



AGENDA

Measure M2 Environmental Oversight Committee

Committee Members

Lisa Bartlett, Chair
Melanie Schlotterbeck, Vice Chair
Dr. David Chapel, Grand Jury
Association of OC
Laurie Davies, OCTA Board of Directors
Chris Flynn, Caltrans District 12
Veronica Li, US Army Corps of Engineers
David Mayer, CA Dept. of Fish & Wildlife
Derek McGregor, DMc Engineering
Dr. Pauline Merry, Taxpayers Oversight
Committee Representative
Dan Silver, Endangered Habitats League
Jonathan Snyder, US Fish & Wildlife
Service
John Walsh, CA Wildlife Conservation
Board

Orange County Transportation Authority
Conference Room 07
550 South Main Street
Orange, CA

Wednesday, July 10, 2019 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 February 6, 2019 Minutes**
- 4. OCTA Conservation Plan Annual Report**
Lesley Hill, OCTA

The Natural Community Conservation Plan/Habitat Conservation Plan (Conservation Plan) permit was issued by the Wildlife Agencies in mid-2017. As a result, the M2 environmental process has been streamlined allowing OCTA to expedite the M2 freeway projects. OCTA has developed the first Conservation Plan Annual Report. This report includes the tracking of impacts associated with covered freeway improvement projects and other management and monitoring activities on Preserves, status and activities on the Preserves, progress of the restoration projects, and Conservation Plan administration and public outreach activities. In summary, the Annual Report documents that through 2018, OCTA is complying and on target with the Conservation Plan commitments. OCTA will continue with its efforts to complete the required objectives in a timely manner. This Annual Report has been reviewed and approved by the Wildlife Agencies and will be



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Measure M2 Environmental Oversight Committee

available to the public on OCTA's website in August. Additional information pertaining to this item is attached. Staff will present an overview of the Annual Report content.

5. Environmental Mitigation Program Endowment Fund Investment Report

Sean Murdock, OCTA

The Orange County Transportation Authority has developed a Natural Community Conservation Plan/Habitat Conservation Plan; acquired conservation properties; and funded habitat restoration projects to mitigate the impacts of Measure M2 freeway projects. California Community Foundation manages the non-wasting endowment required to pay for the long-term management of the conservation properties. Each quarter, the California Community Foundation publishes a comprehensive report detailing the composition of the pool and the performance. Attached is the latest quarterly investment report for the Endowment Pool. The report has been reviewed and is consistent with the pool objectives.

6. Update of the OCTA Preserves Fire Management Plans

Lesley Hill, OCTA

As required by the Conservation Plan, OCTA began developing fire management plans (Plans) for the Preserves in 2018. The Plans will provide guidelines for decision-making at all stages, including fire prevention, pre-fire vegetation management, suppression activities, and post-fire responses that are compatible with conservation and stewardship responsibilities. These Plans require approval by the Wildlife Agencies. The consultant preparing these plans attended the annual OCTA Family Hike in April at the Trabuco Rose Preserve to help educate the public on the importance of wildland fire safety. A technical report has been drafted and OCTA staff and the consultant are meeting and collaborating with the regulatory agencies to determine appropriate future management recommendations. These recommendations will be presented in the final Plan for each Preserve and will be shared with the EOC. Additional information is attached. A more detailed update on this development process will be shared with the EOC.

7. Interstate - 5 Widening Project Overview

Lesley Hill, OCTA

Unforeseen complications have developed for the Interstate-5 Widening Project (Conservation Plan Project C) segment 3. The California Department of Fish and Wildlife has communicated that they cannot consider the Streambed Alteration Agreement Notification complete without a redesign of the project that allows for potential southern steelhead passage in Aliso Creek. A redesign of the project at Aliso Creek will result in unanticipated delays and increased costs. The steelhead passage request is a result of the implementation of Senate Bill 857. Staff would like to discuss this development with the EOC. Additional information is attached.

8. 2019 Hikes and Equestrian Rides



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Measure M2 Environmental Oversight Committee

Marissa Espino, OCTA

An equestrian ride is scheduled for this weekend at Trabuco Rose (Sunday, July 14th). Next month we will host a docent led hike at our Pacific Horizon Preserve in Laguna Beach.

