# *Minutes*
## *Environmental Cleanup Allocation Committee*

**Committee Members Present:**
*Gary Brown, Chair.*
*Gene Estrada, Vice Chair.*
*Scott Carroll, Costa Mesa Sanitary District*
*Wanda M. Cross, Santa Ana RWQCB*
*Jill Ingram, City of Seal Beach*
*Keith Linker, City of Anaheim*
*Hector B. Salas, Caltrans*
*Grant Sharp, County of Orange*
*Mark Tettemer, Irvine Ranch Water District*
*Jeff Thompson, Rancho Mission Viejo*
*Dennis Wilberg, City of Mission Viejo*
*Marwan Youssef, City of Westminster*

**Committee Members Present via Conference Call:**
*Laurie Walsh, San Diego RWQCB*

**Committee Member(s) Absent:**
*Jeff Kuo, Cal State Fullerton*

*Orange County Transportation Authority*
*600 S. Main St., Room 103/104*
*Orange, California*
**January 12, 2017 at 10:30 a.m.**

## Orange County Transportation Authority Staff Present:

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| Alison Army, Sr. Transportation Analyst | Dan Phu, Environmental Programs Mgr. |
| Kurt Brotcke, Director Strategic Planning | Ken Susilo, Consultant to OCTA, |
| Marissa Espino, Community Rel. Officer | Geosyntec |
| Rodney Johnson, Deputy Treasurer | Tamara Warren, Program Mgr., Measure |
| Sam Kaur, Section Mgr., Local Prgrms. | M |
| Charlie Larwood, Transp. Planning Mgr. | |

## 1. Welcome
Chair Garry Brown welcomed everyone to the quarterly Measure M Environmental Cleanup Allocation Committee (ECAC) meeting. He then asked for introductions.

## 2. Approval of October 13, 2016 Minutes
Chair Garry Brown asked if there were any additions or corrections to the October 13, 2016 meeting minutes. A motion was made by a Mark Tettemer, seconded by Gene Estrada, and carried unanimously to approve the October 13, 2016 ECAC minutes as presented with abstentions from: Scott Carroll, Hector Salas and Jeff Thompson.

3.  **ECP Project Monitoring and Tracking**
    Kurt Brotcke, Director of Strategic Planning, introduced Sam Kaur.  Sam presented an overview and update of the ECP Project Monitoring and Tracking. She discussed some of the challenges and reported on OCTA's efforts to remedy the audit findings.

4.  **Tier 1 and Tier 2 Funding Approaches**
    Dan Phu, Environmental Programs Manager, introduced Rodney Johnson, Deputy Treasurer.  Dan provided an overview of Tier 1 and Tier 2 Funding Approaches.

    Garry Brown asked Alison Army if she is aware of any upcoming Tier 2 projects. Alison said OCTA has conducted two email surveys and there are two agencies interested in submitting Tier 2 projects.  She said there is also an agency that has a small Tier 2 type project that could easily qualify as Tier 1 project.

    Marwan Youssef said it is not easy to implement Tier 2 projects in a timely manner. He hopes in the future we look at the likelihood of the projects being implemented in a timely manner.  Dan Phu said because of the delays with Tier 2 projects, OCTA is looking at how the County of Orange deals with the South County WQIP, as well as the North County WQIP.  OCTA staff met with Amanda Carr, at the County of Orange, and discussed how OCTA can piggyback with their efforts and how we can tie in the transportation component.  He says OCTA is looking at developing a program similar to the CIP instrument used in the roadways funding to help get Tier 2 projects shovel ready. The last component would be looking at funding availability.

    Mark Tettemer asked if the purpose of setting a reserve of 5% is to fund future opportunities if there is a dip in revenue. Dan Phu said it is to accommodate another unplanned dip in revenue.  Mark is concerned about the potential of holding up projects when the money is in reserve.  He believes we want to clean up water quality as soon as possible, to enjoy good water quality as soon as possible.

    Garry Brown asked what would trigger the use of the 5% reserve.  Dan Phu said it would go to fund projects already approved.  Kurt Brotcke said the money collected is not what it was predicted to be at this time.  He said OCTA updates the sales tax revenue forecast annually and suggested staff come back annually to let the Committee know where the revenue stands.

    Gene Estrada asked if the $2.5-$7.3 million is collected annually.  Dan Phu said this is a range of revenue available over a four year period.  He pointed out that in the year 2020, it is predicted a lower amount of revenue will be collected, but the revenue represented takes this into consideration over a four year period.  Gene asked if $2.5 million is available for Tier 2 projects over a four year period.  Dan said that would be a low point.  Charlie Larwood said there is a low and high point listed for the four year period.  He said the ECAC could look at having almost $.5 million each year in that

period.  Dan said these numbers assume no calls for projects, if we issue a Tier 2 call in any given year the capacity on the years after that will be lowered.

