



AGENDA

Measure M2 Environmental Oversight Committee

Committee Members

Brian Goodell, Chair
Melanie Schlotterbeck, Vice Chair
Chris Flynn, Caltrans
Katrina Foley, OCTA Board of Directors
Ajay Khetani, Taxpayer Oversight Committee
Veronica Li, US Army Corps of Engineers
Karen Drewe, CA Dept. of Fish & Wildlife
Derek McGregor, DMC Engineering
Joe Navari, CA Wildlife Conservation Board
Bev Perry, Civic Engagement Consultant
Dan Silver Endangered Habitats League
William Miller, US Fish and Wildlife Service

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

Wednesday, February 1, 2023 at 2:30 p.m.

Teleconference Location:

Brea City Sports Park
3333 E. Birch Street
Brea, CA 92821

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 Sept. 14, 2022 Minutes**
- 4. Environmental Mitigation Program Endowment Fund Investment Report**
Dan Phu and Robert Davis, 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. The 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 its performance. The report has been reviewed and is consistent with the pool objectives. Staff will provide a status summary of the endowment. Additional information as well as the latest quarterly investment report for the Endowment Pool is included.



AGENDA

Measure M2 Environmental Oversight Committee

5. Coastal Fire Burn Area Update

Lesley Hill, OCTA

In May 2022, the Coastal Fire impacted approximately 35 acres of the OCTA Pacific Horizon Preserve in Laguna Beach. The burn area is being monitored by OCTA staff and OCTA contractors. Staff will present a brief update on the monitoring and status of the burn area and agency coordination.

6. Southern California Edison Coordination Update

Lesley Hill, OCTA

As discussed previously during EOC meetings, impacts occurred at the Pacific Horizon and Silverado Chaparral Preserve due to Southern California Edison (SCE) contractors performing utility maintenance. OCTA staff continues to work with SCE to resolve these issues. OCTA staff will provide a brief update on the coordination. Additional information is attached.

7. Update on Teleconferencing Options under the Ralph M. Brown Act

Cassie E. Trapesonian, OCTA

The EOC has requested an update on potential virtual meeting options for EOC meetings. Staff will provide an update on the various teleconferencing options permitted under the Ralph M. Brown Act (Government Code Section 54950 et seq.).

8. Restoration Project Update

Lesley Hill, OCTA

The Fairview Park Restoration Project was approved for funding through the Measure M2 Freeway Environmental Mitigation Program in 2011. The City of Costa Mesa (City) has been the lead on this project, which included the creation and restoration of approximately 23 acres of coastal sage scrub, riparian, wetland, and grassland habitat at a cost of \$2,000,000. Additional information, as well as a letter submitted to the City from the Wildlife Agencies on September 8, 2022 is attached. OCTA staff will provide a brief update on this project.

9. Hikes and Equestrian Rides

Marissa Espino, OCTA

The next docent-led hike will take place on February 4th at the Wren's View Preserve and the next equestrian ride will take place on February 25th at the Trabuco Rose Preserve. The master calendar for 2023 is now available at www.preservingourlegacy.org.

9. Public Comments



AGENDA

Measure M2 Environmental Oversight Committee

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 of 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 – May 3, 2023

12. Adjournment



Minutes

Measure M2 Environmental Oversight Committee

Committee Members

Brian Goodell, Chairman

Melanie Schlotterbeck, Vice Chair

Karen Drewe, CA Dept. of Fish & Wildlife

Chris Flynn, Caltrans District 12

Ajay Khetani, Taxpayer Oversight Committee

Derek McGregor, DMc Engineering

William Miller, US Fish & Wildlife

Bev Perry, Civic Engagement Consultant

Dan Silver, Endangered Habitats League

Orange County Transportation Authority

Conference Room 07

550 South Main Street

Orange, CA

Wednesday, September 14, 2022 at

2:00pm

Member(s) Absent

Veronica Li, US Army Corp of Engineers

Joe Navari, CA Wildlife Conservation Board

OCTA Board of Directors-Vacant

DRAFT

1. Welcome

Chair Brian Goodell called the Environmental Oversight Committee (EOC) meeting to order. He welcomed new members William Miller, Karen Drewe, and Joe Navari.

2. Pledge of Allegiance

Chair Brian Goodell lead the Pledge of Allegiance.

3. Approval of February 2, 2022 Minutes

William Miller and Karen Drewe abstained since they are new members. A motion was made by Derek McGregor, seconded by Chris Flynn and passed to approve the February 2, 2022 EOC meeting minutes.

4. Environmental Mitigation Program Endowment Fund Investment Report

Dan Phu provided updates on the Environmental Mitigation Program Endowment Fund Investment Report for periods ending on March 31 and June 30, 2022. He said OCTA has made a total of 6 deposits to date. The balance in March was over \$21 million which was slightly above the \$20.1 million projected target. Due to volatility in the market, the ending balance for June dropped down to \$19.3 million which was slightly below the \$20.1 million projected target. As always, OCTA is closely monitoring the health of the economy.

Committee Member Comments:

Dan Silver asked how they arrived at the \$46.2 million number. Dan said the \$34.5 million comes from the \$2.9 million deposits over a 10–12-year period, and with the interest earnings added on the total is \$46.2 million.

Derek McGregor asked how the current expenses are covered. Dan Phu said the expenses for management come from the existing cash flow from the sales tax revenue.

5. Coastal Fire Update

Lesley Hill gave an update on the Coastal Fire which impacted approximately 35 acres of the OCTA Pacific Horizon Preserve in Laguna Beach. She said their main goal is to keep recreation out of the area, but it is common for bicyclists to break through the fencing and use the trails illegally. Archaeologists searched the area for artifacts uncovered by the fire, but none were discovered. Engineers from OC Parks/OC Public Works are assessing the area and identifying potential risks such as debris flows and landslides. <This presentation available upon request.>

Committee Member Comments:

Melanie Schlotterbeck asked if the burn pattern was consistent with what was forecasted in the Fire Management Plan (FMP). Lesley said she would confirm how much the FMP aligned with the burn pattern.

