connect Orange County with High Speed Rail Systems Program
The State of California is currently planning a high-speed rail system linking northern and southern California with one line planned to terminate in Orange County. In addition, several magnetic levitation (MAGLEV) systems that would connect Orange County to Los Angeles and San Bernardino Counties, including a link from Anaheim to Ontario Airport, are also being planned or proposed by other agencies. The program to Convert Metrolink Station(s) to Regional Gateways that Connect Orange County with High Speed Rail Systems will provide the local improvements that are necessary to connect future high-speed rail systems to stations on the Orange County Metrolink route. Funding for the program will be from Measure M and Renewed Measure M. Sixty million in Measure M funds, and $226.6 million in Renewed Measure M funds have been allocated for the program.

Measure M
In November 1990, Orange County voters approved Measure M, a 20-year program for local transportation improvements funded by a one-half cent sales tax. Measure M was designed to

fund transportation improvement projects in three major areas – freeways, streets and roads, and transit.

Freeways formed the cornerstone of Measure M, and to-date seven major freeway projects have been completed totaling approximately $2.0 billion dollars. The projects included:

- Widening the State Route 57 from 6 to 8 lanes (1992)
- Widening Interstate 5 south of the El Toro Y from 8 to 10 lanes (1996)
- Widening the Interstate 5/Interstate 405 interchange (El Toro Y Interchange) to 13 lanes in each direction at its widest point (1997)
- Widening State Route 91 from 6 to 8 lanes (2000)
- Widening the State Route 55 from 8 to 10 lanes (2002)
- Widening Interstate 5 north of State Route 22 from 6 to 10 lanes (2007)
- Widening State Route 22 by adding a carpool lane in each direction between Interstate 5 and Beach Boulevard

The final freeway project scheduled to be completed in 2010 is the Interstate 5 Gateway project which will widen Interstate 5 from 6 to 10 lanes from State Route 91 to the Orange/Los Angeles County line.

Measure M also sets aside funds to help cities maintain streets, fix potholes and coordinate traffic signals. Each year, Orange County's 34 cities each receive these funds based on population, street miles, and sales tax. It is anticipated that Measure M will contribute more than $620 million dollars toward local street improvements by 2011.

Measure M also contributes funds to make streets work more efficiently as "Smart Streets" with more lanes, coordinated signals and better functioning intersections. It is anticipated that Measure M will contribute more than $745 million toward smart streets, intersection and interchange improvements, traffic signal coordination, transportation systems and demand management, master plan of arterial highways improvements, and growth management area improvements by 2011.

It is anticipated that by 2011 Measure M will have contributed approximately $1 billion towards transit projects. The majority of the funds (approximately $850 million) are allocated to fund Metrolink operations and capital expenditures through 2011. Another $173 million of funds have been allocated to help freeway transitions for carpoolers and buses. Measure M added carpool connector ramps at the State Route 91/State Route 57, Interstate 455/State Route 55, and Interstate 5/State Route 55 interchanges. Measure M transit funds (approximately $20 million) have also been allocated to discount bus fares for seniors and persons with disabilities.

Renewed Measure M

In November 2006, Orange County voters approved the renewal of the Measure M one-half cent sales tax, which will continue investment of local tax dollars in Orange County's transportation infrastructure from April 2011 through March 2041. The Renewed Measure M (M2) Transportation Investment Plan (Plan) is a 30-year, $11.8 billion program that reflects the varied interests and priorities inherent in the diverse communities of Orange County. The Plan includes continued investment aimed at:

- Expanding and improving Orange County's freeway system
- Maintaining and improving the network of streets and roads in every community
- Expanding the Metrolink rail service through the core of Orange County with future connections with nearby communities and regional rail systems
- Providing additional transit service for seniors and persons with disabilities
- Providing funds to clean up runoff from roads that leads to beach closures

The Plan calls for the $11.8 billion dollars to be allocated as follows:

Figure 3 - Allocation of M2 Funds

Program	$	%
Freeways	4,871.1	41%
Streets & Roads	3,625.0	30%
Transit	2,832.0	24%
Environmental Cleanup	237.2	2%
Taxpayer Safeguards	296.6	3%
Total Cost	11,861.9	

M2 Early Action Plan

In August 2007 the Board approved the M2 Early Action Plan (EAP), which is a five-year plan, covering the years of 2008 to 2012, to advance the implementation of M2. The EAP commits to nine key objectives over the next five years, which provide the opportunity for more than $1.6 billion in transportation improvement projects to be underway by 2012. The key objectives address each major transportation mode including freeways, street and roads and transit, and also address early action objectives for environmental clean up.

The M2 ordinance expresses a strong preference for pay-as-you-go project financing. However, under the proper conditions, both M2 and the original M1 permit debt financing. Under the EAP, it is anticipated that up to $350 million in debt financing may be required to fund project costs. As a result, on November 9, 2007 the Board authorized the establishment of a Tax Exempt Commercial Paper program to fund all M2 expenditures until the collection of sales tax begins in Fiscal Year 2011. Forecasted expenditures by mode are as follows: freeway mode - $164.2

million, transit mode - $71.1 million, streets and roads mode - $14.4 million, and up to $100 million for potential projects that are subject to state and federal decisions.

91 Express Lanes

The 91 Express Lanes is a four-lane, 10 mile road extending from the Orange/Riverside County line west to the State Route 55. Originally opened in 1995, OCTA took over operations of the 91 Express Lanes in January 2003. Since 2003, traffic volumes and gross revenues continue to increase on an annual basis. Traffic volumes have increased 46 percent since FY 2003 while revenues have increased 53 percent during the same time period. Total vehicle trips during FY 2007 reached 14.6 million while total revenues surpassed $53 million.

The success of the toll road can be attributed to the congestion management toll policy adopted by the Board in July 2003. Under this policy, pricing is used to optimize the number of vehicles that can travel on the toll road at free-flow speeds during all hours. To keep traffic moving, OCTA offers incentives to encourage ridesharing and off-peak commutes. Tolls are lower during lighter traffic periods to entice motorists to avoid the rush-hour crunch and are free or reduced for carpools with three or more individuals. As a result, carpool trips and off-peak hours have steadily increased over the past several years.

Under OCTA ownership, in addition to adopting an innovative toll policy, restrictive non-compete provisions contained in the Franchise Agreement with the state were eliminated. As a result, millions have been invested in the 91 Corridor to improve mobility. These provisions would have prevented improvement projects along the 91 corridor from the I-15 in Riverside County to the SR-55 in Orange County. In addition, with the passage of the Renewed Measure M sales tax, approximately $1.5 billion has been earmarked for the 91 Corridor. Some of these projects are set to begin prior to the commencement of the Renewed Measure M sales tax in 2011 as part of the EAP.

Planning & Capital Projects

It is anticipated that between now and 2030 the number of miles traveled by vehicles in Orange County will grow by nearly 40%, growing faster than both population and employment. Furthermore, by 2030 it is forecasted that almost three million more person trips per year will be added to the transportation system. With travel demand continuing to grow, multiple strategies must be employed to improve and maintain Orange County's transportation system. In 2006, the OCTA prepared *New Directions*, which is a long range transportation plan (LRTP) that identifies key freeway, roadway and transit projects necessary to maintain quality of mobility for Orange County residents.

Two current major freeway projects in Orange County include projects for the Santa Ana Freeway (Interstate 5) and the Garden Grove Freeway (State Route 22). Construction began in 2006 for the I-5 Gateway Project, which is a four-year project that will widen Interstate 5 from Buena Park to the Orange/Los Angeles county line. Construction is scheduled to begin in late 2008 for improvements to the State Route 22 freeway. Improvements include additional carpool lanes, HOV direct connectors between the State Route 22, Interstate 405 and Interstate 605, bridge improvements, and soundwalls. OCTA is working with Caltrans in developing freeway improvements to alleviate localized freeway chokepoints. A list of 29 freeway chokepoints located throughout the county has been developed with estimated project costs totaling $1.5 billion dollars.

Improvements to roadways will include signal synchronization, continued funding for street maintenance, construction of grade crossings, and the widening of Bristol Street in Santa Ana.

Transit related improvements include projects that will connect future high-speed rail systems to stations on the Orange County Metrolink route. Funds for these projects have been allocated from the Measure M program and will be allocated from the Renewed Measure M program.

OCTA conducts Major Investment Studies (MIS) in order to identify projects which are technically feasible, have public support, and can be eligible for state and/or federal funding. OCTA is currently conducting several MIS's to improve travel along Orange County travel corridors. Current studies include:

- Central County Corridor Study

- South Orange County Major Investment Study
- Riverside County to Orange County Major Investment Study

- San Diego Freeway (Interstate 405) Major Investment Study
- Orange County/Los Angeles Inter-County Transportation Study

Motorist and Taxicab Services

Motorist and Taxicab Services consists of three programs:

- Service Authority for Freeway Emergencies (SAFE)
- Service Authority for Abandoned Vehicles (SAAV)
- Orange County Taxicab Program (OCTAP)

Service Authority for Freeway Emergencies (SAFE)

SAFE is comprised of two programs which are the Freeway Service Patrol (FSP) and the Callbox program. FSP is a congestion-management relief program which consists of independently owned and certified tow trucks that patrol assigned beats during peak commute time to assist disabled motorists. OCTA's FSP tow trucks provide approximately 70 thousand assists per year. In recent years statewide appropriations for FSP have increased due to the success of the program in reducing congestion. The increase in funding enabled the OCTA to implement an 18-month pilot to include weekend service on Interstate 5 between Alicia Parkway and Cristianitos Road. The FSP program is currently funded by a $1 annual fee on vehicle registrations and state appropriations. The Renewed Measure M program will allocate additional funds for the program that will ensure continuation of the program through the sunset of the Renewed Measure M program in 2041.

The Callbox program consists of a network of approximately 700 solar powered cellular-based telephones along 197 miles of highway and toll roads throughout the county. OCTA is responsible for the acquisition, installation and maintenance of the callboxes. With the proliferation of cellular phones, callbox usage in Orange County has steadily declined from 8,500 calls per month in Fiscal Year 2000 to approximately 600 calls per month in Fiscal Year 2007. As a result the number of callboxes was reduced 40% in Fiscal Year 2006, which resulted in spacing between callboxes on freeways being increased from ¼ quarter mile to 1-¼ mile, and from ½ mile to one mile on toll roads.

Service Authority for Abandoned Vehicles (SAAV)

The SAAV program assists cities in the removal of potentially of unsightly and hazardous abandoned vehicles from Orange County streets and roads. Since inception over 325,000 abandoned vehicles have been removed from public and private property in Orange County. SAAV is funded by a $1 annual fee on vehicle registrations.

Orange County Taxicab Program (OCTAP)

OCTA administers the OCTAP program, which regulates countywide taxicab service in all 34 participating Orange County cities. OCTAP is responsible for issuing taxicab business, driver, and vehicle permits. OCTAP issues permits to approximately 20 taxicab companies with over 675 taxicabs, and approximately 1,028 drivers. OCTA recovers all program costs through a fee assessment for each permit application

TRANSIT OPERATIONS

Bus Operations

Metrolink

Orange County Transportation Authority

BUS OPERATIONS

Fixed Route Service

Paratransit Service

Senior Mobility Program

Transit Revenue

Capital Expenditures & Program of Projects

Operations Staffing

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Cashflows

Orange County Transportation Authority

Introduction

Orange County began transit operations in the fall of 1972 through the establishment of the Orange County Transit District by state legislation with eight local fixed routes. Today, service has grown to 81 bus routes and annual boardings exceed 68 million. OCTA is the 12th largest transit system according to the American Public Transportation Association (APTA). In 2005 APTA recognized OCTA by awarding it the prestigious 2005 Outstanding Public Transportation System Award.

Bus services are tailored to various market demands and needs. These services include local fixed route, express, StationLink rail feeder and complementary paratransit bus service. The fixed route network provides bus service on 42 local lines, 14 community lines, 2 shuttle lines, 10 inter/intra-county express lines, and 13 StationLink rail feeder lines. The express service provides limited-stop, freeway-based service to major employment areas in Orange County and surrounding areas.

StationLink rail feeder service provides connector services for the Metrolink commuter rail system allowing Metrolink commuters to reach employment centers. OCTA also operates paratransit services under two program elements, ACCESS and Special Agency. ACCESS provides demand response bus service to persons with developmental and physical disabilities as required by the federal Americans with Disabilities Act (ADA). Special Agency service transports elderly persons to destinations such as nutrition programs, adult day programs, and health care providers. OCTA will continue to encourage more city and local participation in transportation to these nutrition programs through the Senior Mobility Program. The structure of services currently in place has evolved as a result of strategic planning, periodic large scale service studies, and on-going revisions to routes and schedules to respond to near-term changes in the operating environment.

Program Overview

Based on Orange County demographic projections from the Orange County Progress Report (OCP), between the year 2008 and 2030, Orange County will add:

- 557,204 people, an increase of 18 percent
- 447,933 jobs, an increase of 29 percent
- 125,934 dwelling units, an increase of 13 percent

Growing population and the proportionately slower housing growth translate into more densely populated areas and increased travel times. With a more densely populated county, existing local roads and freeway networks will have difficulty absorbing the expected growth in traffic without more capacity. A mitigation to increasing congestion will be the use of public transportation. OCTA projects an increased number of Orange County residents will discover public transportation to be a more viable method of transportation.

Fixed Route Service

With Board direction the groundwork has been established to offer more improvements within OCTA's transit network, thereby creating transportation alternatives for the residents of Orange County. These improvements include: (1) implementing Bus Rapid Transit (BRT) service, (2) adding additional express bus service, (3) expanding local fixed route service, and (4) expanding StationLink rail feeder service to complement an expanding Metrolink system. The implementation schedule for these improvements is outlined in this section. OCTA is responsible for short and long range planning and operation of transit services. The existing transit network and future expansion plans are a product of technical studies, on-going monitoring, and extensive input from the public, transit riders, and coach operators. Short range planning deals with the strategies for maintaining and adjusting the bus service and managing the service change process. OCTA plans to grow bus service by 2.3 percent per year on average over the next five years. The allocation of future resources is categorized into different programs or campaigns to address anticipated future demand.

Staff identified these major categories for improvements:

- Expansion of express bus service
- More frequent service in the core area of the bus system
- Improvements in the hours of operation for local bus service
- Improvements in South Orange County

- Improvements in service to address Metrolink service expansion, and
- Introduction of BRT service in Orange County on three corridors by December 2010

Staff has developed a bus service plan that addresses all of these areas of improvements.

Local Bus Service

Local Bus Service represents the majority of transit options offered throughout Orange County. Currently, 41 OCTA bus routes operate along the major arterials comprising a "grid" network. These routes usually serve multiple Orange County municipalities and operate longer distances along a single major corridor such as Beach Boulevard (Route 29), Harbor Boulevard (Route 43), Katella Avenue (Route 50), and Westminster Avenue – 17th Street (Route 60). Passenger volumes require the use of higher capacity 40-foot and 60-foot buses. There are 14 OCTA local community routes; nine of these are operated by the OCTA's contracted fixed route provider using smaller buses. The use of smaller buses reflects local roadway constraints or lower passenger demand. Unlike the OCTA grid routes, local community routes serve multiple streets and local communities. In addition, they provide connections to the major grid routes for trips beyond the community of origin. Local fixed route service is the core of the OCTA's business, consuming about 96 percent of the fixed route resources and carrying 97 percent of the bus system passengers. Express and StationLink services consume about 3 percent and 1 percent, respectively and carry about 2 percent and 1 percent, respectively, of the fixed route total passengers.

Figure 1 (see following page) illustrates the planned annual revenue vehicle hours (RVH) projected through Fiscal Year 2027. Local fixed route service is projected to grow 3 percent on average over the next 4 years, reaching approximately 2.0 million RVH by Fiscal Year 2012 and 2.2 million RVH by Fiscal Year 2027. During this same period, OCTA will increase to 0.16 million RVH for contracted fixed route rail feeder and express bus service by Fiscal Year 2012 and 0.22 million by Fiscal Year 2027.

Figure 2 (see following page) illustrates the estimated annual boardings through Fiscal Year 2027. Because of the general growth in population and the economy, OCTA anticipates a corresponding increase in boardings and fare revenue. Boardings are anticipated to grow to approximately 73 million by Fiscal Year 2012 and reach 83 million by Fiscal Year 2027.

Bus Rapid Transit

As part of a continuous effort to explore transportation alternatives for passengers that utilize OCTA's bus system and meet air quality mandates, a new component, known as Bus Rapid Transit (BRT), is being introduced to the residents of Orange County. The Bus Rapid Transit Program, approved in October 2005 as part of a five-year rapid transit program, plays a major role in satisfying commitments made to achieve air quality conformity by 2010 in the South Coast air basin. BRT is a new transportation alternative combining the flexibility of a bus system with some rail transit features. BRT is expected to offer faster travel times, schedule reliability, provide a viable option for discretionary riders, enhance the bus system identity and image, and increase system capacity. Benefits from the development of the BRT service include ridership growth, operational cost efficiencies, and the ability to apply innovations from BRT to other Authority services. BRT can operate on freeways or arterial streets. A BRT system combines a simple route layout, frequent service, limited stops, passenger information systems, and traffic signal priority for transit. BRT

Figure 1 - Fixed Route Scheduled Revenue Vehicle Hours
($ thousands)

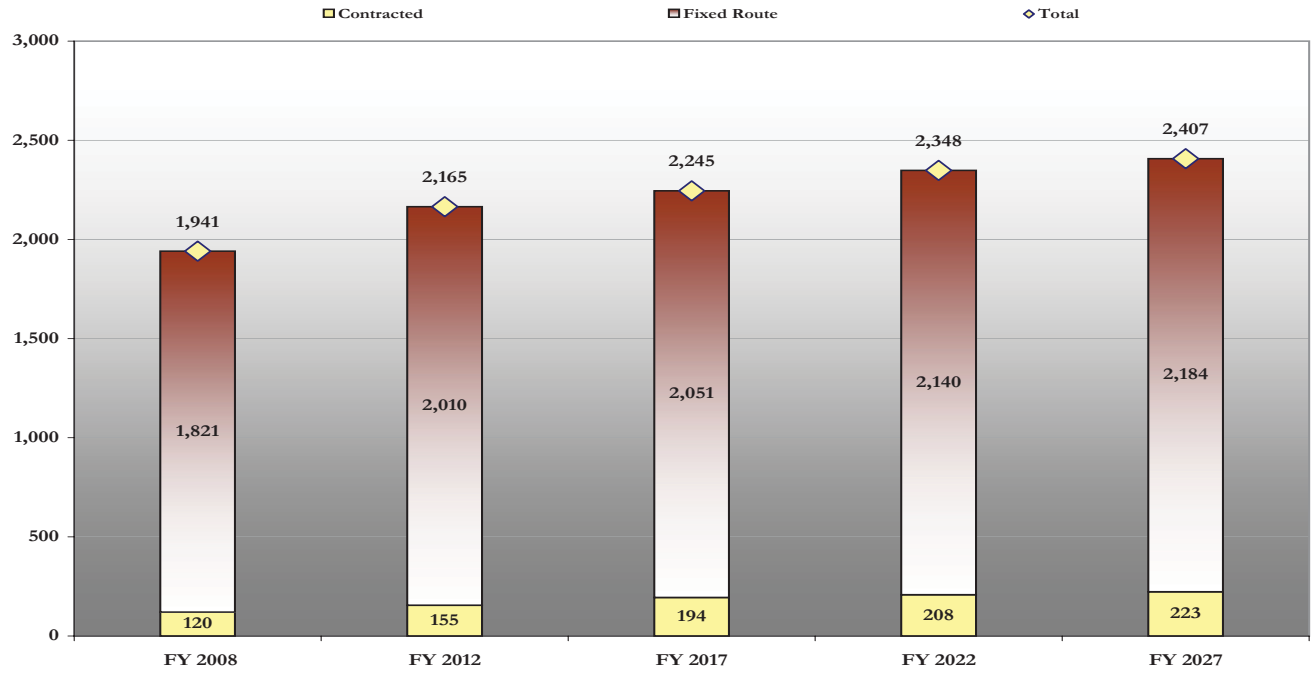
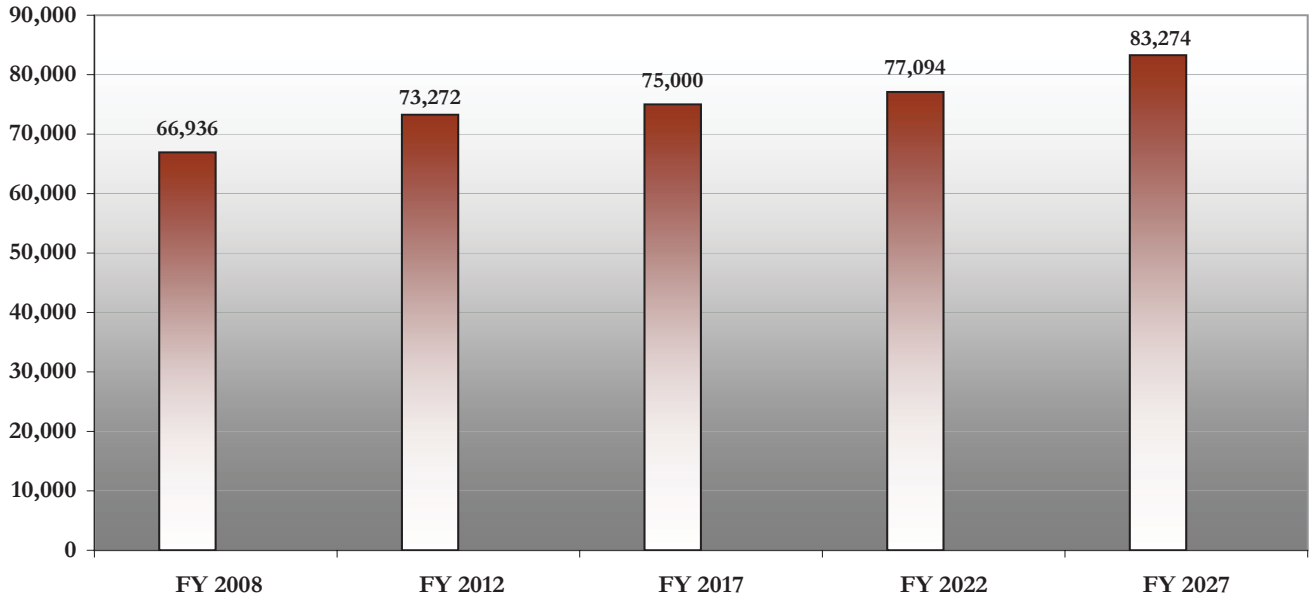


Figure 2 - Fixed Route Boardings
($ thousands)



travel speeds are typically 20 percent faster than local bus service. On October 14, 2005, the Board approved three BRT corridors totaling about 72 miles in length. The three BRT corridors, Harbor (Route 543), Westminster/17th (Route 560), and State College/Bristol (Route 557), provide a transit alternative to Orange County residents and are scheduled to open for revenue service in Fiscal Year 2010 and 2011. Figure 3 provides the projected annual RVH and start date for the initial three BRT corridors in addition to five other corridors under consideration.

