



AGENDA

Measure M2 Environmental Oversight Committee

Committee Members

Jamey Federico, Chair
Melanie Schlotterbeck, Vice Chair
Mark Tettemer, OCTA Board of Directors
Jennifer Turner, CA Dept. of Fish and Wildlife
Jennifer Aleman-Zometa,
US Army Corps of Engineers
Derek McGregor, DMc Engineering
William Miller, US Fish and Wildlife Service
Joe Navari, CA Wildlife Conservation Board
Michael Neben, Taxpayer Oversight Committee
Bev Perry, Civic Engagement Consultant
Alben Phung, Caltrans
Dan Silver, Endangered Habitats League

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

Wednesday, August 6, 2025 at 2:30 p.m.

Teleconference Locations:

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

California Natural Resources Building
715 P Street
Conference Room 17-310
Sacramento, CA 95814

U.S. Fish and Wildlife Service
Carlsbad Fish and Wildlife Office
2177 Salk Avenue, Suite 250, Conf. Room 2
Carlsbad, CA 92008

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, by 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.

Meeting Access and Public Comments on Agenda Items

Members of the public can either attend in person or listen to audio live streaming by clicking this link: <https://www.octa.net/about/leadership/board-of-directors/live-archived-audio/>.

- 1. Welcome**
 - 2. Pledge of Allegiance**
 - 3. Approval of Aug 7, 2024 and May 7, 2025 Minutes**
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AGENDA

Measure M2 Environmental Oversight Committee

Discussion/Information Items

4. Environmental Mitigation Program (EMP) Endowment Fund Investment Report

Dan Phu, OCTA

The Orange County Transportation Authority (OCTA) 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 is building up 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 last report was 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 are included.

5. Aliso Creek Restoration Project Site Completion

Lesley Hill, OCTA

Scott Thomas and Dulce Cortez, Laguna Canyon Foundation

In May 2025, the Wildlife Agencies concluded that the required restoration performance standards had been achieved on the OCTA funded Aliso Creek restoration project (approximately 55 acres) within the County owned Aliso and Wood Canyons Wilderness Park. The Aliso Creek Restoration Project was approved by the Environmental Oversight Committee and OCTA Board of Directors (Board) as part of the EMP's second round of restoration funding in 2012 and was incorporated into the OCTA Conservation Plan. The project included the restoration of 55 acres of predominantly riparian habitat. Additional information is attached. Staff from the Laguna Canyon Foundation will provide an overview of the project to the committee.

6. North Coal Canyon Restoration Project Sign Off

Lesley Hill, OCTA

Raquel Atik, RECON Environmental

In May 2025, the Wildlife Agencies provided their official sign-off on the OCTA-funded North Coal Canyon restoration project. The North Coal Canyon restoration project was approved by the Environmental Oversight Committee and OCTA Board as part of the EMP's second round of restoration funding in 2012 and was also incorporated into the OCTA Conservation Plan. The project was originally proposed by Chino Hills State Parks. The project was implemented by RECON Environmental, Inc. This is the ninth OCTA-funded restoration project to meet its' success criteria. A summary of the project is attached. Raquel Atik (Restoration Project Manager, RECON Environmental Inc.) will provide an overview of the project to the committee.



AGENDA

Measure M2 Environmental Oversight Committee

7. Spring Restoration Tour

Lesley Hill, OCTA

OCTA hosted a tour of two OCTA funded and completed Irvine Ranch Conservancy restoration projects (Bee Flat Canyon and West Loma) for EOC members on May 20th. A high-level summary of the site tour will be provided.

8. Hikes and Equestrian Rides

Marissa Espino, OCTA

The next docent-led ride will take place on August 16th at the Trabuco Rose Preserve and the next docent-led hike is scheduled for October 11th at the Trabuco Rose Preserve. The master calendar for 2025 is available at www.preservingourlegacy.org.

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 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 minutes.

10. Committee Member Reports

11. Next Meeting – November 5, 2025

12. Adjournment



Minutes

Measure M2 Environmental Oversight Committee

Committee Members

Jamey Federico, Chair
Dan Silver Endangered Habitats League
David Mayer, US Fish and Wildlife Service
Derek McGregor, DMc Engineering
Melanie Burlaza, CA Dept. of Fish and Wildlife
Michael Neben, Taxpayer Oversight Committee
William Miller, US Fish and Wildlife Service

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

**Wednesday, August 7, 2024, at
2:30 p.m.**

Member(s) Absent

Alben Phung, Caltrans
Veronica Li, US Army Corp of Engineers

Member(s) Teleconferencing

Bev Perry, Civic Engagement Consultant
Joe Navari, CA Wildlife Conservation Board
Melanie Schlotterbeck, Vice Chair

Teleconference Location:

Brea City Sports Park

3333 E. Birch Street
Brea, CA 92821

California Natural Resources Headquarters
715 P Street
Conference Room 17-310
Sacramento, CA 95814

1. Welcome

Chair Jamey Federico called the Environmental Oversight Committee (EOC) meeting to order and introduced the new members Melanie Burlaza and Michael Neben.

2. Pledge of Allegiance

Jamey Federico lead the Pledge of Allegiance.

3. Approval of February 7, 2024, Minutes

A motion was made by Jamey Federico, seconded by Dan Silver to approve the minutes.

Motion passed.

4. Environmental Mitigation Program Endowment Fund Investment Report

Dan Phu, OCTA Planning, presented the update.

Committee Member Comments:

There were no committee comments.

5. Fairview Park Restoration Project Update

Lesley Hill, OCTA Planning, Kelly Dalton, Fairview Park Administration, City of Costa Mesa, and Travis Brooks, City of Costa Mesa Consultant (Land IQ) presented the update. <This presentation available upon request.>

Committee Member Comments:

A committee member asked how close or if the Talbert Park Fire burned any of the OCTA wetlands or mitigation areas. Kelly Dalton responded that the western most part of the restoration area was affected, with 1 to 1½ acres of the OCTA area burned. They are working with their separate restoration ecologists and biologists to determine remedial measures for that site, but the area appears to be recovering and revegetating on its own and they will continue to monitor into the fall and winter for any additional actions that may need to be taken for recovery.

6. West Loma Restoration Project Completion

Lesley Hill, Planning, Michael O'Connell, President & CEO Irvine Ranch Conservancy and Collin Raff, Irvine Ranch Conservancy, presented the update. <This presentation available upon request.>

Committee Member Comments:

A committee member asked if the restoration cost per acre would be going down in the future and in terms of the conservancy maps, what are the longer-range plans for restoration and what are the funding sources. Michael O'Connell responded the cost per acre is variable depending on the habitat type but it hasn't been going up as the methods are becoming more established and we know what to expect. Five thousand acres have been identified as being degraded with 20% being restored with this partnership. Partnering with major infrastructure agencies has allowed the direction of mitigation needs to assist with funding.

