



Measure M2 Environmental Cleanup Allocation Committee

Committee Members Present:

Gary Brown, Chair.
Gene Estrada, Vice Chair.
Jeff Kuo, Cal State Fullerton
Keith Linker, City of Anaheim
Grant Sharp, County of Orange
Mark Tettemer, Irvine Ranch Water District
Marwan Youssef, City of Westminster

Orange County Transportation
Authority
550 S. Main St., Conf. Room 09
Orange, California
October 13, 2016 at 10:00 a.m.

Committee Members Present via Conference Call:

Wanda M. Cross, Santa Ana RWQCB
Erica Ryan for Laurie Walsh, San Diego RWQCB

Committee Member(s) Absent:

Scott Carroll, Costa Mesa Sanitary District
Jill Ingram, City of Seal Beach
Hector B. Salas, Caltrans
Jeff Thompson, Rancho Mission Viejo
Dennis Wilberg, City of Mission Viejo

Orange County Transportation Authority Staff Present:

Alison Army, Senior Transportation Analyst
Marissa Espino, Community Relations Officer
Rodney Johnson, Deputy Treasurer
Charlie Larwood, Transportation Planning Manger
Dan Phu, Environmental Programs Manager
Ken Susilo, Consultant to OCTA, Geosyntec

1. Welcome

Chair Garry Brown welcomed everyone to the quarterly Measure M Environmental Cleanup Allocation Committee (ECAC) meeting.

2. Approval of July 14, 2016 Minutes

Chair Garry Brown asked if there were any additions or corrections to the July 14, 2016 meeting minutes. A motion was made by Mark Tettemer, seconded by Gene

Estrada, and carried unanimously to approve the July 14, 2016 ECAC minutes as presented.

3. Draft South Orange County (San Juan Hydrologic Unit) Water Quality Improvement Plan Priority

Dan Phu, OCTA, introduced Richard Boon from the County of Orange, Public Works Department. Richard presented the Water Quality Improvement Plan being developed for the San Juan Hydrologic Unit.

Garry Brown asked if there will be robust, ongoing monitoring to keep the plan current. Grant Sharp said yes, with the development of the B4 Chapter, we will develop a monitoring plan that will be continually updated. He said we don't know exactly what the monitoring will look like. The Plan will be submitted April 1, 2017 and it will include the monitoring component.

Mark Tetterer asked what elements the Plan proposes to have in place to go above the water quality standard. Richard Boon said the motivation is to put together a plan that constitutes alternative compliance. He said it is a deliberate decision to go beyond stream chemistry.

Mark Tetterer asked about the costs involved with the plan. Richard Boon said more information is needed before he can give the costs. Garry Brown asked who would pay the project. Richard Boon said co-permittees would pay. Erica Ryan said the cost of San Diego RWQCB's project was approximately \$1.2 billion including capital improvement projects. Ken Susilo said San Diego's project final costs will most likely be about \$3 billion.

4. ECP Expenditures and M2 Revenue Forecast

Dan Phu, OCTA, updated the committee on the ECP Expenditures. Dan then introduced Rodney Johnson from OCTA's Finance and Administration Department who gave a brief overview of the M2 revenue forecast and discussed how OCTA has changed the way forecasting is done. Then Dan asked the committee to discuss the amount of money to keep on hand in the event of an unexpected downturn in the economy.

Keith Linker asked if the \$2.8 million is less than in prior calls for projects. Dan Phu said it has always been approximately \$2.8 million, but the committee needs to be careful to not over prescribe in further calls for projects.

Garry Brown asked what the minimum area is for Tier 2 projects. Dan Phu said the goal is a 50-acre watershed area. Gene Estrada said at the start the committee looked at regional watershed projects. Dan Phu said the original discussion started at 100 acres, but the committee decided the goal would be 50- acre projects.

Wanda Cross asked how the projects are being monitored. Dan Phu said monitoring was not part of the requirements. He said OCTA has been in contact with the various project sponsors to obtain the monitoring data to see the effectiveness of the projects. Garry Brown said as a part of the points scoring on Tier 1 projects, points are awarded for monitoring.

Gene Estrada said there is an operation and maintenance plan requirement on the projects. Dan Phu said yes, there is a 10-year minimum requirement for operations and maintenance and there are ways for them to decrease the local match contribution by increasing the operation and maintenance commitment.

Gene Estrada asked if the Measure M Revenue is earning interest. Rodney Johnson said yes the revenue is earning interest, but it is only about 2%.

Garry Brown was concerned about the time between Tier 1 calls for projects if it is not done annually.

Mark Tetterer asked what the reasoning is for having a minimum balance. Dan Phu said the revenue is based on projections and, while these projections should be good, we do not want to over subscribe and end up with a negative cash flow.

Mark Tetterer said why not pay as you go with the cash on hand. Rodney Johnson said we will not pay out money ahead of time. He said OCTA is looking to update the comprehensive business plan that plans for the next 20 years, which is updated every two years, and this input is just planning for the future.

Mark Tetterer asked why there is a need to have calls for projects. He suggested funding projects as they come to the committee when the money is available and when the project is a good project. Dan Phu said the Measure M Ordinance requires a competitive process. He said every time money is given to a project the OCTA Board of Directions has to approve the distribution of funds. Mark said he believes the Water Quality Improvement Plan (WQIP) will provoke interest in grant funding for water quality projects. Gene Estrada said an open call for projects would be hard to judge the worthiness. He said the agencies are used to the process and he does not think the process needs to be changed. Mark said the projects are not always comparable.

Garry Brown asked Rodney Johnson what would be a safe buffer in the funding. Rodney said the goal is to never go negative. Dan Phu said the sales tax revenue once dropped 13%, so when developing the options we decided to keep a 10%-15% cushion.

Gene Estrada asked what if we budget the \$2.8 million, but we do not receive that money. Dan Phu said we would adjust the numbers at that time, but right now we are just trying to plan how the funding will happen in the future.

Keith Linker said he believes the cities have shovel-ready projects to apply for Proposition 1 funds, the shovel ready projects that do not receive Proposition 1 funds will be looking for these Measure M funds.

Garry Brown asked when the committee will need to give a recommendation to the OCTA Board. Dan Phu said after we tweak some of the numbers based on the ECAC's comments it will help staff to develop the formal recommendation. He said he envisions this committee giving a final recommendation in the spring of 2017.

Jeff Kuo asked what the response was for the last Tier 2 call for projects. Dan Phu said he can provide those numbers to him. He said it would be a good time to send the committee an update of the projects and their funding status.

Jeff Kuo suggested doing a pre-proposal for the next Tier 2 call for projects, to determine when the appropriate time is for the call for projects. Garry Brown said the Tier 2 projects seem to take longer to complete. He said maybe we need to define what shovel-ready really means and ask if the project already has CEQA. Dan Phu said the guidelines for Tier 2 projects have a component that looks at what other funding the project already has.

Keith Linker said he believes it would be beneficial to reach out to the cities before the spring to see what projects are being looked at and what projects will seek Proposition 1 funding. Dan Phu said the State does not have a consistent schedule for Proposition 1 funding.

5. Tier 1 and Tier 2 Funding Approaches

Dan Phu provided a presentation on Tier 1 and Tier 2 funding strategies for the next 10 years (2017-2027).

Ken Linker said generally it makes sense to look at a comprehensive, inclusive program that looks at projects on a holistic basis. He thinks Option 3 looks good.

Garry Brown said Measure M is very specific saying the funds cannot supplant, but that makes for a challenge.

6. Public Comments

No one from the public spoke.

7. Committee Member Reports

There were no further reports.

8. Next Meeting – TBD