Figure 3 - BRT Routes

Route	Corridor	Annual RVH	Start Date (fiscal year)
543	Harbor	68,000	2010
560	Westminster/17th	70,000	2010
557	State College/Bristol	107,000	2011
529	Beach	67,000	2014
550	Katella	45,000	2016
538	La Palma	27,000	2018
570	Edinger	29,000	2020
520	Imperial Hwy	36,000	2022
Total		449,000	

There are many possible methods of deploying BRT service in a particular area. The BRT elements selected for a particular area reflect its unique need for a transit mobility option. To this effect, the OCTA Board of Directors approved a BRT concept for Orange County that will be implemented in accordance with the approved BRT concept elements. These elements include:

Transit Signal Priority:
This BRT service will have transit signal priority (TSP) in which the vehicles will be equipped with emitters to communicate with the detectors at the traffic signals, that in turn relay the bus' arrival to the signal controller. The TSP will allow the coordination of traffic signals along the BRT routes to maximize passenger throughput.

Non-Dedicated (Mixed Flow) on Arterials:
In this configuration the BRT vehicles will share traffic lanes with general traffic on designated arterials.

Frequent Service & Real-Time Passenger Information:
The BRT service will operate every 10 minutes during the morning and evening commute periods

Distinct Bus Identity:
The BRT vehicles will have a distinct bus identity that will distinguish this service from the general OCTA fixed route bus service. These vehicles will display a distinct color scheme and use "Bravo!" as the brand name, which was approved by the Board on November 26, 2007. The vehicles to be used for the BRT corridors will be low-floor, 40-foot, Compressed Natural Gas (CNG) buses.

Distinctive Shelters:
The amenities for passengers include distinctive shelters that identify the bus shelter/stop as connected to the BRT route. The BRT stops will be spaced at approximately one-mile intervals. Ninety-two buses will be purchased to initiate the BRT program.

The 92 BRT buses will include the following upgrades:

- Enhanced paint and graphics to reflect BRT branding
- Engine upgrade to the low oxides of nitrogen (NOx) option

Express Service

In addition to increasing local fixed route service and implementing BRT service, new business class express routes will continue to be implemented. In Fiscal Year 2007, OCTA added two inter-county express routes joining the three already operating between Orange and Los Angeles counties. OCTA foresees adding a total of eight new express routes to the five existing inter-county OCTA routes (701, 721, 757, 758 and 794), which currently operate between Orange, Los Angeles, Riverside, and San Bernardino counties. The expanded express bus service is geared to improve local and regional connections, to increase transit ridership and assist with freeway congestion.

Express routes operate Monday through Friday during peak hours targeting longer distance home-to-work commuters. Service operates primarily on freeways, utilizing the HOV network where possible, to offer customers travel times comparable to travel by automobile.

Figure 4 provides the projected annual RVH and start date for each of these new express bus routes. Special express vehicles will be utilized for this service. These express bus routes will provide service from various locations in Los Angeles, Riverside and Orange counties to major employment centers throughout Orange County.

Figure 4 - Express Bus Routes

Corridors	Route	RVH	Start Date (fiscal year)
Riverside to Anaheim Resort	792	4,259	2009
San Clemente to Laguna Hills	214	10,659	2012
Riverside to CSUF	791	3,978	2013
Riverside/Corona to Irvine	793	4,259	2013
Long Beach to S.C. Metro	723	2,490	2013
Long Beach to Orange	722	2,237	2014
San Clemente to S.C. Metro	215	3,249	2014
Rancho Santa Margarita to Irvine	217	3,925	2014
Total		35,056	

A revenue agreement in the amount of $120,000 was reached to jointly fund intercounty express bus route 794 between Orange and Riverside counties.

Rail Feeder Service

Rail feeder services were introduced to transport commuter rail passengers between Metrolink train stations and their employment destinations in Orange County. StationLink buses travel over a defined route with limited stops located at major employment centers. The trips are scheduled to meet specific train trips and, when needed, buses wait for late trains to ensure passengers reach their final destinations. OCTA operates 13 StationLink routes weekdays during the morning and evening commute periods. Metrolink passengers may board StationLink routes free of charge. In addition to this dedicated StationLink service, train stations in Orange County are also served by local bus routes. Metrolink riders may transfer to OCTA local buses serving train stations free of charge as well.

Transit plans to increase rail feeder service levels consistent with the Board approved Metrolink Service Expansion Plan and commensurate with the expansion of the Metrolink system. The StationLink service is operated by the transit division but Metrolink incurs the financial responsibility for this service.

Alternative Fuel Technology

OCTA has embarked on a campaign to purchase alternative fuel vehicles which reduce emissions and meet air quality standards. OCTA purchased 232 Liquefied Natural Gas (LNG) vehicles in Fiscal Year 2000 through Fiscal Year 2002 and has ordered 299 Compressed Natural Gas (CNG) buses with delivery starting in May 2007. In March 2007, the Board of Directors also approved the purchase of 31 CNG mid-size buses for express and contracted fixed route service. These LNG and CNG vehicles will meet service replacement and expansion needs as well as air quality commitments for the region.

Fixed Route Capital

Currently, OCTA's active bus fleet consists of 646 vehicles with 566 vehicles designated for directly operated fixed route (large bus) use and 80 designated for contracted fixed route service.

Figure 5 details the quantity, bus type and age of OCTA's large bus fixed route active fleet as of June 30, 2007.

Figure 5 - Fixed Route Active Fleet (Large Bus)

Qty	Bus Type	Size (ft)	Acquisition Date	Current Age
50	Gillig - 4200 series	40	1990	18
13	Gillig - 4200 series	40	1991	17
52	New Flyer - 5000/5100 series	40	1991	17
50	New Flyer 5200 series	40	1996	12
117	New Flyer 5300/5400 series	40	1998	10
10	New Flyer Articulated - 7200 series	60	1999	9
20	New Flyer Articulated - 7300 series	60	2001	7
20	New Flyer Articulated - 7400 series	60	2002	6
61	NABI LNG - 2100 series	40	2001	7
99	NABI LNG - 2200 series	40	2002	6
72	NABI LNG - 2300 series	40	2002	6
2	New Flyer - Hybrid series	40	2007	1
566			Average Age	9.9

Figure 6 details the quantity, bus type and age of OCTA's current contracted fixed route fleet.

Figure 6 - Contracted Fixed Route Active Fleet

Qty	Bus Type	Size (ft)	Acquisition Date	Current Age
25	Easy Rider (6000)	30	1999	9
2	Aerotech (8300)	25	2000	8
4	Aerotech (8400)	25	2001	6
39	Aerotech (8900)	25	2002	5
12	El Dorado (6300)	32	2007	1
82	Total		Average Age	5.8

As bus service continues to expand, OCTA has developed an optimal fleet plan to support fixed route service as illustrated in Figure 7 (see bottom of page). The local fixed route active fleet of large buses is expected to increase by 67 vehicles or 11.8 percent through Fiscal Year 2012. During this same period, OCTA will increase the contracted fixed route fleet of small buses by 17 buses or 20.7 percent of the fleet.

The fleet procurement and delivery schedule is tied to the projected service levels planned over the life of the CBP. Figure 8 presents the fleet procurement schedule for the next five years through Fiscal Year 2012 for fixed route vehicles. Delivery of fixed route vehicles is approximately 12 to 18 months from date of procurement.

Figure 8 - Fixed Route Fleet Delivery Schedule

Vehicle Type	FY08	FY09	FY10	FY11	FY12	Total
Directly Operated Fixed Route						
40ft - Expansion	2	17	0	0	48	67
40ft - Replacement	200	80	0	0	0	280
60ft - Replacement	0	0	0	10	0	10
Contracted Fixed Route						
30ft - Expansion	0	8	9	0	0	17
30ft - Replacement	0	23	25	0	0	48
Cutaway Replacement	20	0	0	0	0	20
Total Fleet Purchase	222	128	34	10	48	442
Fixed Route Active Fleet	650	675	708	732	732	

* Note that a total of 47 buses are brought from the Contingency Fleet in FY10 and FY11 for expansion, and removed from the fleet in FY12 when 48 buses are received.

Performance Indicators

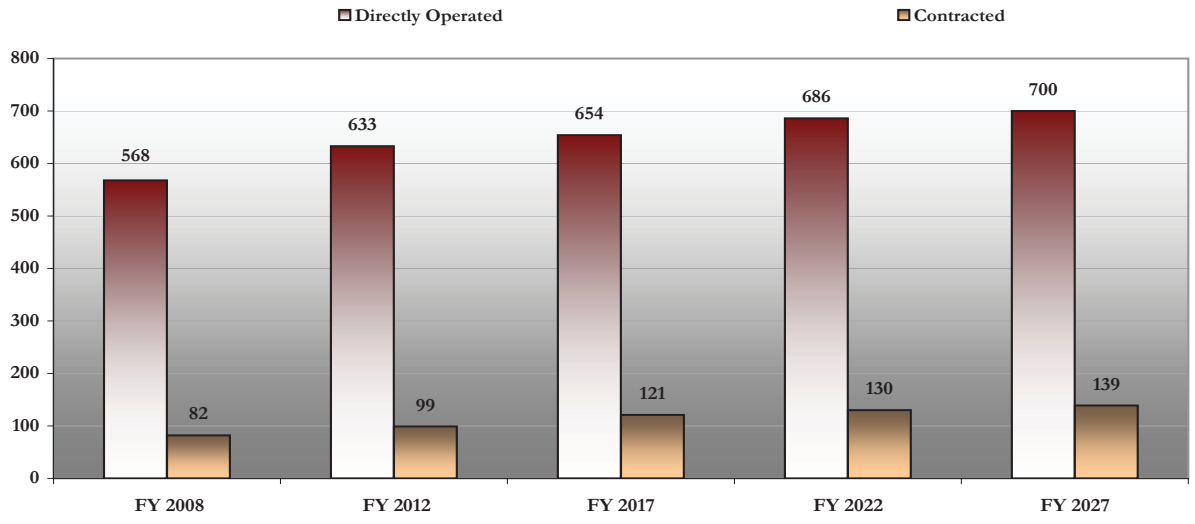
OCTA, along with other transit properties throughout the country, face similar challenges of rising costs. OCTA is determined to develop cost management strategies and improve business practices to sustain current and future bus service for the residents of Orange County. In an effort to manage costs and to become more effective and efficient in offering bus service, OCTA has placed a strong emphasis on establishing a series of performance targets within the parameters of the CBP as described in Figure 9.

Figure 9 - Fixed Route Performance Targets

Vehicle type	FY08	FY09	FY10	FY11	FY12
Boardings (000's)	66,936	69,319	69,025	71,425	73,272
Boardings per RVH	34.4	35.5	34.2	34.0	33.8
Revenue per Boarding	$0.698	$0.769	$0.840	$0.841	$0.841
Farebox Recovery Ratio	20.9%	23.3%	24.2%	23.8%	23.4%
Cost per RVH	$114.94	$117.30	$119.06	$120.33	$123.45
Subsidy per Boarding	$2.64	$2.53	$2.64	$2.69	$2.75

Performance targets will assist staff to better understand business practices and identify areas that need improvement. The performance targets have led to the development of the Monthly Performance Measurement Report which contains a greater number of operational and financial measurements. In addition to the Monthly Performance Measurement Report, staff monitors the Annual Budget through the use of the Budget Activity Reporting (BAR) process. The BAR is a management tool that gauges how well each respective division is performing in comparison to the approved budget. These two reports are submitted on a monthly basis to Executive Management and quarterly to the Board. These performance measurements also represent a sampling of the targets established for the Fiscal Year 2007-08 annual budget. The CBP is revisited each year to ensure that the performance targets are consistent with the latest assumptions and OCTA's authority-wide goals.

Figure 7 - Fixed Route Optimal Fleet Size



Paratransit

As a provider of public fixed route transit services, OCTA is required by the Americans with Disabilities Act (ADA) to provide complementary paratransit services for individuals whose disabilities prevent them from using regular transit service.

Under the ADA regulations, OCTA is required to administer a process to determine who is eligible to use complementary paratransit service. Determination of ADA paratransit eligibility is based upon the individual's physical and/or cognitive inability to use accessible fixed route services. Eligibility can be granted for a maximum period of five years at which time the individual must be re-certified. The level of service provided must be comparable to fixed route service and must meet specific service criteria identified by federal regulations. OCTA provides ACCESS paratransit service to meet these federal requirements.

OCTA also offers Special Agency Transportation services, which provides a limited amount of nutrition transportation for seniors attending congregate meal programs.

Paratransit Service Contract

OCTA entered into an agreement with Veolia Transportation on July 1, 2006 to provide ACCESS, contracted fixed route, StationLink, and express bus service for an initial three year term with two one-year options. Under the scope of this agreement, Veolia Transportation has proposed to increase the use of taxi operators to provide supplemental ACCESS trips. The cost of these trips is expected to be significantly lower than the current trip cost. In addition, the methods currently used to schedule ACCESS service will be reviewed and revised to continue to improve efficiency. These contracted services are operated from OCTA's Irvine Operations and Maintenance facility.

ACCESS Service

OCTA has faced numerous challenges as it strives to meet regulatory requirements of the ADA. By maintaining the level of service commensurate with fixed route, OCTA has been able to remain compliant with the ADA. While maintaining compliance, OCTA has slowed the levels of ACCESS paratransit service growth through Fiscal Year 2007. This has occurred due to implementation of elements of the Growth Management Plan approved by the Board in October 2004.

The initial Growth Management Plan changes included these elements:

- 100 percent in-person eligibility assessment
- Eliminate premium services in excess of ADA regulation, i.e., traveling outside the ¾ mile requirement
- Fare adjustments
- Increase public awareness of fixed route accessibility
- Immediate investment in operational technology including Mobile Data Terminals (MDTs)
- Use of taxi services as a supplement to the primary provider
- Moving trips off of ACCESS by creating partnerships with other agencies, such as adult day healthcare and regional facility centers

The service level projections from Fiscal Year 2008 through 2012 anticipate an average annual growth of 4 percent. This growth rate is higher than the past three years, which remained relatively flat. The implementation of the Growth Management Plan reduced the double digit growth experienced in the first half of the decade. However, with the aging population it is expected to rise to the 4 percent level. Constant vigilance is required in continuing to manage paratransit growth to ensure increasing costs do not adversely affect OCTA's ability to meet the long term transportation needs of the county.

Special Agency Transportation

Special Agency Transportation services is an advanced reservation service for seniors traveling to congregate meal programs and selected nutrition sites and is provided under a contract with the Orange County Office on Aging (OoA).

Under this agreement the cost of services is shared. Approximately 50 percent of the cost is provided by OCTA, approximately 30 percent coming from Older Americans Act funds administered by the OoA through the county, and 20 percent is covered by the cities participating in the program. Service levels are anticipated to remain flat for this service due to the expansion of the Senior Mobility Program.

Paratransit – ACCESS and Special Agency Transportation Revenue Vehicle Hours

OCTA projects a 4.4 percent growth in RVH in Fiscal Year 2008 compared to Fiscal Year 2007 actual levels. OCTA forecasts paratransit service demand to increase by 100 thousand RVH or 16 percent from Fiscal Year 2008 through 2012. Figure 10 (see following page) illustrates the projected paratransit RVH through Fiscal Year 2027.

In order to meet this demand, the implementation of the Growth Management Plan in July 2005 has provided a short term trend of lower growth rates to the ACCESS RVH. Though this trend is significant, prudent forecasting requires the inclusion of Orange County's changing demographics, primarily the increasing number of seniors. Cost control strategies such as increased dispatch technology and mixed fleet use will continue to be implemented and evaluated.

Paratransit – ACCESS and Special Agency Transportation Boardings

As a result of increased service levels, OCTA anticipates an increase in boardings Paratransit boardings levels are anticipated to grow 16.4 percent between Fiscal Year 2008 and 2012, from 1.25 million to 1.45 million. Figure 11 (see following page) estimates paratransit boardings through Fiscal Year 2027. Boardings per hour are anticipated to remain at 2.0 through Fiscal Year 2027.

Paratransit – Capital

The current paratransit active fleet is 263 vehicles, which represents 32 percent of OCTA's active fleet. Figure 12 presents the active fleet for paratransit service for Fiscal Year 2007. Beginning in Fiscal Year 2007, mini-vans are used as part of the mixed fleet concept.

Figure 12 - ACCESS Active Fleet

Qty	Bus Type	Size (ft)	Acquisition Date	Current Age
66	Aerotech (6100)	25	2003	5
96	Aerotech (6200)	25	2005	3
32	Aerotech (6400)	25	2007	1
10	Chevrolet (6900)	<25	2007	1
20	Aerotech (8400)	25	2001	7
39	Aerotech (8900)	25	2002	6
263	Total		Average Age	3.9

RVH are used to project the required number of vehicles necessary to operate this service. As demand for paratransit service continues to grow, OCTA has developed an optimal fleet plan required to support this service for Orange County residents, which is illustrated in Figure 13 (see bottom of page). The paratransit active fleet is expected to increase by 59 vehicles or 22.4 percent through Fiscal Year 2012.

A fleet delivery schedule has been prepared for paratransit, detailing the replacement and expansion requirements. During this period, OCTA will procure 322 vehicles and will utilize a combination of Proposition 1B and federal funding to meet its capital requirements. Figure 14 details the delivery schedule over the next five years.

Figure 14 - ACCESS Fleet Delivery Schedule

Vehicle Type	FY08	FY09	FY10	FY11	FY12	Total
Minivans						
Replacement	0	0	0	0	0	0
Cutaways						
Expansion	13	11	11	12	12	59
Replacement	96	125	0	10	32	263
Total Fleet Purchase	109	136	11	22	44	322
ACCESS Active Fleet	276	287	298	310	322	

Figure 13 - Paratransit Optimal Fleet Size

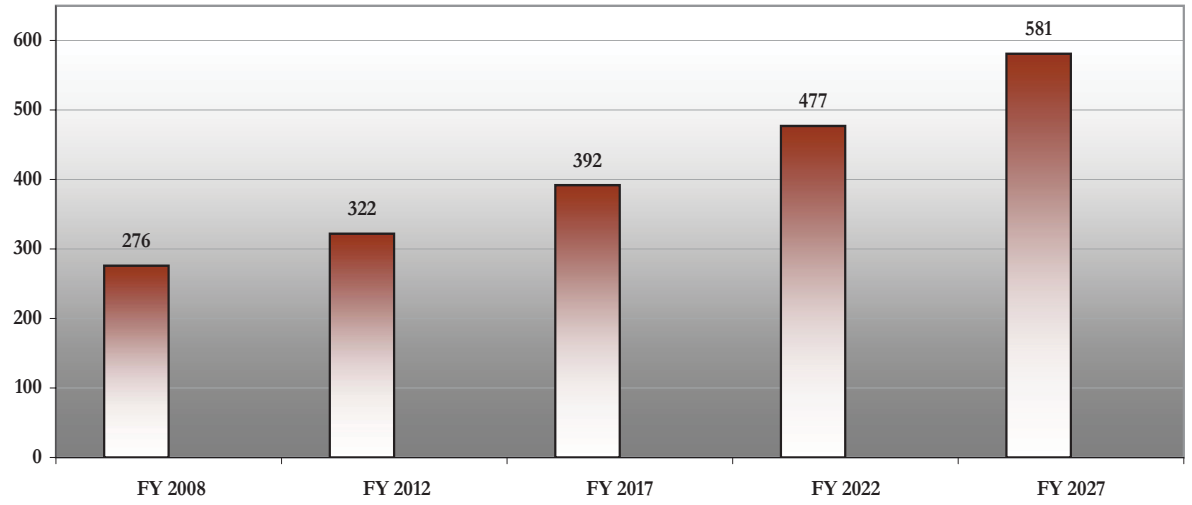


Figure 10 - Paratransit Revenue Vehicle Hours
(# thousands)

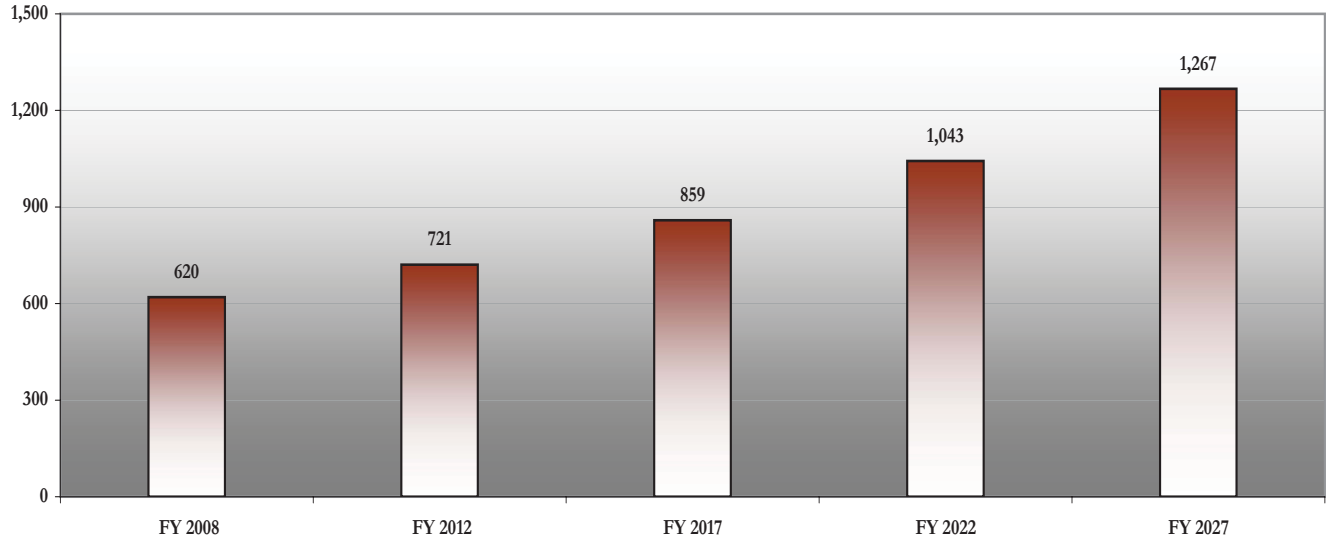
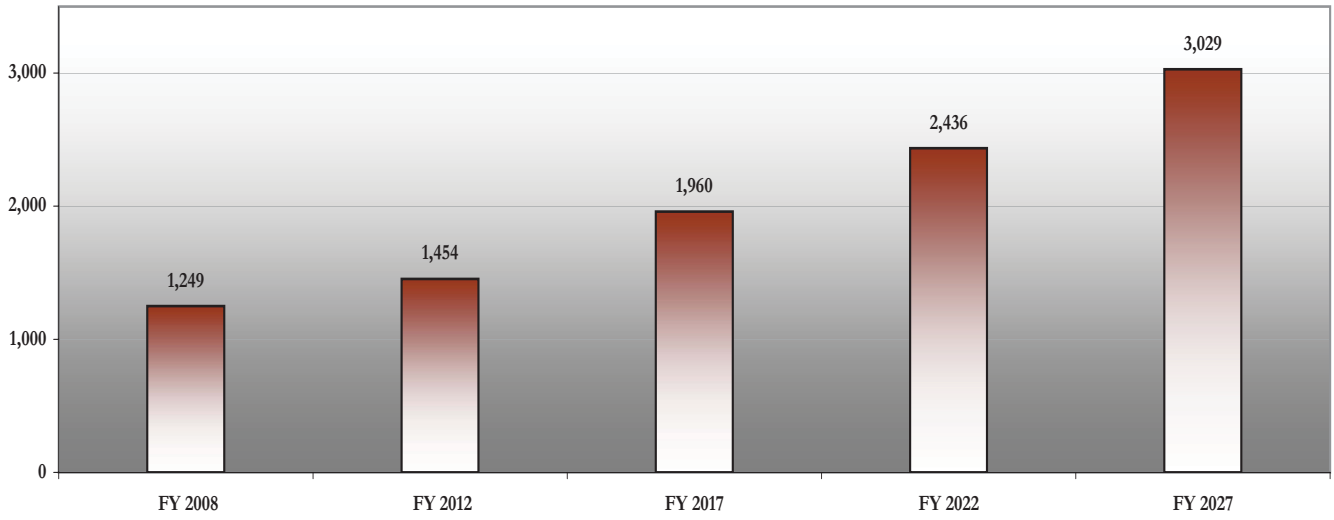


Figure 11 - Paratransit Boardings
(# thousands)



Performance Indicators

As mentioned earlier, performance targets have become part of OCTA's overall planning and budgeting process. Paratransit has its own set of service characteristics to gauge performance as opposed to the traditional fixed route service. OCTA will strive to measure the efficiency and cost effectiveness of this service and improve how service is delivered. Figure 15 presents a sampling of Paratransit service performance targets for the next five years through Fiscal Year 2012.