Derek McGregor asked about erosion issues related to Aliso Creek. Lesley said she is anticipating getting some recommendations from OC Parks in about a month or so.

Ajay Khetani asked if OCTA is waiting for natural regrowth or planting new seeds. Lesley said the natural vegetation had been there for so many years that the native seed bank in the soil should still there. She said if the area is left alone and the upcoming season provides rainfall, the plants should regrow, and the vegetation will establish itself.

6. OCTA Conservation Plan Annual Report

Lesley Hill shared the Conservation Plan Annual Report which goes over freeway projects status, new documented impacts, progress on the restoration projects, maintenance on the preserves, and public outreach efforts. She said in 2021 the two major freeway projects (on-going) were the on the I-405 and I-5. To date, four of OCTA's restoration projects have met the success criteria requirements including the UCI Restoration Project in 2021. Lesley said OCTA conducted focused bird surveys on the Preserves to monitor the effectiveness of their conservation efforts. They found an increase of Cactus Wren activity at four preserves with a substantial increase on the Trabuco Rose property. <This presentation available upon request.>

Committee Member Comments:

There were no committee member comments.

7. Restoration Project Tour Summary

Dan Phu gave an overview of the May 11 restoration project tours attended by State and Federal wildlife agencies. They visited the UCI Ecological Preserve and the Bolsa Chica Conservancy (BCC) project at Harriet Wieders Regional Park. Dan noted that the BCC has not been officially signed off on.

Committee Member Comments:

Brian Goodell asked what needs to be signed off on the BCC project. Dan said the objective is to replace the non-native plant species with natural communities. He said this has been accomplished but they are still in the replanting process which is reliant on the cooperation of the weather.

8. Southern California Edison Coordination Update

Lesley Hill provided a brief update on OCTA and Southern California Edison's (SCE) coordination efforts. She said OCTA and SCE's legal teams have been working together on a draft access agreement and easement language for all the Preserves.

Committee Member Comments:

Melanie Schlotterbeck asked if OCTA would be compensated for the resources and staff hours spent on resolving issues caused by SCE. Lesley said she would bring the topic to legal, and Director Goodell added that they can raise the issue to the Board.

9. Hikes and Equestrian Rides

Marissa Espino said the next hike is September 17 and ride is September 18. She said there are 30 signed up for the hike and 10 signed up for the ride. The following and final hike and rides for the 2022 calendar year will take place on November 5 (hike) and November 19 (ride).

Committee Member Comments:

Dan Silver asked how much public participation we have been receiving. Marissa said the hikes have had a good turnout recently and the rides have remained consistent because most participants are locals.

10. Public Comments

There were no public comments.

11. Committee Member Reports

Dan Silver said we should allow hybrid meetings when receiving reports and the committee should have the option for some meetings. Marissa said this is something we will agendaize so we can have a more robust discussion, and she will share this with management. Bev Perry agreed with both Dan and Marissa. Ajay added that anyone who lives local should still be required to attend in person.

12. Next Meeting – February 1, 2023

13. Adjournment



February 1, 2023

To: Environmental Oversight Committee

From: Orange County Transportation Authority Staff

Subject: February Environmental Oversight Committee Information Items
(Items 4 – 7)

Item 4 - Environmental Mitigation Program Endowment Fund Investment Report

The Orange County Transportation Authority (OCTA) 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. Permits were issued by the United States Fish and Wildlife Service and the California Department of Fish and Wildlife (Wildlife Agencies) in mid-2017. As a result, the M2 environmental process has been streamlined, allowing OCTA to expedite the M2 freeway projects. The Conservation Plan requires the establishment of a \$34.5 million endowment to fund the long-term management of the Preserves.

The 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. To date, OCTA has made seven endowment deposits. Quarterly investment reports are provided to the Board. The most recent report was provided in December 2022. As of September 30, 2022, the balance was \$21,276,963.74. Current projections indicate that OCTA remains on track to meet the endowment target of \$46.2 million in FY 2027-28. Staff will continue to assess market conditions and provide regular endowment updates to the Board, Finance and Administration Committee, and the EOC. The latest quarterly investment report for the Endowment Pool is included as Attachment B. The report has been reviewed and is consistent with the pool objectives. Staff will provide a summary of the report.

Item 5 – Coastal Fire Burn Area Update

In May 2022, the Coastal Fire impacted approximately 35 acres of the OCTA Pacific Horizon Preserve in Laguna Beach. Two update memos (May 13th and June 22nd) pertaining to the fire impacts were provided to the EOC. The most recent memo, is included as Attachment C. The burn area is regularly monitored. To date, the impacted area is showing signs of regrowth of native vegetation. It is expected that as the wet season progresses, native seedlings will continue to germinate and establish. Non-native regrowth is of great concern and is being monitored and will be immediately treated when documented. Continued trespassing and unauthorized biking on the site, creates a higher risk for non-native species establishment, particularly in the dozer line areas that incurred disturbance by equipment in addition to the fire impacts. Recommendations for the 2023 year include continued monitoring of the burn area with additional focus on dozer lines in the upcoming growing season and continued protection of the site from unauthorized entry. OCTA has been collaborating with OC Parks and OC Public Works in regard to slope stability. The focus for these agencies is currently on the more severely burned eastern side of Aliso Creek (outside of the OCTA Preserve). The slopes on the western side (and within the OCTA Preserve) have been holding up and experiencing some minor erosion. Staff will provide an update on this item during the EOC meeting.

Item 6 - Southern California Edison Coordination Update

As discussed during previous EOC meetings, impacts occurred at the Pacific Horizon and Silverado Chaparral Preserve due to Southern California Edison (SCE) contractors performing utility maintenance. OCTA and SCE staff and legal counsels have been discussing potential easements and agreements to define utility access to all OCTA Preserves and lay out the expected procedures and information needs related to any future SCE activities.

