



Minutes

Measure M2 Environmental Cleanup Allocation Committee

Committee Members Present:

*Gary Brown, Chair.
Keith Linker, Vice Chair.
Marc Brown, Santa Ana RWQCB
William Hunt, Orange County Water District
Hector B. Salas, Caltrans
Grant Sharp, County of Orange
Mark Tettemer, Irvine Ranch Water District
Alex Waite, City of Tustin
Marwan Youssef, City of Westminster*

*Orange County Transportation Authority
550 South Main Street, Conf. Room 09
Orange, California
January 10, 2019 at 10:30 a.m.*

Committee Member(s) Absent:

*Jill Ingram, City of Seal Beach
Jeff Kuo, Cal State Fullerton
Jeff Thompson, Rancho Mission Viejo
Laurie Walsh, San Diego RWQCB
Dennis Wilberg, City of Mission Viejo*

1. Welcome

Chair Garry Brown welcomed everyone to the quarterly Measure M Environmental Cleanup Allocation Committee (ECAC) meeting. He asked for everyone to introduce themselves.

2. Approval of July 12, 2018 Minutes

Chair Garry Brown asked if there are any additions or corrections to the July 12, 2018 meeting minutes. A motion was made by Keith Linker, seconded by Alex Waite, and carried unanimously to approve the July 12, 2018 ECAC minutes.

3. Potential External Water Quality Funding Opportunities

Dan Phu introduced Jenna Voss from the County of Orange. Jenna provided an overview of Potential External Water Quality Funding Opportunities. She said Proposition 84 passed a few years ago, but there were still funds available. Those funds, \$105M, were moved to Proposition 1. Some of the Proposition 1 funds were moved to Proposition 68. Jenna said Proposition 72 is not a source of funding, but does not penalize anyone for the capture of rain water. She pointed out the state

revolving fund loans can be used as matches. Jenna also said there are Water Infrastructure Finance and Innovation Act (WIFIA) loans for large projects. She went through some options on the federal side as well.

Jenna Voss provided a high level breakdown of Proposition 1, approved in 2014. She said the grant programs are not updated very often. The watershed restoration grant through Proposition 68 will make funding available on an annual basis. The storm water grant has been delayed to mid-2019 and will overlap with Integrated Regional Water Management. The next call for projects will be in June 2019 and then funded in 2020.

Jenna Voss spoke about water supply monies available. She said ground water still has money available and the other ones are more about water supply. Proposition 68 has \$4.1B available. There are three large categories of funding: natural resource conservation and resiliency, parks and recreation, and water. She said there are some urban greening programs also. Proposition 68 has been divided into a lot of specific categories.

The committee discussed how different departments/agencies are in charge of different funds pots under Proposition 68.

Chair Garry Brown said this presentation was very helpful to see the different funding pots available. He said it will be interesting to see how Proposition 68 works out since it was written very precisely which is different from past propositions.

4. Environmental Cleanup Program Expenditures and M2 Revenue Forecast

Dan Phu provided background on the Environmental Cleanup Program Expenditures and M2 Revenue Forecast. He provided a synopsis of Tier 1 and Tier 2 Funding Programs. Dan said under Tier 1 there have been eight rounds of funding totaling 170 projects for \$22.5M. He said of that \$22.5M, \$14M has been paid out. All cities and the County of Orange have received funding for Tier 1 projects. Seven projects have been canceled. Dan said under Tier 2 there have been two rounds of funding totaling 25 projects for \$28M. He said of that \$28M, \$17M has been paid out. Dan said many of these projects were delayed which helped Measure M2 not have to dip into bonded money. Two projects were canceled.

Victor Velasquez provided an update on the Measure M2 Revenue Forecast. He said the latest update on total sales tax collection is \$13.1B over the lifetime of Measure M2. He said the longer the committee waits to do a call for projects in Tier 2, the larger the pot of money is available. This program has been allocated two percent of the total Measure M2 gross revenues. Victor said there has been a loss of \$27M from the last forecast. He said it is forecasted OCTA will have funds for an annual call of Tier 1 projects at \$2.8M and for Tier 2 there will be \$8M available for FY 2021/22 and in 2025.