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 – TBD

12. Adjournment



Minutes

Measure M2 Environmental Oversight Committee

Committee Members

*Lisa Bartlett, Chairman
Melanie Schlotterbeck, Vice Chair
Laurie Davies, Board of Directors
Chris Flynn, Caltrans District 12
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
550 South Main Street, Room 07
Orange, California*

Wednesday, February 6, 2019 at 2:30p

Member(s) Absent

*Dr. David Chapel, Grand Jury Assoc. of O.C.
Eugene Fields, Taxpayers Oversight Comm.
Veronica Li, US Army Corp of Engineers
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. Chair Bartlett introduced OCTA Board Member Laurie Davies who has joined the committee. She represents the fifth district and the City of Laguna Niguel. Chairman Bartlett asked everyone to introduce themselves.

2. Pledge of Allegiance

Chairman Lisa Bartlett led the Pledge of Allegiance.

3. Approval of November 7, 2018 Minutes

Chairman Lisa Bartlett asked if there were any additions or corrections to the November 7, 2018 EOC minutes.

Vice Chair Melanie Schlotterbeck said there was discussion last meeting by Derek and herself about the parcel at Trabuco Road being slivered off. She wanted to make sure that in the future the minutes capture everyone's contributions. Chair Lisa Bartlett asked if there was anything specific to be noted on Item 5 from last meeting. Vice Chair Schlotterbeck said the most important thing was the requirement for the distance of the structure and the clearance.

A motion was made by Vice Chair Melanie Schlotterbeck, seconded by Derek McGregor and passed unanimously to approve the November 7, 2018 EOC meeting minutes with changes.

4. North Coal Canyon and Chino Hills State Park Restoration Project Update

Lesley Hill provided background on the North Coal Canyon and Chino Hills State Park Restoration Project. She said previously OCTA had contracted with Chino Hills State Park to provide restoration on these two parcels. When that did not work out, the EOC directed staff to go back out to bid for these restoration projects. Lesley thanked the Wildlife Agencies and Caltrans for providing staff for the evaluation panel. She said two consultants have been awarded the contracts and OCTA is finishing up the process. Lesley said both contracts are within the budget allocated for the projects.

Vice Chair Melanie Schlotterbeck said it was a disappointment to see that the state parks could not get the project done, but thanked staff for getting new groups on board and pushing for a solution.

5. Fire Management Plans

Lesley Hill provided background on the Fire Management Plans (FMPs). Lesley introduced Carol Rice who is a consultant helping OCTA with the FMPs. Carol leads Wildland Res Management which has emphasized fire management for over 40 years – especially in urban/wildland interface – she has a BS in Forestry and an MS in Fire Science and Management, she helped with the Nature Reserve of Orange County FMP Implementation Guide and Orange County Community Wildfire Plan.

Carol Rice provided background on her team. She said they have been to many of the OCTA preserves and are digging into the analysis. Carol started the presentation with what a FMP is and why they are needed. She talked about the methodology used to create the FMPs and what would be included FMPs. She went over how the analysis is done, preliminary findings, and outreach. Lesley Hill said OCTA is also mapping cactus which is an important component to the plan. The final FMPs will be presented in 2020.

The committee discussed mitigation requirements in terms of dozer and hand lines and if there is an expectation that additional mitigation and restoration will ensue. She asked if the co-benefits of wildfire funding available statewide could be tied to invasive species removal. Carol Rice said sometimes removing the invasive species is enough and it will be looked at in the plan.

The committee discussed the public process of the plan. Lesley Hill said this is a focused point of the plan and OCTA would reach out to stakeholders. Carol Rice said there will be public outreach in the summer time, but we have not yet focused on exactly what that will entail. She said the Laguna Beach property and the Trabuco Rose property may have more impacts on the surrounding communities. Vice Chair Melanie Schlotterbeck said if the process is going to be different it needs to be clear to the public. Marissa Espino said she does not foresee it being any different, but our audience will be more targeted.

