

# Measure M2 Environmental Oversight Committee

**February 4, 2015  
Meeting Minutes**

## **Committee Members Present:**

Chair Lori Donchak, OCTA Board of Directors  
Vice-Chair Melanie Schlotterbeck, Measure M Support Groups  
Lisa Bartlett, OCTA Board of Directors  
Charles Baker for Sylvia Vega, Caltrans  
Dr. David Chapel, Brandman University  
Veronica Li, US Army Corps of Engineers  
Derek McGregor, Public Member  
Philip La Puma, Measure M2 Taxpayers Oversight Committee  
Dan Silver, Endangered Habitats League  
Jonathan Snyder, US Fish and Wildlife Service  
John Walsh, California Wildlife Conservation Board

## **Committee Member(s) Absent:**

David Mayer, CA Department of Fish and Wildlife

## **Orange County Transportation Authority Staff Present:**

Kirk Avila, OCTA Treasurer  
Marissa Espino, Senior Strategic Communications Specialist  
Lesley Hill, Strategic Planning Project Manager  
Janice Kadlec, Public Reporter  
Dan Phu, Environmental Programs Manager  
Monte Ward, OCTA Consultant

## **Guests**

Rich Gomez  
Helen Higgins  
Gloria Sefton

### **1. Welcome**

Chair Lori Donchak called the Environmental Oversight Committee (EOC) meeting to order at 10:00 a.m.

### **2. Approval of the January 7, 2015 Minutes**

Chair Lori Donchak asked if there were any additions or corrections to the January 7, 2015 EOC meeting minutes. A motion was made by Melanie Schlotterbeck, seconded by Jonathan Snyder, and passed unanimously to approve the January 7, 2015 EOC meeting minutes as presented.

### **3. Environmental Mitigation Program (EMP) Long-term Funding Strategy**

Dan Phu gave a brief background on the materials presented by the Ad-Hoc Working Group which was formed to discuss the potential use of the unallocated EMP funds.

Monte Ward further elaborated on the following documents:

- A synopsis of information in the packet of materials
- A map showing the Acquired Properties and the Funded Restoration Projects
- An excerpt of the Measure M Ordinance that pertains to the EMP
- A chart that shows cash flows for the EMP
- A set of guiding principles created by the EOC Ad-Hoc subcommittee
- A heat map scoring potential options for use of the unallocated funds

Kirk Avila reviewed the charts titled M2 Freeway Mitigation Fund (5%) Ending Cash Balance. The charts present the ending cash balance for the mitigation program on an annual basis for various financing scenarios. The baseline scenario of no additional debt is compared to the ending cash balance for additional debt issued in FY 2017, FY 2018, FY 2019, and FY 2020. The additional debt issuances are all independent of each other (meaning that debt issuances can only be issued in one of the scenarios, not all). Kirk Avila stated that the mitigation program could finance a larger amount of funds after the completion of the endowment deposits since the capacity of the program would be greater.

Chair Lori Donchak asked how the amount of cushion was arrived at. Was there policy directing this? Kirk Avila said they usually look at a working capital balance of 180 days. However for this program, given the sensitivity of the sales tax amount received on an annual basis, staff felt that the amount of \$3.5 to \$4 million would give enough of a cushion to address any declines in the revenues.

Chair Lori Donchak asked what would happen if they went negative. Kirk Avila said the EMP is one program of the whole Measure M2 programs. They look at each program independently and the EMP has the same assumptions for debt as the others do. If this program went down into a negative balance they would need to borrow internally from other M2 programs for a period of time. Monte Ward added that if that situation arose, a reduction in the annual endowment deposits could be made providing an additional cushion.

Dan Silver asked where on the EMP cash flow graph it shows there is an additional amount of money to spend if they choose to do so. Kirk Avila said an assumption is made of the additional amount of money coming in and then going out at the same time. Monte Ward said this is the same for the endowment fund; it does not show in the cash flow chart.

Dan Silver asked if the decision is made to borrow money in 2017 when would be the earliest they needed to seek OCTA Board authorization. Kirk Avila said from a financing aspect, it would be four to six months but they like to combine financing efforts together with other financings within OCTA and save the additional expenses. Monte Ward said if this is built into a process for an acquisition there would need to be seven to nine months to have the money available to start the process. Dan Silver said in conclusion if a decision is made to borrow in 2017 they would need to start the process one year from now. Monte Ward said yes.

Philip La Puma asked if there were any other reasons the EOC would need to borrow money. Monte Ward said it might or might not make sense to borrow for capital improvements such as "fire hardening" on the roadways.