Garry Brown said the goal was to make it easy and to encourage Tier 1 projects.  He said he believes the program has been successful.  Garry said Tier 2 took longer and we have had a learning curve.  He said one thing we have noticed with Tier 2 projects is they are often not shovel ready and took much longer than we thought.  He said with Tier 2 projects we wanted to encourage cities to leverage with the different funds available.  Garry continued, we have not had more projects than money on Tier 2 projects.  He asked if we can do a review every year and/or allow some flexibility.  Dan Phu suggested that the ECAC coincide the calls for projects with the Sales Tax Update.

5.  Charlie Larwood asks Dan Phu to give an overview of the number of years left on the Tier 1/Tier 2 program and when a decision would need to be made on a new allocation.  Dan Phu said in 2010 the Board approved a seven year, pay-as-you go, $19.5 million allocation for Tier 1 projects.  The 2017 Tier 1 call for project will be the last of the originally allocated calls for projects, so staff is having this discussion with the ECAC to see how it would like to proceed with the Tier 1 calls in the future.

6.  **Tier 1 Guidelines Revisions and Call for Projects**
Sam Kaur, Local Programs Manger, presented the proposed Tier 1 Guidelines Revisions and Call for Projects.

Gene Estrada asks what the reason is for the change in the limit from $200,000 to $500,000.  Sam Kaur said agencies are splitting projects into multiple projects to meet the dollar amount in Tier 1.  She said it causes more paperwork by having agencies create multiple contracts and fill out paperwork multiply times.  She said by changing the amount we would be dealing with the same projects in a more streamline fashion, creating less administrative work.  She said it is important to know that there is still a $500,000 cap per agency.  Gene said he is concerned there would be a drop in the number of projects awarded.  Sam said there would be drop in the number of projects awarded because multiple projects would be consolidated into one project, but the dollar amount on projects would be the same per agency.

Garry Brown said that the committee would often see the same application four times.  Gene Estrada said if the application was good it would get funded. He said previously it would seem the same agency was getting more projects funded and our goal was to spread awards out more evenly among agencies.  He said his concern with this change is we would not be able to spread the money out evenly.

Garry Brown said he believes the OCTA Board looks at the equity per district.  He asked how that would work if they are limited to 5 projects.  Gene Estrada said it could happen.  Garry wonders if with the revisions to the program could come under some criticism from the OCTA Board.  Marwan Youssef said maybe it should be left at $200,000, but if during the evaluation process an agency submits multiple projects

and is declared to get the funding, then allow them to combine the projects before awarding the funds.

Jeff Thompson said to use the City of Brea as an exampe.  He wonders what would have happened if the policy of a $500,000 maximum ask would have been put in place for the last call for projects.  He believes the outcome would have been the same.  Keith Linker said he does not agree.  Gene Estrada said most cities are applying for close to the maximum.  He's concerned that if the amount is raised to $500,000 everyone will be asking for $500,000.

Gene Estrada asked if a lot of applications come in asking for in-kind requests.  Dan Phu said up to this point, we allow up to 25% to be in-kind. Gene asked if the cash match is still being requested. Dan said yes, for the first six rounds. Gene asked if the in-kind match is still being requested.  Alison Army said yes, there are still many requests for in-kind matches.  Dan said up to this point it has been in the guidelines and therefore has been requested.  Gene said the proposed changes to the guidelines to eliminate the in-kind match would be a big change.

Scott Carroll asked what kind of documentation is required for the in-kind funds.  Sam Kaur said it depends.  She said if it is for a piece of equipment we just ask for a copy of the invoice.  If it is staff time, we request the city staff to keep a log of hours and then apply for reimbursement.  Scott asked about the cities not complying with this documentation.  Sam said some cities are just behind.  She said there are long periods between maintenance and therefore not incurring expenses and sometimes they are simply not keeping track of the staff time.  She said many agencies that provide documentation are very behind in their reporting.

Scott Carroll said he is concerned that the agencies have to come up with a 20% cash match.  He said so many agencies are struggling right now.  Gene Estrada said he shares that concern, but understands the struggle with cities not providing documentation.  He's not sure how we get over that, but we need to make sure it happens.