Professional surveys for all utility poles and facilities within the Preserve boundaries are currently being conducted. OCTA's previously conducted surveys were focused on establishing boundary lines for property documentation and did not include utilities. SCE had previously communicated that no easements for utilities existed on the Preserves. OCTA has since verified that easements do not exist for the SCE poles at the Pacific Horizon or the Silverado Chaparral Preserves. Currently, 26 wooden poles occur on or directly adjacent to the OCTA Pacific Horizon Preserve boundary (Attachment D). Based on the recent surveys, seven of those poles exist within the OCTA Preserve. Nineteen poles are situated on County of Orange lands managed by OC Parks. One pole is located within property owned by the city of Laguna

Beach. Due to topography constraints, SCE has communicated the need to access the County poles through the Preserve, which is being discussed as part of the potential agreements. This is a similar scenario for the Silverado Chaparral Preserve (Attachment E). This level of information is necessary as SCE and OCTA work toward recording easements for the poles and affiliated work areas for the Preserves. An update on this coordination will be shared with the Regional Planning and Highways committee (Feb. 6th) and OCTA Board of Directors (Feb. 13th).

OCTA is also developing standard coordination procedures for entities that include an access/work request for the Preserves. The procedures will evaluate when a fee may apply to an entity for Preserve access. This fee would be based on the type of agency and services the work would support, protection or enhancement of OCTA's investment in the Preserves, the reduction or lack of impacts to ongoing property management resources, and any costs that OCTA may have to incur to support the access. Staff will provide an update on this coordination during the EOC meeting. In addition, this item was included in the EMP update that was presented to the Regional Planning and Highways (RPH) committee meeting on December 5, 2022. The RPH committee requested that staff return with a progress report on efforts related to the SCE impacts to the OCTA Preserves. OCTA will be providing this update at the February 6, 2023, RPH meeting.

Item 8 – Restoration Project Update

In February 2011, OCTA awarded the City of Costa Mesa (City) \$2 million for a 23-acre habitat restoration project within the City's Fairview Regional Park. Much of the proposed project has been implemented. Once the project is completed and approved by the Wildlife Agencies, OCTA will be able to use the restored habitat for mitigation as part of the OCTA M2 Conservation Plan.

Various project concerns have been discussed between the City, OCTA and the Wildlife Agencies in recent years. To date, some remain unresolved. Most notably, the project was found to be deficient of approximately 10 acres of the committed habitat types. In addition, the City has yet to record a conservation easement or other approved conservation mechanism over the project area. In September 2022, the Wildlife Agencies sent a letter (Attachment F) to the City pertaining to project concerns and requested collaboration between OCTA and the Wildlife Agencies to help resolve the issues.

OCTA recognizes that the City has had staff turnover challenges and that newer City staff is working on understanding the project history and developing solutions. The City has recently informed management on project progress for this project and are developing potential solutions to address the project concerns. If these project concerns are left unresolved, OCTA could be found

to be out of compliance with the Conservation Plan provisions. Moreover, the City of Costa Mesa currently has unresolved contractual obligations regarding the above-mentioned acreage deficiency. OCTA staff invited the City of Costa Mesa to attend the February 1 EOC meeting to provide an update on the project. The City indicated that it would not be present for the February 1st meeting, but intends on attending a future meeting. In addition, The City sent a letter (Attachment G) to OCTA in January 2023 communicating that the City will continue to work with OCTA and the Wildlife Agencies to come to a resolution on the concerns. Subsequently, an update will be provided to the Board as part of the bi-annual EMP update.

Attachments:

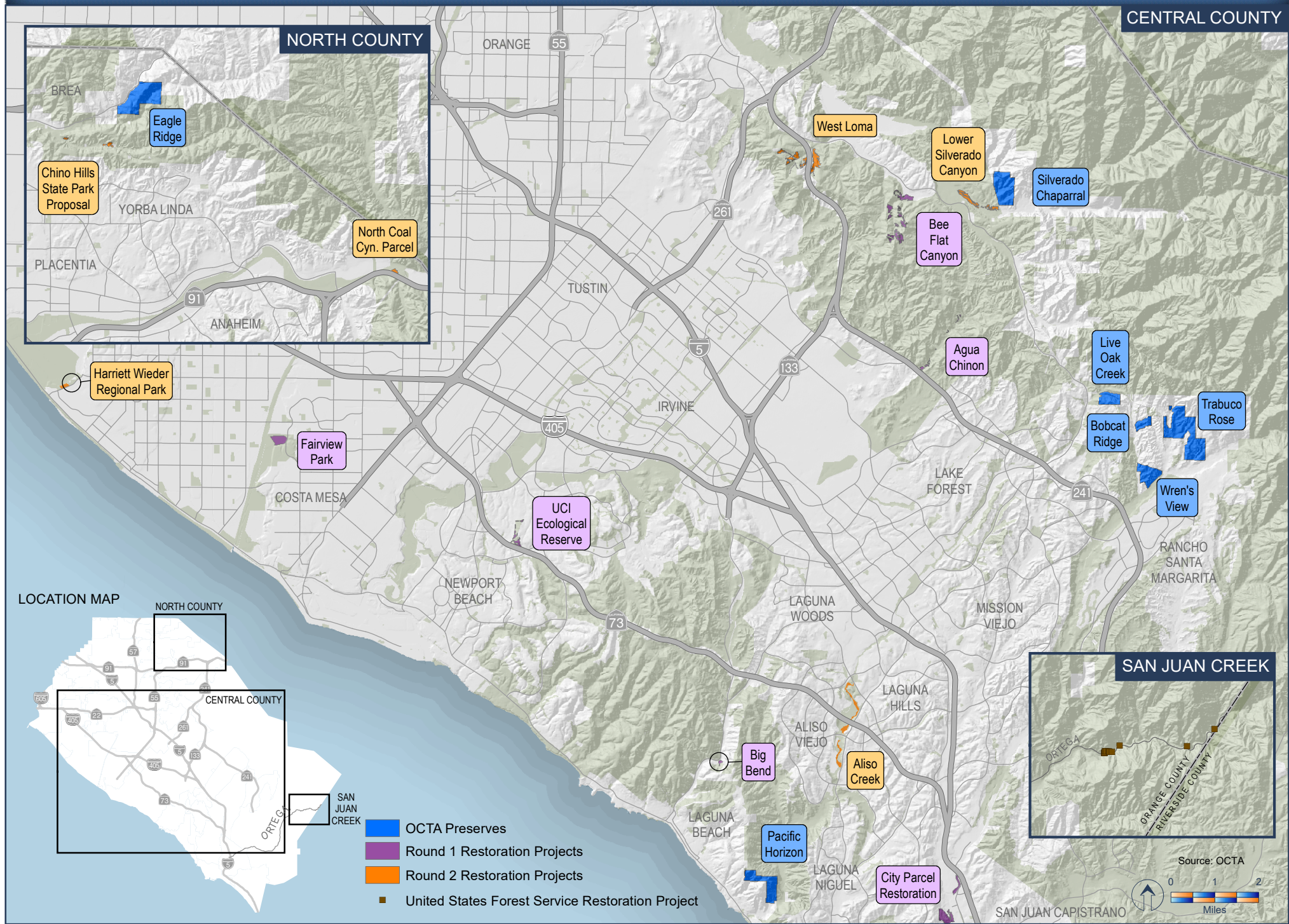
- A. OCTA Preserves and Restoration Projects
- B. OCTA Endowment Pool Sept. 30, 2022 Quarterly Investment Report
- C. June 22, 2022 Board Memo Environmental Mitigation Program Coastal Fire Impacts Status Update
- D. Pacific Horizon Preserve/Southern California Edison Poles and Impacts Figure
- E. Silverado Chaparral Preserve/Southern California Edison Poles and Impacts Figure
- F. September 8, 2022 OCTA M2 funded Fairview Park Restoration Project Wildlife Agency letter to City of Costa Mesa
- G. January 19, 2023 City of Costa Mesa Fairview Park Restoration Project letter to OCTA

