



# **AGENDA**

## **Environmental Oversight Committee**

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### **Committee Members**

*Lisa Bartlett, Chair  
Melanie Schlotterbeck, Vice Chair  
Charles Baker, Caltrans District 12  
Dr. David Chapel, Grand Jury  
Association of OC  
Lori Donchak, OCTA Board of Directors  
David Mayer, CA Dept. of Fish & Wildlife  
Derek McGregor, DMC Engineering  
Veronica Li, US Army Corps of Engineers  
Dan Silver, Endangered Habitats League  
Jonathan Snyder, US Fish & Wildlife  
Service  
Anthony Villa, Taxpayers Oversight  
Committee Representative  
John Walsh, CA Wildlife Conservation  
Board*

*Orange County Transportation Authority  
Board Room - Conference Room 07-08  
550 South Main Street  
Orange, California*

**Wednesday, August 17, 2016 at 2:30 p.m.**

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA Clerk of the Board, telephone (714) 560-5676, no less than two (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

- 1. Welcome**
- 2. Pledge of Allegiance**
- 3. Approval of June 1, 2016 Minutes**
- 4. Harriett Wieder Restoration Project Update**

*Lesley Hill, OCTA*

*The Bolsa Chica Conservancy (BCC) presented a status update to the Environmental Oversight Committee (EOC) in late 2015. The EOC requested that staff provide monthly status updates and that BCC return every three months with a progress report. A status report on the project will be provided, which includes updated information on the project footprint, cost, and schedule.*

- 5. M2 Revenue Forecast Update**  
*Dan Phu and Rodney Johnson, OCTA*

*The Environmental Mitigation Program allocates at least 5% of the anticipated freeway program revenues from the Measure M2 sales tax. The freeway program is comprised of 43% of the overall M2 budget. Staff will present an updated forecast on the M2 sales tax.*

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# AGENDA

## Environmental Oversight Committee

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### 6. EMP Endowment Procurement Update

Dan Phu, OCTA

Rodney Johnson, OCTA

*The Orange County Transportation Authority (OCTA) Measure M2 (M2) Environmental Mitigation Program (EMP) provides comprehensive mitigation to offset the environmental impacts of OCTA's 13 M2 freeway improvement projects. This process is achieved through acquisition of vacant lands (Preserves) and funding of habitat restoration projects in Orange County. The Preserves are integrated into the Conservation Plan and will be protected as wild lands in perpetuity. The California Department of Fish and Wildlife (CDFW), and the U.S. Fish and Wildlife Service (USFWS) will approve the Conservation Plan, which fulfills OCTA's obligation to mitigate for biological impacts of M2 freeway improvements. The Conservation Plan will require establishment of one or more permanent endowments to fund the long-term management and monitoring of the OCTA Preserves in perpetuity. To date, OCTA has acquired seven Preserves, totaling approximately 1,300 acres in various parts of Orange County.*

*A preliminary estimate of endowment value needed for the seven Preserves is approximately \$46.2 million, to be achieved over an establishment period of 10 to 12 years. This is based on an estimated \$34.5 million in total deposits from the M2 EMP fund and \$11.7 million in investment returns, net of all management fees. It is proposed that an organization qualified to hold and manage the interim endowment under Government Code §§65965-65968 be selected through a process of Request for Proposal (RFP). The EOC endorsed the scope of work for the endowment creation manager at the March 2016 meeting. A status update will be provided on the procurement process.*

### 7. Trabuco Canyon Company, LLC: Residual Parcels Sale

Dan Phu, OCTA

*OCTA acquired the Ferber Ranch from the Trabuco Canyon Company, LLC (TCC) in May 2011. During this transaction, two residual parcels were set aside and retained by TCC. TCC has offered these two parcels to OCTA for purchase. During previous EOC meetings, OCTA staff provided a report of the re-evaluation of these parcels utilizing the Board-approved criteria developed for the OCTA M2 EMP acquisition property process. Since early July 2016, the parcel located on the west side (Hickey Canyon) has been sold. The parcel on the east side (Rose Canyon) is still available. Some members of the EOC toured the east side parcel in July. A status report will be provided on the tour. The EOC will be engaged in a discussion of next steps in the process.*