Scott Carroll said he believes the ECAC will see fewer projects in the future if 20% is required upfront.  Dennis Wilberg said he has a different view.  He believes agencies would be willing to do this.  He said if an agency is looking at a project of this size, $20,000 should not be a big deal.  Scott said maybe for a larger city, but for small cities it may be hard to obtain funds. Dennis believes if the project is really worthwhile, they will come up with the funds. Scott said the goal is to offer this for *all* the cities, not just the rich cities.  Dennis said he does not think it is a case of rich or poor cities; it is the importance of the project.

Marwan Youssef asked if agencies could be "docked" on the next round if they are not providing documentation.  Sam Kaur said that would be most of the cities.  She said the ECAC has to look at what happens to M2 investments.  She said the ECAC puts a lot of money out; what happens if more than half the cities do not come up with their

fair share towards M2 investments?  She asks the committee to think about what the ECAC's responsibility is to ensure proper use of funds.

Jeff Thompson said the problem needs to be resolved relating to the documentation problems either before they are allowed to submit new projects or in some other way. He said it seems odd to continue with a system that is not working.  He said there seems to be three problems:  multiple applications, the matching requirement and the verification of the matching.

Gene Estrada said many of the O&M requirements are rain driven.  He said when there is no rain; there is no maintenance on the BMP. He said with an increase in rain this year you may see more maintenance.  Laurie Walsh asked if it is required to do maintenance more often than just when/if it rains.  Gene Estrada said the requirements with MS4 says storm drains will be inspected as needed; there is no specific amount of time that needs to be spent on it.  He said some agencies have automatic retractable screens and you can visually see whether they need to be maintained or not.  Marwan Youssef said the City of Westminster cleans the drains/catch basins every year before the rainy season.

Garry Brown asked where the ECAC goes from here.  Dan Phu said it is important to know this program was not in Measure M1.  He said we are learning and figuring out the nuances of the program.  Dan said this information is coming to the committee for the first time.  Staff will fine tune revisions.  He said if we go in this direction there will be flexibility and it can be changed.

Kurt Brotcke thanked the ECAC for the discussion.  He said these issues are the things we have noticed and we are reporting to you the information.  Kurt said staff can come back annually.  He proposed the ECAC would endorse the revisions now and see how it goes, then revisit guidelines on an annual basis.  Kurt said staff believes the cash match will solve a lot of issues.  He said around 2020 there may be some problems with cities not meeting there in-kind contributions.  He believes it is too early to say an agency is ineligible if behind in documentation.  We had a set of rules for the first years, so we cannot go back and change the rules, but going forward we can have a clear set of guidelines.

Garry Brown suggested the ECAC implement the revised guidelines with the flexibility to tweak them on an annual basis.

Mark Tettemer said he would like to incorporate language within the applications stating they need describe how they will provide documentation. Kurt Brotcke said we treat each call on its own.  He said we can come back with a communication plan on how this documentation situation will be remedied.  If you want to put it in the guidelines, we would need to come back to this committee with how we would do add the narrative.

Mark Tettemer said he is concerned about the inclusion of the trash boom. He thinks the trash boom section is not clear. He said not all water is coming from roadways. Alison Army said the trash boom was added because we funded five trash booms on the last call. She said it was scored accordingly. Garry Brown said he has never had a problem with the trash boom as it relates to transportation. Mark said it was a minor item he noticed.

Mark Tettemer asked why applications are due in May 2017. He suggested applications be due after July 1, since most cities pass their budgets in June. Sam Kaur said it would be an impact on the timeline, but it could be changed. Gene Estrada said most cities applying for Tier 1 funding have not had a problem with the May timeline.

Garry Brown asked how applicants will be made aware of the payment procedures. Sam Kaur said OCTA conducts two workshops throughout the year and the procedures state the requirements and are reviewed at the workshop.

*Recommendations*
A motion was made by Marwan Youssef, seconded by Jill Ingram seconded and carried unanimously to endorse the approval of the revised Tier 1 Comprehensive Transportation Funding Programs (CTFP) Guidelines and the recommendation to issue the Fiscal Year 2017-18 call for projects for the Tier 1 Grand Program.

## 7. ECAC Meeting Schedule
Dan Phu led the discussion on the proposed a new meeting time of the ECAC. Kurt Brotcke suggested the committee meet at 10:30 a.m. on the second Thursday of the month, quarterly. He said there is a slight overlap with the OCTA Board of Directors Transit Committee, but staff will do its best to arrive at the meeting by 10:30 a.m. The committee agreed to the proposed time change.

## 8. Public Comments
No one from the public spoke.

## 9. Committee Member Reports
There were no further reports.

## 10. Next Meeting – TBD