OCTA Preserves and Funded Restoration Projects

ATTACHMENT A



CENTRAL COUNTY





Endowment Pool

September 30, 2022

INVESTMENTS

Total Pool Assets

\$1.09 billion (Endowment Pool), \$2.25 billion (total foundation assets) as of September 30, 2022.

Pool Objective

Prudent investment of funds to provide real growth of the assets over time while protecting the value of the assets from undue volatility or risk of loss. Managed on a total return basis (i.e., yield plus capital appreciation) while taking into account the level of liquidity required to meet withdrawals from the pool - mainly expenses and grants to external organizations. While the Investment Committee recognizes the importance of the preservation of capital, they also adhere to the principle that varying degrees of risk are generally rewarded with commensurate returns over full market cycles (5-10 years).

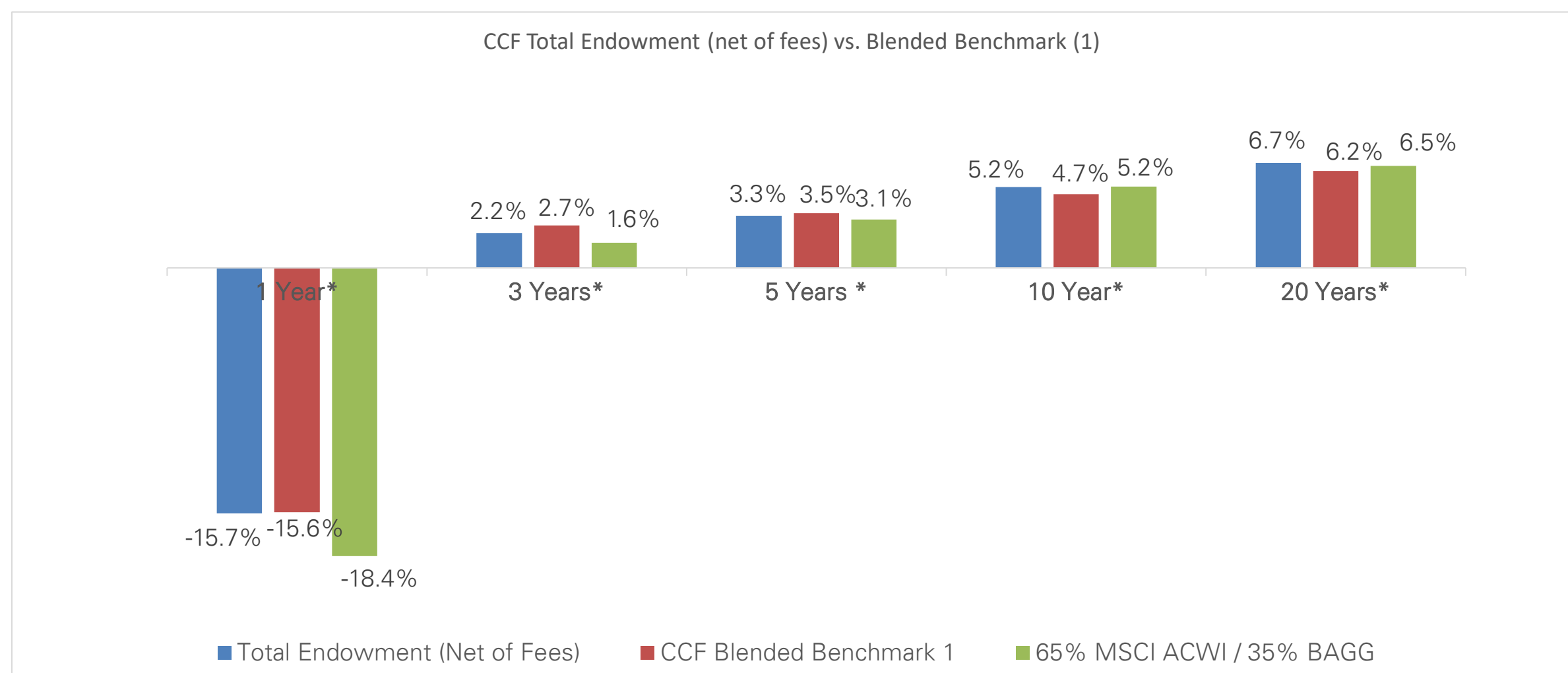
Outsource CIO

Hall Capital Partners

Performance & Asset Allocation

Preliminary performance for September 2022 was -5.3% (2,5)

Preliminary performance for the three months ended September 30, 2022 was -4.0%



Asset Class	Balance (\$m)	% of Port	Long-Term Target Range (4)
Cash & Equivalent (3)	\$4	0.4%	0 - 5%
Fixed Income	\$147	13.4%	10 -20%
Public Equities	\$503	46.1%	40 - 60%
Alternative Assets	\$144	13.2%	10 - 25%
Private Investments	\$129	11.8%	10 - 20%
Real Assets	\$165	15.1%	5 - 10%
Total Endowment Assets	\$1,092	100%	

* Represents Annualized Returns.