The committee also talked about the regulatory review. Carol Rice said the adjacent structures will be identified and will determine exactly where the hazards are in relation to the structures. OCTA in collaboration with other responsible fire entities will identify the best way to mitigate the hazards with the least amount of damage to the Preserves. The committee said it is key for this plan to be site specific, so that key habitat is protected and that we provide some sort of field markings (not just a map) to delineate where the restoration projects or key habitat areas are located. Lesley Hill said we are already working with OCFA on the planning and the Final FMPs will get into the details.

The committee discussed how the analysis is done and how the “red areas” are where the species in most need of protection are located. Carol Rice said in their analysis they always assume the worst-case scenario of wind and slope direction.

The committee asked about “role of landscape scale mitigation.” Carol Rice said this pertains to larger mitigations – like a public landowner that does a large mitigation like grazing. The committee said Cal-Fire believes a larger area around structures is the best way to do mitigation, but really the structures need to be less flammable along with limited defensible space. Mitigation should not be done by treating landscapes, removing vegetation, prescribed burning, grazing, herbicides, etc. because this can be counterproductive.

The committee discussed the need to present OCTA’s priorities to the fire agencies when the Final FMPs are done.

The committee discussed what is happening with the fire areas now that Orange County is having an abundance of rain. Lesley Hill said so far the slopes in the Holy Jim Fire area are holding. She said a bridge was closed near the Trabuco Rose Preserve limiting access. Lesley said staff has not yet been into the interior of the preserves to check for erosion, etc. She said once everything dries out, we will look to see if anything is needed.

The committee discussed the PG&E bankruptcy and how some utility lines run through the Preserves. Carol Rice said that will be addressed in the FMPs.

The committee asked who actually signs off on the FMPs. Lesley Hill said the wildlife agencies are responsible for the Conservation Plans and the FMPs are part of that plan, so OCTA would be looking to them for final approval, but there will need to be a concurrence with local fire agencies on the management actions.

The committee said being proactive is really important so things like power lines that are looking defective or trees too close to lines need to be reported and people need to speak up before it becomes a problem.

The committee asked about the funding opportunities. Carol Rice said there are millions of dollars available for fire hazard reduction. She said it was a commitment from Governor Brown for five years and now Governor Newsom put forth more money on top of that money. There are restoration and cultural grants available for natural resources. There are also funds through federal resources. Lesley Hill said we want to look to see if there is a potential for a reimbursement through some of these sources and through this plan OCTA has asked Carol's group to identify where we might be missing opportunities for funding. The committee said it would be great if we can be applying for grants each year to advance our preserves.

The committee suggested communicating with neighbors to see if lessons learned can be hashed out, like when there is a state of emergency we need to get money from that pot to help the damaged preserves.

6. 2019 Hikes and Rides Schedule

Marissa Espino presented the 2019 hikes and rides calendar. She said unfortunately, it looks like the first hike will be canceled on February 16 due to the rains and poor trail conditions. Marissa said we are monitoring trail conditions for the ride on February 23, but it also will likely be canceled.

Marissa Espino also mentioned getting the committee together in the spring to visit the Harriett M. Weider Regional Park. She said she will be sending an email to the EOC to find a date that works best for the majority of the committee.

The committee asked if signs are posted when there are dangerous conditions on the trails. Marissa said the majority of OCTA properties are not open to the public and are gated. Lesley Hill said on the Laguna Beach preserve OCTA does not have staff on a regular basis to communicate in person that trails are closed, but it is adjacent to Aliso and Wood Canyons Wilderness Park that does have signage and patrols to communicate this message. Signs have been posted on this Preserve to communicate the inherent dangers.

Vice Chair Melanie Schlotterbeck suggested adding an asterisk on the hikes and rides calendar stating tours might be canceled due to weather, etc. It was also suggested to write "canceled" across February when redistributing this calendar. The committee talked about having a rain policy based on the amount of rain and the duration of the

trail closure. It was suggested that for every quarter inch of rain, the trail be closed for 48 hours.

