



**Mitigation and Resource Protection Program Oversight Committee
Environmental Oversight Committee**

April 2, 2014

**Orange County Transportation Authority
600 S. Main Street, Orange CA**

**10:00 a.m. to 11:00 a.m.
Room 103/04**

AGENDA

- 1. Welcome**
- 2. Approval of Jan 15, 2014 Minutes**
- 3. NCCP/HCP and DEIR/EIS Status Update**
Dan Phu, OCTA
- 4. Resource Management Plan Update**
Lesley Hill, OCTA
- 5. Public Tours**
Marissa Espino, OCTA
- 6. Ad-Hoc Working Group Meetings Summary**
Monte Ward, OCTA Consultant
- 7. Public Comments**
- 8. Committee Member Reports**
- 9. Next Meeting – TBD**
- 10. Closed Session**
Pursuant to Government Code Section 54956.8 to discuss the price and terms of payment for the acquisition of the following real properties.

Public Comments: The Agenda descriptions are intended to give notice to members of the public of a general summary of items of business to be transacted or discussed. Members from the public wishing to address the Committee will be recognized by the Chairman at the time the Agenda item is to be considered. A speaker's comments shall be limited to three (3) minutes. Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA at (714) 560-5725, no less than two (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

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
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 Meyers	670
Holtz Ranch (CCRC Farms LLC)	Cleveland Nat'l Forest	876-034-01, 876-041-01, 105-051-83, 105-051-84, 105-051-85, 105-070-93	Brad Schnepf	327.9
MacPherson	Cleveland Nat'l Forest	105-051-06, 105-051-08	Craig MacPherson	216.7
Mitchell Properties West	Trabuco	842-081-12	Steven U. Parker	101.7
Saddleback Meadows	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
Sky Ranch	Trabuco	842-021-4, 05, 07, 08 and 842-031-04, 05, 08, 09	Dave and Michael Eadie	526.9
Takahashi (Baker Square LLC)	Cleveland Nat'l Forest	105-051-12	Carl Reinhart	643
Watson	Trabuco	858-021-10, 11	Dave and Michael Eadie	98.3

11. Adjournment

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Measure M2 Environmental Oversight Committee

January 15, 2014

Meeting Minutes

Committee Members Present:

Chair Patricia Bates, OCTA Board of Directors
Vice-Chair Melanie Schlotterbeck, Measure M Support Groups
Veronica Chan, US Army Corps of Engineers
Lori Donchak, OCTA Board of Directors
Chris Flynn for Sylvia Vega, Caltrans
Nancy Jimeno, California State University, Fullerton
Philip La Puma, Measure M2 Taxpayers Oversight Committee
David Mayer, CA Department of Fish and Wildlife
Derrek McGregor, Public Member
Dan Silver, Endangered Habitats League
Jonathan Snyder, US Fish and Wildlife Services
John Walsh, California Wildlife Conservation Board

Committee Member(s) Absent:

None

Orange County Transportation Authority Staff Present:

Marissa Espino, Strategic Communications Officer
Lesley Hill, Planning Department Project Manager
Janice Kadlec, Public Reporter
Dan Phu, Project Development Section Manager
Monte Ward, Measure M Consultant

1. Welcome

Chair Patricia Bates called the Environmental Oversight Committee (EOC) meeting to order at 9:10 a.m. She asked Melanie Schlotterbeck to lead the Pledge of Allegiance.

2. Approval of the November 20, 2013 Minutes

Chair Patricia Bates asked if there were any additions or corrections to the November 29, 2013 EOC meeting minutes.

Melanie Schlotterbeck had the following correction on page 7, paragraph 6, first sentence: *Melanie Schlotterbeck asked if the EOC would like to reactivate the Ad Hoc Subcommittee to create a finance subcommittee similar to the Ad Hoc Subcommittee on Habitat Impacts.*

A motion was made by Melanie Schlotterbeck, seconded by Lori Donchak, and passed unanimously to approve the November 20, 2013 EOC meeting minutes as corrected.