Footnotes:

1 – Total benchmark intended to roughly match CCF portfolio asset allocation with relevant constituent benchmarks. Current blended benchmark effective since 7/1/2.

Current blend: ML Treasury 1-3 (2%), Barclays Agg. Bond Index (18%), MSCI ACWI (50%), Hedge Fund Blend (7.5% BofA ML High Yield, 3.75% ML 3-Month T- bills, 3.75% MSCI ACWI), Cambridge PE Index (3.5%), Cambridge VC Index (1.5%), Cambridge RE Index (7%), S&P Infrastructure Index (3%).

65% MSCI ACWI / 35% Barclays Aggregate Bond Index Blend.

CPI +5%.

CCF benchmark blends prior to 7/1/21: Total Fund Benchmark is a combination of: 48% MSCI ACWI - 2% Cambridge PE Index 1-Qtr Lag / 14% HFR FOF / 5% ODCE - 5% S&P Global Large Mid NR - 4% S&P Global Infrastructure / 9% Barc Agg. - 3% Barc 1-5 Yr. Gov/Cr - 3% Barc 0-5 Yr. US Treasury TIPs / 2% Barc High Yield - 2% S&P/LSTA Leveraged Loan - 3% JP Morgan EMBI Global Diversified.

2 – Performance is preliminary and at times estimated pending final reporting from all investments. Managers often report on substantial lags, particularly private illiquid investments. In the instances where we do not have actual or estimated performance for a manager, we default to a 0% performance. Investment performance is presented net of investment expenses, including fund manager incentive fees

3 – Includes cash in transit to or from investments. For example, 2/28 cash could include money that is being sent to an investment on 3/1

4 – Current portfolio allocations may be outside of strategic ranges as it can take substantial time to adjust investments to meet range goals. This is particularly true for private illiquid investments that call capital into strategies over time and typically necessitate multi-year periods to gain exposure for appropriate vintage diversification

5 – Investment expense ratio approximates weighted-average 1.21% excluding fund manager incentive fees

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)

7/1/2022 - 9/30/2022

Fund Summary

	Report Period 7/1/2022 - 9/30/2022	Calendar YTD 1/1/2022 - 9/30/2022
Opening Fund Balance	\$19,332,924.13	\$22,634,538.09
Contributions (see attached detail)	2,877,000.00	2,877,000.00
Investment Activity, net	(932,960.39)	(4,176,300.46)
Administration & Grant Management Fees	0.00	(58,273.89)
Net Changes to Fund	1,944,039.61	(1,357,574.35)
Ending Balance	\$21,276,963.74	\$21,276,963.74

Investment Pool Performance as of 9/30/2022

	This Qtr.	1-Year	3-Years	5-Years	10-Years
Endowment Pool	-5.3%	-15.7%	2.2%	3.3%	5.2%
Social Impact Endowment Pool	-7.0%	-16.3%	4.2%	5.4%	6.5%
Conservative Balanced Pool	-4.0%	-10.5%	1.6%	3.0%	n/a
Short Duration Bond Pool	-1.8%	-7.2%	-0.9%	0.5%	n/a
Capital Preservation Pool	0.2%	0.5%	0.6%	1.2%	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% public equity, 15% hedge funds, 20% fixed income, 10% real assets and 5% private equity & venture capital. Investment management fees are approximately 95 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 65% equity (Vanguard FTSE Social Index Fund) and 35% fixed income (30% CCM CRA Qualified Fund & 5% Vanguard Short-Term Bond Index Fund). Investment management fees are 22 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 5 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 12 basis points.



MEMORANDUM

June 22, 2022

To: Members of the Board of Directors

From: Darrell E. Johnson, Chief Executive Officer

Subject: **Environmental Mitigation Program Coastal Fire Impacts Status Update**

This memorandum is a follow up to an earlier memorandum on this topic. The Coastal Fire in the cities of Laguna Beach and Laguna Niguel (in the Aliso Canyon) burned approximately 200 acres between May 11-17, 2022. The fire destroyed 20 homes and damaged 11. The Coastal Fire impacts on the Orange County Transportation Authority (OCTA) owned Pacific Horizon Preserve (Preserve) have been mapped and are attached. A summary of the impacts, post fire response, and next steps are provided below.