7. Public Comments

There were no public comments

8. Committee Member Reports

Jonathan Snyder announced the retirement of the field supervisor for the Carlsbad Fish and Wildlife office and they are recruiting for someone to take his place.

9. Next Meeting – May 1, 2019

The next meeting is scheduled for May 1, 2019.

15. Adjournment

The meeting adjourned at 3:22 p.m.



July 10, 2019

To: Environmental Oversight Committee
From: Orange County Transportation Authority Staff
Subject: July Environmental Oversight Committee Information Items (Item 4 - 7)

Item 4 – OCTA Conservation Plan Annual Report

The Orange County Transportation Authority has developed a Natural Community Conservation Plan/Habitat Conservation Plan (Conservation Plan); acquired conservation properties; and funded habitat restoration projects (Attachment A) to mitigate the impacts of Measure M2 freeway projects. The Conservation Plan permit was issued by the Wildlife Agencies in mid-2017. As a result, the M2 environmental process has been streamlined allowing OCTA to expedite the M2 freeway projects. The executive summary for the first Annual Report is included as Attachment B. This summary includes the tracking of impacts associated with covered freeway improvement projects and other management and monitoring activities on Preserves, status and activities on the Preserves, progress of the restoration projects, and Plan administration and public outreach activities. In summary, the Annual Report documents that through 2018, OCTA is complying and on target with the Conservation Plan commitments. OCTA will continue with its' efforts to complete the required objectives in a timely manner. This Annual Report has been reviewed and approved by the Wildlife Agencies and will be available to the public on OCTA's website in August.

Item 5 - Environmental Mitigation Program Endowment Fund Investment Report

The Conservation Plan approval by the Wildlife Agencies requires the establishment of a \$34.5 million endowment to fund the long-term management of the Preserves. California Community Foundation manages the non-wasting endowment required to pay for the long-term management of the conservation properties. Each quarter, the California Community Foundation publishes a comprehensive report detailing the composition of the pool and the performance. The first endowment deposit was made in early 2017. The third and most recent deposit was made in August 2018. The fourth deposit is

scheduled for July 2019. Quarterly investment reports are provided to the Board of Directors (Board), with the most recent one given in June 2019. Staff will continue to oversee and provide regular endowment updates to the Finance and Administration Committee, and the Environmental Oversight Committee (EOC). The latest quarterly investment report for the Endowment Pool is included as Attachment C. The report has been reviewed and is consistent with the pool objectives.

Item 6 – OCTA Preserves' Fire Management Plans Update

As required by the Conservation Plan, OCTA began developing fire management plans (Plans) for the Preserves in 2018. The Plans will provide guidelines for decision-making at all stages, including fire prevention, pre-fire vegetation management, suppression activities, and post-fire responses that are compatible with conservation and stewardship responsibilities. These Plans require approval by the Wildlife Agencies. The consultant preparing these plans provided an overview of the proposed content and process to the EOC in February and July 2019. In addition, the consultant attended the annual OCTA Family Hike in April at the Trabuco Rose Preserve to help educate the public on the importance of wildland fire safety. A technical report has been drafted and describes the data used to predict fire behavior on the Preserves. This report also details the methods used to derive a fuel model layer for the Preserves and records the predicted fire behavior. OCTA staff and the consultant are collaborating with the Orange County Fire Authority, city of Laguna Beach, city of Brea, United States Fish and Wildlife Service, and the California Department of Fish and Game to determine appropriate future management requirements. These requirements will be presented in the final Fire Management Plan for each Preserve and will be shared with the EOC as well as interested stakeholders.

Item 7 – Interstate - 5 Widening Project Overview

Unforeseen complications have developed for the Interstate-5 Widening Project (Conservation Plan Project C) segment 3. The California Department of Fish and Wildlife (CDFW) has communicated that due to potential habitat and historical existence of southern steelhead fish (steelhead) in Aliso Creek, CDFW cannot consider the Streambed Alteration Agreement Notification complete until construction plans are revised to include a fish passage. A redesign of this project is estimated to increase the project cost to over \$10 million and could result in a minimum of one-year delay. The steelhead passage request is a result of the implementation of Senate Bill 857. Senate Bill 857 has been in place since 2006. OCTA staff is concerned that this precedence could undermine the justification for advance environmental mitigation programs either locally or regionally. Staff would like to discuss this development with the EOC.