A committee member asked if endowments assisted with funding. Michael O'Connell responded they do not have an endowment; the funding is annual operating funds and projects like these.

7. OCTA Live Oak Creek Encroachment

Lesley Hill, OCTA Planning, presented the overview. <This presentation available upon request.>

Committee Member Comments:

A committee member asked if they were going to remove the encroachments. OCTA legal

counsel, Cassie Trapesonian responded that they had spoken with the landowner and the landowner had agreed to remove all of the encroachments.

A committee member asked if the use of the firepits has been addressed. Legal counsel responded that is not within OCTA's purview. The private property owner would be subject to County codes and requirements and the County would be the lead for that use/enforcement.

A committee member commented that he was doubtful that structure modification would be done and would it be a consideration to modify the boundary, seek financial consideration or live with the encroachment.

A committee member commented if the entire structure is not going to be removed how is the fuel modification factored in as the owner has built up to our property line. OCTA legal counsel responded it is incumbent upon the owner to comply with the law and that fuel modification would not be allowed on OCTA property.

A committee member asked if a structure existed at the time of the purchase. Lesley Hill responded yes it was an out structure not a habitable structure, that appeared to be on the property line. The understanding is it was built without permits and then converted to make it habitable. If it was built as a habitable structure with permits then fuel modification would have been factored in before OCTA purchased the property.

A committee member commented that it would be good to get the requirements from OCFA (Orange County Fire Authority).

8. Southern California Edison Coordination Update

Lesley Hill, Planning presented the update. <This presentation available upon request.>

Committee Member Comments:

A committee member asked if the agreement is for SCE to restore the area every time they access the poles. Lesley Hill responded the access agreement will document the preferred path they will be using on a regular basis and that this will be considered a permanent impact. This referenced work that was done was aggressive, clearing more than what they needed and OCTA will be compensated for that. The permanent impact will also be compensated for by SCE.

9. Spring Restoration Tour

Lesley Hill, Planning presented the update.

Committee Member Comments:

There were no committee comments.

10. Hikes and Equestrian Rides

Marissa Espino, Public Outreach, presented the update. The next docent-led ride is scheduled for August 17th and the next docent-led hike will take place on October 12th. Both

events will be held at the Trabuco Rose Preserve. The master calendar for 2024 is available at www.preservingourlegacy.org.

Committee Member Comments:

There were no member comments.

11. Public Comments

There were no public comments.

12. Committee Member Reports

A committee member commented there is a second conservation fund in Orange County, the Transportation Corridors Agency's Conservation Fund, \$28 million settlement between the Safe San Onofre Coalition and the TCA (Transportation Corridor Agencies). Tentative spending is scheduled to start in 2025 with a call for proposals to be issued shortly.

13. Next Meeting—November 6, 2024.

14. Adjournment-- Meeting was adjourned at 3:23 p.m.



Minutes

Measure M2 Environmental Oversight Committee

Committee Members

*Alben Phung, Caltrans
Jamey Federico, Chair
Dan Silver Endangered Habitats League
Derek McGregor, DMc Engineering
Mark Tettemer, OCTA Board of Directors
Michael Neben, Taxpayer Oversight Committee
William Miller, US Fish and Wildlife Service*

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

Wednesday, May 7, at 2:30 p.m.

Member(s) Absent

*Bev Perry, Civic Engagement Consultant
Melanie Burlaza, CA Dept. of Fish and Wildlife
Veronica Li, US Army Corp of Engineers
Joe Navari, CA Wildlife Conservation Board*

Member(s) Teleconferencing

Melanie Schlotterbeck, Vice Chair

Teleconference Location:

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

*California Natural Resources Headquarters
715 P Street
Conference Room 17-310
Sacramento, CA 95814*

1. Welcome

Chair Jamey Federico called the Environmental Oversight Committee (EOC) meeting to order and introduced Mark Tettemer, OCTA Board Member from the City of Lake Forest.

2. Pledge of Allegiance

Lesley Hill lead the Pledge of Allegiance.

3. Approval of November 6, 2024, Minutes

A motion to approve was made by Melanie Schlotterbeck, seconded by Derek McGregor. Motion passed with Michael Neben and Mark Tettemer abstaining.

No action was taken on the August 7, 2024 minutes with approval moved to the August 6, 2025 meeting.

4. Environmental Mitigation Program Endowment Fund Investment Report

Lesley Hill, OCTA Planning, presented the update.

Committee Member Comments:

There were no committee comments.

5. Fairview Park Restoration Project Update

Lesley Hill, OCTA Planning, and Kelly Dalton, City of Costa Mesa, presented the update.

<This presentation is available upon request>

Committee Member Comments:

There were no committee comments.

6. Aliso Creek Restoration Project

Lesley Hill, OCTA Planning, presented the report. <This presentation is available upon request>

Committee Member Comments:

A committee member asked if the endowments are a series of discrete enterprises tailored individually to each project site as compared to one pool of money. Lesley Hill responded yes. For this project OCTA will make a onetime lump sum payment to the National Fish and Wildlife Foundation to cover the long-term land management costs of the project with monies set aside by OCTA from 2017. This is different from the one set up for the OCTA Conservation Plan Preserves, as every July they make a payment into that endowment fund until their goal is met.

A committee member asked if this project was unique as the monies are being kept by someone else whereas we keep the other funds. Lesley Hill responded that the Aliso Creek funds go to the National Fish and Wildlife Foundation and the other funds are contracted out to The California Community Foundation and overseen by OCTA.

A committee member asked who the entities on the Restricted Covert document are. Lesley Hill responded that the project is on County owned property so the County will be recording the documents; there are third-party beneficiaries that will be involved: California Department of Fish and Wildlife, Army Corp of Engineers, and the Water Board. OCTA is technically included as a third-party beneficiary and our responsibilities will end once the project is signed off and the monies have been allocated.

A committee member asked what is the dollar amount of the endowment that has already been booked and set aside. Lesley Hill responded that it is a little over \$700,000.

A committee member asked for all of the other projects that OCTA owns if the purpose of the

endowment funds is to maintain and own them into perpetuity. Lesley Hill responded yes.

A committee member asked if the Laguna Canyon Foundation could include an update in their presentation on the land outside of the boundary. Lesley Hill responded that she would communicate this to them.

7. SCE Easements and Access Agreement

Lesley Hill, OCTA Planning, presented the report. <This presentation is available upon request>

Committee Member Comments:

A committee member asked if SCE (Southern California Edison) is responsible for mitigating within the lines shown on the slide in the preserve. Lesley Hill responded yes.