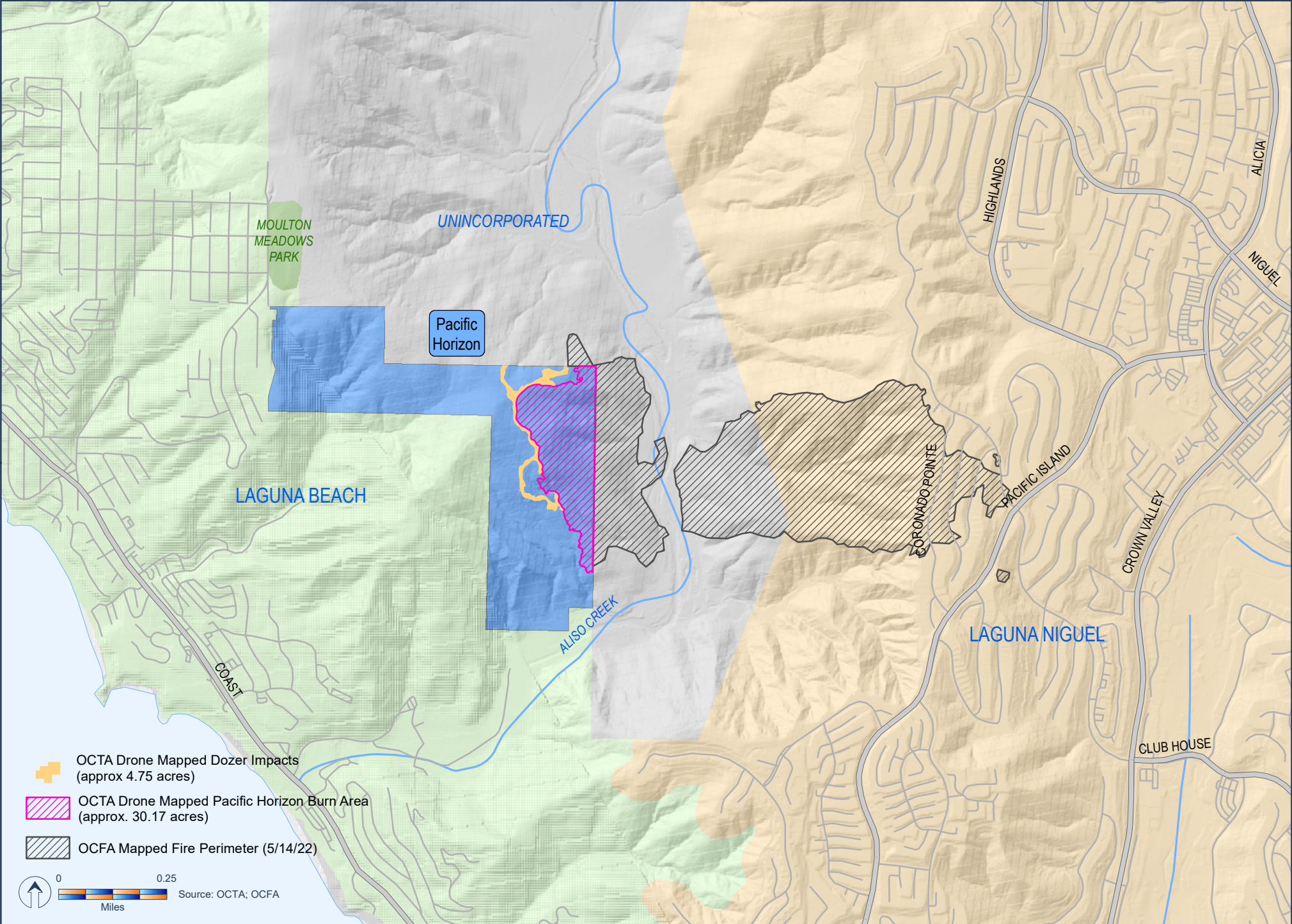
The fire and associated suppression activities impacted approximately 35 acres of the 151-acre OCTA Pacific Horizon Preserve. This Preserve is one of seven owned by OCTA and was acquired in 2015 as part of the Measure M2 Environmental Mitigation Program. Habitat impacted includes chaparral scrub, southern mixed chaparral, mixed sage as well as some rare plants. As part of the fire response, containment lines (bulldozer and hand crew) were placed across the Preserve, which accounts for a small portion of the impacts. However, the Orange County Fire Authority (OCFA) repaired the containment lines by placing unburned cut vegetation and debris over the lines. The cause of the fire is currently under investigation.

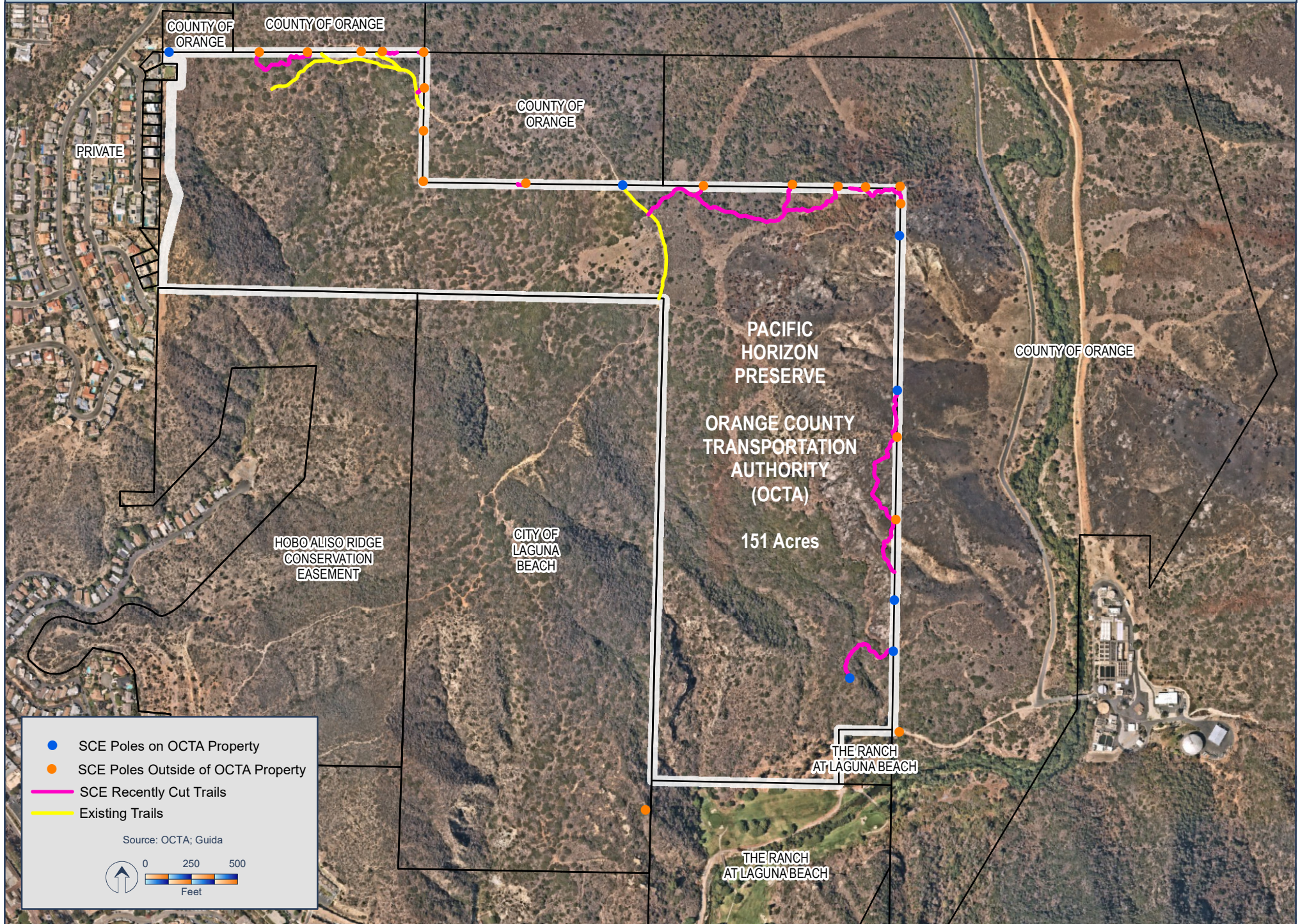
OCTA is not required to restore the burned vegetation on the Preserve but will be responsible for monitoring and controlling any invasive weeds that may grow in the area. Fencing and signage has been placed on the OCTA Preserve to keep the public from entering the burn area. Staff will continue to coordinate with Orange County Parks (OC Parks), as well as the United States Fish and Wildlife Service and California Department of Fish and Wildlife (Wildlife Agencies), on potential restoration and erosion control tasks for the Preserve. While not required, this may prove to be more cost effective in the overall management of the Preserve depending on habitat recovery.