Figure 15 - ACCESS Performance Targets

Vehicle Type	FY08	FY09	FY10	FY11	FY12
Boardings (000's)	1,223	1,276	1,326	1,377	1,424
Boardings per RVH	2.0	2.0	2.0	2.0	2.0
Subsidy per Boardings	$ 22.09	$ 22.09	$ 22.37	$ 23.43	$ 24.09
Cost per RVH	$ 55.92	$ 56.72	$ 58.14	$ 60.57	$ 62.12

Senior Mobility Program

OCTA established the Senior Mobility Program (SMP) in Fiscal Year 2002 to provide funding for local, community-based senior transportation services. OCTA supports up to 80 percent of the program through the use of Transit Development Act (TDA) Article 4.5 funds. The amount allocated to each program increases over time based on senior population growth and the Consumer Price Index. The OoA contributes Older Americans Act Title IIIB funds – used to provide nutrition transportation – which are passed through OCTA to some cities as designated by the OaA. Cities who participate in the SMP, and also receive funds from the OoA are required to provide nutrition transportation. Cities in the SMP program that do not receive funds from the OoA are not required under the SMP to provide nutrition services

Participants in the SMP are able to provide more service to local seniors than can be provided by OCTA, and with a higher level of customer satisfaction. The key elements of the SMP are as follows:

- Funding is available to county cities and the unincorporated County area using a formula based on the number of seniors over 65 years of age in each jurisdiction. The SMP program does not include the City of Laguna Beach because they are receive TDA funding to administer their own program.
- The SMP is a cooperative program funded by OCTA, the County of Orange (limited to cities providing nutrition transportation) and participating cities and private non-profit community centers.
- OCTA provides donated start-up vehicles if needed and replacement vehicles every three years.
- At start-up, no jurisdiction included in the nutrition transportation program receives less funding than it currently receives.
- The program will receive an annual cost of living adjustment (COLA) and a growth factor based on countywide growth in senior population.
- Local jurisdictions will choose how to use the funds (city operation, contracted operation, taxi vouchers, etc.)
- OCTA will provide start-up and on-going technical support in the areas of service planning, contracting, and program administration.

Currently, 18 cities and three eligible community nonprofit organizations operate Senior Mobility Programs. These programs include service operated by the city or agency with volunteer or paid drivers, contracted service, and taxi voucher programs. Additional cities are working toward SMP start-up. Some of the highlights of the Senior Mobility Program since its implementation in 2002 include:

1. A total Authority contribution of $6.0 million toward the provision of local senior transportation, with an additional match from SMP participants of $5.1 million for a total SMP cost to date of $11.1 million.
2. A total of 49 vehicles donated to cities and centers under the SMP.
3. Nearly 961,000 one-way passenger trips provided to seniors across Orange County through the SMP.
4. Average total program cost per trip of $11.50.

The SMP has proven to be a cost-effective alternative transportation option to meet the needs of Orange County's growing senior population. The SMP addresses the "gap" in transportation service for seniors who no longer drive but do not qualify for ACCESS service. Continued funding for this program beyond 2011 is included in Section U of the Measure M reauthorization expenditure plan.

Bus Operations Revenue

Bus Operations is dependent upon external revenue sources to supplement farebox revenue to help offset operating expenditures

for fixed route and paratransit services. These revenue sources are comprised of the Local Transportation Fund (LTF), State Transit Assistance Fund (STAF), gasoline tax exchange, Bus Operations Fund (BOF), Commuter Urban Rail Endowment Fund (CURE), federal operating and capital grants, Local Transportation Authority (LTA) fare stabilization funding, advertising, property tax, contributions from other agencies, and interest earnings on cash balances.

The primary funding sources that allow OCTA to provide transportation services to Orange County residents are comprised of two forms of sales tax revenues: the LTF, a one-quarter cent state sales tax signed into law as part of the TDA in 1971, and the STAF, derived from sales taxes on gasoline and diesel fuel and appropriated by the State Legislature on an annual basis.

Figure 16 (see bottom of page) illustrates the level of sales tax revenues for both LTF and STAF revenues that OCTA anticipates receiving over the next 20 years.

The growth level of sales tax revenue is dependent upon the state of the economy and any fluctuations can have a significant impact over the life of the Comprehensive Business Plan (CBP). Therefore, this business plan will be revisited annually to ensure that service levels are appropriately planned to meet revenue projections. Figure 17 illustrates the revenue sources projected through Fiscal Year 2012.

Figure 17 - Bus Operations Revenue Sources ($millions)

Sources	FY08	FY09	FY10	FY11	FY12
LTF	$ 120.7	$ 129.0	$ 137.4	$ 146.4	$ 194.1
Passenger Fares	51.3	58.4	63.7	65.8	67.5
Capital Grants	96.9	77.0	42.2	20.8	11.1
Gas Tax Exchange	23.0	23.0	23.0	23.0	23.0
Operating Grants	24.3	25.3	26.5	27.5	28.5
CURE	15.0	15.0	15.0	1.4	-
Advertising	4.7	5.2	5.7	6.1	6.2
Property Tax	11.0	11.6	12.3	13.1	13.8
Interest Earnings	7.4	5.4	4.2	3.7	3.9
STAF	17.0	14.1	20.0	20.8	21.2
StationLink	1.9	2.0	2.1	2.2	2.3
LTA Fare Stabilization	1.2	1.2	1.2	3.3	9.0
Miscellaneous	7.5	7.9	1.7	1.8	1.8
Total	$ 381.9	$ 375.1	$ 355.0	$ 335.9	$ 382.4

Capital Expenditures

Capital expenditures in the Orange County Transit District (OCTD) Fund include ADA bus stop and facility modifications, revenue vehicles, and support and miscellaneous equipment. The funding for these costs is comprised of both grant and local . Grant funding includes sources from federal, state, and local agencies that typically cover up to 80 percent of the asset cost. The local portion or 20 percent match is paid from the OCTD Capital Replacement Fund.

Fiscal Year 2008 through 2012 are summarized in Figure 18 (see following page).

Capital Program of Projects

One of the requirements of receiving federal funds for projects is that they be included in both the Regional Transportation Improvement Program (RTIP) and the Federal Transportation Improvement Program (FTIP). These programs are used by federal agencies to ensure that projects not only have designated

Figure 16- LTF & STAF Sales Tax Revenue ($ millions)

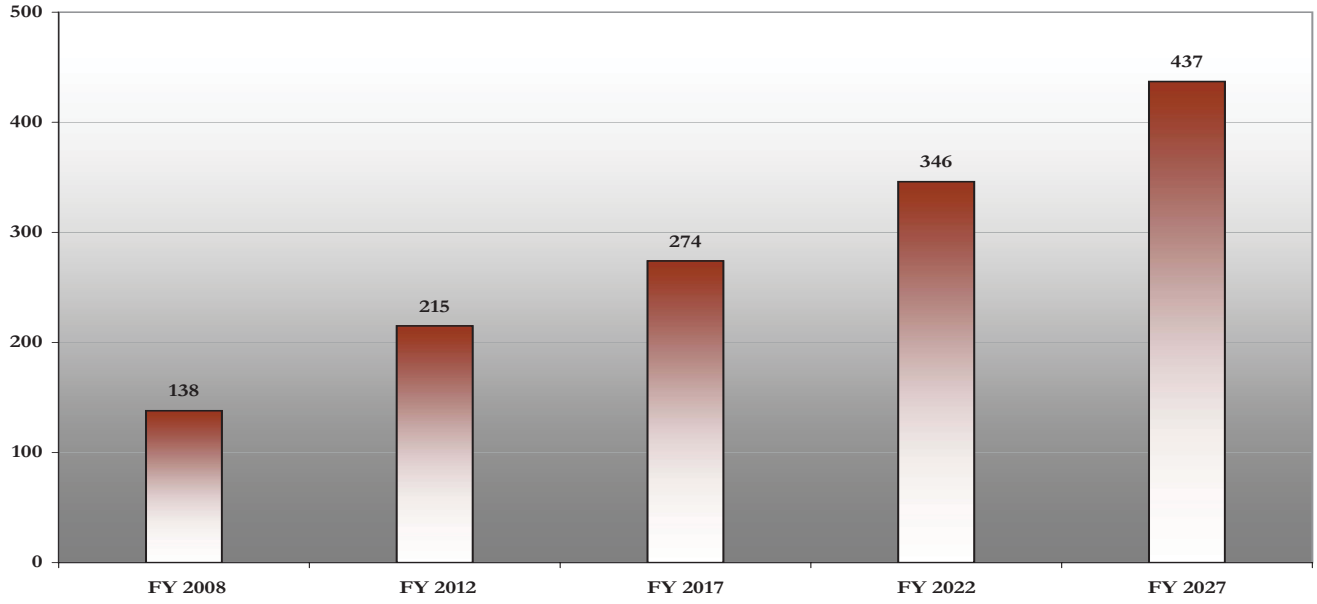


Figure 18 - Fixed Asset Replacement Schedule ($ millions)

Asset Category	FY08	FY09	FY10	FY11	FY12
Facility Modifications	$17.7	$22.0	$32.5	$20.0	$10.2
Vehicle Modifications	16.8	1.9	0.7	0.7	0.7
Small Bus	11.3	25.8	18.2	3.3	7.8
Miscellaneous	9.4	1.8	1.9	1.9	2.0
Regular Large Bus	85.5	43.8	0.5	7.3	0.0
ADA Modifications	1.7	0.0	0.0	0.0	0.0
Bicycle/Pedestrian	0.6	0.6	0.7	0.7	0.7
Support Equipment	0.2	0.2	0.2	0.2	0.2
Total Capital Purchase	$143.2	$96.1	$54.7	$34.1	$21.6

and approved funding, but that they meet regional mobility and air quality requirements. Therefore, the Program of Projects (POP) has been updated into the Fiscal Year 2007 RTIP and FTIP.

Figure 19 - Grant Funded Projected Program of Projects ($ millions)

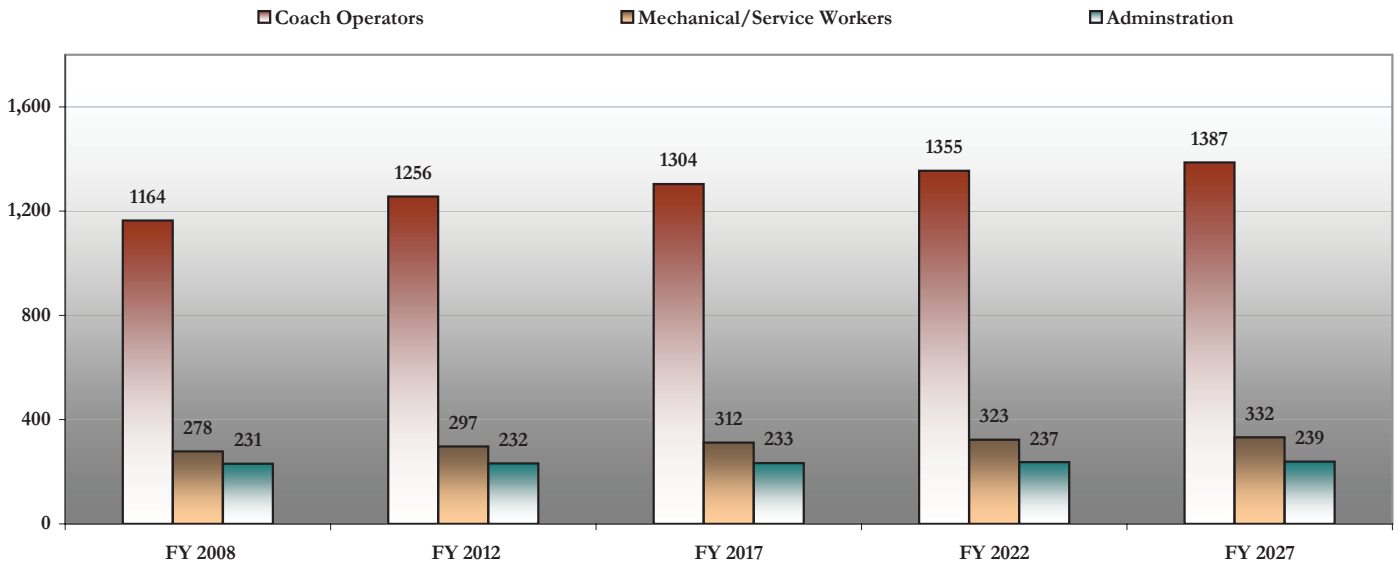
Asset Category	FY08	FY09	FY10	FY11	FY12
Preventive Maintenance	$24.1	$24.9	$25.8	$26.7	$27.7
Replacement - 40' Buses	6.8	13.2	18.2	2.4	0.4
Expansion - 40' Buses	0.0	0.0	0.0	0.9	7.3
Expansion - Midsize Bus (30ft)	0.0	4.4	0.0	8.8	4.8
Replacement - Midsize Bus (30ft)	51.6	50.0	0.0	4.4	12.8
Non-Fixed Route Operating Assistance	6.3	6.7	7.3	7.7	8.0
Replacement - Paratransit Vans<(30ft)	9.5	0.0	2.2	0.0	0.0
Expansion - Paratransit Vans<(30ft)	0.0	2.7	0.8	0.0	0.6
Debt Services (COPS)	1.3	0.0	0.0	0.0	0.0
Facility Modifications	0.0	0.0	0.0	9.3	0.0
Vehicle Modifications	0.6	2.5	1.3	1.4	1.4
Transit Enhancements	0.6	0.7	0.7	0.8	0.8
Total Grant Eligible	$100.8	$105.1	$56.3	$62.4	$63.8

The Southern California Association of Governments (SCAG) administers this update process. The POP will assist OCTA staff in the preparation and submittal of its annual federal capital and discretionary grant applications. Figure 19 presents the projected POP through Fiscal Year 2012

Transit Staffing

In order to meet the transit goals established within this CBP, an adequate staffing level is required. Coach operators, supervisory personnel, mechanics, bus service workers and administrative positions will be added primarily in conjunction with the growth in service levels. Figure 20 presents the projected staffing levels for Fiscal Year 2008 through 2027 for the Bus Operations division.

Figure 20 - Projected Transit Staffing Plan



The analysis of staffing requirements resulted in a projected increase of 285 positions during the period between Fiscal Year 2008 and 2027. The Fixed Route Operations Department is projected to add 223 coach operators to accommodate the projected service expansion. In addition, an increase of 54 positions is projected for the Vehicle Maintenance Department with an increase of 8 administrative positions during this same period. These new positions will augment existing maintenance and related supervisory personnel and to accommodate service expansion.

Transit Related Programs

Expand Mobility Choices for Seniors and Persons with Disabilities
Over the next 30 years, the population of people of age 65 and over is projected to increase 93 percent. The demand for transit and specialized transportation services for seniors and persons with disabilities is anticipated to increase proportionally. In order to meet the demand, approximately $339 million in funds has been allocated to expand mobility choices for seniors and persons with disabilities as part of the Renewed Measure M program. The project will meet the growing transportation needs of seniors and persons with disabilities as follows:

- Allocate approximately $113 million to stabilize fares and provide fare discounts for bus services, specialized ACCESS service and future rail services
- Allocate approximately $113 million to continue and expand local community van service for seniors through the existing Senior Mobility Program
- Allocate approximately $113 million to supplement existing countywide senior non-emergency medical transportation services

Community Based Transit Circulators
Approximately $226 million in funds has been allocated for community based transit circulators as part of the Renewed Measure M program. The project will establish a competitive program for local jurisdictions to develop local bus transit circulators, shuttles and bus trolleys that complement regional bus and rail services and meet needs in areas not adequately served in regional transit. Projects will need to meet performance criteria for ridership, connection to bus and rail services, and financial viability to be considered for funding. Additionally, all projects will be competitively bid, and cannot duplicate or compete with existing transit services.

Safe Transit Stops
Approximately $25 million in funds has been allocated for safe transit stops as part of the Renewed Measure M program. The project will provide for passenger amenities at 100 of the busiest transit stops across the County. The stops will be designed to ease transfers between bus lines and provide passenger amenities such as improved shelters, lighting, current information on bus and train timetables and arrival times, and transit vending machines.

Cash Flow Statement - Transit

(millions)		2008	2009	2010	2011	2012	2017	2022	2027
Beginning Balance	$	192.6	134.4	108.7	92.4	61.7	97.0	169.2	262.5
Cash flows from operating activities:									
Sources of funds:									
Sales Tax Revenue		139.3	148.6	155.6	165.4	213.5	274.0	346.4	437.8
Passenger fares		51.3	58.4	63.7	65.8	67.5	87.3	109.0	131.8
Gas Tax Exchange		23.0	23.0	23.0	23.0	23.0	0.0	0.0	0.0
Property tax revenue		11.0	11.6	12.3	13.1	13.8	18.5	24.8	33.2
Charges for services		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Contributions from Other Agencies		0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3
Miscellaneous revenues		10.2	7.1	6.7	7.1	7.3	8.8	10.6	12.4
Total Sources of funds	$	235.1	249.0	261.6	274.7	325.4	388.9	491.1	615.6
Cash flows from operating activities:									
Uses of funds:									
Salaries and benefits		127.3	131.8	138.2	144.6	150.9	190.9	233.7	283.0
Purchased transportation services		32.9	35.2	38.4	42.3	45.3	66.0	91.6	129.9
Administrative service expense		32.9	32.7	33.3	34.4	35.5	40.9	47.2	54.4
Professional services		16.5	17.0	17.6	18.3	18.9	22.4	26.7	31.8
Maintenance, parts and fuel		34.9	37.7	39.9	42.5	44.4	54.7	67.1	81.4
Other operating expense		14.6	13.1	11.6	13.3	18.0	23.7	29.8	37.8
General and administrative		5.5	5.7	5.9	6.0	6.2	7.2	8.3	9.5
Total Uses of funds	$	264.6	273.2	284.9	301.4	319.2	405.8	504.4	627.8
Net cash provided by operations	$	(29.5)	(24.2)	(23.3)	(26.7)	6.2	(16.9)	(13.3)	(12.2)
Cash flows from non-capital financing activities:									
Operating grants		24.3	25.3	26.5	27.5	28.5	33.9	40.4	48.0
Operating transfers in		18.1	18.2	20.2	9.0	13.3	17.7	22.3	28.3
Operating transfers out		(30.9)	(31.3)	(31.6)	(30.9)	(9.4)	(13.0)	(14.3)	(17.6)
Net cash provided by noncapital finaincing activities	$	11.5	12.2	15.1	5.6	32.4	38.6	48.4	58.7
Cash flows from capital and related financing activities:									
Capital Grants		96.9	77.0	42.2	20.8	11.1	12.8	103.2	110.2
Acquistion and construction of capital assets		(143.2)	(96.1)	(54.6)	(34.1)	(21.5)	(27.4)	(138.1)	(149.4)
Bond Proceeds		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Principal paid on COPS		(1.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest paid on COPS/Capital Lease		(0.2)	(0.2)	(0.2)	(0.2)	0.0	0.0	0.0	0.0
Net cash used by capital and related finaincing activities	$	(47.7)	(19.3)	(12.6)	(13.5)	(10.4)	(14.6)	(34.9)	(39.2)
Cash flows from investing activities:									
Interest on investments		7.5	5.6	4.5	3.9	4.1	4.8	7.9	12.2
Net cash provided by investing activities	$	7.5	5.6	4.5	3.9	4.1	4.8	7.9	12.2
Cash to Accrual Reconciling Items	$	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net increase/decrease in cash	$	(58.2)	(25.7)	(16.3)	(30.7)	32.3	11.9	8.1	19.5
Available Cash	$	134.4	108.7	92.4	61.7	94.0	108.9	177.3	282.0

METROLINK

Metrolink Today

Metrolink Service Expansion Plan

Funding through Measure M

Funding Through Renewed Measure M

Metrolink Related Programs

Cashflows

Orange County Transportation Authority

Background

Metrolink is a five-county commuter rail system operated by the Southern California Regional Rail Authority (SCRRA). Metrolink is a joint powers authority whose five-agency membership includes the Los Angeles County Metropolitan Transportation Agency (METRO), the Orange County Transportation Authority (OCTA), the Riverside County Transportation Commission (RCTC), the San Bernardino Associated Governments (SANBAG), and the Ventura County Transportation Commission (VCTC).

Three of seven Metrolink lines provide train service to 11 city-owned Orange County stations. The three lines serving Orange County consist of the Orange County (OC) line, with stops between Oceanside and Los Angeles, the Inland Empire – Orange County (IEOC) line, with stops between San Bernardino, Riverside, and Orange to Oceanside, and the 91 line, with stops between Riverside and Los Angeles via Fullerton and Buena Park. The OC, IEOC, and 91 lines combine to provide a total of 44 daily weekday trains, while the OC and IEOC lines combine to provide 14 daily Saturday trains, and 12 daily Sunday trains.

Metrolink Today

Total ridership for the three lines serving Orange County (including Rail 2 Rail) reached 3.8 million in FY07, which represents an 8% increase in ridership from FY06 (see Figure 1). These three lines were the fastest growing lines in the Metrolink system with the IEOC Line showing ridership growth of 14%, followed by the OC Line and 91 Line with ridership growth of 8% and 5% respectively. The growth in ridership in FY07 continues the sustained pattern of growth for the three lines serving Orange County, and demonstrates how growth in ridership continues to significantly increase despite limited increases in service. In the past five years total ridership for the three lines serving Orange County has grown 51% from 2.5 million to 3.8 million (see Figure 2) with no growth in service during peak hours.

The OC Line continues to carry the most passengers of the three lines serving Orange County. In FY07 ridership for the OC Line was 1.68 million, which represented 44% of total ridership on all three lines. The IEOC line carried 1.22 million riders which represented 32% of total ridership, followed by the 91 Line which carried 573k riders representing 15% of total ridership. Rail 2 Rail ridership reached 372 thousand riders, which represented 9% of total ridership. Rail 2 Rail allows Metrolink monthly pass holders the option to ride Amtrak trains at no additional charge

Weekday Service

The three lines serving Orange County currently provide 44 daily weekday trains (see Figure 3). Average weekday ridership across the three OC lines, including Rail 2 Rail service, increased to 14,636 riders per day in FY07, which represents a 5.8% increase over the average daily ridership of 13,833 riders in FY06. Weekday riders cite the stress free commute as the primary reason for utilization of weekday service, and as a result growth in weekday ridership is expected to continue with increases in population and increases in traffic congestion for both the Riverside Freeway (State Route 91), and Santa Ana Freeway (Interstate 5).