Attachments:

- A. OCTA Preserves and Funded Restoration Projects
- B. OCTA M2 Natural Community Conservation/Habitat Conservation Annual Report Executive Summary
- C. OCTA M2 Environmental Mitigation Program Endowment Update

OCTA Preserves and Funded Restoration Projects



CENTRAL COUNTY

NORTH COUNTY

ORANGE

55

261

5

133

TUSTIN

IRVINE

405

73

NEWPORT BEACH

COSTA MESA

LAKE FOREST

LAGUNA WOODS

LAGUNA HILLS

ALISO VIEJO

LAGUNA BEACH

LAGUNA NIGUEL

MISSION VIEJO

RANCHO SANTA MARGARITA

LOCATION MAP

NORTH COUNTY

CENTRAL COUNTY

SAN JUAN CREEK

ORTEGA

SAN JUAN CREEK

ATTACHMENT A

- OCTA Preserves
- Round 1 Restoration Projects
- Round 2 Restoration Projects
- United States Forest Service Restoration Project

Source: OCTA



SAN JUAN CAPISTRANO



M2 Natural Community Conservation Plan/Habitat Conservation Plan– First Annual Report

2019

Prepared by
Orange County Transportation Authority
550 S. Main Street
Orange, CA 92863



With support from
ICF
525 B Street, Suite 1700
San Diego, CA 92101



Executive Summary

This is the first Annual Report for the Orange County Transportation Authority (OCTA) M2 Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP or Plan), covering all activities up to December 31, 2018. This report summarizes the tracking of impacts associated with covered freeway improvement projects and other management and monitoring activities on Preserves (Covered Activities), status and activities on the OCTA Preserves, progress on the implementation of OCTA-funded restoration projects, and additional Plan administration and public outreach activities. This Annual Report has been reviewed and approved by the California Department of Fish and Wildlife (CDFW) and U.S. Fish and Wildlife Service (USFWS), collectively referred to as the Wildlife Agencies. In addition, this Annual Report is presented to the OCTA Environmental Oversight Committee (EOC) and is available for a public review.

Tracking Impacts from Covered Activities

OCTA keeps an accounting of the Plan-to-date impacts on habitat types from all covered freeway improvement projects to ensure impacts stay within the caps established within the Plan. To date, a total of **7.5 acres of habitat impacts have been authorized relative to a cap of 141.0 acres**. In addition, OCTA uses a consistency determination checklist to evaluate how and when avoidance and minimization measures are implemented on covered freeway improvement projects. Four projects (C1, B1, L1, M1) had consistency determinations drafted, modified, or completed within the timeframe of this Annual Report. Other tracking requirements include:

- *Tracking for Covered Plant Species Policy* – OCTA tracks the credits for covered plant species protection (on Preserves) and restoration/enhancement (restoration projects) relative to allowable impacts. The Plan-to-date balance for each plant species is net positive (intermediate mariposa lily [+963], many-stemmed dudleya [+60], southern tarplant [+1,513]).
- *Tracking Impacts on Habitat Types Resulting from Covered Activities within Preserves* – The Plan establishes a cap that no more than 13 acres (approximately 1%) of the natural habitat within the OCTA Preserves will be impacted by Preserve management activities. To date, no measurable permanent impacts have been recorded on the Preserves.
- *Maintaining Rough Proportionality* – The Plan requires implementation of conservation measures roughly proportional in time and extent to impacts on natural communities and Covered Species. To date, two restoration projects, Big Bend and City Parcel, have received sign-off from the Wildlife Agencies as meeting their success criteria and have achieved conservation credits that keeps the Plan ahead of allowable impacts.