3. Property Acquisition Update

Marissa Espino reported on the recent acquisition of the MacPherson property which closed escrow at the end of 2013. The 204-acre property was purchased for approximately \$2.5 million and is located northwest of Rancho Santa Margarita in the Silverado/Modjeska area.

Public Comment

Phil McWilliams, past president of the Inner Canyon League (ICL), passed along his fellow members' delight with OCTA's purchase of the MacPherson property. It is a beautiful piece of property.

As a member of a coalition of more than 30 organizations, the ICL does support the process of scientific and open environmental oversight. They urge OCTA to continue an open and transparent process as it accounts for funds now and in the future. They would also urge that discussions occur sooner rather than later on how to determine how OCTA can best meet its obligations to the voter approved ordinance. To this end, the ICL looks forward to future discussions.

4. Staff Update

Lesley Hill responded to a comment from the November 20, 2013 meeting regarding wildlife fencing.

Melanie Schlotterbeck asked if the bottom strand of wire fencing being taken off was on a three-strand fence or a five-strand. Lesley Hill said it was on the three-strand fencing.

Chair Patricia Bates observed there have been a number of recent mountain lion sightings, sometimes in the backyards of homes. She asked Lesley Hill if she had any numbers on this. Lesley Hill said mountain lion sightings have been studied for quite a while in Southern California. OCTA has been trying to talk with the scientists studying the mountain lion movement and any documents they receive can be forwarded to her. There is definitely more urban development encroaching into their habitat. Chair Pat Bates said Orange County Animal Care has definitely been reaching out to residents on yard safety.

David Mayer said he did not have any information that quantifies this but there have definitely been more sightings over recent years. Some are substantiated and some are not but clearly the foothills in Orange County have issues with this.

Chris Flynn said National Geographic Magazine recently did an article on the mortality of mountain lions specifically in Southern California. A great number of the mortalities were adjacent to the new toll roads in Orange County. He would caution people looking at the mortality rates to remember the studies going on and the areas where mountain lions were seen. Caltrans has been reporting mountain lion fatalities to the toll road agencies for about 12 years. Although he has a great deal of confidence in the data, it should be remembered the data has only been collected on those roads. There may be other sightings and mortalities that have not been reported. The point here is more study is needed. The wildlife agencies and OCTA are doing a great job but the toll roads should not be the only place looked at; it is just one study area.

Monte Ward gave a brief overview of a memo to the OCTA Executive Committee on the Release of the Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP) and the Draft Environmental Impact Report/Environmental Impact Statement (EIR/EIS). At the EOC's last meeting in November, the EOC approved the document and sent the NCCP/HCP and EIR/EIS to the Executive Committee. During the process of reviewing the document a significant change was made. The amount of money set aside for the endowment for long term management of the property was changed. One month ago, the EOC endorsed an endowment of approximately \$30 million and it is now listed in the document as \$56 million. The reason for the change was that the original amount of \$30 million for the endowment was based a slightly higher return on investment. The \$56 million endowment amount was based on the current OCTA's investment policy assumptions and therefore the interest earned assumptions was lower. When this is leveraged over the long term, it results in a significant change in the amount set aside. The \$56 million is not a hard number; it could change as we seek input on the investment assumptions.

Monte Ward said Recommendation B in the staff report to: "Direct staff to prepare a long term expenditure plan of the Environmental Mitigation Program funds for review by the Environmental Oversight Committee and the Finance and Administration Committee" received some attention. Director Bates and Melanie Schlotterbeck spoke to the committee about this recommendation. It was determined the discussion of the endowment amount and the investment assumption will start with the EOC.

Lori Donchak said she is very supportive of this change because it worked out for every dollar of acquisition it will take approximately two dollars to protect. She asked what the yield assumption was. Monte Ward said when the numbers were first discussed it seemed the net would be two percent and if OCTA's numbers are taken the net would be one and a half percent. If this was leveraged over time it would mean a significant difference in how much needs to be set aside.

Lori Donchak asked, if it is discovered the amount set aside for the endowment is too generous for what is required, whether there is a mechanism for a review process, and if there are surplus funds, whether they can be directed elsewhere. Monte Ward

said the opportunity for this is in the period when the endowment is being established. Remember the endowment cannot be established on day one; it has to happen over a period of time given the revenue stream available. During this period it would be wise to take a look at whether the assumptions are correct.