A committee member asked what is the status of the legalities referred to in the previous meeting. Lesley Hill responded she did not have a status on that and would bring an update once that information was available.

A committee member asked if the agreements would come back to OCTA for approval, are they something the OCTA Board needs to approve, what are the final closing steps. Rose Casey, Executive Director of Planning, responded they will need to follow up on the status and amount to determine if it needs to come back to the Board.

8. Hikes and Equestrian Rides

Marissa Espino, Public Outreach, presented the update.

The next docent-led hike is scheduled for June 7th at the Pacific Horizon Preserve and the next docent-led ride will take place on June 14th at the Trabuco Rose Preserve. The master calendar for 2025 is available at www.preservingourlegacy.org.

9. Public Comments

There were no public comments.

10. Committee Member Reports

There were no member comments

11. Next Meeting—August 6, 2025.

11. Adjournment-- Meeting was adjourned at 3:06 p.m.



August 6, 2025

To: Environmental Oversight Committee

From: Orange County Transportation Authority Staff

Subject: August Environmental Oversight Committee Information Items
(Items 4 – 6)

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 (Exhibit 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 (collectively referred to as 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 an estimated \$34.5 million (principal) endowment to fund the long-term management of the preserves.

The California Community Foundation manages the establishment of 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. To date, OCTA has made ten endowment deposits (~\$2.9 million annually). Quarterly investment reports are provided to the Board of Directors (Board). The most recent report was provided to the Board in June 2025 and is included in Exhibit B. As of March 31, 2025, the endowment balance was \$32,538,437, which is slightly above the target of \$32,125,598 for the third quarter of fiscal year (FY) 2024-25. Based on the performance to date, current projections indicate that OCTA remains on track to meet the endowment target of \$46.2 million (including interest earnings) in FY 2027-28; however, future performance of the endowment fund may affect the timeframe. Staff will continue to assess market conditions and provide regular endowment updates to the Board, the Finance and Administration Committee, and the Environmental Oversight Committee (EOC). The reports have been reviewed

and are consistent with the pool objectives. Staff will provide a summary of the latest report.

Item 5 - Aliso Creek Restoration Project Site Completion

The Aliso Creek Restoration Project (Project) is located within the County-owned Aliso and Wood Canyons Wilderness Park. Approved for funding in 2012 through the Measure M2 Freeway Environmental Mitigation Program (EMP), the Project encompasses the restoration of approximately 55 acres of predominantly riparian habitat (see Exhibits A and C).

Led by the Laguna Canyon Foundation (LCF), the Project involved the removal of over 1,000 tons of invasive, non-native *Arundo* and the ecological restoration of a vital segment of Aliso Creek. This section of the creek provides critical habitat for a diverse range of threatened and endangered plant and wildlife species. Notably, the Project has served as a catalyst for additional complementary restoration efforts within the Aliso Creek watershed, fostering broader ecological improvements across the region. These efforts align with and support a large-scale watershed restoration initiative currently underway, as detailed in Exhibit D.

Biological monitoring identified 22 active nesting sites within the Project area, including three bird species covered under the OCTA Conservation Plan: least Bell's vireo, coastal California gnatcatcher, and coastal cactus wren. According to the Project's 2024 Annual Status Report, all required restoration performance standards have been successfully achieved. In May 2025, the Wildlife Agencies confirmed their concurrence with these findings.

As previously discussed during the May EOC meeting, a few final steps remain to fully close out the Project. These include the recordation of a restrictive covenant and completion of related legal documentation. These remaining items are expected to be finalized within the next few months. Upon completion, this Project will represent the tenth OCTA-funded restoration project to reach full implementation. Staff from LCF will present an overview of the Project to the EOC.

Item 6 – North Coal Canyon Restoration Project Sign Off

The North Coal Canyon Restoration Project was recommended in 2012 by the EOC and approved by the OCTA Board as part of the second round of Measure M2 EMP restoration funding. The Project was subsequently incorporated into the OCTA Conservation Plan. Located within Chino Hills State Park (CHSP), just north of the former Coal Canyon interchange along State Route 91, this 5.5-acre initiative focused on the restoration of coastal sage scrub habitat.

The Project originated as a proposal from CHSP staff; however, CHSP later determined it lacked the internal resources to carry out the restoration activities. As a result, the initial contract was terminated. With continued support from the EOC, OCTA issued a request for proposals to bring on a new contractor to perform the restoration work and executed a revised agreement to advance the Project.

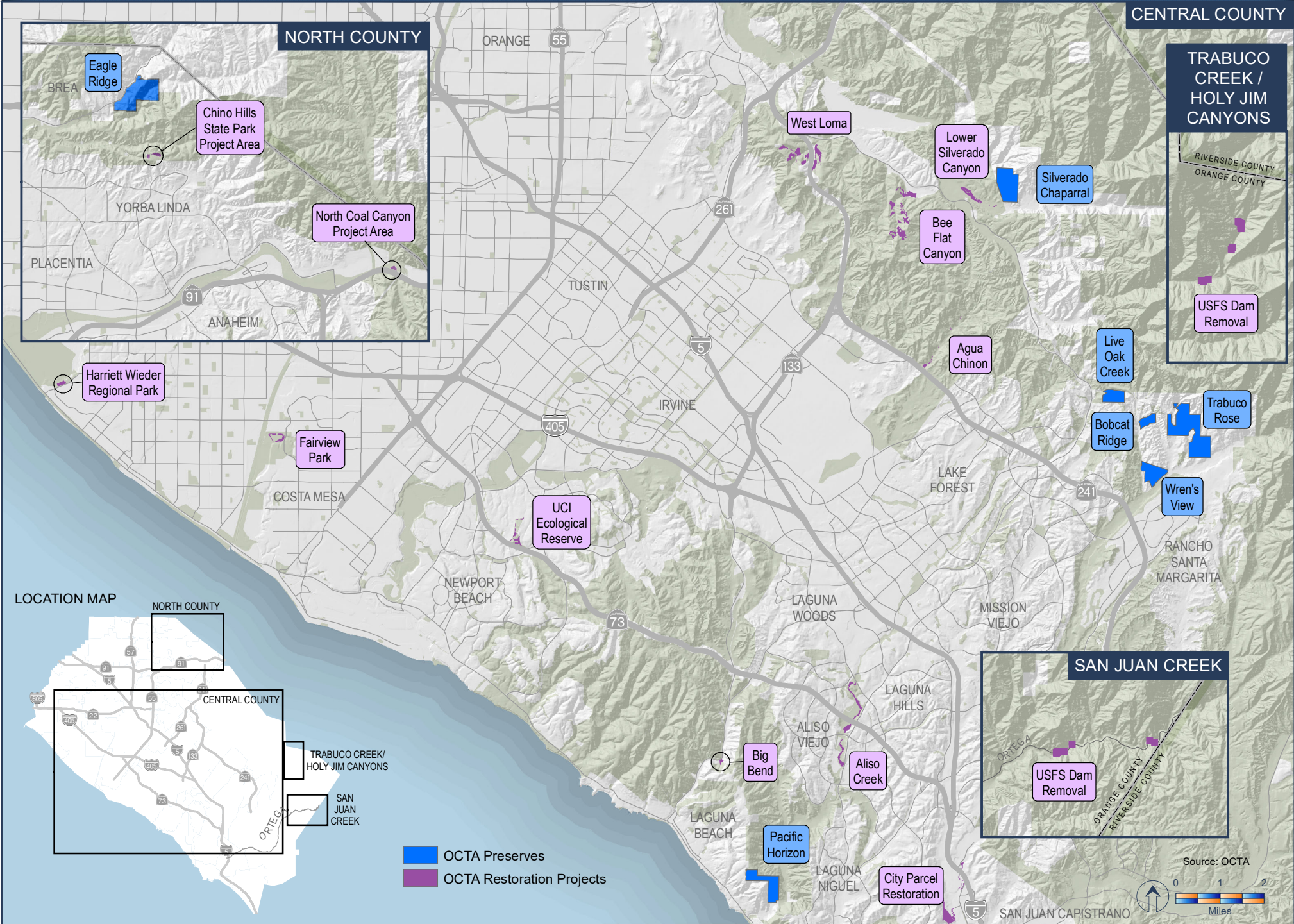
Implementation was carried out by RECON Environmental, Inc. over a five-year period, beginning with project planning in 2019. Success criteria were achieved in 2024, followed by continued weed abatement through 2025. Incidental wildlife observations included coastal California gnatcatcher (onsite) and least Bell's vireo (just offsite, near the Santa Ana River). A site visit with the Wildlife Agencies occurred in April 2025, and formal concurrence was received in May 2025.