Philip La Puma asked if there are any limitations in the Measure M Plan of what can be borrowed for. Monte Ward said there are limitations between M2 and the Ordinance. It would be a policy issue beyond the EMP. Monte Ward said the limitations are what can be borrowed for and what can be borrowed in terms of a public agency.

Philip La Puma asked if the borrowing that may occur was the result of inadequate revenues. Monte Ward said no. The fundamental thing that needs to be done under M2 is the OCTA Board needs to make a determination that there is no other feasible way to accomplish the task/project without advancing the funds. For example, for a freeway improvement project, it is not feasible to wait for 20 years to save the money up because the cost of the project would go up. Similarly, acquiring properties for this program would not be feasible waiting for 20 years. However, the borrowing for acquisitions is not because of inadequate revenues, it is being done because of timing issues.

Melanie Schlotterbeck asked if they make a decision one year from now to purchase or restore properties, she would assume there would be another call for projects to add to the list of properties left over from the previous call for projects.

Monte Ward said there are also priorities beyond what is plugged into the cash flow. For example, OCTA has an obligation to Caltrans for mitigations done before the current program was up and running.

Melanie Schlotterbeck reviewed and summarized the Environmental Mitigation Program Guiding Principles. Dan Phu and Monte Ward summarized the Heat Map scoring potential options for use of the unallocated funds. Monte Ward also reviewed the Outline of Long-Term Funding Strategy for Freeway Mitigation Program.

Jonathan Snyder suggested the timeline should be increased in Item Six of the Outline of Long-Term Funding Strategy for Freeway Mitigation Program. The timeline

ends in 2020 and he does not think this should be the case. There could be pool of credit forming as late as 2027.

Melanie Schlotterbeck said number Seven of the same document sets the borrowing capacity starting at 2016. Earlier they were talking about borrowing capacity starting in 2017. Monty Ward said if the bonding starts in 2017 the advance work needs to start in 2016. Melanie Schlotterbeck asked if the borrowing capacity should go to 2027 when M2 ends. Monte Ward said yes.

Dr. David Chapel asked if the Timetable items are listed according to importance. Monte Ward said the first four are existing commitments and the last three have to do with are future commitments that might be made.

Dan Silver asked for clarification on number Four. Monte Ward said Caltrans paid for mitigation for previous M2 projects and OCTA needs to either pay Caltrans back or give them credit in the future.

#### **4. NCCP/HCP and DEIR/EIS Update**

Marissa Espino gave a NCCP/HCP and DEIR/EIS Update.

#### **5. Public Comment**

Rich Gomez from the ETI Corral #357 and member of the environment coalition that supported the renewed Measure M2. He spoke in favor of Alternative 2 of the NCCP/HCP and DEIR/EIS. His comments had to do with the preserves and future management of the acquired properties. There have been incidents of trespassing and illegal trail cutting on the OCTA Preserves and neighboring properties. There are opportunities in both the Conservation Plan and the Resource Management Plan that clarify the recreation components on the Preserves. The only legal trails are those operated by OCTA. Signage is critically important. Signage should be incorporated on all trails and all junctions. Retired trails should have signage indicating they are no longer available for use. Speed limits, appropriate user groups, including hikers, mountain bikers, and equestrians, as well as days and hours of operation are the kind of information to keep the public informed once the Preserves are open for managed access. Since OCTA has had incidents with the Preserves, they recommend a sliding scale of fines for repeat offenders violating the rules. OCTA might consider banning repeat offenders from the use of the Preserves in a published and specific penalty structure.

Gloria Sefton from the Saddleback Canyon Conservancy spoke in favor of Alternative 2 of the NCCP/HCP and DEIR/EIS. Ms. Sefton gave some insight into the biological threats to Oak Trees in Trabuco Canyon, Live Oak Canyon, and Orange County in general. OC Parks is actively investigating this infestation on Live Oak Canyon Road. A third threat to Oak Trees was found in Weir Canyon. Means to eradicate these pests should be incorporated into the approach for adaptive management and where needed, into the Resource Management Plans.

Fire is an ever evolving science especially in Southern California. OCTA may want to provide further clarifications to its “changed circumstances” related to fire. The document defines this as three fires in a fifty year period. The Coalition suggests quantifying this for better understanding. OCTA should take into consideration the size of the fire, the intensity of the fire, and the acres burned. Also the term of “urban wildland interface” is potentially confusing. They prefer the Cal Fire term “wildland urban interface”.

Wildlife connectivity and fragmentation effects have already occurred due to the covered freeway projects. Habitat connectivity is no longer an issue. However freeway capacity expansion through the addition of lanes could affect wildlife corridors. We suggest that language be incorporated into the Conservation Plan that aligns with the language in Ordinance 3 about wildlife corridors.