Chair Patricia Bates recommended that before this goes to the Finance and Administration Committee they receive input from the EOC Ad Hoc Finance Subcommittee on what would happen if there was a surplus. Monte Ward agreed. Apart from the endowment discussion, the scope of the Ad Hoc Finance Subcommittee and the EOC purview is to look at the entire amount of the revenue stream. They will need to look at some concepts and policy recommendations on how the money should be treated.

Philip La Puma said he assumes the endowments will be audited. Monte Ward said yes. Philip La Puma said the Taxpayer Oversight Committee should be involved in understanding what is going on. Monte Ward agreed; this is another stakeholder/constituency group who needs to be informed about what is being done, how it is being established, and why so there is a record going forward.

Public Comment

Eric Johnson, representing the Chino Hills State Park Interpretive Association, congratulated OCTA on acquiring the MacPherson property. He was also excited about OCTA's acquiring the Hayashi property next to Chino Hills State Park in the area where he lives. He is an avid hiker and would be very interested in reviewing the Hayashi property Resource Management Plan for this area in the spring.

His background is in finance and he was intrigued about one slide in the November EOC meeting. He knows the amount invested now to ensure properties would be protected in perpetuity is important, but he would like to understand the assumptions, interest rates and other considerations for these new improvised numbers. Like other coalition members they look forward to understanding the financial assumptions behind the endowment during a transparent process.

Chair Patricia Bates thanked him for his comments and said he will be provided with the answers to his questions when the Ad Hoc Finance Subcommittee begins its work.

Public Comment

Kristina Stuckey, representing Rose Canyon Ranch, said the Rose Canyon Ranch is surrounded by Ferber Ranch. She has concerns about the safety of the riders along Live Oak Canyon Road. She reported an incident where an experienced rider and horse were stuck between a large semi-truck and a motorcycle and neither stopped for her. If they were allowed to use the fire roads on Ferber Ranch the local

equestrians would not be putting themselves, their horses, and, in her case, her students, in danger. She respectfully asked OCTA to set some days and times where groups of trail riders could use the Ferber Ranch fire roads to access the other riding trails. She felt they could do this by a certification program where OCTA has information on each rider and the time they would be riding the ranch.

Chair Patricia Bates thanked her and said Dan Phu would follow up on her request.

Public Comment

Theresa Sears said she has been very active in Orange County land issues and is very active with Orange County Parks. She is very impressed with OCTA's involvement with the Resource Management Plan and even more pleased OCTA is working on the endowments protecting the properties in perpetuity.

Today she is representing Friends of Harbors, Beaches, and Parks and the over 4,500 members. They were a member of the coordinating group that led the coalition of over 30 organizations coordinating to form the M2 mitigation program. She especially wanted to thank OCTA for the recent acquisition of the MacPherson property. Extending the north-south wildlife connection from Irvine/Costa Mesa to the Cleveland National Forest is very important.

As a long time equestrian she understands maintaining the trail connections and preserving the properties and habitat. She also knows there are competing interests. While everyone wants to save the properties there are many people with different interests.

Friends of Harbors, Beaches, and Parks is very supportive of saving the environment and they are supportive of the Mitigation Program and the Early Action Plan. She said her coalition was here to help.

Public Comment

Gloria Sefton, co-founder of Saddleback Canyon Conservancy, said her group is supportive of the release of the NCCP/HCP. She gave her congratulations on the MacPherson property acquisition.

Gloria Sefton had a correction to the November 20, 2013 EOC minutes on Page 7, second sentence under public comments: *Gloria Sefton, co-founder of Saddleback Canyon Conservancy addressed her concerns about the fencing in Trabuco Canyon. **She had heard** large animals are becoming entangled....*

Gloria Sefton said she is very pleased with the diligence and response from OCTA on this concern and that the wildlife agencies have been notified and are addressing it.