### 8. Aliso Canyon Preserve Hike and Ferber Ranch Preserve Equestrian Ride

Marissa Espino, OCTA

*On Saturday, August 13th, OCTA hosted a guided hike at the Aliso Canyon Preserve in Laguna Beach. On Saturday, August 27th, an equestrian ride will take place at the Ferber*

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# **AGENDA**

## ***Environmental Oversight Committee***

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*Ranch Preserve in Trabuco Canyon. Staff will provide a brief summary about these public events.*

### **9. Public Comments**

*Members of the public may address the EOC regarding any item. Please complete a speaker's card and submit it to the EOC or notify the EOC the item number on which you wish to speak. Speakers will be recognized by the Chair at the time the agenda item is to be considered. A speaker's comments shall be limited to three (3) minutes.*

### **10. Committee Member Reports**

### **11. Next Meeting – Sept. 7, 2016**

### **12. Adjournment**

The next regularly scheduled meeting of this Committee will be held at 2:30 p.m. on Wednesday, Sept. 7, 2016 at Orange County Transportation Authority Headquarters, 550 South Main Street, Orange, California.

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## ***Minutes***

### **Measure M2 Environmental Oversight Committee**

#### **Committee Members**

*Lisa Bartlett, Chairman*

*Melanie Schlotterbeck, Vice Chair*

*Charles Baker, Caltrans District 12*

*Dr. David Chapel, Grand Jury Assoc. of O.C.*

*Lori Donchak, Board of Directors*

*David Mayer, CA Dept. of Fish & Wildlife*

*Derek McGregor, DMc Engineering*

*Dan Silver, Endangered Habitats League*

*Jonathan Snyder, US Fish & Wildlife*

*Orange County Transportation Authority*

*500 South Main Street, Room 07*

*Orange, California*

***Wednesday June 1, 2016 at 2:30 p.m.***

#### **Member(s) Absent**

*Veronica Li, US Army Corp of Engineers*

*Anthony Villa, Taxpayers Oversight Comm.*

*John Walsh, CA Wildlife Conserv. Board*

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#### **1. Welcome**

Chairman Lisa Bartlett called the Environmental Oversight Committee (EOC) meeting to order at 2:30 p.m.

#### **2. Pledge of Allegiance**

Vice-Chairman Melanie Schlotterbeck led the Pledge of Allegiance.

#### **3. Approval of May 4, 2016 Minutes**

Chairman Lisa Bartlett asked if there were any additions or corrections to the May 4, 2016 EOC minutes. Melanie Schlotterbeck requested a sentence be added to page 3,

the second to last paragraph, referencing her concerns based on pending litigation against OCTA on the Ferber Ranch property. A motion was made by Melanie Schlotterbeck, seconded by David Chapel, and passed unanimously to approve the May 4, 2016 EOC meeting minutes as amended.

#### **4. Harriett Wieder Restoration Projects Update**

Lesley Hill introduced David Pryor, Bolsa Chica Conservancy (BCC), and he walked the committee through the reasoning for the footprint change and provided an updated schedule.

Recommendation: A motion was made by Melanie Schlotterbeck, seconded by Lori Donchak, and passed unanimously to endorse the Bolsa Chica Conservancy's revised project footprint and schedule as outlined.

#### **5. M2 Revenue Forecast Update**

Dan Phu introduced Kirk Avila, OCTA Treasurer, who presented an updated forecast on the M2 sales tax.

David Chapel asked if the three universities were clustered pretty close on their predictions. Kirk Avila said it depended on the year. He said it fluctuated from year to year between the universities.

David Chapel asked if OCTA provides information to the universities. Kirk Avila said each university independently seeks out the information.

David Chapel asked if the cycles of gasoline prices are a factor. Kirk Avila said yes.

Lori Donchak asked if the Committee will receive a "not business as usual" update regarding the \$297 million and a retrospect of how much has gone to acquisition and what kinds of changes should be expected with the endowment fund going forward. Kirk Avila said yes, the plan is to come back to the committee and provide an update.