Helen Higgins from Friends of Coyote Hills: Friends of Coyote Hills was especially interested in the section on management activities in the NCCP/HCP and DEIR/EIS. There were two items that surprised them in these documents. As most people are aware, of most of the fires in Southern California are human caused. In fact, since so many fires are starting, it has changed the natural fire regime significantly. Instead of having fires starting every thirty to one-hundred fifty years we are now seeing fires start in our wildlands every twelve to eighteen months. So when they read that grazing and prescribed burns may be used for management activities they were alarmed. One prescribed burn in the Cleveland Natural Forest literally went underground. Called a sleeper fire, it reignited after almost one month of inactivity. Prescribed burns are not recommended or used in their region.

Grazing is another concern of the Friends of Coyote Hills. Should OCTA use this as a vegetation management tool a Grazing Management Plan should be included and reviewed through a transparent process. One of the outcomes of goats grazing the Laguna Beach hill sides is they bring their own fertilizer package with them and deposit seeds from other grazing opportunities, and deposit them as they move around the hills. This causes new invasive plant material to be deposited on the new bare slopes. Furthermore the goats do not discriminate – they eat anything, including sensitive plant species.

As details emerge about the future endowment plans and the endowment holders, they ask OCTA to think about how species monitoring and other species management activities will be appropriately timed over the life of the plan. This is so that excessive and unnecessary costs are not mandated for the preserves, especially in the next ten to fifteen years.

The coalition supports Alternative 2 and offered their continued assistance in moving the environmental mitigation program forward.

**6. Committee Member Reports**

Veronica Li said OCTA has submitted an application which is incomplete for now but will be issuing a public notice once the application is complete for the establishment of Letter of Permission procedures which will address the Corps process for permitting the M2 freeway impacts and the corresponding mitigation.

Chair Lori Donchak reported there have been requests to move the EOC meeting times. Marissa Espino will be sending out a poll to the EOC Members to get their opinions on new meeting times.

Chair Lori Donchak said the OCTA Executive Committee had a request to move all Board Committee Meeting Minutes to an Action Item format. She asked staff to take a look at this and get back to the EOC with the pros and cons of doing this.

**7. Next Meeting – TBD**

The next EOC meeting will be determined at a later date.

**8. Closed Session**

The EOC adjourned to Closed Session at 11:15 a.m. and ended at 12:00 p.m. with no public report.

Pursuant to Government Code Section 54956.8 the EOC adjourned to discuss the price and terms of payment for the acquisition of the following real properties.

The negotiator for OCTA is Dan Phu. The negotiators for the real properties are as specified.

<u>Real Property</u>	<u>Geographic Area</u>	<u>Assessor's Parcel Number</u>	<u>Owner's Negotiator</u>	<u>Acreage</u>
Aliso Canyon	Coastal	056-240-66	John Mansour	150
Ferber Ranch	Trabuco	842-011-04, 842-041-04, 842-051-04	Tim Jones	399
Irvine Mesa Corridor	Cleveland Nat'l	105-060-02, 105-060-09, 105-060-19, 105-051-36, 876-011-02, 876-011-03, 876-011-19, 876-011-07, 876-011-08, 876-011-11, 876-011-18, 105-051-18, 876-021-15, 876-021-04, 876-021-05, 105-051-33, 105-051-21, 105-051-57, 105-201-12, 105-201-11	David Myers	670
St. Michael's Abbey	Cleveland Nat'l Forest	876-034-01, 876-041-01, 105-051-83, 105-051-84, 105-051-85, 105-070-93	Michael Recupero	327.9
Mitchell Properties West	Trabuco	842-081-12	Steven U. Parker	101.7

<u>Real Property</u>	<u>Geographic Area</u>	<u>Assessor's Parcel Number</u>	<u>Owner's Negotiator</u>	<u>Acreage</u>
<b>Saddleback Meadows</b>	Trabuco	856-071-01/09, 856-072-01/51, 856-073-01/58, 856-074-01/45; 856-075-01/57, 856-081-01/11, 856-082-01/44, 856-083-01/46, 856-084-01/37, 856-085-01/41, 856-086-01/37, 856-091-02/11, 856-092-01/42, 856-093-01/25, 856-094-01/34, 856-095-01/62, 856-096-01/57, 856-097-01/34, 856-098-01/37	William Fleissig	222
<b>Sky Ranch</b>	Trabuco	842-021-4, 05, 07, 08 and 842-031-04, 05, 08, 09	TBD	526.9
<b>Takahashi (Baker Square LLC)</b>	Cleveland Nat'l Forest	105-051-12	Carl Reinhart	643
<b>Watson</b>	Trabuco	858-021-10, 11	TBD	98.3