Weekend Service

Metrolink began operation of the OC and IEOC lines on weekends in the summer of 2006 as part of Metrolink Service Expansion approved in November 2005. The OC Line service includes eight trains, providing four round trips, on both Saturday and Sunday. The IEOC line provides six trains on Saturday (three round trips) and four trains on Sunday (two round trips). OCTA, RCTC, and SANBAG are partners in funding the IEOC line weekend service. In FY07 total weekend ridership for both lines was 99 thousand riders, including 51 thousand from the OC Line, and 48 thousand from the IEOC Line.

Figure 1 - Annual Ridership by Line
(# thousands)

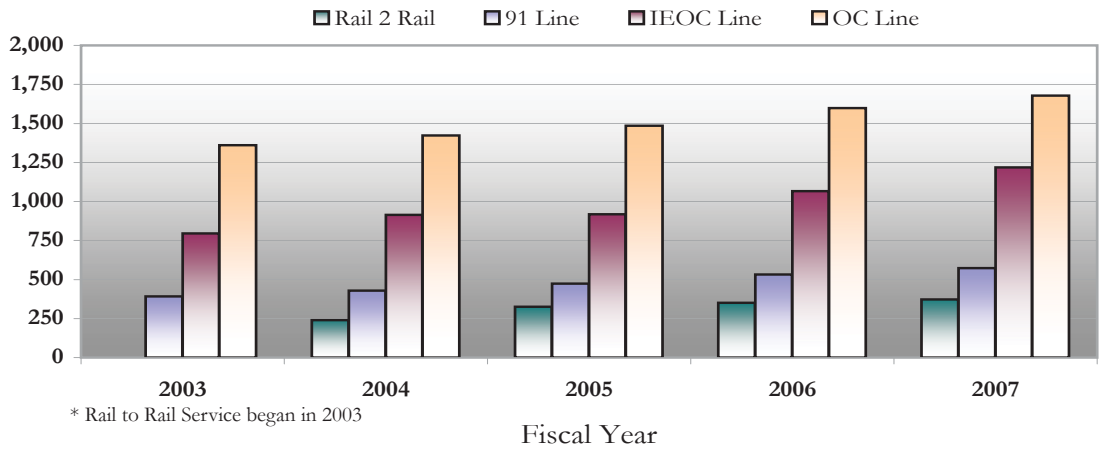


Figure 2 - Combined Annual Ridership for Orange County Lines
(# thousands)

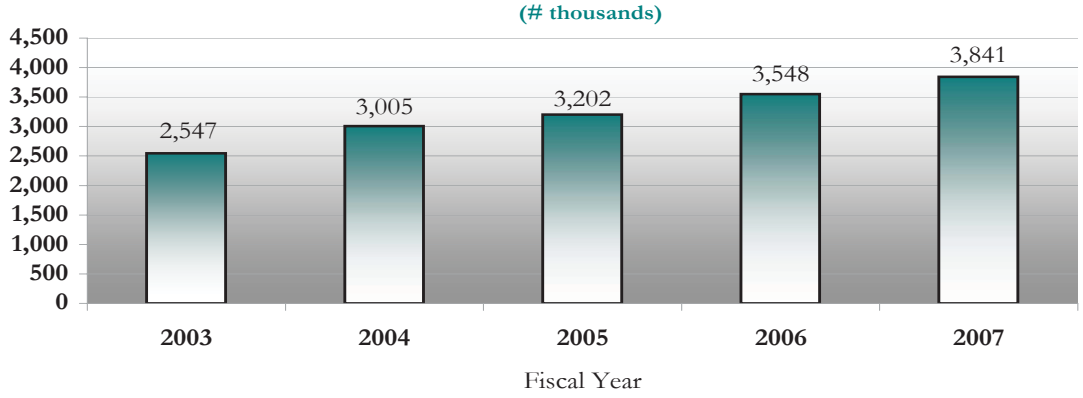


Figure 3 - Metrolink Service Levels

Service/Line	# Trips/Day	
Weekday Service		
91 Line	9	
IEOC Line	16	
OC Line (service to LA)	19	
Sub-total	**44**	
Weekend Service	**Sat**	**Sun**
IEOC Line	6	4
OC Line (service to LA)	8	8
Sub-total	**14**	**12**

* Service levels as of September 2007

StationLink Service

In order to provide Metrolink passengers connecting bus service to major employment centers OCTA offers StationLink service, which is a bus service that operates during peak rush hours for connecting passengers. Metrolink tickets provide a free connection to StationLink services. There are currently 13 StationLink routes serving seven Orange County Metrolink stations.

Metrolink Service Expansion Plan

A Commuter Rail Strategic Assessment (CRSA) was completed in April 2004 to identify future optimum commuter rail service levels for three Metrolink lines serving Orange County. In May 2004, the CRSA service plan was adopted for the OC, IEOC, and 91 lines. The CRSA identified a plan for a complete build out of the system by the year 2030, which included 30-minute service between Mission Viejo/Laguna Niguel and Fullerton as well as increased IEOC and 91 line service by the end of 2009.

Subsequent to completion of the CRSA in October 2005, a Five-Year Program to improve public transportation in Orange County was adopted, which included a transit component providing for enhancement of the existing commuter rail right-of-way to support 30-minute service between Mission Viejo/Laguna Niguel and Fullerton as well as increased IEOC and 91 line service. In November 2005, staff was authorized to begin implementation of Metrolink Service Expansion following recommendations from both the CRSA and the Five-Year Program.

The primary focus of the Metrolink Service Expansion Plan (MSEP) is the implementation of 30-minute service between Mission Viejo/Laguna Niguel and Fullerton along the OC Line. The number of weekday train trips along the OC Line will increase from 19 trips per day to 45 trips per day driven primarily by the implementation of the new 30-minute service between Mission Viejo/Laguna Niguel and Fullerton (See Figure 4). The new service will alter the perception of the OC Line allowing it to serve not only as a commuter service, but also as a viable transportation alternative linking Laguna Niguel, Irvine, Tustin, Santa Ana, Orange, Anaheim, and Fullerton.

Additional service is also planned for both the IEOC and 91 lines in order to address the growing number of riders on both lines. Under the plan the IEOC line will increase weekday service by two train trips per day, in addition to the four weekday train trips per day implemented in the summer of 2006. Weekday service on the 91 line will increase by four train trips per day. The weekday service increases for both the IEOC and 91 lines will be targeted toward peak and mid-day service.

Operating cost increases as well as capital expenditures will be required to implement the Metrolink Service Expansion. The operating costs and approximately 50% of the capital costs are anticipated to be funded by Measure M.

Metrolink Funding through Measure M

Operations

Metrolink operations is funded primarily by sales tax revenue generated from Measure M. The cost of operating the Metrolink service is allocated to member agencies on an annual basis, based upon level of service. Figure 5 below lists the projected annual operating subsidy to be paid to the SCRRA by OCTA for Metrolink services between FY08 and FY11. Based on current assumptions and planned service increases operating costs will increase substantially in FY10 due to the implementation of the MSEP.

Figure 5 - Metrolink Annual Operating Subsidy

FY	FY08	FY09	FY10	FY11	FY12
Subsidy *	12,428	12,796	22,922	23,448	23,656

* Cost in thousands

Measure M funds are expected to cover the cost of Metrolink operations through a minimum of March 31, 2011 when the Measure M program sunsets. Any unspent balance of funds will be utilized for ongoing operations beyond March 31, 2011, reserve for economic uncertainties, or Metrolink capital requirements.

Figure 4 - Train Trips Per Day Based On Metrolink Service Expansion Plan

Service	Baseline * (Nov 2005)	Current (Sept. 2007)	Expansion (FY 2009)
Weekday Service			
91 Line **	9	9	13
IEOC Line	12	16	18
OC Line (service to LA) **	19	19	26
OC Line (Laguna Niguel/Mission Viejo - Fullerton)	0	0	19
Total	**40**	**44**	**76**

* Baseline represents the service levels when the Board approved the MSEP in November 2005

** Additional 91 Line and extension of OC Line service to LA will require negotiation and approval from BNSF

Capital Expenditures
Additional capacity, parking, station improvements, facilities, grade separations, and equipment will be required to implement the MSEP. A capital program has been undertaken to implement the plan with anticipated spending of approximately $476 million. Measure M is anticipated to fund approximately $362 million of the costs with the balance of funds made available from other sources including state and federal grants as well as other state and local revenue programs (see Figure 6 below).

Other system related improvement projects that are closely related to, but not part of, the MSEP are scheduled to be implemented concurrently with projects in the MSEP. Included in these projects are grade separations at Jeffrey Road, Imperial Highway, and the Metrolink station in Orange as well as improvements to the Metrolink station in Placentia. Total cost for other system related improvement projects is approximately $177 million. Additionally, $60 million in funds has been allocated for grade crossing and quiet zone improvement projects. Measure M funds are not anticipated to be required for the $237 million in non-MSEP projects.

Metrolink Funding through Renewed Measure M
On November 7, 2006, Orange County voters approved the renewal of Measure M, which will continue the investment of local tax dollars in Metrolink for thirty years from April 1, 2011 through a minimum of May 31, 2041. Funding from Renewed Measure M (M2) for the Metrolink program totals approximately $1.014 billion dollars (2005 dollars).

Operations
The first use of the one ($1) billion dollars of M2 funds will be to ensure adequate funding for Metrolink operations through 2041. To help ensure this objective is met, a two-year operating reserve will be established with the goal of protecting funding for Metrolink operations from economic uncertainties over the life of the M2 program.

Capital Program
Once operating costs and the operating reserve requirement are met, the balance of the M2 funds will be utilized to fund the Metrolink capital program. Some M2 funded capital projects for Metrolink will be underway prior to 2011 based on the M2 Early Action Plan (EAP). On August 13, 2007 the Board of Directors approved the M2 EAP. The EAP set a five-year plan from 2007 – 2012 to advance the implementation of Renewed Measure M projects. It is anticipated that projects related to Grade Crossing Improvements, Quiet Zones, and Grade Separations will be underway as part of the M2 EAP.

Project timelines, and estimated costs have been developed as well as estimated cash flows. A total of $59 million in Metrolink projects are scheduled to be advanced under the EAP.

Outside the timeline of the EAP, the capital program will be developed subject to adequate funding for Metrolink operations, including the operating reserve. Potential projects for the M2 capital program are:

- Service expansion on the IEOC Line
- Extension of 30-minute service to Los Angeles
- Service expansion on the 91 Line
- Grade separation construction
- Maintenance facility

Detailed strategic plans for these projects have not been developed.

Metrolink Related Programs

Go Local Program
In February 2006, the OCTA Board of Directors approved the Go Local program, which is a program created to broaden the reach of the Metrolink system to other activity centers and communities. The program established a four- step competitive process in which local jurisdictions take the lead in defining, planning, and implementing transit extensions that branch from Metrolink stations to outlying communities and major activity centers. The role of the OCTA will be to provide expertise in transit operations and federal funding processes, and to coordinate city efforts to ensure the local extensions work seamlessly as a future countywide transit network. As of November, the OCTA Board of Directors has approved Go Local concepts for 26 cities representing 75 percent of County residents. Funding for the program is expected to be a combination of funds from both Measure M and Renewed Measure M.

Figure 6: Metrolink Service Expansion Plan Capital Costs & Funding ($ millions)

Expenditure	Measure M	Other Funding Source	Total Funding Allocation
Maintenance Facilities / Other Projects	26,889	4,000	30,889
Prof. Services / Cooperative Agmts	13,170	0	13,170
Rolling Stock	112,453	31,599	144,052
Stations / Parking Expansion	91,000	78,419	169,419
Trackwork	118,254	0	118,254
Total	**361,765**	**114,018**	**475,784**

Funding With Measure M
Under the approved Five-Year Program thirty ($30) million in Measure M funds were allocated to serve as the primary local funding source for the Go Local program. The $30 million in funds is anticipated to fund the first two steps of the four step competitive process. Step one received an allocation of $3.4 million to fund grants of $100,000 per city for initial needs assessments for those cities interested in developing transit extensions to Metrolink. The balance of the funds are planned to be allocated for step two, which consists of project planning and/or alternative analysis of the concepts developed by the cities in their initial needs assessment.

Funding With Renewed Measure M
One ($1) billion in funds has been allocated to the Go Local program with the renewal of Measure M. The one billion in funds (designated as Transit Extensions to Metrolink) are anticipated to serve as the primary local funding source for steps three and four of the four step competitive process. Step three of the program will emphasize development and implementation of those projects which have qualified from earlier steps in the process. Step four is to perform additional work on Metrolink stations to transform them into transportation centers that can serve as hubs to projects that are developed under this process. Approximately $17 million dollars will be advanced for the Transit Extensions to Metrolink program under the EAP.

Convert Metrolink Station(s) to Regional Gateways that Connect Orange County with High Speed Rail Systems Program
The Five-Year Program approved in October 2005 by the OCTA Board of Directors contained improvements to all modes of transportation within Orange County. One of the individual elements within the program was to connect the high-frequency commuter rail service to future high speed rail lines. The State of California is currently planning a high-speed rail system linking northern and southern California. One line is planned to terminate in Orange County. In addition, several magnetic levitation (MAGLEV) systems that would connect Orange County to Los Angeles and San Bernardino Counties, including a link from Anaheim to Ontario Airport, are also being planned or proposed by other agencies. The program to Convert Metrolink Station(s) to Regional Gateways that Connect Orange County with High Speed Rail Systems will provide the local improvements that are necessary to connect future high-speed rail systems to stations on the Orange County Metrolink route.

Funding Through Measure M
In November 2005, the OCTA Board of Directors approved a Comprehensive Funding Strategy which allocated $60 million of Measure M transit funds to the program to Convert Metrolink Station(s) to Regional Gateways that Connect Orange County with High Speed Rail Systems. The funds have been allocated to the development of two projects, which are the Anaheim Regional Transportation Intermodal Center (ARTIC) and the California High Speed Rail project.

Fifty-three ($53) million of Measure M funds were allocated towards the phase 1 development of the Anaheim Regional Transportation Intermodal Center (ARTIC). ARTIC is a three phase, 20 year project, which when completed will provide a transportation facility that will serve as the focal point in the north and central part of Orange County for expanded commuter and intercity rail, Bus Rapid Transit, high speed rail, an automated people mover system, taxi-cabs and airport connections. In FY06, OCTA purchased a 13.5 acre site in the City of Anaheim for the development of ARTIC.

OCTA has also entered an agreement with the California High Speed Rail Authority (CAHSRA) to provide $7M in Measure M funds towards the environmental studies phase of a planned high speed rail system that will connect Southern California to the San Francisco Bay Area and Sacramento. OCTA's investment will focus on the Anaheim and Los Angeles segment of the high speed rail system.

Funding Through Renewed Measure M
As part of the Renewed Measure M program, $226.6 million dollars has been allocated to the program to Convert Metrolink Station(s) to Regional Gateways that Connect Orange County with High Speed Rail Systems. These funds will be issued on a competitive basis to provide the local improvements necessary to connect future high-speed rail systems to stations on the Orange County Metrolink route. Approximately $19 million dollars will be advanced for the Metrolink Gateways Program under the EAP.

Cash Flow Statement -Metrolink

(millions)		2008	2009	2010	2011	2012	2017	2022	2027
Beginning Balance	$	95.8	70.9	78.9	73.4	100.6	74.3	87.5	97.8
Cash flows from operating activities:									
Sources of funds:									
OCTD Loan Repayment		0.0	0.0	0.0	0.0	0.0	1.4	0.0	0.0
Miscellaneous revenue		3.1	0.6	0.6	0.6	0.6	0.8	0.9	1.0
Total Sources of funds	$	3.1	0.6	0.6	0.6	0.6	2.1	0.9	1.0
Cash flows from operating activities:									
Uses of funds:									
Subsidy to SCRRA		12.4	12.8	22.9	23.4	23.7	28.0	33.1	36.1
Management Fee Expense		0.6	0.6	0.6	0.7	0.7	0.8	0.9	1.1
Professional Services		10.8	15.4	9.3	6.5	7.1	3.8	4.6	5.8
General and Administrative		0.3	0.3	0.4	0.4	0.4	0.2	0.3	0.3
Other Operating Expenses		97.4	131.1	67.6	21.6	20.8	5.4	8.2	15.0
Total Uses of funds	$	121.6	160.3	100.9	52.6	52.6	38.4	47.0	58.2
Net cash provided by operations	$	(118.5)	(159.7)	(100.2)	(52.0)	(52.0)	(36.2)	(46.2)	(57.2)
Cash flows from non-capital financing activities:									
Operating grants		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating transfers in									
Measure M		98.3	204.6	97.8	72.0	0.0	0.0	0.0	0.0
Renewed Measure M		0.0	0.0	0.0	7.7	32.4	41.8	53.0	67.4
Operating transfers out		(2.1)	(2.0)	(4.0)	(4.2)	(4.3)	(5.2)	(6.1)	(7.1)
Net cash provided by noncapital financing activities	$	96.2	202.5	93.8	75.6	28.1	36.6	47.0	60.3
Cash flows from capital and related financing activities:									
Capital grants/other capital revenues		22.6	9.4	12.8	3.4	3.5	4.0	4.7	5.4
Acquisition/construction of capital assets		(35.3)	(66.5)	(34.1)	(9.3)	(8.9)	(2.3)	(3.5)	(6.4)
Tax Exempt Commercial Paper (TECP)/Bond proceeds		6.7	20.2	21.1	68.9	0.0	0.0	0.0	0.0
Principal & interest paid on TECP/Bonds		(0.5)	(1.0)	(2.5)	(62.6)	(3.5)	(3.5)	(3.5)	(3.5)
Net cash used by capital and related financing activities	$	(6.5)	(38.0)	(2.7)	0.4	(9.0)	(1.8)	(2.4)	(4.5)
Cash flows from investing activities:									
Interest on investments		3.9	3.2	3.6	3.3	4.5	3.3	3.9	4.4
Net cash provided by investing activities	$	3.9	3.2	3.6	3.3	4.5	3.3	3.9	4.4
Cash to Accrual Reconciling Items	$	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net increase/decrease in cash	$	(24.9)	8.1	(5.6)	27.3	(28.3)	1.9	2.4	2.9
Available Cash	$	70.9	78.9	73.4	100.6	72.3	76.2	89.9	100.7

MEASURE M

Introduction

This section outlines the business initiatives related to programs, services, and their administration as funded by the Local Transportation Authority (LTA), the half-cent sales tax approved by Orange County voters in 1990 and set to expire in 2011. The Measure M program, as outlined by the Measure M Ordinance, consists of three major areas of expenditures:

- Freeways,
- Streets and Roads, and
- Transit

The goal of Measure M is to create a balanced multi-modal transportation system to provide near-term congestion relief on existing freeways, streets and roads, and longer-term development of a state-of-the-art rail transit system. With the Measure M Program approaching the final years of its 20-year plan, Orange County residents are benefiting from many visible improvements to the transportation system within the County. Freeways and streets have been widened, intersections improved, signals coordinated to ensure smooth traffic flow, and commuter rail has grown remarkably.

Program Overview

By ordinance, the three major areas of expenditures are categorized into four modes with appropriation limits. Figure 1 offers a summary of each mode and funding level comparison in 1988 versus 2007 dollars.

Figure 1 - Measure M Modes ($ millions)

Mode	1988 Dollars	2007 Dollars	Allocation
Freeway Projects	$ 1,325	$ 1,875	43%
Regional Streets and Roads Projects	350	472	11%
Local Streets and Roads Projects	650	901	21%
Transit Projects	775	1,073	25%
Grand Total	$ 3,100	$ 4,321	100%

Funding for the four modes consist of a one-half percent assessment on taxable sales throughout Orange County, and federal and state transportation funds and grants, and contribution from local and private sources.

Freeway Projects

Within the freeway projects mode, six freeway corridors were included in the original list of approved projects, with a seventh freeway project, the Garden Grove Freeway (State Route 22), added in Fiscal Year 2002 by the OCTA Board of Directors, with the concurrence of the Measure M Citizens Oversight Committee (COC).

To date, the freeway projects completed are displayed on Figure 2 (see bottom of page), with only the Santa Ana Freeway (Interstate 5 Gateway Project) scheduled to be complete in fiscal year 2010.

Completion of the planned improvements for the Interstate 5 Gateway Project, will bring to close an ambitious freeway expansion program to increase capacity and mobility on the county's freeway system. The Santa Ana Freeway Interstate 5 Gateway Project represents the final section to be completed on the county's primary transportation artery.

Upon the completion of the I-5 Gateway, the freeway mode is projected to have an unprogrammed ending balance of approximately $188 million. To-date, two additional amendments to the Measure M expenditure plan have been approved by the OCTA Board of Directors, with the concurrence of the Measure M Citizens Oversight Committee (COC). These amendments are to be funded with $32 million of these unprogrammed funds. These funds will cover $22 million in pre-construction costs for the State Route 57 (SR-57) widening project and $10 million for working capital for design and right-of-way on the Garden Grove Freeway (SR-22) Phase II West County Connection with the San Gabriel Freeway (Interstate 605) and the San Diego Freeway (Interstate 405), both are part of the Renewed Measure M Expenditure Plan.

Streets and Roads Projects

The Streets and Roads Program is broken down into two modes consisting of Local Streets and Roads Projects, and Regional Streets and Roads Projects.

Figure 2 - Freeway Projects ($ millions)

Projects	Description	Project Inception	Estimated Completion	Total Nominal
Santa Ana Freeway I-5 Gateway Project	Widen freeway and add HOV lanes each direction	2002	2010	$180
Garden Grove Freeway(SR-22)	Widen freeway and add HOV lanes each direction	2004	2007	$550
Costa Mesa Freeway (SR-55)	Widen freeway in each direction	1995	2002	$200
Riverside Freeway (SR-91)	Widen freeway in each direction	1992	2000	$400
I-5 between Irvine and Data Point	Widen freeway and add HOV lanes each direction	1994	1996	$500
El Toro Y Interchange (I-405/I-5 Interchange)	Widen freeway in each direction	1993	1997	$80
Orange Freeway (SR-57)	Widen freeway in each direction	1991	1992	$40
Total Cost				$1,950

* Costs are actual costs in year of expenditure and may include non-Measure M funds

1) The Regional Streets and Roads mode has five different categories of projects that focus on improvements benefiting multiple jurisdictions or having regional significance. The five categories are:

- Smart Streets,
- Regionally Significant Interchanges,
- Intersection Improvement Program,
- Traffic Signal Coordination, and
- Transportation Systems/Demand Management.

2) The Local Streets and Roads mode has three different categories of projects which focus on improvements within a local jurisdiction. The three categories are:

- Master Plan of Arterial Highway Improvements,
- Streets and Roads Maintenance and Road Improvements, and
- Growth Management Area Improvements.

Measure M revenues are distributed through competitive programs, also know as the Combined Transportation Funding Program (CTFP), within both modes. In addition, Measure M revenues are also distributed through the Turnback Program for the Local Streets and Roads mode. OCTA issues a call for projects in even numbered years for each CTFP. Available funding for each competitive program is then distributed to projects with the greatest benefit and/or critical need, on a pay-as-you-go basis. In addition, to-date OCTA has allocated approximately $750 million towards various CTFPs. The next call for projects is currently underway.