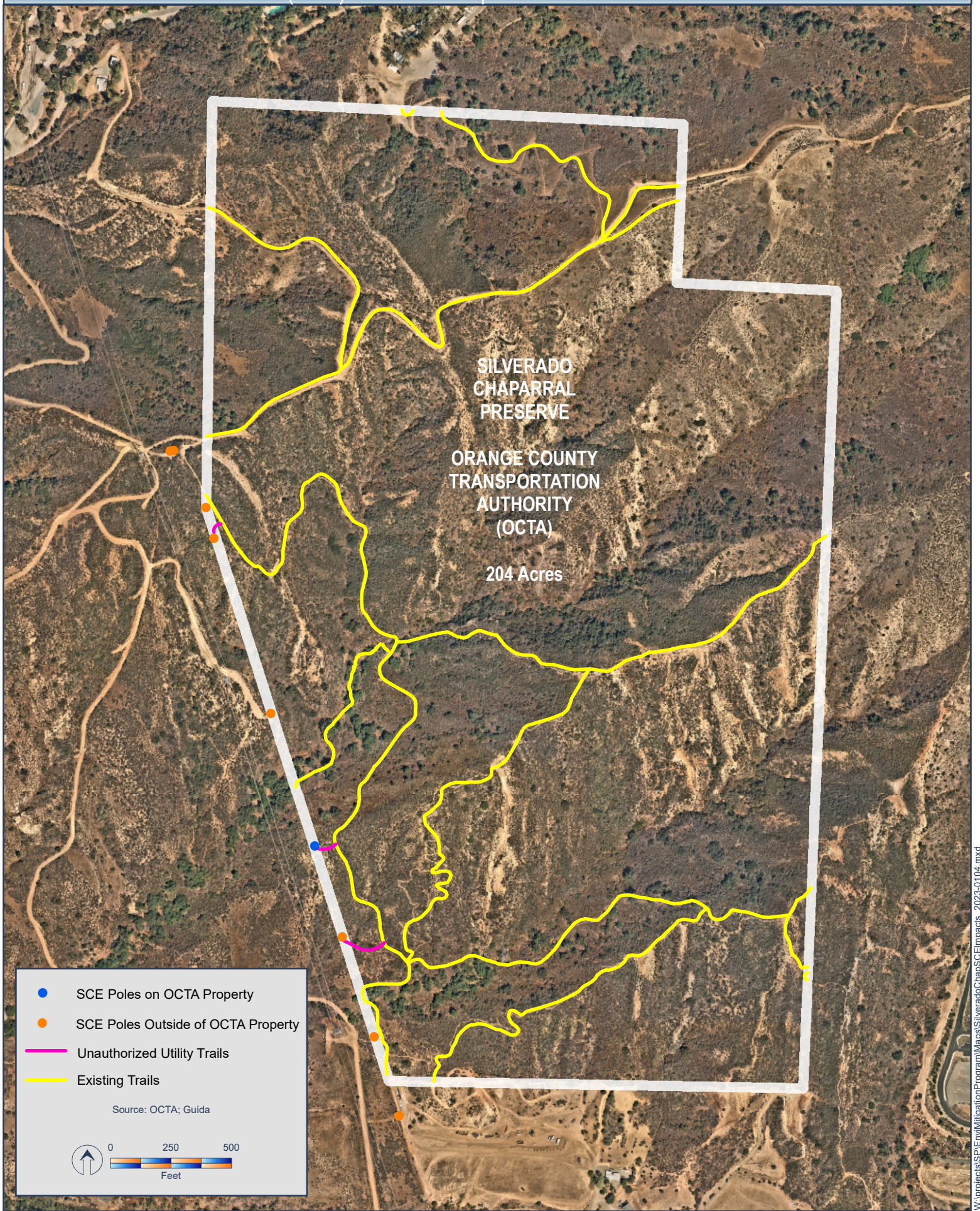
Staff will continue to monitor the property and update the Environmental Oversight Committee and Board if additional tasks are warranted. Please contact Kia Mortazavi, Executive Director, Planning, at (714) 560-5741 for additional information.