The committee discussed that if Tier 1 requests trail off in the later years of Measure M2, that money could be used for Tier 2 projects. Dan Phu said the next couple years we expect agencies to apply for Tier 1 funding due to a recent change in legislation.

Chair Garry Brown said the delineation of funds was set by ECAC, so it would just take the ECAC's approval.

The committee discussed the good news related to the money available through Measure M2 funding. Victor Velasquez cautioned the committee, saying the economists are predicting a recession in the near future.

The committee asked about the forecast for Tier 2 applications. Alison Army said staff will be contacting all agencies in the first part of 2019 to find out if they have Tier 2 projects coming up. Dan Phu said the ECAC raised the funding limit in Tier 1 to accommodate the quasi-Tier 1/Tier 2 projects. The committee agreed this change helped to make things more efficient.

The committee asked about polling the agencies on Tier 1 projects. Dan Phu said the County of Orange hired a consultant to do an assessment looking at screens, etc. and OCTA is working with the County. Grant Sharp said one of the new directions the County is taking is to invest in developing a trash module as a component of the water quality asset management effort. Every city that has a trash module will be inventoried into this platform and therefore be able to be modeled. Grant said knowing where the trash collection devices are will make it so they are able to model them and it will inform us of where and what the need is for Tier 1 projects. Charlie Larwood said once this information is collected areas may need refinements to devices and/or there may be an updated technology in the future. Alison Army said while OCTA is surveying for Tier 2 projects we can ask about Tier 1 projects as well.

The committee discussed some future needs for Tier 2 funding in south Orange County.

The committee suggested while surveying the cities, OCTA could ask what other expenditures they would like added to OCTA's program that are currently ineligible.

5. Tier 1 Guidelines Revisions and Call for Projects

Alison Army reviewed Tier 1 Guidelines Revisions and Call for Projects. She said last year the ECAC spent time revising the guidelines and there are very few changes to this year's guidelines. She said with the ECAC's endorsement staff will take this item to the Regional Planning and Highways Committee and then the OCTA Board on March 11. Alison said OCTA will hold another workshop during the application process. She said the call for projects will be released March 11 and go through May 9.

The committee reviewed the changes located in the packet. The committee suggested adding to the ineligible expenditures list language that would prohibit funding for ARS if a CPS is already installed at the same location.. The committee suggested discussing this addition at a later time for possible inclusion into the guidelines for the next call for projects. It was also suggested using just a checklist, instead of making applicants write everything out since there is a lot of repetition from year to year. Alison Army said her fear would be that we will have a lot of applications

with the same score. Chair Garry Brown said everyone looking to install the same device would get the same score either way.

A motion was made by Mark Tetterer, seconded by Keith Linker, and carried unanimously to endorse the approval of the revised Environmental Cleanup Program Tier 1 Comprehensive Transportation Funding Programs Guidelines and endorse the recommendation to issue the fiscal year 2019-20 call for projects for the Tier 1 Grant Program.

6. Tier 2 Funded Projects Update

Alison Army introduced John Kappeler from the City of Newport Beach who presented the Big Canyon Restoration Wetlands Project funded in part with a Tier 2 grant. The City of Newport Beach received national recognition for the project. There are three main components to the project: 1) a large two-system wetlands, 2) Big Canyon Creek which drains the watershed, and 3) the area where runoff is diverted. The diversion clears the water pollutants and then puts the water back into the system. The pollutants diverted are sent to the Orange County Sanitation District. He said the project lost a little less than one-third of the creek flow. John showed a quick video showing the project area and presented before/after photos, funding numbers and the various equipment used on the project. He also discussed the many benefits of the project.

The committee talked about the project parameters, funding and the next steps. They also talked about getting the coastal permit and the remarkable work the City of Newport did on this very successful project.

7. Public Comments

There were no public comments.

8. Committee Member Reports

There were no committee member comments.

9. Next Meeting – TBD

The meeting was adjourned at 11:51 a.m. The next meeting will likely be in July unless there is a need before.