Lori Donchak asked that the update be as comprehensive as possible through the life of M2 including the investments that have been made, specifically the investments that have been made regarding the environmental program.

Melanie Schlotterbeck asked if the endowment terms will need to be adjusted. Kirk Avila said at this point it would be premature for him to say yes or no about this.

Melanie Schlotterbeck asked if there are general ideas on why it has not been as successful as OCTA had hoped. Kirk Avila said a big driving force is gasoline prices have remained low. He said revenue is increasing, just not as much as originally predicted and mainly due to the amount of gasoline tax being collected. Melanie Schlotterbeck said fuel efficient vehicles are not spending as much on gas and that compounds the problem. Kirk Avila said yes. He said another point is the ¼ cent tax

collected that goes towards bus transit has been lower as well. Melanie Schlotterbeck asked if we are going to need to adjust our endowment term. Kirk Avila said it is premature for him to speculate. Melanie Schlotterbeck said this ties into the committee being fiscally responsible.

Dan Silver asked if the revisions are based on the pre-recession or post-recession projections. Kirk Avila said it is a change in the methodology and how it is calculated. He said that it is more accurate and reflective of what is actually happening. Dan Silver asked if it is a continuum. Kirk Avila said yes.

Monte Ward said when the Measure M2 program was put together in 2005, OCTA had to project ahead to 2011 when the revenue would be collected. Then there was a major recession between the year the projections were made and the year collections start to go into effect, it contributed significantly. At that point, policies were changed to look at three universities for projections.

Lori Donchak said OCTA is very conservative with the projections. OCTA would rather have extra than come up short. She said the Board has consistently said error on the side of caution.

Melanie Schlotterbeck asked, on the expense side, the cost of materials was steadily going up – is that trend still continuing? Kirk said he can't comment on that, but our bids have been coming in lower, so he assumes that trend has turned. Monte Ward said that is difficult and complex to determine.

## **6. Trabuco Canyon Company, LLC: residual parcels sale**

### **Public Comment**

Melba Slavin stated that she is an equestrian and owns property in the Hamilton Trail community. She stated her experience over the last eight years and that the trails have been impacted. Her property is currently for sale and she has spent a lot of money improving the property as an equestrian property with great confidence. She would like to say to potential buyers the trail adjoining her property can be ridden on. One area that OCTA is looking to buy is on an easement to her property. She is experiencing limited access to the easement and so are other properties in her neighborhood. She is asking the committee to keep this in mind.

Michael Farah owns a property in the Hamilton Trail community that directly abuts the property OCTA is considering buying. He is opposed to this purchase for many reasons. First, the property OCTA has already purchased is unruly, unkept and the roads are in terrible condition. OCTA completely undermines the idea of equestrian property by blocking access to the equestrian areas. He says there is no access. He said he has also put a bid on the property. He has heard that he probably won't get the property because OCTA has put a bid on the property for three times what the property is worth. As an Orange County taxpayer he is shocked. There are about six

residents near him and the Ferber Ranch property does not allow for the residents to have a paved road. The property values are being “crushed”. The Trabuco Canyon Company wasn’t able to develop the property, so now they don’t care about their neighbors. If OCTA will pay three times what it is worth, what is it doing for Orange County? There is no direct public access to that property. He vehemently opposes this purchase.

Gloria Sefton spoke in favor of acquiring the two parcels at the last two meetings. It would complete the purchase of the other parcels. It is an important habitat and would provide connectivity for the habitat.

Dan Phu provided an update on the Trabuco Canyon Company (TCC), LLC: residual parcels sale.

### **Public Comment**

Roy Slavin lives on Hamilton Trail, Trabuco Canyon. He bought the house about eight years ago as an equestrian property as are all the homes at Hamilton Oaks. He used to use the property at Ferber Ranch enjoyably. When the OCTA first got involved he was told that OCTA had no intent on eliminating equestrian enjoyment of the Ferber property. OCTA has been incredibly exclusive and has not let people enjoy the property. The road is cut off to the point they can’t even get out if there is a fire. His home has lost nearly a third of its value because it is no longer considered an equestrian property. OCTA has purposely with malice and forethought put this plan into place. OCTA has made an enemy of him and he will seek a legal resolve to bring this to a halt.