Furthermore, the turnback program is an annual formula distribution of Measure M revenues to local jurisdictions based on population, taxable sales, and miles of roadway included in the Master Plan of Arterial Highways. Turnback funds are distributed to eligible jurisdictions bi-monthly, with the amount available for distribution based on sales tax receipts for the previous two months. Through fiscal year 2007, roughly $624 million has been allocated to cities and the county as part of the turnback program.

Finally, it is projected that all Measure M funds set aside for the Streets and Roads Program will be expensed by 2011.

Transit Projects

The Transit Mode is comprised of five programs:

- Pacific Electric Right-of-Way (PE-ROW),
- Commuter Rail (Metrolink),
- High-Technology Advanced Rail Transit
- Senior and Disabled Fare Stabilization, and
- Transitways.

1) Pacific Electric Right-of-Way - The Pacific Electric Right-of-Way was acquired early in the Measure M program and currently receives limited funds from Measure M to partially pay for its maintenance. Future plans for the PE-ROW could include rail or bus rapid transit.

2) Commuter Rail - Measure M funds allocated to the Commuter Rail line item established an operations fund for the commuter rail program in 1992. Since then, several deposits have been made into the fund from various sources, including Measure M. The Commuter Rail program continues to attract new riders, requiring service level increases. Measure M will continue to deposit funds, as they become available, to fund the Commuter Rail program. These funds may also be used for Commuter Rail capital improvement projects or as a local match to grant funded projects.

3) High Technology Advanced Rail Transit – In October 2005, the OCTA Board of Directors approved a Five-Year Program that included investments in gateways to regional rail seeking the opportunity to interconnect the Metrolink commuter rail service to future high speed rail lines that would serve areas further away such as the San Francisco Bay Area, Los Angeles, San Diego, and Ontario Airport with planned technology options such as high speed rail and magnetic levitation.

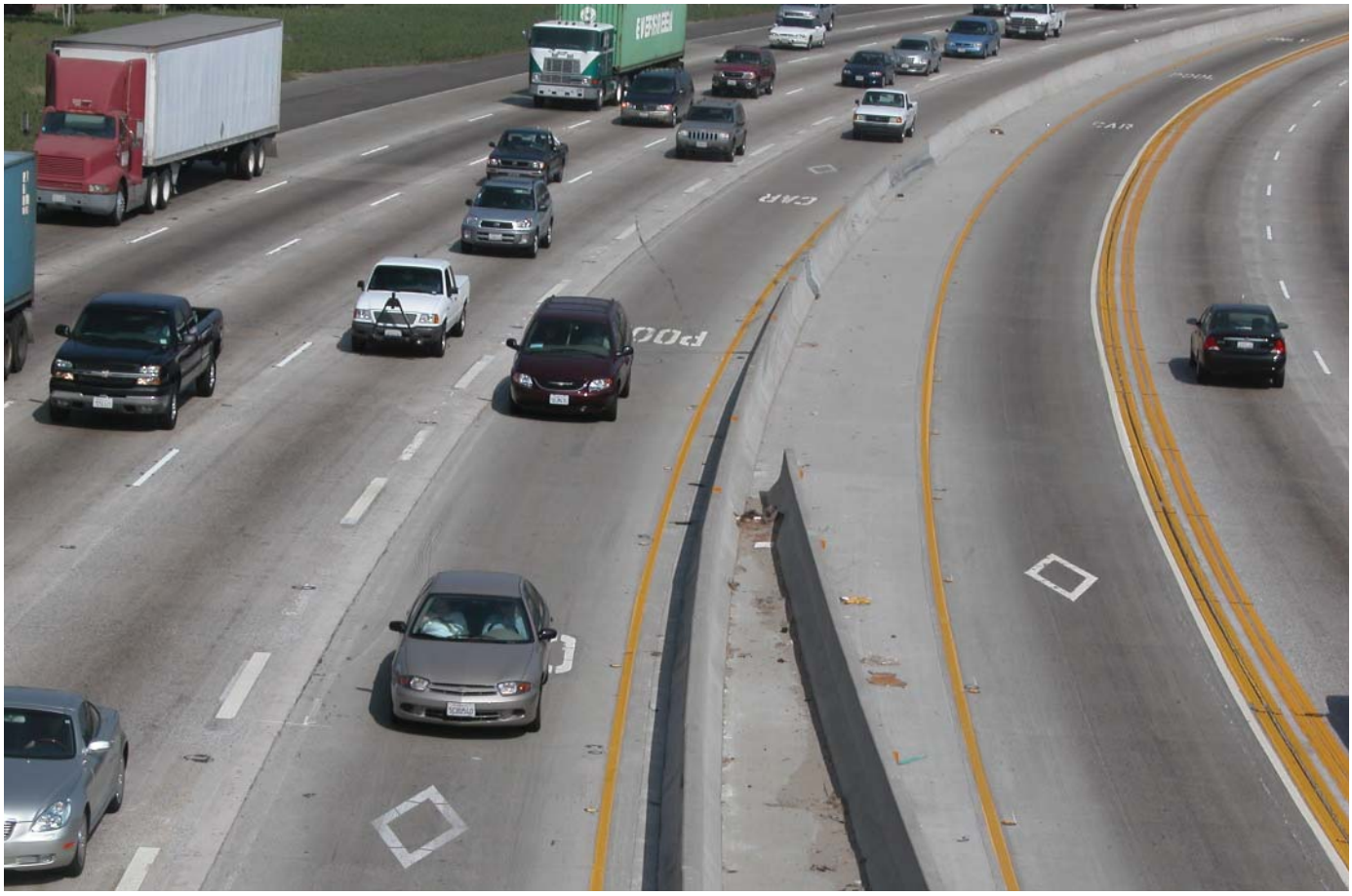
4) Senior and Disabled Fare Stabilization - Measure M provides subsidies to offset the impact of fare increases for senior and disabled bus riders. Measure M dedicates $1 million per year for a twenty-year term. Factoring in future fare increases and inflation, current projections predict a fully depleted fund balance in Fiscal Year 2011.

5) Transitways - There are two major transitway projects funded with Measure M funds: The State Route 57/State Route 91 High Occupancy Vehicle (HOV) connector project and the Interstate 405/State Route 55 Interchange. The State Route 57/State Route 91 project is complete. It included the construction of connector lanes that enable high occupancy vehicles to transition between freeways without leaving the carpool lane. The Interstate 405/State Route 55 project, which was divided into three Minimum Operating Segments, is also complete, and now provides direct carpool lane connections between freeways. The first segment connects HOV lanes from the southbound State Route 55 with the HOV lanes on the southbound Interstate 405, and the reverse alignment. The second segment connects the southbound State Route 55 with the northbound Interstate 405, and the reverse alignment. The third segment reconfigured the connector from the southbound State Route 55 to the northbound Interstate 405 at Bristol Street and added a new on-ramp to the northbound Interstate 405 from Anton Boulevard and a new off-ramp from the northbound Interstate 405 to Avenue of the Arts.

Local Transportation Authority (LTA) Debt Service Program

The LTA Debt Service Program was established to account for the accumulation of resources for, and repayment of, Measure M long-term debt, including principal, interest, and related expenses. Since 1991, over $1.1 billion has been issued to raise capital and refinance prior debt for the Measure M program. The Authority bonded against future sales tax revenue to raise sufficient funds to undertake projects soon after the passage of Measure M. Interest payments are the cost of accelerating Measure M projects. These costs, however, must be balanced against lower labor/construction and right-of-way costs attained by initiating construction in the early 1990s, and the incalculable benefit of accelerated completion of major congestion relief projects throughout the county.

Approximately $308 million (93 percent) of outstanding bond debt is structured with a fixed interest rate. This leaves $23 million (7 percent) of bond debt exposed to market fluctuations, so even moderate swings in interest rates will have limited impact on the overall Measure M program. Resources used to cover the cost of bond debt are accumulated in the debt-service program. These resources are invested and earn interest that effectively reduces principal and interest payments on bond debt. Interest earned on cash held in the debt service program is equal to or less than the coupon rate (interest charged to borrow money) of each debt instrument, per the arbitrage requirement.



Cashflow Statement for Measure M

(millions)		2008	2009	2010	2011
Beginning Balance	$	**542.4**	**465.8**	**465.9**	**489.1**
Sources of funds:					
Sales Tax Revenue (Net of SBOE and Admin. Fees)		285.6	300.7	316.0	243.1
Bonded Funds (Net Proceeds)		0.0	0.0	0.0	0.0
Debt Service Reserve Fund (Restricted)		0.0	0.0	0.0	0.0
Tax-Exempt Commercial Paper (TECP) Proceeds		0.0	0.0	0.0	0.0
Taxable Commercial Paper (TXCP) Proceeds		0.0	0.0	0.0	0.0
IBJ Bank Loan		0.0	0.0	0.0	0.0
Other Revenues (Private,Local, State, & Fed.Funding)		34.5	35.1	16.8	0.0
Investment Earnings on Cash Balances		16.1	12.7	12.7	13.7
Investment Earnings on DSF		3.6	3.6	3.6	3.6
Investment Earnings on Construction Fund		0.0	0.0	0.0	0.0
Total Sources of funds	$	**339.8**	**352.1**	**349.0**	**260.5**
Debt Service					
Gross Debt Service on Bonds		88.5	88.6	87.4	87.4
TECP Interest / Redemption		7.5	8.4	8.0	7.8
TXCP Interest / Redemption		0.0	0.0	0.0	0.0
IBJ Loan		0.0	0.0	0.0	0.0
Total Debt Service Payments		96.0	96.9	95.4	95.2
Program Expenditures					
Freeway Mode		67.8	60.4	49.7	16.7
Transit Mode		134.8	106.7	105.0	184.4
Senior and Disabled Fare Stabilization		1.2	1.2	1.2	1.2
Local Streets & Roads Mode		74.4	63.7	58.2	136.6
Regional Streets & Roads Mode		42.1	23.1	16.3	127.6
Total Program Expenditures		320.4	255.1	230.4	466.6
Net cash provided by operations	$	**(76.5)**	**0.1**	**23.2**	**(301.3)**
Available Cash	$	**465.8**	**465.9**	**489.1**	**187.8**

RENEWED MEASURE M

Orange County Transportation Authority

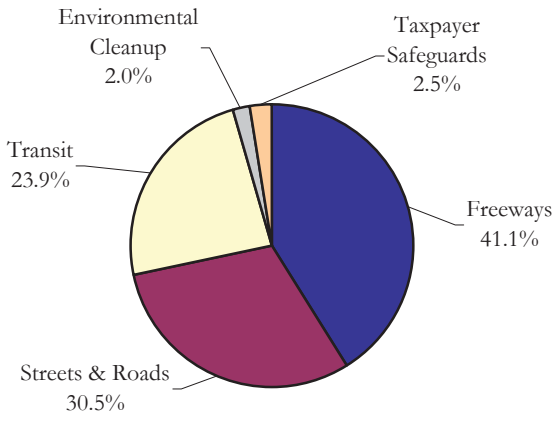
Background

On November 7, 2006, Orange County voters, by a vote of 69.7%, approved the renewal of the Measure M one-half cent sales tax for transportation improvements. Measure M (M1) was originally passed in 1990 with a sunset of March 31, 2011, and with the approval of the Renewed Measure M (M2), the voters agreed to continued investment of local tax dollars in Orange County's transportation infrastructure for another 30 years from April 1, 2011 through March 31, 2041.

Program Overview

The M2 Transportation Investment Plan is a 30 year, $11.8 billion dollar program designed to reduce traffic, strengthen our economy, and improve our quality of life by upgrading key freeways, fixing major freeway interchanges, maintaining streets and roads, synchronizing traffic signals countywide, building a visionary rail transit system, and protecting our environment from the oily street runoff that pollutes Orange County beaches. The plan calls for the $11.8 billion dollars to be allocated as follows (see Figure 1):

Figure 1 - M2 Investment Allocation by Mode



Freeway Projects

Approximately 41% of M2 revenue will be invested in new freeway construction, which represents the greatest investment in the M2 program at approximately $4.9 billion dollars (2005 dollars). Relieving congestion on the Riverside/Artesia Freeway (SR-91) is the centerpiece of the freeway program and will include new lanes, new interchanges and new bridges. Other major projects will make substantial improvements on Interstate 5 (I-5) in southern Orange County and the San Diego Freeway (I-405) in western Orange County. Under the plan, the intersection of the I-5, Garden Grove Freeway (SR-22), and the Orange Freeway (SR-57), known as the Orange Crush, will be improved and upgraded. Additionally, major traffic chokepoints on almost every Orange County freeway will be remedied.

Streets and Roads Projects

Approximately 31% of M2 revenue, which represents approximately $3.625 billion dollars, will be invested in the repair, rejuvenation, and improvement of city streets and county roads. More than 6,500 miles of aging streets and roads will need to be maintained regularly, and the funds will also be spent improving intersections, synchronizing traffic signals, and making the existing countywide network of streets and roads safer and more efficient. The plan calls for the $3.625 billion to be allocated as follows:

Figure 2: Allocation of M2 Streets & Roads Funds

Program	$	%
Local Fair Share Program	2,039	56%
Signal Synchronization Program	453	13%
Regional Capacity Program	1,133	31%
Total	3,625	

The Local Fair Share Program will assist cities and the County of Orange in keeping up with the rising cost of repairing the aging street system. Cities will also have the opportunity to use these funds for other local transportation needs such as residential street projects, traffic and pedestrian safety near schools, signal priority for emergency vehicles, etc. Since the program is designed to augment, rather than replace, existing transportation expenditures, cities will be required to meet a set of guidelines to receive the funds. Once a city has met the guidelines the funds are distributed on a formula basis which accounts for population, street mileage, and amount of sales tax collected in each jurisdiction.

The Regional Traffic Signal Synchronization Program targets over 2,000 signalized intersections across the County for coordinated operation. The goal is to improve the flow of traffic by developing and implementing regional signal coordination programs that cross jurisdictional boundaries. When completed this program can increase the capacity of the street grid and reduce the delay by over six million hours annually.

The Regional Capacity Program, in combination with local matching funds, provides a funding source to complete the Orange County Master Plan of Arterial Highways. The program also provides for intersection improvements and other projects to improve street operations and reduce congestion. The program allocates funds through a competitive process and targets projects that help traffic the most by considering factors such as degree of congestion relief, cost effectiveness and project readiness.

Transit Projects

Approximately 24% of M2 revenue, which represents approximately $2.832 billion dollars, will be dedicated to transit programs countywide. About 19 percent, or $2.241 billion, will

be dedicated to creating a new countywide high capacity transit system based on the existing Metrolink and Amtrak rail line, and about five percent, or $591 million, will be used to enhance senior transportation programs and provide targeted, safe localized bus service. The plan calls for the funds to be allocated as follows:

Figure 3: Allocation of M2 Transit Funds ($ millons)

Program	$	%
High Frequency Metrolink Service	1,014	36%
Transit Extensions to Metrolink	1,000	35%
Metrolink Gateways	227	8%
Subtotal	*2,241*	
Expand Choices for Seniors & Persons with Disabilities	340	12%
Community Based Transit/Circulators	226	8%
Safe Transit Stops	25	1%
Subtotal	*591*	
Total	**2,832**	

The High Frequency Metrolink Service Program will increase rail services within the County and provide frequent Metrolink service north of Fullerton to Los Angeles. The program will provide for track improvements, additional trains, and other related needs to accommodate the expanded service.

The Transit Extensions to Metrolink Program will establish a competitive program for local jurisdictions to broaden the reach of the rail system to communities and major activity centers that are not immediately adjacent to the Metrolink corridor. It is intended that multiple transit projects be funded and that no single project be awarded all of the funds of the program. These connections may include a variety of transit technologies such as conventional bus, bus rapid transit or high capacity rail transit systems as long as they can be fully integrated and provide seamless transition for the users.

This program will build on the groundwork laid by the M1 funded Go Local Program, which provided funds for cities to initiate a needs assessment for developing transit extensions to Metrolink. The program also provided funds on a competitive basis for project planning and/or alternative analysis of the concepts developed by the cities in their initial needs assessment.

The Metrolink Gateways Program will provide funds for local improvements necessary to connect planned future high-speed rail systems to stations on the Orange County Metrolink route.

Over the next thirty years, the population of people age 65 and over is projected to increase by 93 percent. The Expand Mobility Choices for Seniors and Persons with Disabilities Program will provide services and programs to meet the growing transportation needs of seniors and persons with disabilities as follows:

- 1% of net revenue will stabilize fares and provide fare discounts for bus services, ACCESS services and future rail services
- 1 % of net revenue will be available to continue and expand local community van service for seniors through the existing Senior Mobility Program
- 1% of net revenue will supplement existing countywide senior non-emergency medical transportation services

The Community Based Transit/Circulators Program will establish a competitive program for local jurisdictions to develop bus transit services such as community based circulators, shuttles and bus trolleys that complement regional bus and rail services, and meet needs in areas not adequately served by regional transit. Projects will need to meet performance criteria, be financially viable, be competitively bid, and cannot duplicate or compete with existing transit services.

The Safe Transit Stops Program provides for passenger amenities at 100 of the busiest transit stops across the County. The stops will be designed to ease transfers between bus lines and provide passenger amenities such as improved shelters, lighting, current information on bus and train timetables and arrival times, and transit ticket vending machines.

Environmental Cleanup Projects

Approximately 2 percent of M2 revenue, which represents approximately $237 million dollars, will be dedicated to an environmental cleanup program that is designed to supplement, not supplant, existing transportation-related water quality programs. This clean-up program must improve, and not replace, existing pollution reduction efforts by cities, the county and special districts. Funds will be utilized to implement street and highway related water quality improvement programs and projects that will assist Orange County cities, the County of Orange, and special districts to meet federal Clean Water Act standards for urban runoff.

Taxpayer Safeguards and Audits

Approximately 1 percent of M2 revenue, which represents approximately $118.6 million dollars, is set aside for audits, safeguards, and taxpayer protection. Additionally, by state law, 1.5% of the gross sales tax generated by M2 must be paid to the California State Board of Equalization for collecting the countywide one-half percent sales tax that funds the M2 program.

Renewed Measure M Early Action Plan

On August 13, 2007 the Board approved the Renewed Measure M Early Action Plan (EAP), which is a five-year plan, covering the years of 2007 to 2012, to advance the implementation of M2. The EAP outlines the M2 projects and program development work that can be accomplished over the next five years, and lists

nine key objectives for the plan.

Freeway Projects

The first two key objectives of the EAP address freeway projects. The goals of the EAP with respect to the freeway mode is to complete conceptual engineering for every M2 freeway project, and to start construction on five major M2 freeway projects on the SR-91, SR-57, and I-5. These five freeway projects are valued at $445 million. Figures 4 and 5 (see page 34 & 35) list the EAP freeway projects, and their projected timelines.

Streets and Roads Projects

Two key objectives of the EAP address streets and roads projects:

- Enable every Orange County city and the County to meet eligibility requirements for M2 funds, including new pavement management and signal synchronization programs
- Award up to $165 million to cities and the County for signal synchronization and road upgrades

Figure 6 (see page 36) lists the EAP streets and roads projects and their projected timelines.

Transit Projects

Three key objectives of the EAP address transit projects:

- Implementation of high-frequency Metrolink service with associated railroad crossings safety and quiet zone improvements completed or under construction, as well as project development for at least five major grade separation projects
- Award up to $200 million in competitive funding for transit projects
- Complete development work and allocate funds for transit fare discounts and improved services for seniors and persons with disabilities

Figure 7 (see page 37) lists the EAP transit projects, and their projected timelines.

Environmental Cleanup Projects

Two key objectives of the EAP address environmental cleanup projects:

- Complete an agreement between OCTA and resource agencies detailing environmental mitigation of freeway improvements and commitments for project permitting, as well as begin allocation of funds for mitigation
- Complete program development for road runoff/water quality improvement, as well as begin allocation of funds for water quality projects

Figure 8 (see page 38) lists the EAP environmental cleanup projects and their projected timelines.

Early Action Plan – Plan of Finance

The M2 ordinance expresses a strong preference for pay-as-you-go project financing. However, under the proper conditions, both M2 and the original M1 permit debt financing. In the case of the M1 program, the benefits of early action were obvious and tangible projects cost less, traffic relief was delivered sooner, and the opportunity was created for additional projects to be delivered.

Under the EAP, it is anticipated that up to $350 million in debt financing may be required to fund project costs. As a result, on November 9, 2007 the Board authorized the establishment of a Tax Exempt Commercial Paper program to fund all M2 expenditures until the collection of sales tax begins in Fiscal Year 2011. Forecasted expenditures by mode are as follows: freeway mode - $164.2 million, transit mode - $71.1 million, streets and roads mode - $14.4 million, and up to $100 million for potential projects that are subject to state and federal decisions.