DEJ:lh
Attachment

c: Environmental Oversight Committee









U.S. FISH AND WILDLIFE SERVICE
Carlsbad Fish and Wildlife Office
2177 Salk Avenue, Suite 250
Carlsbad, California 92008



CALIFORNIA DEPARTMENT OF
FISH AND WILDLIFE
South Coast Region
3883 Ruffin Road
San Diego, California 92123

In Reply Refer to:
FWS/CDFW-OR-2022-0081673

September 08, 2022
Sent Electronically

Ms. Lori Ann Farrell Harrison
City Manager
City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626
citymanager@costamesaca.gov

Subject: Orange County Transportation Authority Measure M2 funded Fairview Park
Restoration Project, City of Costa Mesa, California

Dear Lori Ann Farrell Harrison:

In 2010, the City of Costa Mesa (City) nominated the subject 23-acre Fairview Park Restoration Project (Project) for funding consideration to the Orange County Transportation Authority (OCTA). The U.S. Fish and Wildlife Service (Service) and California Department of Fish and Wildlife (Department), hereafter collectively referred to as the Wildlife Agencies, supported the recommendation for OCTA to fund the Project within the City's Fairview Park. This project was planned to be integrated into the OCTA Measure 2 (M2) Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP) as it has high potential to support similar vegetation communities to mitigate for identified M2 freeway construction activities; restores sensitive species listed under the California Natural Diversity Database; and should result in ecological benefits to the NCCP/HCP Covered Species. Once the project is completed and approved by the Wildlife Agencies, OCTA will be able to use the restored habitat for mitigation as part of the OCTA M2 NCCP/HCP.

The mission of the Service is the protection of public fish and wildlife resources and their habitat. The Service has legal responsibility for the welfare of migratory birds, anadromous fish, and endangered animals and plants occurring in the United States. The Service is also responsible for administering the Endangered Species Act of 1973, as amended (16 U.S.C. 1531 *et seq.*). The Department is a Trustee Agency and a Responsible Agency pursuant to the California Environmental Quality Act, Sections 15386 and 15381, respectively. The Department is responsible for the conservation, protection, and management of the State's biological resources, including rare, threatened, and endangered plant and animal species, pursuant to the California Endangered Species Act, and it also administers the Natural Community Conservation Program. Accordingly, the Wildlife Agencies have worked closely with OCTA over the last 15 years in the development of the OCTA M2 NCCP/HCP to protect state and federally listed plant and animal species.

The Wildlife Agencies would like to express our concerns with implementation of the Project, as issues have developed over the years that remain unresolved. The *City of Costa Mesa Fairview Park Wetlands and Riparian Habitat Project Restoration Plan* (Plan) was developed by the City, approved by the Wildlife Agencies, and the Project acreage incorporated by OCTA as part of the M2 NCCP/HCP conservation strategy. In addition to performing the habitat restoration identified in the Plan, the City agreed to ensure the long-term conservation of the natural resources at Fairview Park through verification of a conservation easement or other approved conservation mechanism.

Below are the outstanding concerns pertaining to the Project that we have communicated to the City during meetings and phone calls over the past several years:

- failure to restore the agreed upon habitat restoration acreage and implement a solution to resolve this shortcoming;
- lack of documentation to demonstrate that adjacent mitigation for other projects does not overlap with the Project;
- lack of progress on developing and recording a conservation easement or other approved conservation mechanism over the entire project area; and
- lack of Lake and Streambed Alteration Notification for one-time work and ongoing maintenance of the Fairview Park ponds subject to Fish and Game Code section 1600 *et seq.*

The Wildlife Agencies recognize the City has had staff turnover, and we understand the City recently undertook a comprehensive study of the wetlands to help inform a new management plan. Nevertheless, the lack of attention and responsiveness to resolve these issues remains of concern and could lead to non-compliance of OCTA with its M2 NCCP/HCP provisions. It could also result in a Notice of Violation of California Fish and Game Code section 1602.

Therefore, we strongly urge the City to work with OCTA and our staff to resolve these issues. We appreciate the City's attention to this matter and dedication to fulfilling the objectives of the Fairview Park restoration plan. Should you have questions or wish to discuss any of the above, please contact [Emily Gray](#) of the Department or [William Miller](#) of the Service.

Sincerely,

**JONATHAN
SNYDER**
Jonathan D. Snyder
Assistant Field Supervisor
U.S. Fish and Wildlife Service

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JONATHAN SNYDER
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David Mayer
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David A. Mayer
Environmental Program Manager
California Department of Fish and Wildlife

cc:

Jason Minter, City of Costa Mesa
Kelly Dalton, City of Costa Mesa
Dan Phu, OCTA
Lesley Hill, OCTA



CITY OF COSTA MESA

P.O. BOX 1200, COSTA MESA, CALIFORNIA 92628-1200

FROM THE OFFICE OF THE CITY MANAGER

January 19, 2023

Lesley Hill
Environmental Mitigation Program Project Manager
Orange County Transportation Authority
550 S. Main Street
Orange, CA 92868

SUBJECT: FAIRVIEW PARK WETLAND AND RIPARIAN HABITAT PROJECT

Dear Ms. Hill,

Over the preceding months, City staff have been coordinating with your office and the wildlife agencies to prepare and submit project status documents and monitor the ongoing performance of the restoration project. We appreciate your ongoing guidance and collaboration with City staff in our ongoing effort to fulfill commitments of the agreement, and in particular in ensuring conformance with the restoration objectives defined in the restoration plan. As staff from the City and OCTA have recently recognized in investigating the status of project implementation relative to the original agreement, there are discrepancies between the areal extent of land available for habitat restoration within the restoration plan, and the acreage commitments defined in the restoration strategy section of the agreement.

OCTA staff has recently requested that the City submit a written letter confirming its intent to fulfill the restoration requirements stated within the project agreement. Although the specific actions necessary to fulfill the habitat restoration obligations will require subsequent City Council review and approval, City staff fully intend to continue working with OCTA and the wildlife agencies to come to a resolution that fulfills our shared objectives in this matter, including those in the approved restoration plan.

Thank you again for your continued support and collaboration in this important project.

Sincerely,

Lori Ann Farrell Harrison
City Manager

Cc: Jason Minter, Parks and Community Services Director
Raja Sethuraman, Public Works Director
Kelly Dalton, Fairview Park Administrator