This Project marks the ninth completed restoration project out of 13 funded by OCTA (See Exhibit C). Long-term monitoring and maintenance responsibilities will be assumed by CHSP, the landowner. RECON Environmental, Inc.'s restoration project manager will present an overview of the Project and its outcomes to the EOC.

Exhibits:

- A. OCTA Preserves and Restoration Projects
- B. June 23, 2025 OCTA Environmental Mitigation Program Endowment Fund Investment Report for March 31, 2025 Staff Report
- C. Funded Restoration Project Map and OCTA M2 EMP Funded Restoration Projects Status Table
- D. Laguna Canyon Foundation Memo – Leveraging OCTA's M2 Aliso Creek Investment into Broader Environmental and Taxpayer Benefits


OCTA Preserves and Funded Restoration Projects





COMMITTEE TRANSMITTAL

June 23, 2025

To: Members of the Board of Directors
From: Andrea West, Clerk of the Board 
Subject: Enviromental Mitigation Program Endowment Fund Investment
Report for March 31, 2025

Finance and Administration Committee Meeting of June 11, 2025

Present: Directors Federico, Go, Harper, Hennessey, Leon, Sarmiento,
and Tettermer
Absent: None

Committee Vote

This item was passed by the Members present.

Committee Recommendation(s)

Receive and file as an information item.



June 11, 2025

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Environmental Mitigation Program Endowment Fund Investment Report for March 31, 2025

Overview

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 programs. The California Community Foundation manages the non-wasting endowment required to fund 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.

Recommendation

Receive and file as an information item.

Background

On September 26, 2016, the Board of Directors approved the selection of the California Community Foundation (CCF) as an endowment fund manager for the Measure M2 Freeway Environmental Mitigation Program. Annually, approximately \$2.9 million will be deposited in the endowment. These annual deposits are expected over a ten-to-twelve-year period, or until the fund totals approximately \$46.2 million. As of March 31, 2025, the Orange County Transportation Authority (OCTA) has made nine deposits to the CCF Endowment Pool (Pool), each in the amount of \$2,877,000.

Discussion

As of March 31, 2025, total assets in the Pool stood at \$1.15 billion (Attachment A), with total foundation assets at \$2.43 billion. Pool performance lagged the Blended Benchmark in both short- and mid-term periods (up to ten years) but closely aligned with the benchmark over the 20-year horizon.

The endowment balance as of March 31, 2025, was \$32,538,437, slightly above the target of \$32,125,598 for the third quarter of fiscal year (FY) 2024-25. Based on the CCF's performance to date, OCTA remains on track to meet the endowment target of \$46.2 million in FY 2027-28 (Attachment C). The total endowment portfolio declined by 0.2 percent for the quarter but increased by 4.5 percent over the trailing one-year period.

During the quarter, United States (U.S.) and global equity markets declined amid heightened economic uncertainty stemming from the Trump administration's broad tariffs, raising fears of a trade war with China. Despite the volatility, performance broadened across regions and sectors, creating opportunities for active managers. Notably, 60 percent of Standard and Poor's 500 stocks outperformed the index, and international markets, particularly China and Europe, outpaced U.S. equities. The Eurozone showed resilience, supported by increased defense spending and a rebound in the banking sector. The Federal Reserve acknowledged a more uncertain outlook, lowering its 2025 U.S. Gross domestic product growth forecast from 2.1 percent to 1.7 percent and raising its inflation projection to 2.7 percent. Credit market yields remained attractive, though wider spreads reflected macro concerns tied to tariffs and slowing growth expectations. Looking ahead, the CCF remains confident that its active equity managers are well positioned to outperform global benchmarks over the long term.

Diversification, strategic asset allocation, and appropriate sizing of investments within the endowment portfolio remain the primary strategies to protect the portfolio from outsized volatility.

Summary

The Orange County Transportation Authority is submitting a copy of the California Community Foundation Investment for the quarter ended March 31, 2025.

Attachments

- A. California Community Foundation Endowment Pool Investments – March 31, 2025
- B. California Community Foundation Fund Statement – 1/1/2025 – 3/31/2025
- C. EMP Portfolio Performance – Actual/Projection vs. Target

Prepared by:



Robert Davis
Department Manager,
Treasury and Public Finance
(714) 560-5675

Approved by:



Andrew Oftelie
Chief Financial Officer
Finance and Administration
(714) 560-5649



Endowment Pool March 31, 2025

INVESTMENTS

Total Pool Assets

\$1.150 billion (Endowment Pool), \$2.43 billion (total foundation assets) as of March 31, 2025.