Figure 4 - Early Action Freeway Projects 2007-2012

Project Descriptions

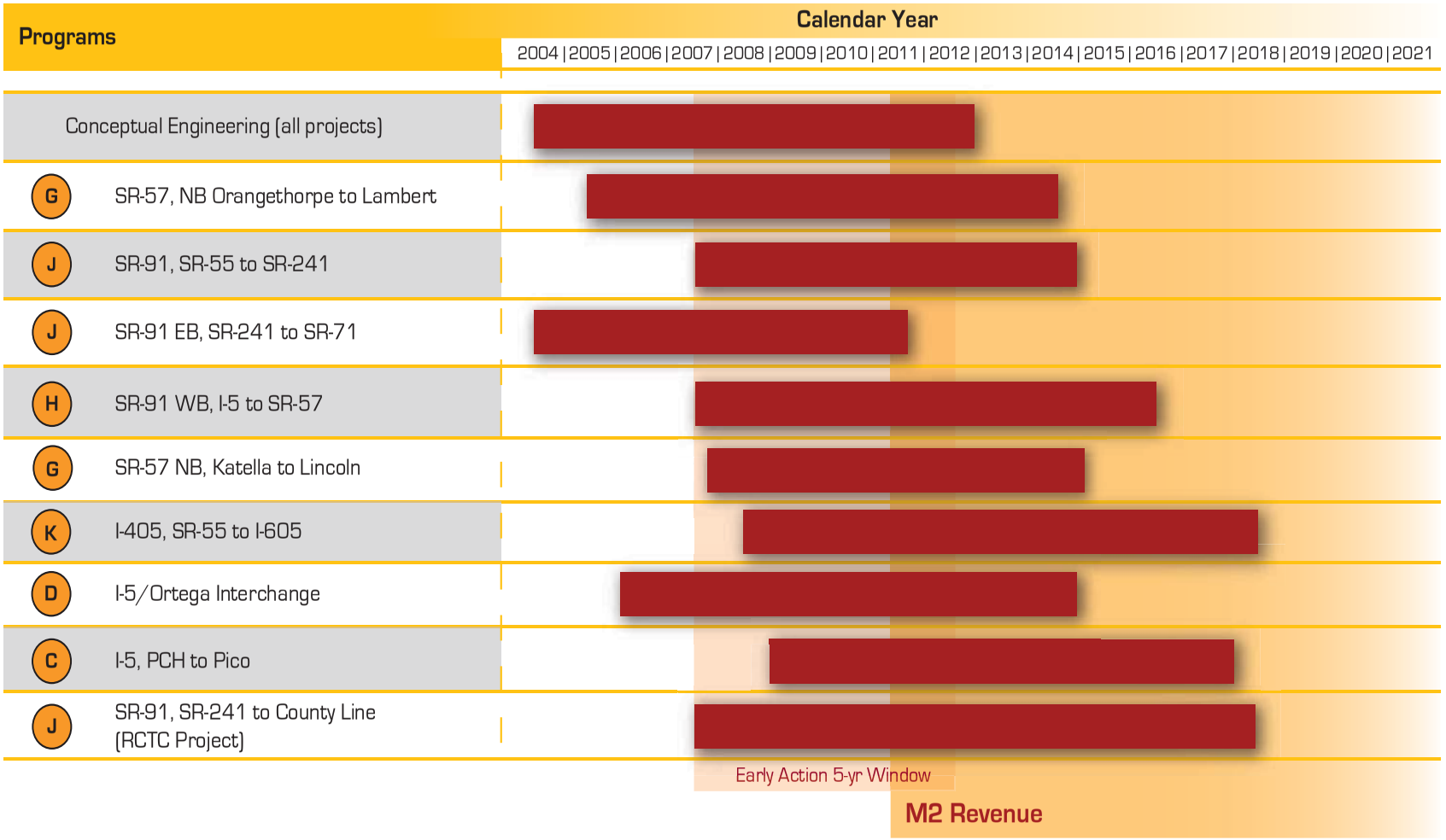
Early Action Projects

- C I-5, PCH to Pico
- D I-5/Ortega Interchange
- G SR-57 NB, Katella to Lincoln; SR-57 NB, Orangethrope to Lambert
- H SR-91 WB, I-5 to SR-57
- J SR-91, SR-55 to SR-241; SR-91 EB, SR-241 to SR-71; SR-91, SR-241 to County Line (RCTC Project)
- K I-405, SR-55 to I-605

Conceptual Engineering Projects

- A B I-5, SR-57 to SR-55; I-5, SR-55 to El Toro Y
- C I-5, El Toro Y to SR-73
- D South OC Freeway Interchanges
- E SR-22 Access Improvements
- F SR-55, SR-22 to I-405
- G SR-57 NB, Lambert to County Line
- I SR-91, SR-57 to SR-55
- L I-405, SR-55 to I-5
- M I-605 Access Improvements

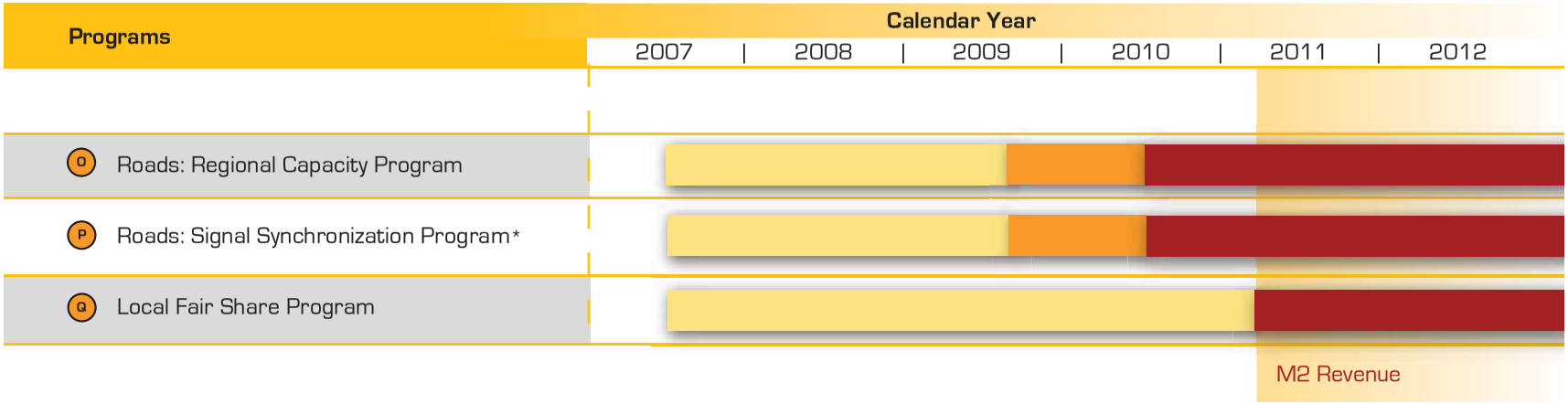
Figure 5 - Early Action Freeway Projects Timeline



The remaining freeway projects listed below will be implemented subsequent to the 2007-2012 Early Action Plan period. Priorities, schedules and project phasing will be presented for Committee and Board of Directors' action as conceptual engineering is completed and more information is known about each project.

- A I-5, SR-57 to SR-55
- B I-5, SR-55 to El Toro Y
- C I-5, El Toro Y to SR-73
- D South OC Freeway Interchanges
- E SR-22 Access Improvements
- F SR-55, SR-22 to I-405
- G SR-57 NB, Lambert to CL
- I SR-91, SR-57 to SR-55
- J SR-91, SR-241 to County line (OCTA Project)
- L I-405, SR-55 to I-5
- M I-605 Access Improvements

Figure 6 - Early Action Streets & Roads Program Timeline



Legend

- Program Development
- Call For Projects
- Program Implementation

Notes

* Renewed M eligibility requirement and funding program

Figure 7 - Early Action Transit Program Timeline

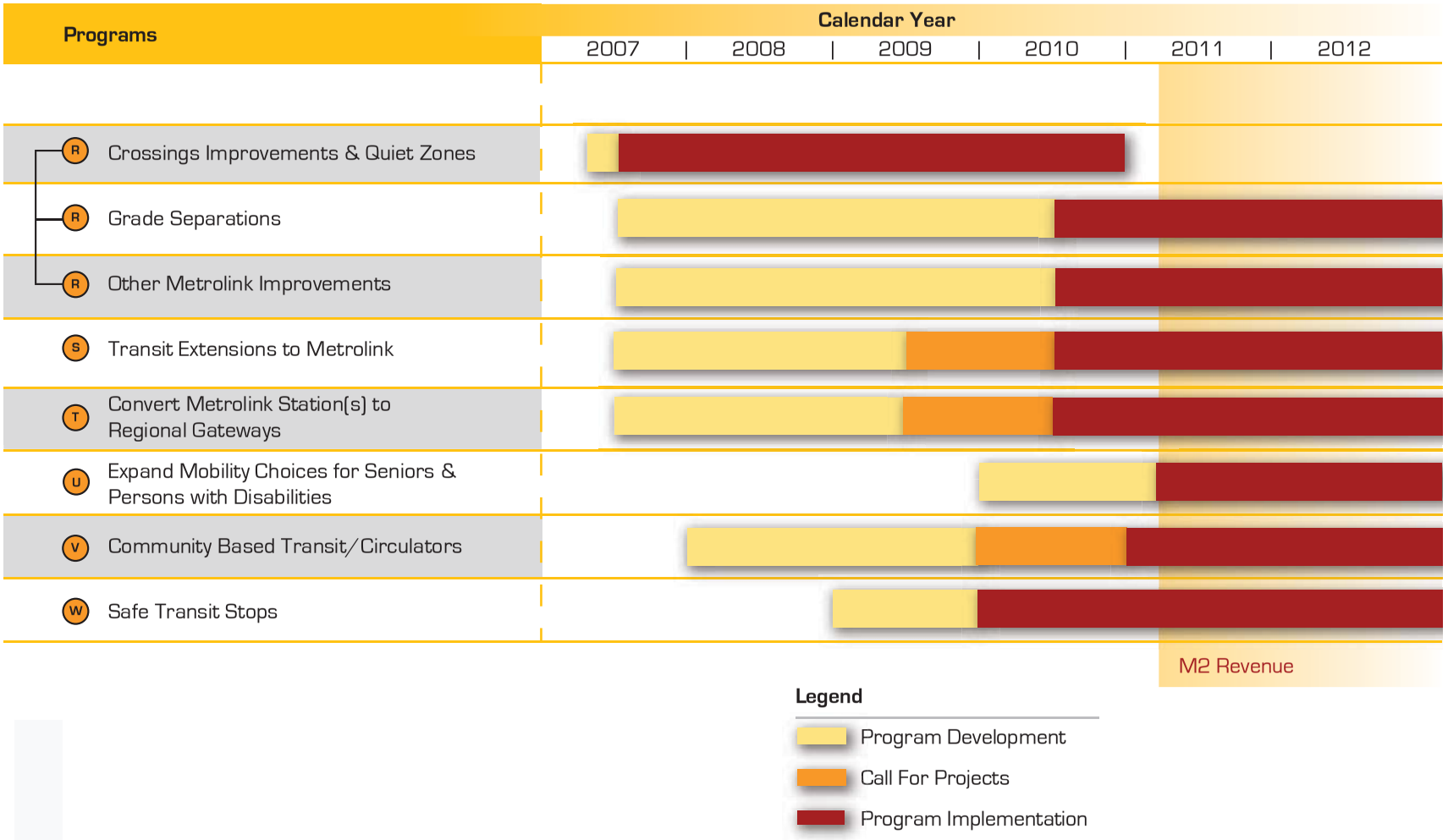
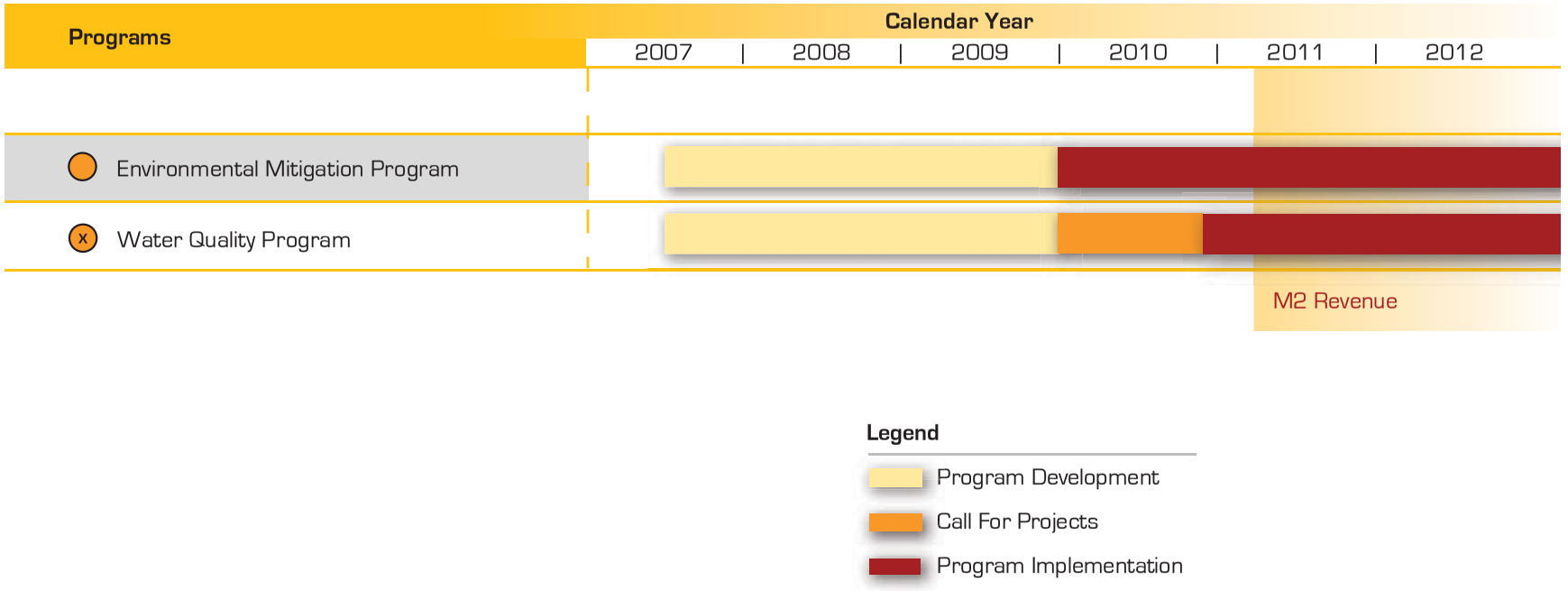


Figure 8 - Early Action Environmental Program Timeline



Cashflow Statement for Renewed Measure M

(millions)		2008	2009	2010	2011	2012	2017	2022	2027
Beginning Balance	$	**0.0**	**2.6**	**5.0**	**7.7**	**47.4**	**72.0**	**102.6**	**41.8**
Sources of funds:									
Sales Tax Revenue		0.0	0.0	0.0	85.0	362.0	466.5	592.5	752.9
Tax Exempt Commercial Paper (TECP)/Bond Proceed		16.0	77.5	59.5	119.1	272.1	100.0	0.0	0.0
Interest		0.0	0.1	0.2	0.4	2.2	3.3	4.6	1.9
Other Revenues (Private,Local, State, & Fed.Funding)		10.0	15.2	43.5	58.2	46.2	17.9	18.3	16.7
Total Sources of funds	$	**26.0**	**92.8**	**103.3**	**262.6**	**682.5**	**587.6**	**615.4**	**771.5**
Debt Service									
Gross Debt Service on TECP/Bonds		1.2	3.8	6.4	11.0	287.8	22.1	32.8	32.8
Total Debt Service Payments		**1.2**	**3.8**	**6.4**	**11.0**	**287.8**	**22.1**	**32.8**	**32.8**
Program Expenditures									
Freeway Projects		14.7	65.3	65.3	137.1	119.9	297.8	305.2	278.0
Streets & Roads Projects		0.0	0.0	6.4	33.9	109.7	141.6	180.2	229.2
Transit Projects		7.5	21.4	22.4	37.0	81.9	106.9	137.0	175.3
Environmental Cleanup		0.0	0.0	0.0	1.7	7.2	9.3	11.8	15.1
Taxpayer Safeguards & Audits		0.0	0.0	0.0	2.2	9.1	11.7	14.8	18.8
Total Program Expenditures		**22.2**	**86.7**	**94.1**	**211.9**	**327.9**	**567.3**	**649.0**	**716.4**
Net cash provided by operations	$	**2.6**	**2.4**	**2.8**	**39.7**	**66.7**	**(1.8)**	**(66.4)**	**22.3**
Available Cash	$	**2.6**	**5.0**	**7.7**	**47.4**	**114.2**	**70.2**	**36.2**	**64.1**

91 EXPRESS LANES

Orange County Transportation Authority

Background

The 91 Express Lanes is a four-lane, 10-mile toll road extending from the Orange/Riverside County line west to the Costa Mesa Freeway (SR-55). The 91 Express Lanes project was authorized as a toll road by the State of California legislature in 1989. Built at a cost of $135 million, the toll road opened in 1995.

The California Private Transportation Company (CPTC) was the original owner of the 91 Express Lanes. An agreement with the State of California Department of Transportation (Caltrans) included a non-compete provision that created a 1.5-mile protection zone along each side of the Riverside Freeway (SR-91). This zone prohibited improvements along the corridor for 30 years in order to satisfy bondholder requirements for a secure revenue stream. This created mobility problems as the region and corresponding transportation demands grew. Evidence of that growth was supported by the fact that total vehicle volume on the 91 Express Lanes grew from 5.7 million in 1996 to 14.6 million in Fiscal Year 2006-07.

To mitigate growing concerns over congestion, the Orange County Transportation Authority (OCTA) acquired the 91 Express Lanes franchise rights in January 2003 from CPTC. OCTA immediately eliminated the non-compete provision, clearing the way for future enhancements that will increase capacity and improve traffic flow. The 91 Express Lanes is an important element in ensuring that traffic flows more smoothly between Orange and Riverside counties. Depending on the time of day, commuters reported saving 30 minutes on average on their drive time by using the 91 Express Lanes. Motorists pay tolls through the convenient use of windshield mounted FasTrak™ transponders that automatically deduct fees from a prepaid account.

Toll Policy

In May 2003, the OCTA Board of Directors underscored its commitment to mobility by endorsing a policy allowing 91 Express Lanes users with three or more persons per vehicle to ride free, except for "super-peak" hours, Monday through Friday, eastbound between 4 p.m. to 6 p.m. where they pay 50 percent of the posted toll rate.

The OCTA Board of Directors also approved a "congestion management" toll pricing policy in July 2003. The goals of the policy are to:

- Provide a safe, reliable, predictable commute for 91 Express Lanes customers.
- Optimize vehicle throughput at free flows speeds.
- Pay debt service and maintain debt service coverage.
- Increase average vehicle occupancy.
- Balance capacity and demand to service customers who pay tolls as well as carpoolers with three or more persons who are offered discounted tolls.
- Generate sufficient revenue to sustain the financial viability of the 91 Express Lanes.
- Ensure all bond covenants are met.
- Repay the OCTA's internal borrowing and provide net revenues for SR-91 corridor improvements.

The objective of the policy is to use pricing to optimize the number of vehicles that can safely travel on the toll road at free-flow speeds during all hours, including peak hours. The benefit to customers is a safe, fast, reliable commute.

Financing

Funding

OCTA purchased the 91 Express Lanes from CPTC for $207.5 million, including $72.5 million in cash from internal reserves and the assumption of $135 million in taxable bonds. There are currently more than 120,000 customer accounts generating an average of $3.4 million per month in gross potential toll revenues.

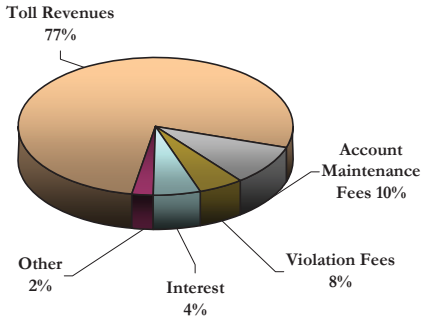
Refinancing

In November 2003, OCTA refinanced the 91 Express Lanes taxable bonds. This action, refunding taxable bonds and issuing non-taxable debt, was projected to save about $24 million over the life of the debt. With the refinancing, OCTA became one of the few single-asset toll road agency in the country to receive a single "A" bond rating.

Operations

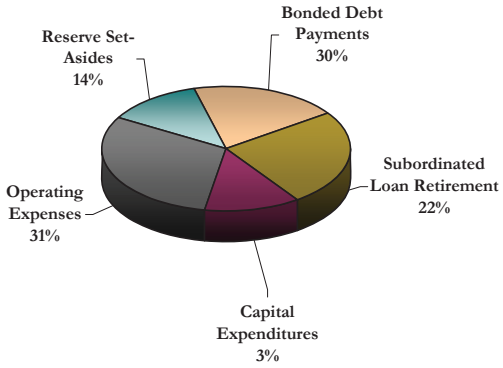
Revenue and Expenses

Revenue for the 91 Express Lanes can be divided into two categories: toll revenues and non-toll revenues. Toll revenues comprise the majority of the revenue generated by the 91 Express Lanes. Non-toll revenues include account maintenance fees, interest and violation fees:



Expenses include operating expenses, capital expenditures, reserve set-asides and debt payments (e.g., senior debt service and subordinated debt repayment). There are two types of reserve set-asides: those that are required by the senior bond indenture and the internal capital reserve fund established by OCTA's Board of Directors. The internal capital reserve was created as a fund

for OCTA to deposit revenues on an annual basis. This fund will be used for future capital expenditures on the 91 Express Lanes. After paying for operating expenditures, debt service and reserves, state law allows remaining funds to be used for general improvements to State Route 91.



Accounts

The 91 Express Lanes has experienced continued growth in the number of drivers using the facility since its inception. The steady growth can be measured by the increase in the number of accounts over the last six years (see Figure 1 below). The 91 Express Lanes had 120,118 active customer accounts, with 177,739 transponders assigned to those accounts at the end of fiscal year 2007.

Capital Improvements

91 Express Lanes Improvements Completed To-Date

When the 91 Express Lanes first opened in 1995, it was the first fully-automated toll facility in the country. As a premier toll facility, OCTA is continuously setting the standard by strategically investing in toll road technology upgrades and enhancements.

In 2003, the Electronic Toll and Traffic Management (ETTM) system was upgraded. This $3.3 million system includes state of the art color and infrared cameras, which identifies vehicles in a wide range of climatic and lighting conditions. The cameras also support optical character reading of license plates. Over 99 percent of all vehicles going through the lanes are detected, which allows enforcement activities to be much more accurate and efficient. In Fiscal Year 2008, OCTA plans to invest an additional $2.9 million to augment this system by installing additional cameras and readers at the ingress/egress of the toll road, replacing the variable message signs, and upgrading the toll technology platform.

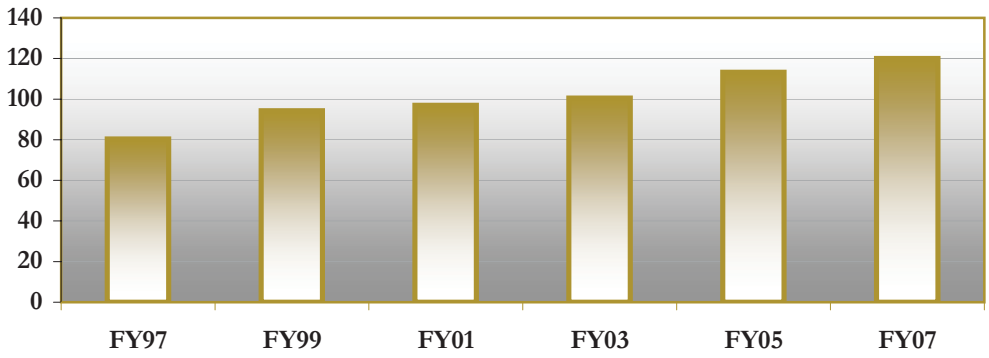
In Fiscal Year 2007, OCTA began expansion and improvement of the 12 year-old Traffic Operations Center (TOC) in Anaheim. The TOC, which is staffed 24 hours a day, 7 days a week, uses in-road sensors and video cameras to monitor conditions on the 91 Express Lanes and SR-91 Freeway. When an incident occurs, the TOC can quickly dispatch the Customer Assistance Patrol, which provides assistance to stranded motorists on the 91 Express Lanes. If necessary, the California Highway Patrol can be dispatched from the TOC. The TOC upgrade project entails adding an additional 1,300 square feet of office space at the Anaheim facility. The TOC will house the necessary hardware, software and connectivity solutions to operate the surveillance system. An ancillary component to the TOC improvement is the replacement of 35 surveillance cameras along the 10-mile stretch on the SR-91 corridor, adjacent to the toll road.

Also in Fiscal Year 2007, OCTA completed the $1.6 million 91 Express Lanes Pavement Maintenance Project. Pavement cracks were filled and sections of the road were re-paved and re-sealed to reduce the rate of roadway deterioration. Channelizers were replaced and the lanes were re-striped throughout the length of the toll road.

91 Corridor Improvements Completed To-Date

By eliminating the non-compete provision in the Caltrans toll road franchise agreement, OCTA cleared the way for freeway improvements on the 91 Corridor. After completing a long-term blueprint for SR-91 improvements, in just the first three years much has been accomplished:

Figure 1 - Number of Accounts
(# thousands)



- New pavement is in place with a new westbound auxiliary lane between Coal Canyon and the Orange / Riverside county line. The lane opened in February 2004.
- A re-striping project through Corona was completed in May 2004. This project extended the westbound auxiliary lane from the Orange / Riverside County line to the Corona Expressway (SR-71).
- OCTA authorized the use of $2.5 million in 91 Express Lanes toll road revenues as seed funding to accelerate preliminary engineering and environmental documentation of an eastbound auxiliary lane extending from the Eastbound Transportation Corridor (SR-241) to the SR-71. When completed, this $30 million project will open up a major eastbound traffic chokepoint near the Orange / Riverside county line.