Lori Donchak said she asked for the estimates on the two appraisals and it was estimated to be about \$30,000. These appraisals are good for about six months.

Lori Donchak asked would the revenue forecast have any effect on this acquisition. She asked the Finance Department to weigh-in on whether we are in a position to make a decision on this acquisition strictly from a financial point of view.

Melanie Schlotterbeck said we toured these properties eight years ago. She asked if there are structures on the property and whether there is any liability. She asked, in terms of the habitat, is it native and are we going to have to do any restoration. She said she is concerned these items could be additional costs. She asked if the committee could have a site tour in addition to having finance come back to the committee.

Lori Donchak said if additional restoration is required for the mitigation credits, we need to know all the parameters.

Melanie Schlotterbeck said we are looking at two parcels and asked if it is all or nothing. Dan Phu said OCTA purposely separated the two parcels to give flexibility. Lisa Bartlett asked, what is the allotment of money we have to potentially spend? Monte Ward said

the committee was allotted a specific amount of money to spend, but that has changed with the forecast changes. He said when we started looking into purchasing the properties more than three years ago, there was a certain amount of money then. He said that might not be the same amount we have now. He said the important questions are what will happen with the endowment, what will happen with the cash flow for the ongoing operations and what the effect of the cost is at the time of starting an endowment. We cannot make any decisions until we see the new numbers in the report from the Treasury department. And that will probably be in August.

Dan Silver said he agrees we need to get the financials situated. He assumed the money was in an account waiting for us to spend. Monte Ward said it is like an appropriation. Dan asked if the OCTA Board would have to take an additional action. Monte said the treasurer would have to take an additional action to make the money available.

Dan Silver said the committee needed to make a decision first on whether we wanted the properties and from what he heard it was a yes. He too would like to see the property again. He said it is very disconcerting to hear from the property owners along the parcels, but as far as he is aware, no promises were made to the property owners. He said part of the problem with access to the parcels is there was vandalism from recreational users. He said he is not sure what legal right the equestrian users had to the property prior to OCTA's purchase. He hopes there will be an amicable solution. He believes if this property is biologically important, the committee needs to look at the financials again and look at the details to find a solution to these discreet access issues.

A motion was made by Lisa Bartlett, seconded by Melanie Schlotterbeck and passed unanimously to delay this item to the August EOC meeting and the committee would like another site tour.

Lori Donchak asked if an offer is made on the two parcels in the time it takes for us to meet again in August, how the committee would be notified. Lisa Bartlett asked if we had an option on these properties to be automatically notified if another offer was put in. Dan Phu said he is in communication with the Trabuco Canyon Company (TCC) and they have indicated they would let OCTA know. Dan said he always gives TCC an update after the EOC meeting and they usually let us know of any interest in the properties. Lisa Bartlett asked Dan Phu to keep up the communication with TCC.

Lisa Bartlett said, with regards to the endowment, we don't want to spend the entire endowment and having nothing left for additional purchases in the future.

## **7. Ferber Ranch Preserve Hike and Equestrian Ride**

Marissa Espino said the next Ferber Ranch Hike and Equestrian Ride will be on June 25, 2016 with the hike starting at 8:30 am and the ride will be at 10:30 am. The Aliso Canyon Preserve will be featured with a hike on August 13th. There will be another Ferber Ranch equestrian ride on August 27<sup>th</sup>.



David Chapel asked if the Ferber Ranch hike is expected to be 2 hours long. Marissa said about 60-90 minutes. David Chapel asked about the terrain. Marissa said it is not too strenuous, just a few inclines. Melanie Schlotterbeck agreed.

**8. Public Comments**

There were no public comments.

**9. Committee Member Reports**

There were no committee member reports.

**10. Next Meeting – July 6, 2016**

**11. Adjournment**

The meeting adjourned at 3:38 p.m.