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

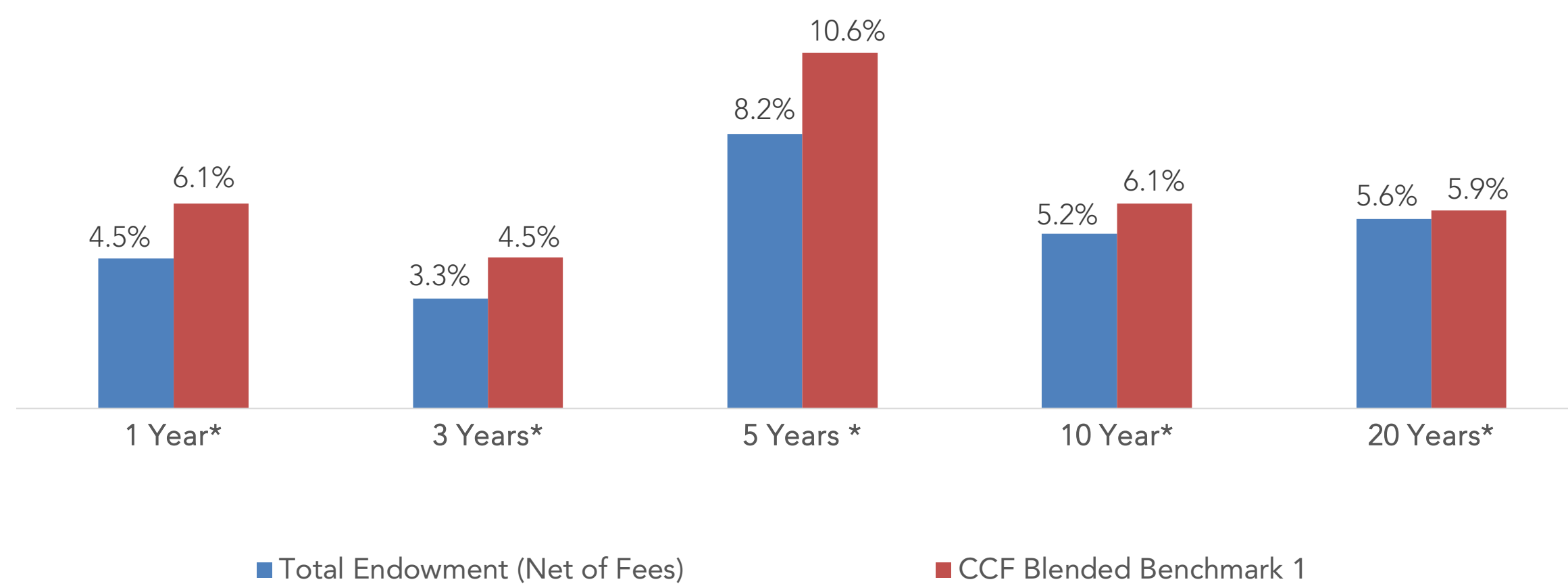
Pathstone (Aka Hall Capital Partners)

Performance & Asset Allocation

Performance for March 2025 was -2.21% ^(2,5)

Performance for the three months ended March 31, 2025 was -0.17%

CCF Total Endowment (net of fees) vs. Blended Benchmark ⁽¹⁾



Asset Class		% of Port	Long-Term Target Range ⁽⁴⁾
Cash & Equivalent ⁽³⁾	\$38	3.4%	0 - 5%
Fixed Income	\$133	11.5%	10 - 20%
Public Equities	\$513	44.6%	40 - 60%
Alternative Assets	\$126	10.9%	10 - 25%
Hybrid Investments	\$26	2.3%	0 - 10%
Private Investments	\$196	17.0%	10 - 20%
Real Assets	\$118	10.3%	5 - 10%
Total Endowment Assets	\$1,150	100.0%	

Q1 2025 MARKET COMMENTARY

To start the year, US markets (S&P 500: -4.3% Q1) declined and global indices (MSCI ACWI: -1.3% Q1) were muted, largely due to increased economic concerns stemming from Trump policy actions. In April, the administration enacted materially higher and broader tariffs than anticipated. Although there has been a reprieve on reciprocal tariffs in the near-term, economic uncertainty, highlighted by a potential trade war with China, is high. Equity markets have continued to sell off and Treasury rates have risen.

Though it has been volatile, Q1 saw a broadening of market performance across geographies and within indices, providing a strong backdrop for active management. Notably, 60% of S&P 500 stocks outperformed the index's aggregate return, while many international markets, particularly China and Europe, significantly outperformed the US. In particular, Eurozone equities have had a comparatively strong start to 2025 (MSCI Europe: +4.5% YTD), driven primarily by increased defense spending and progress in the Financials sector, particularly among banks. Interestingly, even before April 2nd, the perceived winners and losers from Trump's election had largely reversed.

The Fed emphasized increased uncertainty around the economic outlook, altogether pointing to a highly fluid backdrop for rate cuts. The Fed also lowered its real GDP growth estimate for 2025 to 1.7% YoY, down from 2.1% in December 2024 while raising their PCE inflation estimates from 2.5% in December to 2.7% for 2025.

All-in yields remain compelling across public and private credit, even as recent spread widening—particularly in high yield—reflects renewed macro concerns tied to tariffs and softening growth expectations. Issuer bifurcation remains a core theme. These dynamics continue to favor active managers that have the flexibility to lean into segments where dispersion and dislocation are beginning to emerge from loan maturities and shifting bank participation.

EP COMMENTARY

The total Endowment portfolio was down an estimated (-0.4%) through Q1 2025, which includes private investment marks that report on a lag and are held at zero for the latest quarter. Within fixed income, the EP performance was in line with the benchmark, +2.5% YTD. Across both cash and fixed income combined, we have increased this allocation over the last 4 months to maintain optionality amidst uncertain market circumstances.

Consistent with the market themes, domestic and global public equity managers have been the main detractors from the total portfolio. However, value-tilted, international and emerging managers contributed positive returns, bringing the total equities performance closer to the respective benchmark but still lagging 40 bps.

Looking forward, we maintain conviction that our actively managed equity managers are well positioned to outperform global indices over the long-term. In a period of extreme market volatility, the diversified portfolio of managers with different areas of focus and investment styles is set-up to protect on the downside and the underlying managers are focused on finding new opportunities in circumstances where companies may have traded off unjustifiably.

Hedge funds have outperformed their benchmarks in Q1, earning +0.7% as a group by taking advantage of still attractive base yields within the credit space and/or limited net exposure within long/short equity. Notably, Empyrean, one of the absolute return managers, has performed well in times of market uncertainty given its event-driven mandate, further accentuating the benefits of diversification and downside protection in the portfolio.