SR-91 Implementation Plan

The primary goal in acquiring the lanes was to eliminate the "non-compete" provision that existed in the prior franchise agreement between Caltrans and the CPTC. Upon assuming ownership of the lanes, OCTA immediately began facilitating the development of short, mid and long-term transportation plans for the SR-91 between the SR-55 freeway and Barstow Freeway (Interstate 15) with cooperation from Riverside County Transportation Commission (RCTC), and Caltrans. In June 2003, the SR-91 Implementation Plan was developed and adopted by both OCTA and RCTC Board of Directors. Subsequent to this adoption in 2003, both Boards adopted updates to this plan in 2004, 2005, 2006, and most recently in 2007.

The 2007 SR-91 Implementation Plan describes projects, implementation schedules, key considerations, benefits, and costs for major projects through 2030. Most of the projects identified in this Implementation Plan are based on the Riverside County – Orange County Major Investment Study (MIS) that was completed in January 2006. The projects are presented based on potential implementation schedules and priorities established in the MIS. The schedules for implementation of the packages of projects include 2011, 2015, 2020, and 2030. The 2011 and 2015 projects are capable of being implemented through the project development process with minimal to moderate environmental constraints. Some of the longer-range projects for 2020 and 2030 require more significant planning and environmental assessment prior to design.

Short-Term:

The first set of projects will be completed by 2011 and include five improvements at a total cost of approximately $145 million. The projects include the Green River Road interchange overcrossing replacement, Metrolink service improvements, Express Bus improvements, and the eastbound (EB) SR-91 lane addition from SR-241 to SR-71 (see Figure 2). These projects are in the process of preliminary engineering, final design, construction, or procurement and implementation. These projects are recommended for the first few years of the plan and will provide mobility improvements to the corridor when implemented. Most of these short-term projects provide immediate operational benefits (with the overcrossing replacement accommodating future SR-91 capacity) with a minimum of effort required relative to environmental documentation and Right-of-Way constraints.

Figure 2 - Short-Term Projects ($ millions)

Project #	Project Summary	Cost
1	Eastbound Lane Addition from SR-241 to SR-71	68
2	Green River Road Over crossing Replacement	25.7
3	Safety Improvements at Truck Scales	2.1
4	Express Bus Improvements – Orange County to	13.5
5	Metrolink Short-Term Expansion Plan	35.4
	Subtotal	**$144.7**

Mid-Term:

The 2015 improvements include five projects, with a total cost of approximately $540 million. The projects include new travel lanes between SR-55 and SR-241; the 5th lane project from SR-241 to Pierce Street that will add a fifth general purpose (GP) lane in each direction on SR-91 and potentially extend the 91 Express Lanes to I-15, interchange improvements at the SR-71/SR-91, and collector-distributor (CD) roads for EB SR-91 to SR-71 and in both directions at I-15. The other three projects that will be completed in this time frame include an I-15/SR-91 Direct Connector, a westbound (WB) lane at Tustin Avenue, and a potential new interchange at Fairmont Boulevard (see Figure 3).

Figure 3 - Mid-Range Projects ($ millions)

Project #	Project Summary	Cost
6	Widen SR-91 by One GP Lane in Each Direction East of SR-241, CD Roads at SR-71/SR-91 and I-15/ SR-91, and System Interchange Improvements	365
7	SR-91 WB Lane at Tustin Avenue	25 - 62
8	New Interchange at Fairmont Boulevard	46 - 70
9	SR-91 Reversible Lanes from County Line to I-15	43
	Subtotal	**$540**

The 2020 improvements include three projects, with a total cost of approximately $670 million (see Figure 4 on the following page). The projects include the SR-241/SR-91 HOV/HOT connector improvements, a significant expansion of Metrolink service and station enhancements, and SR-55/SR-91 interchange improvements. OCTA, RCTC, and Caltrans will be initiating preliminary planning activities on these projects to ensure readiness when local, state, or federal funding becomes available. Consequently, there may be opportunities to advance

these projects if additional funding is made available. Some of these projects may become components of 2030 and post-2030 projects.

Figure 4 - Projects to Implement by 2020 ($ millions)

Project #	Project Summary	Cost
10	Widen SR-91 between SR-55 and SR-241 by Adding a 5th GP lane in Each Direction	135
11	SR-55/SR-91 Interchange Improvements	200
12	Metrolink Service and Station	335
	Subtotal	**$670**

Long-Term:

Projects for implementation by 2030 focus on longer-lead time projects. This multi-billion dollar program includes three potential projects that require a significant amount of planning, design, and future policy and public input. In some cases, these projects may include previous projects as project components, such that all projects may not be implemented within this project summary. These 2030 projects are identified as having significant environmental constraints and right of way requirements. The Corridor A project may incorporate projects being developed in the earlier programs to provide significant capacity enhancements; therefore, all of the earlier projects may not be implemented in addition to Corridor A. In addition to the Corridor A project is Corridor B, which was identified in the MIS, and the Anaheim to Ontario International Airport high speed rail project for the 2030 and post-2030 horizon period (see Figure 5).

Figure 5 - Long-Range Projects ($ millions)

Project #	Project Summary	Cost
13	SR-241/SR-91 Direct Connector	240
14	I-15/SR-91 Direct Connector	162
15	Elevated 4-Lane Facility (MIS Corridor A) from SR-241 to I-15	3,200
16	4-Lane Facility (MIS Corridor B) from SR-241/SR-133 to I-15/Cajalco Road	5,700
17	Anaheim to Ontario International Airport High Speed Rail	TBD
	Subtotal	**$ 9,302+**

Cashflow Statement for 91 Express Lanes

(millions)		2008	2009	2010	2011	2012	2017	2022	2027
Beginning Balance	$	34.6	26.1	23.4	24.5	28.0	119.9	248.3	415.1
Cash flows from operating activities:									
Sources of funds:									
Toll Revenue		49.5	52.4	56.0	50.9	54.3	61.7	74.3	94.7
Miscellaneous revenue		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Sources of funds	$	49.5	52.4	56.0	50.9	54.3	61.7	74.3	94.7
Cash flows from operating activities:									
Uses of funds:									
Salaries & Benefits		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Management Fee Expense		2.5	2.6	2.7	2.7	2.8	3.3	3.8	4.4
Professional Services		10.3	10.6	10.9	11.3	11.6	12.1	15.5	17.9
General and Administrative		2.7	2.8	2.9	3.0	3.0	3.5	4.1	4.7
Other Operating Expenses		3.3	3.3	3.4	3.5	3.6	4.1	4.7	5.2
Total Uses of funds	$	18.8	19.3	19.9	20.5	21.1	23.0	28.0	32.1
Net cash provided by operations	$	30.7	33.1	36.1	30.4	33.2	38.7	46.3	62.6
Cash flows from non-capital financing activities:									
Operating grants		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating transfers in		0.0	0.0	0.0	8.8	0.0	0.0	0.0	0.0
Measure M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Renewed Measure M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating transfers out		(22.6)	(22.6)	(20.6)	(1.4)	(2.7)	(2.0)	(2.0)	(2.0)
Net cash provided by noncapital financing activities	$	(22.6)	(22.6)	(20.6)	7.4	(2.7)	(2.0)	(2.0)	(2.0)
Cash flows from capital and related financing activities:									
Capital grants/other capital revenues		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition/construction of capital assets		(5.4)	(1.5)	(2.4)	(22.5)	(1.6)	(3.1)	(1.6)	(3.4)
Bond proceeds		(12.3)	(12.3)	(12.3)	(12.3)	(12.3)	(12.3)	(12.3)	(12.3)
Principal & interest paid on bonds / COPS		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash used by capital and related financing activities	$	(17.6)	(13.7)	(14.6)	(34.7)	(13.8)	(15.3)	(13.8)	(15.6)
Cash flows from investing activities:									
Interest on investments		1.1	0.5	0.3	0.4	0.5	4.7	10.5	18.0
Net cash provided by investing activities	$	1.1	0.5	0.3	0.4	0.5	4.7	10.5	18.0
Cash to Accrual Reconciling Items	$	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net increase/decrease in cash	$	(8.4)	(2.8)	1.1	3.5	17.2	26.1	41.1	63.0
Available Cash	$	26.1	23.4	24.5	28.0	45.2	146.0	289.4	478.1

PLANNING & CAPITAL PROJECTS

- Freeways
- Chokepoint Program
- Signal Synchronization
- Roadway Maintenance
- Grade Crossings
- Bristol Street Widening
- High Technology Advanced Rail Transit
- Major Investment Studies

Background

Orange County continues to grow and change. Orange County has evolved from a rural suburb having 17 cities to a 34 city flourishing metropolitan community. Over the next 30 years the population of Orange County is projected to grow by 24 percent and employment will grow by 27 percent. The miles traveled by vehicles in Orange County will grow by nearly 40 percent between now and 2030, faster than both population and employment. Furthermore, by 2030 three million more person trips per year will be added to the transportation system, with most of them starting and ending within Orange County. Without improvements to the system, this will translate into more traffic congestion.

Orange County's freeway and roadway networks are nearing build-out. There are many constraints to physical expansion of these facilities, such as lack of right-of-way, lack of funding, and community concerns with major widening projects. With travel demand continuing to grow multiple strategies must be employed to improve transportation networks, making them more efficient and keeping them maintained so that Orange County residents, workers, and visitors experience a safe, smooth, and minimally congested commute to their destination.

Every four years, the OCTA prepares a Long Range Transportation Plan (LRTP) which identifies key Freeway, Roadway and Transit projects that will be necessary to maintain a quality of mobility that Orange County residents are used to. *New Directions*, OCTA's 2006 LRTP, identifies these projects through year 2030. In July 2006, the OCTA board adopted the *New Directions* document which includes projects funded by the recently voter approved Renewed Measure M funding plan. The following presents Freeway and Roadway programs included in the *New Directions*, as well as their project costs.

Freeways

Roughly half of all miles traveled by vehicles in Orange County occur on the freeways. At the same time, freeways makeup only 18 percent of the freeway and roadway network. Over the past 20 years, Orange County freeways have increased total lane miles from 944 miles to 1,354 miles. This was critically needed to catch the system up with population and employment growth that occurred over the prior 30 years. Much of this work was completed utilizing Measure M funds, including most of the carpool network (172 of the total 246 lane miles).

Beyond today's needs, projections for 2030 indicate that vehicle miles traveled (VMT) will increase faster than population and employment, mostly because of longer trips or commutes. To meet future travel demand, freeway capacity will need to grow if it is to remain the backbone of our transportation system.

Santa Ana Freeway (I-5) Gateway Project

One last segment of the Santa Ana Freeway (I-5) in Orange County still needs improvement. This 2-mile section, from the Artesia Freeway (SR-91) to the Orange/Los Angeles County line, contains a classic bottleneck where five lanes transition down to three. The I-5 Gateway Project will complete an ambitious freeway expansion program. The project will reduce congestion and improve traffic flow on this important transportation route that serves as the gateway to Orange County. The project area includes the section of I-5 within the city of Buena Park from SR-91 north to the Orange/Los Angeles County line. The total project cost is $314.3 million. Measure M will fund $178.9 million and the State Transportation Improvement Programs will provide the remaining funds.

Garden Grove Freeway (SR-22) Project Phase 2

Phase 2 of the Garden Grove Freeway (SR-22) Improvement Project covers a distance of 2.5 miles through the communities of Garden Grove, Westminster, Seal Beach, Rossmoor, Los Alamitos and Leisure World. The SR-22 Phase 2 project proposes to extend the carpool lanes from the SR-22/Valley View Street interchange to the San Diego (I-405) and San Gabriel (I-605) freeways.

Major improvements include:

- Additional carpool lanes on the I-405 between SR-22 and I-605 in both directions
- HOV direct connectors between SR-22/I-405 /I-605 freeways
- Reconstruction of Valley View Street and Seal Beach Boulevard bridges
- Soundwalls
- Additional landscaping and hardscape elements

The total project cost is $300 million. Measure M will fund $150 million and Congestion Mitigation and Air Quality (CMAQ) funds will provide the remaining funds. The project is currently in preliminary engineering and construction is expected to begin in late 2008.

Chokepoint Program

OCTA, in conjunction with Caltrans, is developing freeway improvements to alleviate localized freeway chokepoints. A chokepoint is a location in the freeway system where optimum roadway operation is degraded for a short distance due to unusually heavy weaving or merging vehicle movements. The goal is to have a package of "shelf-ready" projects that can be implemented as funding becomes available. Improvements to interchanges and auxiliary lanes are being considered along the Santa Ana Freeway (Interstate 5), Costa Mesa Freeway (State Route 55), Orange Freeway (State Route 57), Riverside Freeway (State Route 91), San Diego Freeway (Interstate 405), and San Gabriel River Freeway (Interstate 605). Funding for these

projects consist of a blend of federal, state, and local sources. Some projects are fully funded, while the remaining projects require additional funding in order to be completed.

The following is a list of freeways throughout Orange County, the number of chokepoints identified, and an estimated cost to improve the chokepoints on the freeway.

Figure 1 - Freeway Chokepoints Estimated Cost

Freeway	Chokepoints	Estimated Cost ($M)
Santa Ana Freeway (Interstate 5)	10	$294.2
Costa Mesa Freewy (State Route 55)	1	50
Orange Freeway (State Route 57)	3	130.5
Riverside Freeway State Route 91)	9	719.7
San Diego Freeway (Interstate 405)	6	339.7
Total Estimate		$1,534.1

Roadways

The other half of the total miles traveled by vehicles in Orange County is on the arterial roadway network. As with freeway travel, demand on roadways is expected to increase significantly over the next 25 years, and will be influenced by development patterns and changing travel behavior.

Master Plan of Arterial Highways

Orange County's plan for the network of roadways to meet regional traffic needs is called the Master Plan of Arterial Highways (MPAH). It was created in 1956 and has been updated regularly. The MPAH is used by OCTA and local jurisdictions to ensure coordinated planning of arterial streets among local agencies, and that Orange County's major roads can accommodate future traffic and travel patterns. Significant funding has and will continue to be allocated for the widening and improvements of roadways on the MPAH. Improvements range from adding additional travel lanes to the widening of intersections to building new roadways. Through the sunset of Measure M, improvements to the MPAH are projected to cost $360 million and will be funded by Measure M and Gas Tax revenues.

Signal Synchronization

A Countywide Signal Synchronization Program would synchronize traffic signals across Orange County local streets and freeways and provide drivers a greater number of green lights for daily commuting. The program would:

- Upgrade traffic signal communications equipment
- Provide new equipment for detection and monitoring of traffic conditions
- Upgrade computer systems to replace old technology
- Provide for more frequent updates of signal timing plans to keep signal settings current
- Improve signal maintenance by quickly replacing malfunctioning equipment
- Implement regional traffic operations centers to continuously monitor traffic conditions and respond to special events.

To implement such a program would require $450 million from the Renewed Measure M dollars, plus local matching funds provided by Orange County local agencies. With these funds, over 750 roadway miles and 2,000 signals could be coordinated countywide. Average traffic speeds on the coordinated network would increase by five percent overall, resulting in over six million travel hours saved every year, countywide.

Roadway Maintenance

In addition to building the roadway network, all Orange County local agencies have invested significantly in maintaining these facilities. Despite this investment, there are additional street repairs and maintenance efforts that must be completed to bring our roadway network up to acceptable conditions. If pavement is kept in good condition, it will function better, last longer, and be less expensive to maintain. Funding for street maintenance over the ten year period will be provided by the Regional Surface Transportation Program (RSTP) and Gas Tax revenues, as well as Measure M. As part of the recently Board approved Long Range Transportation Plan, it will take an investment of $1.64 billion over the next 15 years to maintain current pavement conditions.

Grade Crossings

Several years ago, OCTA completed two studies that identified the need for improving street-to-rail crossings. Construction has been completed on Melrose Avenue in Placentia, while construction began in the Summer of 2006 on the Imperial Highway Grade separation project. Other planned separations are located at Jeffrey Road in Irvine, State College Boulevard in Fullerton, as well as Placentia Avenue in Placentia. The proposed improvements will construct an overpass or

underpass of the roadway at the railroad tracks, thus eliminating the conflict of vehicles and trains. Grade separation projects are extremely expensive, costing as much as $40 million or more per project. These projects are funded by the State Transportation Improvement Program, Federal Surface Transportation Funds, federal earmarks and local funds. Renewed Measure M also makes funds available for grade separation projects.

Bristol Street Widening

In 1990, the City of Santa Ana (City) originally cleared a 3.9-mile Bristol Street widening project from Memory Lane to Warner Avenue. Portions of this segment have already been widened and improved by the City with additional travel lanes and landscaped center medians. The remaining intervals are to be designed and constructed in line with available funding.

The current Bristol Street widening project funded by OCTA includes increasing the number of lanes from two to three in each direction, constructing landscaped medians and linear parkways, under grounding all overhead electrical and other utilities, and constructing storm drain improvements and soundwalls. Improvements shall be made to portions between 17th Street and Warner Avenue totalling approximately two miles as follows:

Project Phasing & Estimated Cost:

➢ Phase I: McFadden to Pine	0.6 miles	$ 74.3 million
➢ Phase II: Third to Civic Center	0.3 miles	$ 37.7 million
➢ Phase III: Civic Center to 17th	0.6 miles	$ 70.4 million
➢ Phase IV: Warner to St. Andrew	0.5 miles	$ 54.2 million
		$236.6 million

In addition to the above, the City is working on widening Bristol between Pine and 3rd Street, independent of OCTA.

The total cost for the Bristol Street widening project has been estimated by the City at $236.6 million. Approximately 72% of the cost is towards acquisition of right-of-way. The first two phases are underway and funded with Gas Tax Subvention revenues in the amount of $125 million. The OCTA and the City are to collaborate and seek additional funding necessary to complete the last two phases of the project.

High Technology Advanced Rail Transit

OCTA is exploring the opportunity to interconnect the Metrolink commuter rail service to future high speed rail lines that would serve areas further away such as the San Francisco Bay Area, Los Angeles, San Diego, and Ontario Airport with planned technology options such as high speed rail (HSR) and magnetic levitation (MAGLEV). The Board approved Comprehensive Funding Strategy includes investments in gateways to regional rail that are currently in the planning stage. The OCTA investment in these gateways to regional rail encompasses advancing the Anaheim-to-Los Angeles segment on the California High Speed Rail (CHSR) plan by funding the environmental work. Eventually, the work effort on CHSR could be expanded to include the southern Orange County segment from Anaheim to Irvine.

Another form of the OCTA investment includes advancing both Anaheim-to-Los Angeles and Anaheim-to-Ontario services by jump-starting the Anaheim Regional Transportation Intermodal Center (ARTIC). These projects are being funded with $60 million of Measure M funds.

Major Investment Studies

A Major Investment Study (MIS) is required and fiscally prudent when looking at projects that cost taxpayers millions of dollars. The expected outcome of the study is to identify projects which are technically feasible, have public support and can be eligible for state and/or federal funding. In addition to the programs and projects listed above, OCTA is conducting several MIS's to improve travel along Orange County travel corridors.

Central County Corridor Study: In April 2005, the Board of Directors endorsed five major conceptual alternatives for improving travel in central Orange County through the Central County Corridor Study – Phase I efforts. The study area is bound by Ball Road on the north, Pacific Coast Highway on the south, Beach Boulevard on the West and State Route 55 (SR-55)/Newport Boulevard on the east. Phase 1 of the CCCMIS produced the following five (5) conceptual transportation alternatives:

- Alternative A – Improve system efficiency including minor street and transit improvements.
- Alternative B – Moderately expand system by including

all of the improvements from Alternative A, plus the widening of several streets, improvements to 35 intersections and construction of additional lanes within the existing Costa Mesa Freeway (SR-55) right-of-way.
- Alternative C – Expand SR-55, including most of the improvements in Alternatives A and B plus a widening of SR-55.
- Alternative D – Extend State Route 57 (SR-57) south via the Santa Ana River, including improvements from Alternative A and B and extending SR-57 to I-405 along the Santa Ana River channel.
- Alternative E – Plan for Post 2030 Growth, which addresses expected travel demands beyond 2030 and proposes an expansion of SR-55 and extending SR-57 to I-405.

Status
- In consultation with the OCTA Board of Directors, staff conducted and recently finalized an interim study to determine the hydrologic and hydraulic feasibility of extending the SR-57 on structure in the Santa Ana River bed. This study also provided opportunity for the Army Corp of Engineers and the Orange County Flood Control District to provide comment on the option/matters being studied.
- At the October 22, 2007 OCTA Board Meeting, OCTA staff presented the study findings to the Board. The Board directed staff to return with the evaluation criteria and request proposals to conduct the Central County Corridor Major Investment Study. In addition, as part of their directive the Board specified that the State Route 57 extension portion of the study be limited to only options that had a profile lower than the current bridges.

Next Steps
- The CCCMIS is projected to begin in early 2008 and take approximately 18 months to complete. The study will lead to development of a "locally preferred strategy." That is, a package of solutions that will collectively addresses current and projected transportation needs in central Orange County.

South Orange County Major Investment Study: In October 2005, OCTA launched the South Orange County Major Investment Study (SOCMIS). The objective of the study is to develop consensus on a multi-modal transportation improvement strategy for South Orange County for the next 25 years.

The Study involves three (3) Phases:
- Phase I – Purpose and Need Statement and the Initial Set of Alternative Strategies.
- Phase II – screening the Initial Set of 14 alternative strategies, and reducing these to 4 to 6 alternative strategies for more detailed evaluation.
- Phase III - identification of a locally preferred strategy in early 2008.

Status
- Phase I - Purpose/Need and Initial Set of Alternatives, approved on 5/14/07 by OCTA Board of Directors.
- Phase II - screening took place over the summer of 2007, approved by the Policy Advisory Committee on August 1, 2007. Approval included six (6) alternative strategies for further consideration.
- At the October 22, 2007 OCTA Board Meeting, the Board adopted a reduced set of recommended Conceptual Alternatives.

Next Steps:
- Public Open Houses on the reduced set are anticipated to be held in January of 2008.
- The study will identify a Locally Preferred Strategy for the south Orange County study area in early 2008.

Riverside County to Orange County Major Investment Study: The Orange County Transportation Authority (OCTA) and the Riverside County Transportation Commission (RCTC), in partnership with the Foothill/Eastern Transportation Corridor Agency (F/E TCA), began the Riverside County-Orange County Major Investment Study (MIS) in 2004. This 18-month planning study was directed towards developing solutions to improve mobility between Orange and Riverside counties.

In December 2005, the OCTA Board of Directors voted unanimously to approve a comprehensive strategy for improving traffic flow between Orange and Riverside counties. The improvement plan approved by the Board of Directors marks the culmination of the 18-month study. The "locally preferred strategy" approved by the OCTA and ratified by RCTC, will act as a road map for future transportation improvements. The projects recommended for further study and consideration include:
- Make improvements to the Riverside Freeway (SR-91) the first priority by adding up to two new lanes in each direction, starting with improvements between the Corona Freeway (I-15) and the Foothill Toll Road (SR-241), followed by improvements between SR-241 and the Costa Mesa Freeway (SR-55).
- Work with the F/E TCA to encourage usage of the toll roads by improving the connection between SR-241 and SR-91, and by widening the Foothill/Eastern toll roads.
- Continue evaluating the costs and potential impacts of

adding a new four- or six-lane elevated highway parallel to SR-91 between I-15 and SR-241.