OCTA Preserves

OCTA acquired seven properties resulting in the protection of 1,236¹ acres of natural habitat (see Figure 1). In all instances, the seven Preserves are located within priority conservation areas and immediately adjacent to other protected lands. These Preserves add to the protection of large blocks of natural open space in areas important for regional conservation. OCTA has completed Resource Management Plans (RMPs) for each Preserve that includes Preserve-specific goals and objectives and define an appropriate level of public access and trail use consistent with protection of biological resources. It is anticipated that Conservation Easements will be completed and recorded in the near future. Currently each Preserve is being managed by OCTA, with the exception of the Eagle Ridge Preserve, which is being managed by Chino Hills State Park (CHSP) under an interim land management agreement. OCTA is working to identify and transition to long-term Preserve Managers in the near future. OCTA has contracted with the following consulting firms to support Preserve management: (1) Glenn Lukos Associates to provide biological monitoring, prepare invasive species management plans, and assist with public outreach events, (2) RECON Environmental to support general Preserve stewardship including maintenance of access roads, tree trimming, and control of public access, (3) Wildland Res Mgt to complete Fire Management Plans (FMPs), and (4) ICF to assist with completion of RMPs and preparation of the Annual Report. OCTA has hosted numerous Preserve-specific outreach events to educate the public about property value and access and plans to continue this process in the near term as part of a managed access approach. To date, a 1.5-acre fire occurred on the Eagle Ridge Preserve. The fire was extinguished quickly by Brea County Fire, and the burn area has been recovering with no additional management actions. No other fires or major events have occurred on the Preserves, although a level of trespassing and vandalism continues to occur requiring ongoing monitoring and enforcement.

OCTA-Funded Restoration Projects

OCTA has approved funding for 11 restoration projects and a check dam removal project that will result in over 350 acres of restored habitats and improvement to habitat functions for Covered Species. The restoration projects occur throughout the Plan Area in core habitat areas and within key habitat linkages and riparian corridors (see Figure 1). The restoration projects are on lands that are currently managed and will enhance habitat for Covered Species. OCTA is working with the restoration project sponsors to complete implementation and monitoring of the restoration activities and achieve sign-off from the Wildlife Agencies that the restoration projects meet their success criteria. Each restoration project is at different stages of the process. To date, 2 of the 11 restoration projects have obtained sign-off.

Additional Conditions for Coverage

As part of the Conservation Analysis (Chapter 6) in the Plan, there were two Covered Species, arroyo chub and many-stemmed dudleya, noted for additional conditions for coverage above and beyond

¹ The acreage of natural habitat preserved is based on best available information using during the preparation of RMPs and may be slightly different from acreages reported in the M2 NCCP/HCP.



Figure 1-1

OCTA M2 NCCP/HCP Preserves and Restoration Projects
M2 NCCP/HCP Annual Report

the acquisition of the OCTA Preserves and funding of restoration projects. In 2017, the EOC and Wildlife Agencies approved OCTA to fund the United States Forest Service Dam Removal restoration project that, when complete, will satisfy the conditions for coverage of arroyo chub. OCTA is currently taking steps to protect and enhance an existing population of many-stemmed dudleya on the Pacific Horizon Preserve with the hope that it will expand to help meet or will meet the criteria needed to achieve coverage for many-stemmed dudleya.

Public Outreach

OCTA has been committed to transparency in how the M2 funds have been and are being used to implement the Plan and the broader Environmental Mitigation Program (EMP). OCTA has conducted a variety of public outreach activities aimed at informing and engaging the public on the overall EMP as well as Preserve-specific issues and events. These have included public meetings during the preparation of the Preserve RMPs, maintaining a website with information and documents related to the program, and engaging in various outreach efforts and encouraging volunteer programs. Between 2009 and 2018, OCTA participated in 67 EMP public outreach events and meetings and 39 Preserve-specific public outreach events.

Plan Funding

The primary source of funding for the Plan will derive from the M2 transportation sales tax designed to raise money to improve Orange County's transportation system. As part of the M2 sales tax initiative, at least 5% of the revenues from the freeway program will be set aside for the M2 EMP revenues. There are sufficient funds available through the M2 EMP to cover the development and implementation of the Plan. OCTA is currently in a 10–12 year process to accumulate and establish an endowment that will provide a long-term funding source to cover ongoing Preserve management and monitoring, adaptive management, and responses to changed circumstances, in perpetuity. In the short-term, the current M2 EMP revenue stream is used to cover Plan implementation and administration.