Although we foresee a muted environment in private markets as uncertainty may delay deal making, we have been slowly investing more dollars in private equity. We are excited about the private commitments, which are still relatively early in terms of duration. As stated above, private investments report on a lag and are therefore held at a 0% return for Q1'25. As we receive full Q1 reporting from managers, we expect returns for the overall EP to increase on the margin. Longer term, we believe this exposure will drive higher returns for the EP.

* Represents Annualized Returns.

Footnotes:

1 – Total benchmark intended to roughly match CCF portfolio asset allocation with relevant constituent benchmarks. Current blended benchmark effective since 1/1/24.

Current blend: ML 3M T-Bills (3%), Barclays Agg. Bond Index (7.8%), Barclays 1-5Y Government-Credit Index (5.2%), MSCI ACWI (45%), Hedge Fund Blend (7.5% BofA ML High Yield, 3.75% ML 3-Month T- bills, 3.75% MSCI ACWI), Cambridge PE Index (9.8%), Cambridge VC Index (4.2%), Cambridge RE Index (7%), S&P Infrastructure Index (3%).
CPI+5%.

CCF benchmark blends 7/1/21 to 12/31/23 : 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%).

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 1.16% 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)

1/1/2025 - 3/31/2025

Fund Summary

	Report Period 1/1/2025 - 3/31/2025	Calendar YTD 1/1/2025 - 3/31/2025
Opening Fund Balance	\$32,674,489.46	\$32,674,489.46
Contributions	0.00	0.00
Investment Activity, net	(52,159.23)	(52,159.23)
Administration & Grant Management Fees	(83,893.31)	(83,893.31)
Net Changes to Fund	(136,052.54)	(136,052.54)
Ending Balance	\$32,538,436.92	\$32,538,436.92

Investment Pool Performance as of 3/31/2025

	1-Year	3-Years	5-Years	10-Years
Endowment Pool	4.5%	3.3%	8.2%	5.2%
Social Impact Endowment Pool	6.8%	6.2%	11.7%	7.9%
Conservative Balanced Pool	6.3%	4.5%	6.3%	4.8%
Short Duration Bond Pool	5.6%	2.8%	1.2%	1.7%
Capital Preservation Pool	5.1%	4.3%	2.7%	1.9%

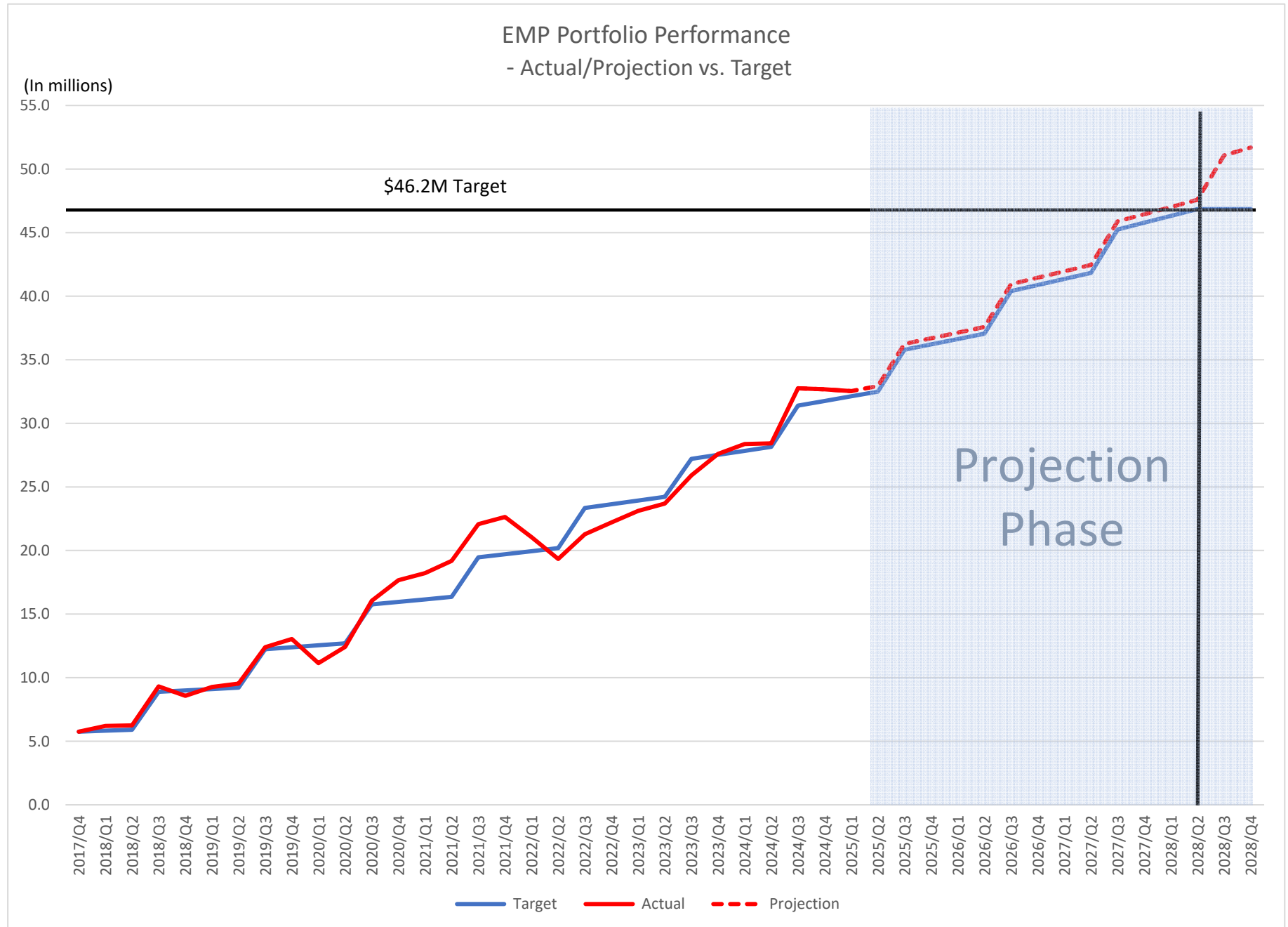
Endowment Pool - Invested for long-term growth and appreciation across multiple investment managers. It seeks to preserve the purchasing power of assets over an indefinite time horizon through long-term investment opportunities, while providing a relatively predictable and stable stream of distributions that keeps pace with inflation.

Social Impact Endowment Pool - Invested in a diversified pool of equities and fixed income aiming to offer capital growth for long-term grantmaking. It seeks to preserve the purchasing power of assets over an indefinite time horizon by following a sustainable investing approach that combines rigorous financial, environmental, social and governance (ESG) analysis, while providing a relatively predictable and stable stream of distributions that keeps pace with inflation.