- Continue studying the technical feasibility of building a new four- or six-lane highway, which could include a tunnel, between I-15 at Cajalco Road in Riverside County and the intersection of SR-241 and SR-133 in Orange County, including joint-use opportunities and potential funding options.
- Balance highway improvements with new transit service, including increased Metrolink service, express bus service and continued study of Maglev high-speed rail service between Anaheim and Ontario.
- Eliminate a proposal to connect a new elevated highway to SR-91 and SR-55 due to high residential right-of-way impacts that would be necessary to widen SR-55.
- Eliminate further study of widening Ortega Highway (SR-74) due to high costs and environmental impacts; continue studying operational and safety upgrades.
- Negotiate cooperative agreements or joint powers agreements with other agencies for future technical studies of proposed projects.

Progress continues on implementation of all of these actions. Various coordinated planning efforts are under way to add capacity between SR-241 and I-15, conduct new corridor technical studies, perform engineering analysis of Metrolink improvements, study SR-74 operational improvements, and discuss potential new institutional arrangements for building and operating new transportation facilities.

Next Steps

- The SR-74 operational and safety study was initiated by OCTA in July 2007.
- The SR-91/SR-241 High Occupancy Vehicle/High Occupancy Toll (HOV/HOT) and 91 Express Lanes Extension Feasibility Study was initiated by OCTA in July 2007.
- In cooperation with the Riverside County Transportation Commission and the Riverside Transit Agency, expansion of express bus service between Riverside and Orange counties has begun. These include Riverside/Corona to South Coast Metro (implemented Fall 2006); Tyler to Irvine Business Complex/UCI; North East Anaheim and CSUF; and Anaheim Resort.
- The SR-91 eastbound lane addition to SR-71 project obtained Corridor Mobility Improvement Account funding in April 2007. This project would add one eastbound lane from SR-91/SR-241 interchange to SR-71/SR-91 interchange and widen all eastbound lanes and shoulders to standard widths.
- The SR-91 project from SR-55 to Gypsum Canyon obtained Corridor Mobility Improvement Account funding in April 2007. This project would add one general purpose lane on eastbound SR-91 from the SR-91/55 connector to east of the Weir Canyon Road interchange and on westbound SR-91 east of Weir

Canyon Road interchange to the Imperial Highway (SR-90) interchange. This project would also modify the westbound on-ramps from Lakeview Avenue interchange.

The San Diego Freeway (I-405) Major Investment Study: This major study covering the I-405 corridor from the San Gabriel River Freeway (I-605) to the Corona Del Mar Freeway (SR-73) kicked off in late 2003. In spring 2004, the study entered the conceptual alternatives stage. The technical team presented the public with 13 possible solutions to the congestion problem. After receiving input from the public, elected officials, businesses, and community leaders, the technical team reviewed the 13 conceptual alternatives for feasibility and cost effectiveness to narrow the possibilities down to three. In October 2005, after carefully considering input from the public and the project's elected officials group, the OCTA Board of Directors selected the "minimal widening" alternative for further study. That alternative includes the addition of one lane between Brookhurst and I-605 Freeway in both directions, as well as operational improvements between critical freeway interchanges.

Status

- A Project Study Report (PSR) was initiated in January 2007. This engineering study continues the analysis of the minimal widening alternative that was approved by the OCTA Board. Another alternative that is being considered while utilizing the same footprint as the minimal widening alternative is the addition of two general purpose lanes in each direction. In order to accommodate the second general purpose lane, non-standard lanes/shoulder would be incorporated and would require approval from Caltrans/FHWA.
- Staff re-initiated the Policy Working Group meetings in May 2007 to inform elected officials and corridor cities that OCTA is under taking the preliminary engineering study efforts.
- The I-405 project is included in the Renewed Measure M program that was approved by the Orange County voters in November 2006.
- Project Study Report (PSR) is in progress and at the conclusion of the PSR a set of viable alternatives will be carried forward into the environmental phase.

Next Steps

- The environmental document is expected to start in Summer 2008.

Orange County/Los Angeles Inter-county Transportation Study:
OCTA, in cooperation with the Metropolitan (MTA) Transportation Authority, is conducting a nine-month strategic transportation study focusing on border issues and opportunities between Orange and Los Angeles counties. The preliminary study area is generally defined as the regional highway facilities and related arterial segments serving northern and western Orange County population and employment centers. The Orange County/Los Angeles County (OC/LA) Border Study will identify and evaluate a broad range of multi-modal transportation opportunities and improvements. The objective of this study is to identify and narrow down potential transportation improvements through a screening process and public outreach effort into reasonable alternatives that can be carried forward into a separate, future engineering and environmental analysis.

Status

- OCTA and MTA begin this study in August of 2007 and anticipate its conclusion by June of 2008.

Next Steps

- The findings will be presented to the Steering Committee, and a Purpose and Need Statement will be developed.

MOTORIST & TAXICAB SERVICES

SERVICE AUTHORITY FOR FREEWAY EMERGENCIES (SAFE)

SERVICE AUTHORITY FOR ABANDONED VEHICLES (SAAV)

ORANGE COUNTY TAXICAB PROGRAM (OCTAP)

CASHFLOWS

Orange County Transportation Authority

Introduction

Motorist and Taxicab Services consists of three programs:

- Service Authority for Freeway Emergencies (SAFE)
  - -Freeway Service Patrol (FSP)
  - -Freeway Call Box Program
- Service Authority for Abandoned Vehicles (SAAV)
- Orange County Taxicab Program (OCTAP)

Program Overview

SAFE

SAFE is comprised of the FSP and the Callbox Programs. FSP is a congestion-relief management program that provides a service to get disabled vehicles off the freeway quickly. The Freeway Callbox program provides a network of solar powered cellular telephones that enable motorists to obtain roadside assistance.

Revenue sources for the FSP and Callbox programs consist of a $1 per vehicle registration fee from the Department of Motor Vehicles (DMV) and state funding. Any state funding for the FSP program requires a 25 percent local match. OCTA meets the match with excess funds that are allocated to the FSP program once the callbox system is fully funded.

In partnership with Caltrans and the California Highway Patrol (CHP), OCTA provides overall management of the program and the CHP conducts field supervision and dispatch. Subject to annual appropriations, Caltrans currently provides funding for FSP programs to 13 agencies. Allocation of funding is based on freeway miles, traffic congestion and population within each jurisdiction. FSP service for freeway construction projects are typically reimbursed from the project's traffic mitigation plan.

FSP Program

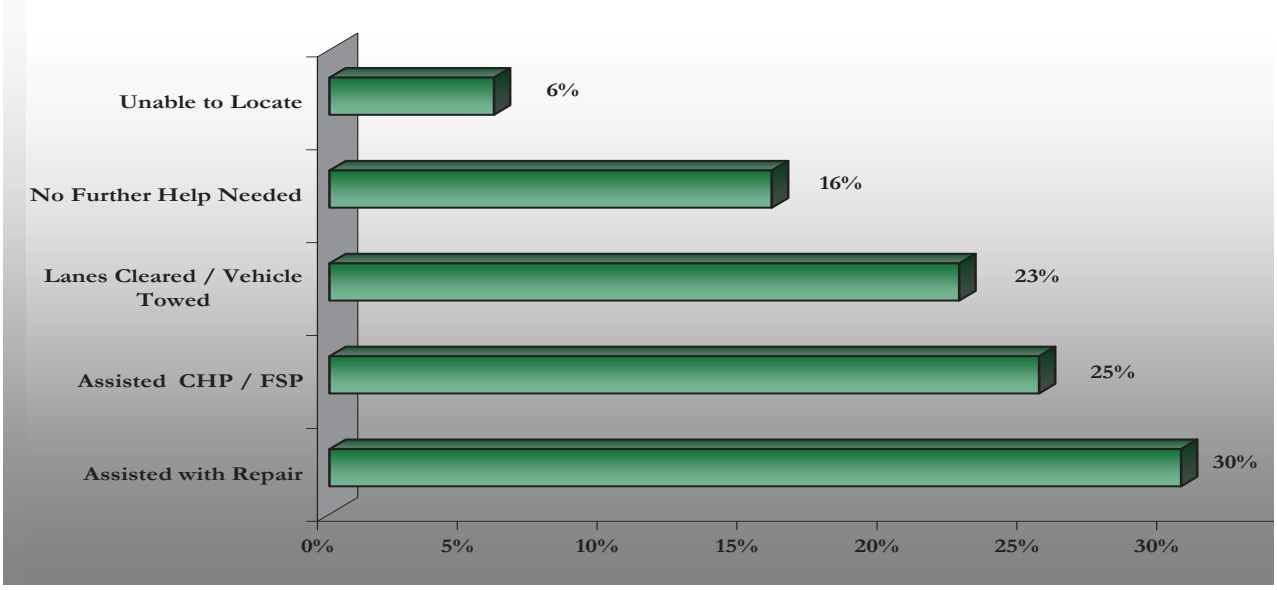
Streets and Highway Code 2560 was enacted in 1992 to authorize the California Department of Transportation (Caltrans) and Orange County Transportation Authority (OCTA) to develop and implement an FSP program. The FSP program consists of independently owned and certified tow trucks that patrol assigned beats during peak commute times to assist disabled motorists. OCTA's FSP tow trucks provide approximately 70,000 assists per year.

In recent years, the legislature and governor have increased the statewide appropriation for FSP due to the success of the program in reducing congestion. This increase in funding enabled the OCTA Board of Directors in December 2006, to approve an 18-month pilot program to include weekend service on I-5 between Alicia Parkway and Cristianitos Road.

OCTA staff has successfully secured grant funding to enhance the program. In June 2003, OCTA was awarded $375,000 from the South Coast Air Quality Management District (AQMD) to put in place a two-year pilot program to add service on selected interchanges during mid-day hours. Based on feedback from the pilot program, the Board of Directors approved the continuance of mid-day service in August 2006. In October of 2005, AQMD also awarded OCTA $928,000 to fund an Automatic Vehicle Locator (AVL)/Mobile Data Terminal (MDT) system for FSP. The grant award requires a 25 percent local match.

Figure 1 provides a breakdown of the types of assistance provided by FSP:

Figure 1 - Type of Assistance FY2007



A map of routes served by FSP is shown below:

The current level of FSP tow truck coverage is shown in Figure 2 (see following page). On November 7, 2006 voters approved the Renewed Measure plan (M2), which had a FSP component allocating $150 million to the program. This additional funding will ensure program solvency and growth for an additional thirty years. Figure 3 (see following page) shows the projected level of service made possible by M2 funds.

Freeway Callbox Program

The Callbox program consists of a network of approximately 700 solar powered cellular-based telephones along 197 miles of highway and toll roads throughout the County. OCTA is responsible for the acquisition, installation, and maintenance of the callboxes. The Transportation Corridor Agencies (TCA's), reimbursed OCTA for the cost of acquiring and installing callboxes on the toll roads. A private firm under contract with OCTA receives the calls and routes assistance requests to the CHP or FSP.

Funding for the Orange County freeway callbox system is provided through State Streets and Highway Code 2550, which authorized the establishment of a $1 annual assessment on vehicles registered in the county. Currently, there is no legislated sunset for this funding.

With the proliferation of cellular phones, callbox usage in Orange County has steadily declined from 8,500 per month since Fiscal Year 2000 to approximately 600 calls a month in Fiscal Year 2007. Due to this decline, the number of callboxes was reduced by approximately 40% during Fiscal Year 2006. This reduction resulted in increased spacing between callboxes from one-quarter mile to one and one-quarter miles on freeways and from a half-mile to a one mile on the toll roads.

SAAV

The SAAV program assists cities and the County in removing potentially hazardous and unsightly abandoned vehicles from Orange County's streets and roads.

In 1990, State Legislation approved a plan to allow the formation of a countywide service authority to address the increasing problem of unsightly and hazardous abandoned vehicles. Since inception, over 325,000 abandoned vehicles have been removed from public and private property in Orange County. Assembly Bill 4114 authorized the Department of Motor Vehicles (DMV) to assess a $1 annual fee on vehicle registrations to finance local vehicle abatement programs. The State designated OCTA as the recipient of SAAV funds on behalf of Orange County. State funds are apportioned to each participating jurisdiction based on population and the number of abated vehicles.

Legislation authorizing the $1 registration fee for SAAV was calendared to terminate in May 2002, however, in August 2001, Senate Bill 106 extended SAAV programs in 10-year increments. Each 10-year extension requires an affirming resolution by a majority of cities representing the majority of the population and a two-thirds vote from the County Board of Supervisors. Currently, SAAV has obtained the necessary resolutions to ensure continuance of the program through August 2012.

OCTAP

OCTA administers the Orange County Taxi Administration Program, which regulates countywide taxicab service in all 34 participating Orange County cities. Both OCTA and OCTAP are responsible for the issuance of taxicab business, driver, and vehicle permits. OCTAP issues permits to approximately 20 taxicab companies, 790 taxicabs, and 1,170 drivers. OCTA recovers all program costs primarily through a fee assessment for each type of permit application.

OCTA began regulating taxi operations in January 1998 on behalf of the participating Orange County cities, and the County of Orange through OCTAP. OCTAP simplified the Orange County taxicab regulations with centralized permitting of cabs, companies and drivers. This resulted in an improvement in customer services and industry standards.

Through educational programs, OCTAP coordinates with member agencies to promote taxicab safety and service in Orange County. OCTAP coordinates and participates in countywide enforcement efforts and conducts background investigations and vehicle inspections, while local law enforcement agencies maintain responsibility for regulatory compliance within their jurisdiction.

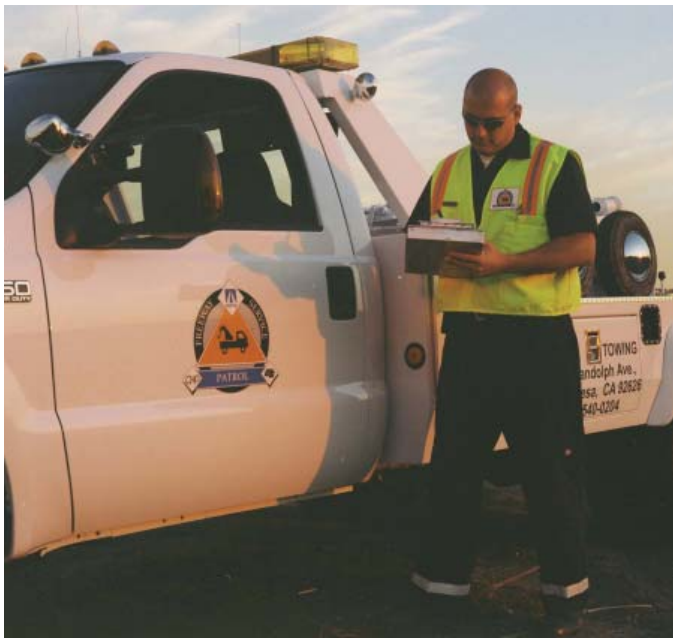


Figure 2 - Freeway Service Patrol Route Coverage

Beat	Location	Peak-Hour		Weekend # of Trucks
		No. of Trucks	One-Way Miles	
220-222	SR-22 from I-405 to SR-55	3	13	
405-407	I-405, L.A. County Line to Santa Ana River	3	12	
408-411	I-405, Santa Ana River to I-5	4	13	
501-502	I-5 from SR I-133 to L.A. County Line	2	11	
503-504	I-5 Chapman to Tustin Ranch Road	2	9	
505-506	I-5, Tustin to Avery	3	16	
507-510	I-5, Avery to San Diego County Line	3	12	2
551	SR-55 from SR-91 interchange to SR-22		8	
552-553	SR-55 from SR-22 to I-405	2	13	
554	SR-55 from I-405 to 19th Street and SR-73, Bison to I-405	3	10	
570-572	SR-57, L.A. County Line to I-5/SR-22/SR-57 Interchange	3		
910-913	SR-91 from SR-57 to L.A. County Line	4	10	
914-916	SR-91 State College to Riverside County Line	3	14	
	Total Trucks	35	141	2

Figure 2A - Freeway Service Patrol Route Coverage

Beat	Location	Midday # of Trucks
223-224	SR-57, L.A. County Line to I-5/SR-22/SR-55 Interchange	2
500 & 573	I-5/SR-22/SR-55 Interchange	1
550	SR-55/I-405/SR-73 Interchange	1
	Total Trucks	4

Figure 3 - Impact of Measure M2 Funding on FSP

Hours per Truck / Trucks per Beat	FY08	FY12	FY17	FY22	FY27
Hours per Tow Truck					
Weekday peak-hour: Hours per year per Truck	1992	1992	1992	1992	1992
Weekday midday: Hours per year per Truck	1245	1245	1245	1245	1245
Weekday: Hours per year per Truck	800	800	800	800	800
# Trucks per Shift: Freeways only, not TCA					
Weekday peak-hour	37	45	48	48	48
Weekday midday	5	6	6	6	6
Weekday	2	5	5	5	5
# Trucks per Shift: TCA Toll Roads only					
Weekday peak-hour	0	3	6	6	6
Weekday midday	0	2	4	4	4
Weekday	0	2	4	4	4
Total Trucks	44	63	73	73	73

Cash Flow Statement - SAFE

(millions)		2008	2009	2010	2011	2012	2017	2022	2027
Beginning Balance	$	**2.8**	**1.8**	**1.1**	**0.1**	**0.1**	**4.4**	**4.0**	**1.2**
Cash flows from operating activities:									
Sources of funds:									
FSP Revenues		3.7	3.1	3.2	3.2	3.3	3.5	3.8	4.1
Callbox		2.8	2.7	2.7	2.7	2.7	3.0	3.1	3.2
Miscellaneous revenue									
Total Sources of funds	$	**6.5**	**5.8**	**5.8**	**5.9**	**6.0**	**6.5**	**6.9**	**7.2**
Cash flows from operating activities:									
Uses of funds:									
Salaries and Benefits		0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Management Fee Expense		0.5	0.3	0.3	0.3	0.3	0.4	0.4	0.5
Professional Services		7.1	6.2	6.6	6.7	9.0	11.7	14.0	17.0
General and Administrative		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Expenses		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Uses of funds	$	**7.6**	**6.6**	**6.9**	**7.1**	**9.3**	**12.1**	**14.5**	**17.6**
Net cash provided by operations	$	**(1.1)**	**(0.8)**	**(1.1)**	**(1.2)**	**(3.4)**	**(5.6)**	**(7.6)**	**(10.4)**
Cash flows from non-capital financing activities:									
Operating grants		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating transfers in									
Measure M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Renewed Measure M		0.0	0.0	0.0	1.06	4.48	5.77	7.33	9.32
Operating transfers out		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by noncapital financing activities	$	0.0	0.0	0.0	**1.1**	**4.5**	**5.8**	**7.3**	**9.3**
Cash flows from capital and related financing activities:									
Capital grants/other capital revenues		-	-	-	-	-	-	-	-
Acquisition/construction of capital assets		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Bond proceeds		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Principal & interest paid on bonds / COPS		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash used by capital and related financing activities	$	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**
Cash flows from investing activities:									
Interest on investments		0.2	0.1	0.0	0.0	0.0	0.2	0.1	0.0
Net cash provided by investing activities	$	0.2	**0.1**	**0.0**	**0.0**	**0.0**	**0.2**	**0.1**	**0.0**
Cash to Accrual Reconciling Items	$	0.0	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Net increase/decrease in cash	$	**(0.8)**	**(0.7)**	**(1.0)**	**(0.1)**	**1.2**	**0.4**	**(0.0)**	**(1.0)**
Available Cash	$	**2.0**	**1.1**	**0.1**	**0.1**	**1.3**	**4.8**	**4.0**	**0.3**

Cash Flow Statement - SAAV

		2008	2009	2010	2011	2012	2017	2022	2027
Beginning Balance	$	2.3	1.8	1.6	1.6	1.5	1.4	1.1	0.6
Cash flows from operating activities:									
Sources of funds:									
DMV Fees		2.6	2.6	2.7	2.7	2.7	2.8	3.0	3.1
Interest		0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Revenue Source #3		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous revenue		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Sources of funds	$	2.6	2.7	2.7	2.8	2.8	2.9	3.0	3.2
Cash flows from operating activities:									
Uses of funds:									
Salaries and Benefits		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Management Fee Expense		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Professional Services		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
General and Administrative		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Expenses		3.0	2.7	2.6	2.6	2.7	2.8	2.9	3.0
Total Uses of funds	$	3.1	2.8	2.7	2.7	2.8	2.9	3.1	3.1
Net cash provided by operations	$	(0.4)	(0.1)	0.0	0.0	0.0	(0.0)	(0.0)	0.0
Cash flows from non-capital financing activities:									
Operating grants		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating transfers in									
Measure M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Renewed Measure M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating transfers out		(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
Net cash provided by noncapital financing activities	$	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
Cash flows from capital and related financing activities:									
Capital grants/other capital revenues		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition/construction of capital assets		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bond proceeds		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Principal & interest paid on bonds / COPS		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash used by capital and related financing activities	$	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flows from investing activities:									
Interest on investments		0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Net cash provided by investing activities	$	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Cash to Accrual Reconciling Items	$	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net increase/decrease in cash	$	(0.5)	(0.2)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Available Cash	$	1.8	1.6	1.6	1.5	1.5	1.3	1.0	0.5

Cashflow Statement for OCTAP

(millions)		2008	2009	2010	2011	2012	2017	2022	2027
Beginning Balance	$	**0.1**	**0.1**	**0.2**	**0.3**	**0.4**	**0.5**	**0.5**	**0.6**
Cash flows from operating activities:									
Sources of funds:									
Company Permits		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vehicle Permits		0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.5
Driver Permits		0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2
Appeal Fee		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Sources of funds	$	**0.4**	**0.5**	**0.5**	**0.5**	**0.5**	**0.5**	**0.7**	**0.8**
Cash flows from operating activities:									
Uses of funds:									
Salaries and Benefits		0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.5
Management Fee Expense		0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2
Professional Services		0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General and Administrative		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Expenses		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Uses of funds	$	**0.5**	**0.4**	**0.4**	**0.4**	**0.5**	**0.5**	**0.7**	**0.8**
Net cash provided by operations	$	**(0.0)**	**0.1**	**0.1**	**0.1**	**0.1**	**(0.0)**	**0.0**	**0.0**
Cash flows from non-capital financing activities:									
Operating grants		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating transfers in									
Measure M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Renewed Measure M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating transfers out		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by noncapital financing activities	$	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Cash flows from capital and related financing activities:									
Capital grants/other capital revenues		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition/construction of capital assets		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bond proceeds		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Principal & interest paid on bonds / COPS		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash used by capital and related financing activities	$	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Cash flows from investing activities:									
Interest on investments		0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Net cash provided by investing activities	$	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Cash to Accrual Reconciling Items	$	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Net increase/decrease in cash	$	**(0.0)**	**0.1**	**0.1**	**0.1**	**0.1**	**(0.0)**	**0.0**	**0.0**
Available Cash	$	**0.1**	**0.2**	**0.3**	**0.4**	**0.4**	**0.5**	**0.5**	**0.6**

Orange County Transportation Authority

2007