Plan Administration

OCTA is responsible for implementing the Plan and staffing an NCCP/HCP Administrator position. OCTA has designated Lesley Hill as the NCCP/HCP Administrator. Her role includes overseeing Preserve management and monitoring, coordinating with restoration project sponsors, serving as the primary point of contact with the Wildlife Agencies, ensuring avoidance and minimization measures are implemented pursuant to the Plan, tracking impacts and conservation, assisting with public outreach, and preparing this Annual Report.

The Plan outlines how modifications, Minor Amendments, and Major Amendments can be made to the Plan. This Annual Report summarizes Plan modifications that have been made in collaboration with the Wildlife Agencies that address revisions to restoration project design plans and sponsors, minor Preserve boundary adjustments, and approval of a new restoration project since Plan approval. No Minor or Major Amendments are proposed.



Fund Name OCTA - Measure M2 Environmental Mitigation Program Fund
Fund Start Date 2/28/2017
Investment Pool(s) Endowment Pool

FUND STATEMENT

OCTA - Measure M2 Environmental Mitigation Program Fund (V398)

1/1/2019 - 3/31/2019

Fund Summary

	Report Period 1/1/2019 - 3/31/2019	Calendar YTD 1/1/2019 - 3/31/2019
Opening Fund Balance	\$8,568,158.77	\$8,568,158.77
Contributions	0.00	0.00
Investment Activity, net	720,744.32	720,744.32
Administration & Grant Management Fees	(25,381.30)	(25,381.30)
Net Changes to Fund	695,363.02	695,363.02
Ending Balance	\$9,263,521.79	\$9,263,521.79

Investment Pool Performance as of 03/31/2019

	This Qtr.	1-Year	3-Years	5-Years	10-Years
Endowment Pool	8.3%	3.3%	8.8%	4.7%	8.7%
Social Impact Endowment Pool	8.7%	5.6%	7.7%	5.9%	9.4%
Conservative Balanced Pool	5.2%	5.5%	5.1%	4.3%	n/a
Short Duration Bond Pool	1.6%	3.6%	1.4%	n/a	n/a
Capital Preservation Pool	0.6%	2.2%	1.2%	0.8%	0.7%

Endowment Pool - invested for long-term growth and appreciation while providing a relatively predictable stream of distributions that keeps pace with inflation over time. The target asset allocation is 50% equities, 14% hedge funds, 22% fixed income and 14% real assets. Investment management fees are 66 basis points.

Social Impact Endowment Pool - invested in a diversified pool aiming for capital growth for long-term grantmaking; underlying instruments undergo rigorous environmental and social analysis, with an asset allocation of approximately 60%-75% equities and 25%-40% fixed income. Investment management fees are 68 basis points.

Conservative Balanced Pool - designed to aim for moderate growth and to offer diversified exposure to the U.S. equity market and to investment grade fixed income with maturities from one to five years and an asset allocation of 70% fixed income and 30% equities investments. Investment management fees are 9 basis points.

Short Duration Bond Pool - invested to offer diversified exposure to investment grade fixed income with maturities from one to five years for the purposes of grants over a near-term one to four year horizon. Investment management fees are 5 basis points.

Capital Preservation Pool - designed to preserve principal and provide liquidity for present grantmaking needs through investment in short-term fixed income and cash instruments. Investment management fees are 10 basis points.

The Endowment Pool returned 1.0% for the month of March 2019, 30 basis points behind its benchmark. For the trailing year, the pool returned 3.3%, 20 basis points ahead of its benchmark.

Total Pool Assets

\$1.073 billion (Endowment Pool), \$1.78 billion (total foundation assets) as of March 31, 2019.