Conservative Balanced Pool - Invested to strike a balance between growth and liquidity by combining current income with an opportunity for moderate capital appreciation. It seeks to offer diversified exposure to fixed income with maturities from 1-5 years as well as the entire U.S. equity market for purposes of grantmaking over an intermediate horizon.

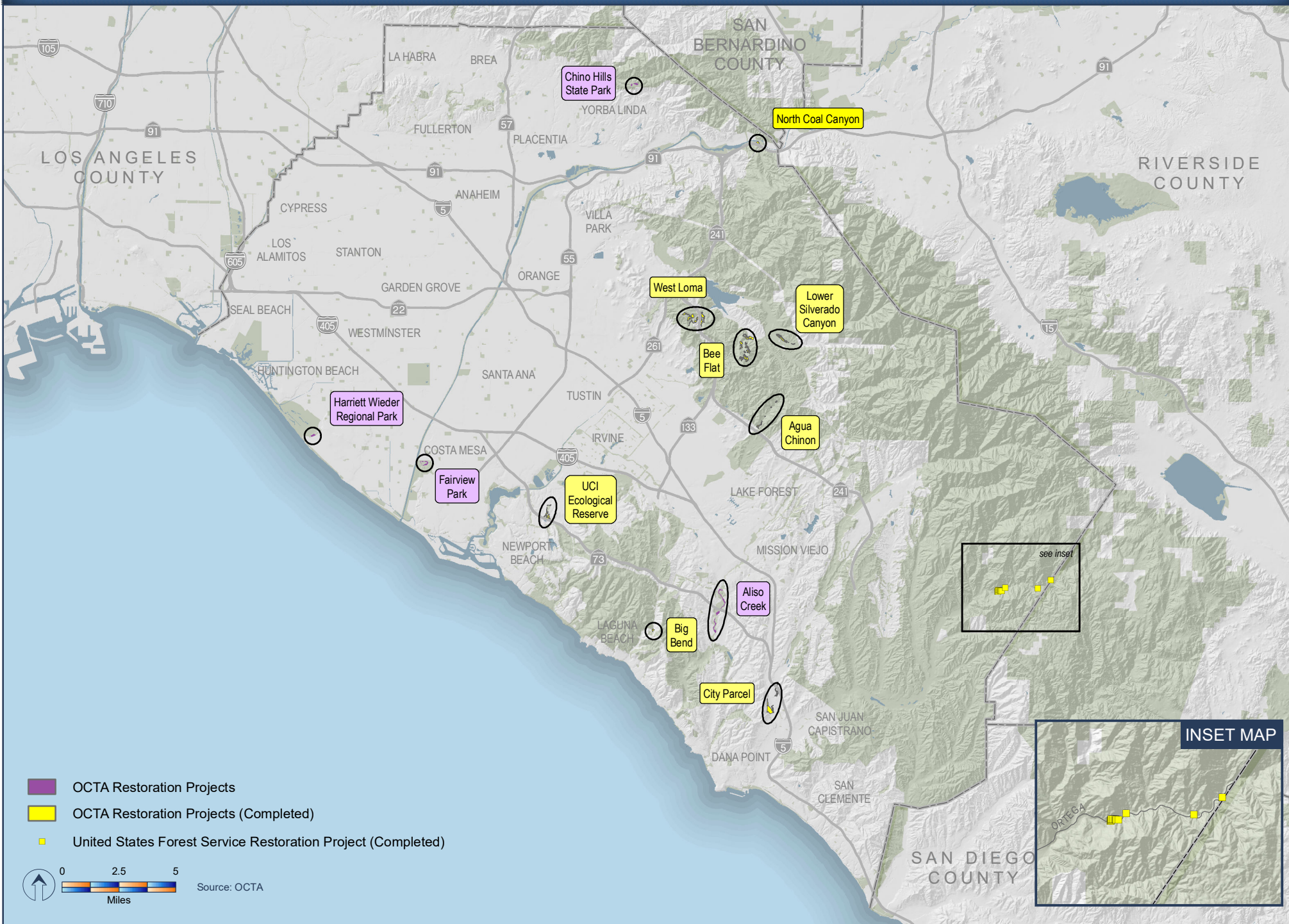
Short Duration Bond Pool - Invested to offer diversified exposure to fixed income with maturities from one to five years for the purposes of grants over a near-term one to four year horizon.

Capital Preservation Pool - Invested to meet the needs of funds with short-term grant objectives. It seeks to preserve principal and provide liquidity and working funds for present and future needs through investment in high-quality, short-term fixed income and cash instruments.



Funded Restoration Projects Map

EXHIBIT C



OCTA M2 EMP Funded Restoration Projects Status Table

Project Name	Sponsor/ Geographic Area	Cost	Approximate Acreage and Habitat Types	Land Protection Document Type/Status	Year Began	Project Status
Big Bend	Laguna Canyon Foundation/ Laguna Beach	\$87,500	3.7 coastal sage scrub (CSS) and riparian woodland	Restrictive Covenant/ Complete	2011	Signed off 2017
City Parcel/2C Ranch	City of San Juan Capistrano/ San Juan Capistrano	\$1,500,000	53 CSS, native grassland, oak woodland, and riparian	Restrictive Covenant/ Complete	2011	Signed off 2018
UCI Ecological Reserve	Natural Community Coalition/ Irvine	\$325,000	8.5 cactus scrub	Central/Coastal NCCP/HCP Reserve	2011	Signed off 2021
United States Forest Service Dam Removal	United States Forest Service/ San Juan Capistrano and Trabuco Canyon	\$185,000	31* Dams, creek bed and riparian	USFS Protected Lands	2018	Signed off 2022
Bee Flat Canyon	Irvine Ranch Conservancy/ Irvine	\$1,597,860*	90.1* (84 acres Bee Flat/6.1 acres Agua Chinon) chaparral, CSS, native grassland, riparian, and woodland	Restrictive Covenant/Complete	2011	84 acres Signed off 2020
Agua Chinon				Central/Coastal NCCP/HCP Reserve Land Protection Document Pending Corps approval (County area 0.31 acre)	2011	6.1 acres Signed off 2023 (Wildlife Agencies) 0.83 acres (The Irvine Company portion) Signed off 2023 (Corps) 0.31 acres (County) pending Corps legal requirements

