

Environmental Cleanup Allocation Committee

**November 13, 2008
Meeting Minutes**

Committee Members Present:

Chairperson, Garry Brown, Orange County Coast Keeper
Vice-Chair Mary Anne Skorpanich, County of Orange-Watershed and Coastal Resources Program
Karen I. Baroldi, Orange County Sanitation District
Joe Parco, City of Santa Ana
James Smith, San Diego Water Quality Control Board
Sat Tamaribuchi, The Irvine Company
Dick Wilson, City of Anaheim

Committee Members Absent:

Mark Adelson, Santa Ana Regional Water Quality Control Board
John Bahorski, City of Cypress
Tim Casey, City of Laguna Niguel
William Cooper, UCI
Paul D. Jones, Irvine Ranch Water District
Hector B. Salas, Caltrans

Orange County Transportation Authority Staff Present:

Kirk Avila
Marissa Espino
Janice Kadlec
Hal McCutchan
Monte Ward
Charlie Larwood

Members of the Public

Jessica O'Hare, Townsend Public Affairs, Inc.

1. Welcome

Chairperson Garry Brown welcomed committee members and started the meeting at 10:10 a.m. Marissa Espino informed the Committee that Karen Baroldi would be joining the meeting via conference call.

2 Approval of the August and October 2008 Meeting Minutes

Chairperson Garry Brown asked if there were any corrections or changes to the August and October 2008 Meeting Minutes. The minutes were adopted as presented.

3. Presentation Item

Vice-Chair Mary Anne Skorpanich distributed and discussed a list of proposed water quality projects for North, Central, and South Orange County Watershed Management Areas. A description of the various capital projects was provided, however; not all projects on the list would be eligible for Measure M funds as some were non-transportation related.

4. Discussion on IRWMs Related Projects

The Committee reviewed the list of projects and asked questions.

Chairperson Gary Brown asked if the individual cities would prioritize their list and recommend projects. Mary Anne said the ECAC would recommend projects to be considered. They would come up with a criteria and see which projects would best fit. Monte Ward suggested going through the programs and coming up with a program of guidelines that the local jurisdictions could use.

Monte Ward announced OCTA had selected Willdan as the consultant to develop the ECAC's funding guidelines..

5. Transportation Pollution Nexus Definition

The Committee discussed the draft transportation pollution nexus definition for the Environmental Clean-Up Allocation Program, which was submitted by the ECAC Sub-Committee. Hal McCutchan collected the Committee's suggestions and said he will make the revisions and circulate the second draft to the ECAC prior to the December meeting.

6. M2 Sales Tax Revenue Status Report

Kirk Avila, OCTA Treasurer, provided a report on the Measure M2 Sales Tax Revenue Status, which included revised projections and assumptions. Kirk distributed a copy of the Status Report to the Committee members. Kirk reported that due to a slowing economy, the total revenue projections for the M2 Program are now estimated at \$18.7 billion; 23% lower than the \$24.3 billion assumed in 2005. The total revenues for the Environmental Cleanup Program is estimated at \$373.6 million as of November 2008.

Sat Tamaribuchi asked if the revenue stream would ever catch up to the previous predictions? Kirk said it was unlikely. If the economy does turn around quickly, the value of the program can be changed to reflect the new numbers, but currently the economists are predicting a slow recovery.

James Smith commented that the experts did not do a very good job of predicting the current situation as such how much credibility should be put on future predictions. Kirk said in the past OCTA has relied only on the Chapman Economic Forecast, but since M2 was passed the forecast was expanded to a cumulative average based on three universities: Cal State Fullerton, Chapman University and UCLA.

Chairperson Gary Brown asked based on 2008 – 2011 forecast, would the figures continue to drop? Kirk said yes, the universities are predicting a very slow growth between now and 2011. Monte Ward said there is no sense where the bottom will be. Chairperson Brown asked what the forecast means to the Environmental Cleanup Allocation Program, is the 4.5 decline optimistic or should the Committee plan to see further losses? Monte said the strategic plan for the first year should be pay-as-you-go and if a economic recovery occurs, then re-examine how funds should be distributed.

Hal McCutchan said the Early Action Plan mentioned the Commercial Paper Program, has it been affected by the economy? Kirk said the Commercial Paper Program was established early and approximately \$400 million is available for use. Hal asked if any of this money had been allocated toward specific programs. Kirk said there are certain projects in the M2 program approved for this money.

Vice-Chair Mary Anne Skorpanich asked if there was any danger of the state going after local money to help its budget. Monte said this is occurring now, mostly for the transit system. A court ruling took a broad view of the Proposition 42 transit money to include school transportation and other forms of transportation not solely for public transit purposes. This has forced the transit system to rely mostly on sales tax and a small amount of property and gas tax.

Sat Tamaribuchi asked if the interest rates for revenue bonds were high. Kirk said the interest rates are extremely high at this time. Monte said the advantage of the Commercial Paper Program was OCTA got into the market very early and obtained very low rates.

Sat Tamaribuchi asked if there would be a problem with the availability of funding. Monte said OCTA is anticipating an advance on the state level as well as a stimulus package from the federal government. At the moment it is unclear what this would mean in terms of the time frame, how much will be allocated, and what restrictions would be placed on the funding. Monte concluded that OCTA stands in good shape for state and federal funding due to the Early Action Plan

Joe Parco asked what are the requirements for municipalities to become an eligible jurisdiction and receive money? Monte said there is a long list that includes ability to account for the money separately, pavement management, signal coordination, and others.

Chairperson Gary Brown summarized the discussion:

- Until there is a economic recovery, projects will be awarded on a pay-as-you-go basis,
- The Commercial Paper Program may cover some early projects,
- The large Tier 2 projects may need to be postponed, and
- If there is going to be a stimulus program, the Committee should identify some large capital projects that can be ready if something comes along.

7. Public Comments

There were no comments from the public

8. Next Meeting – December 11, 2008

Chairperson Gary Brown said the following items were suggested for the next ECAC meeting;

- Presentation on the Freeway Mitigation Program,
- Introduction of Willdan, consultant for the ECAC's funding guidelines, and
- Adoption of Transportation Pollution Nexus Definition language

9. Committee Member Reports

Chairperson, Garry Brown reported that he, Vice-Chair Mary Anne Skorpanich, and Monte Ward met with Pat Bates and Melanie Schlotterbeck, respectively the Chair and Vice-Chair of OCTA's Environmental Oversight Committee. The purpose of the meeting was to update each other committees on their respective status and future course of action . Chairperson Brown said they discussed areas of crossover on the two committees and opportunities to assist each other.

Monte Ward said Melanie Schlotterbeck offered to do a presentation to the ECAC on the projects they are considering and it would be an opportunity to better understand the strengths of their program. Chairperson Brown said he would like their presentation at the December meeting.

Vice-Chair Mary Anne Skorpanich announced there would be a public workshop to discuss the draft Orange County NPDES Permit at the Santa Ana Regional Water Quality Board on November 21st.

10. Adjournment

The meeting adjourned at 11:25 a.m.