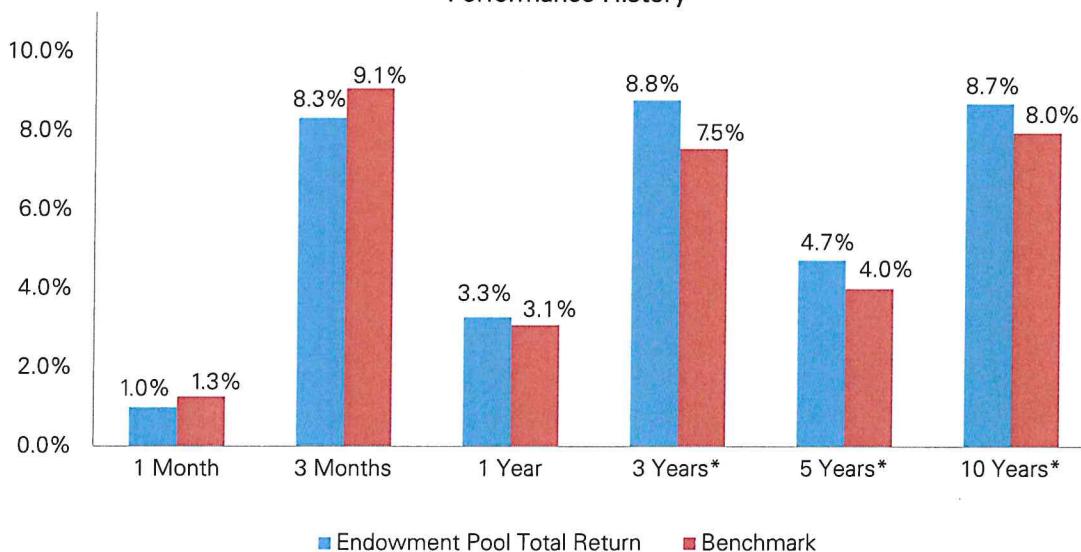
Pool Objective

Preserve the real (i.e., inflation-adjusted) purchasing power of the investment pool net of annual distributions for grants and expenses. An additional objective is to provide a relatively predictable, stable stream of distributions for grants and expenses that keep pace with inflation over time.

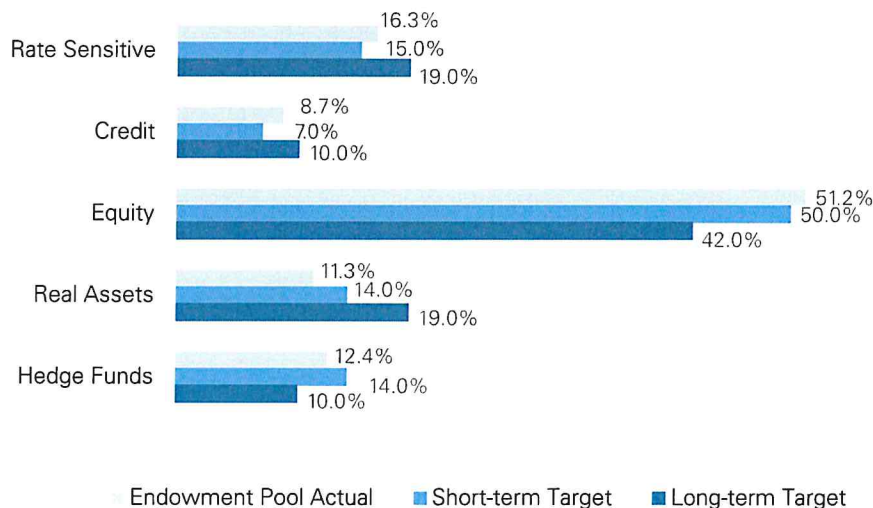
Investment Consultant

Meketa Investment Group

Performance History



Asset Allocation



*Represents annualized returns.

1) Investment expense ratio approximates 0.57%, excluding fund manager incentive fees.

2) Investment performance is presented net of investment expenses, including fund manager incentive fees.

3) Total Fund Benchmark is a combination of: 50% MSCI ACWI / 14% HFR FOF / 14% S&P Real Assets Indx / 15% Barc Agg. / 7% Barc High Yield.

4) Short-term target allocation is over 1-4 years, long-term target allocation is over 4-9 years.