5. Resource Management Plan Presentation

Lesley Hill and Dan Phu gave a presentation on the Resource Management Plan. The presentation included background, site description, and preserve management along with a schedule for completion.

Chair Patricia Bates asked how the response to the public input would be handled. She felt it would be critical for the final document to reflect the public sentiment. Dan Phu said accounting for and addressing the public input and comments is a big challenge when concurrently releasing the Draft Plan, the environmental documents, and the Resource Management Plans. They need to be careful and deliberate in terms of the message to the public at large that depending on the type of comment and subject matter, it is germane to properly direct the public to the appropriate document. With the NCCP and environmental documents they are going to follow the CEQA and NEPA process. Public comments will be taken into consideration. They will be part of the administrative records and included into the final document. There will be individual responses and sometimes changes within the document. They intend to take a similar approach with the Resource Management Plans although if something is not practical or feasible they will address this as well within the final plan.

Monte Ward said this is why there is an Environmental Oversight Committee defined in the ordinance. As we move forward in managing the properties the issues can be brought forward and dealt with in a transparent way.

Melanie Schlotterbeck asked if OCTA would be doing active restoration on the properties. Lesley Hill said most of the properties are in pretty good shape. They do have a commitment to eradicate invasive species, but, in general, the restoration on the properties is very minor. Melanie Schlotterbeck asked if they are casting a wide net. Lesley Hill said they are working with the wildlife agencies to establish priorities.

David Mayer observed the Resource Management Plan helps to identify what the true obligations are for OCTA on the properties. Also he hopes it will identify opportunities for enhancement which are not necessarily required but can be achieved through partnership with adjacent property owners or grants through the wildlife agencies.

Nancy Jimeno said she was happy to hear that most of the properties are in pretty good shape and the ideas on forming partnerships with the existing property owners is excellent. This was seen at the recent Wilderness Preserve Event when OCTA partnered with the equestrian groups on Ferber Ranch. Part of the social fabric in the Ferber Ranch area is the equestrian group. They are very careful and self-policing of the area and would make good partners for OCTA. She would urge OCTA to not have the groups wait a long time to access the fire roads on the ranch. She is very concerned about putting lives at risk by riding on roads with traffic.

Derrek McGregor said in the information he received there is talk about a 10-year period before endowment. He asked why the time limit? Monte Ward said they have run different models on setting up the endowment looking at the revenue stream out of the freeway component. The revenue stream has to pay for the management of the properties. The Ad Hoc Finance Subcommittee and the EOC will be looking at different assumptions to determine what is ideal given variables they were given.

Derrek McGregor asked what would be the source for the long term maintenance database. Monte Ward said the source would be the information gained as part of the Conservation Plan and the Resource Management Plan. It is telling us the type of activities OCTA will have to undertake both plan wide and property by property. They will also look at the experiences of others.

Lori Donchak said as things progress she is going to have a sharp eye on what is being measured so they know what successful management is. These are not renewable resources if someone makes a mistake.

6. Public Comments

There were no further public comments.

7. Committee Member Reports

Dan Silver reported there was a sign-on letter being circulated by the California Habitat Conservation Planning Coalition which is made up of sponsors of the NCCP/HCP Conservation Group. The purpose of the letter is to increase Federal funding for Section 6. The EOC received a Section 6 grant to acquire land. Section 6 has been declining out of proportion to other similar federal programs. It is not funded by tax dollars; it is mostly funded by off-shore oil royalties. They are now in a better position to increase the funding because the Chairperson of the key committee, the House Interior Appropriations Committee, is Ken Calvert from Riverside.

Dan Silver said if anyone would like to sign the letter they should contact him.

Vice-Chair Melanie Schlotterbeck reported OCTA won the Turning Red Tape into Red Carpet award from the Orange County Business Council.

Lori Donchak said she attended two property tours put on by OCTA last month. One tour was of the Ferber Ranch property and the other was the Hayashi property.

8. Next Meeting – TBD

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

9. Adjournment to Closed Session

The EOC adjourned to Closed Session at 10:30 a.m.

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.

Real Property	Geographic Area	Assessor's Parcel Number	Owner's Negotiator	Acreage
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