OCTA M2 EMP Funded Restoration Projects Status Table

Project Name	Sponsor/ Geographic Area	Cost	Approximate Acreage and Habitat Types	Land Protection Document Type/Status	Year Began	Project Status
Lower Silverado Canyon	Irvine Ranch Conservancy/County of Orange	\$1,414,435*	28.4* Riparian	Conservation Easement/ Complete	2014	Signed off 2023
West Loma	Irvine Ranch Conservancy/County of Orange	\$1,454,570*	62.4* CSS and riparian	Conservation Easement/portion covered by a Restrictive Covenant/ Complete	2013	Signed off 2024
North Coal Canyon	RECON Environmental/ Yorba Linda	\$247,500	5.5 CSS	Restrictive Covenant/ Conserved by the Land and Water Conservation Fund (LWCF)	2019	Signed off 2025
Aliso Creek	Laguna Canyon Foundation/ Laguna Niguel	\$1,482,100*	55 riparian	Restricted Covenant Pending	2015	Signed off 2025 Pending recordation of legal documents
Harriett Weider Regional Park	Bolsa Chica Conservancy/Huntington Beach	\$475,000	8.2 CSS, native grassland, and riparian	Restrictive Covenant/ Complete	2016	Pending
Fairview Park	City of Costa Mesa/ Costa Mesa	\$2,000,000	23 CSS, native grassland, riparian, and wetland	Needed	2011	Pending
Chino Hills State Park	Habitat Restoration Sciences, Inc/ Yorba Lina	\$193,000	11 cactus scrub	Conserved by the LWCF	2020	Pending

Approximate acreage is subject to change and may be adjusted slightly once the restoration work is completed.

Shaded cells indicate the project is complete and has obtained "sign off" from the United States Fish and Wildlife Service and the California Department of Fish and Wildlife.

*Amounts depicted in the table were revised/amended pursuant to the OCTA Board approved contracting procedures.



MEMORANDUM

M2 ALISO CREEK HABITAT RESTORATION

To: Lesley Hill, OCTA
From: Laguna Canyon Foundation
Date: August 6, 2025
Re: Leveraging OCTA's M2 Aliso Creek Investment into Broader Environmental and Taxpayer Benefits

The 55-acre Aliso Creek Habitat Restoration Project, funded by OCTA's Measure M2 Program and currently being implemented by Laguna Canyon Foundation, has resulted in significant environmental benefits. These include removal of more than 2,000,000 pounds of invasive, non-native arundo and restoration of a critically important segment of Aliso Creek's ecosystem which supports a wide array of threatened or endangered plants and wildlife. Monitoring over the past 6 years has shown significant and continuing increases in the health of the populations of the Southwest Pond Turtle (Proposed for Listing as Threatened by the USFWS), and the Least Bell's Vireo (Federally Listed as Endangered). Water quality benefits are also being seen from the project as new wetland habitat becomes established and naturally filters polluted urban runoff from the 30-mile Aliso Creek watershed, benefitting downstream creek and ocean water quality.

In addition to its wildlife and water quality benefits, the project also features considerable cost efficiencies and high overall return on investment for OCTA's taxpayer-funded program. To begin with, the project's cost to OCTA of \$1,105,000 equates to approximately \$20,000/acre, which is significantly less than typical wetland mitigation projects, which generally exceed \$45,000/acre. Laguna Canyon Foundation's control of expenses, reduced costs associated with being a non-profit 501 (c)(3), and longstanding stewardship presence in Aliso and Wood Canyons Wilderness Park contribute to this cost efficiency. Laguna Canyon Foundation's recently completed Measure M2-funded Big Bend Habitat Restoration also featured similar budget management controls and low per-acre costs.

Particularly noteworthy about the Aliso Creek project is the larger conservation picture of how Measure M2 funding acted as a pivotal catalyst in attracting additional funding to improvement of the overall Aliso Creek Watershed. Restoration of the heavily-degraded Aliso Creek Watershed had been considered a top-priority by the agencies and public for decades following years of neglect and its listing as a Federally-impaired waterway; however, a comprehensive "boots on the ground" implementation plan and associated funding had not

been coordinated. **Measure M2 funding changed the conservation dynamic in Aliso Creek and catalyzed a multi-partner, multi-funding source watershed restoration that has produced comprehensive results over the past ten years.**

Back in 2010, acting on input from the EOC, including several site visits by the resource agencies, Laguna Canyon Foundation worked to identify other projects that would broaden the 3-mile OCTA M2 project and, together, would address the larger 20-mile Aliso Creek span. The initial \$1,105,000 OCTA M2 investment was soon complemented by several other synergistic projects to restore habitat and water quality across nearly the entire headwaters-to-sea span of Aliso Creek.

This coordinated effort has yielded tremendous environmental benefits to the sensitive and biodiverse Aliso Creek ecosystem and has maximized OCTA M2's \$1,105,000 investment return with more than \$7.6 million in additional 3rd party funds that directly benefit M2's conservation objectives.

The following is a list of Aliso Creek projects and funding which have been either directly catalyzed by OCTA M2's Aliso Creek investment or whose project goals were aligned synergistically to the OCTA Aliso Creek project in order to optimize their mutual conservation benefit – with the goal being to leverage OCTA's investment to create maximum conservation outcomes and overall cost-efficiency for taxpayers.

FUNDING SOURCE	CONTRIBUTION
1. Coastal Conservancy	\$700,000
2. Coastal Conservancy (Match)	\$150,000
3. Proposition 50	\$1,000,000
4. Proposition 50 (Match)	\$300,000
5. City of Aliso Viejo	\$110,000
6. OC Watersheds	\$160,000
7. OC Parks In-Kind	\$30,000
8. Proposition 84	\$500,000
9. Proposition 84 (Match)	\$50,000
10. OCTA M2 Project (Match)	\$150,000
11. Ranch at Laguna Beach	\$250,000
12. OC Watersheds (Pecten)	\$100,000
13. Dairy Fork (OCTA)	\$560,000
14. Dairy Fork (State)	\$500,000
15. Dairy Fork (Cities)	\$305,000
16. County PW Mitigation	\$600,000
17. Coastal Conservancy (Pecten Reef)	\$677,400

18. Wildlife Conservation Board	\$922,000
19. Wildlife Conservation Board (Match)	\$237,000
20. Coastal Conservancy (CWRGP)	\$58,900
TOTAL	\$ 7,360,300

These projects include three additional habitat restoration projects (Coastal Conservancy Pecten Reef Restoration Project, Wildlife Conservation Board Restoration & Enhancement Project and Coastal Conservancy/CWRGP Community Restoration Project) implemented by Laguna Canyon Foundation totaling an additional 40 acres of transitional riparian and upland habitat directly adjacent to the original OCTA-funded project.

Recognizing the importance of community engagement to the long-term success of habitat restoration efforts, Laguna Canyon Foundation has initiated ongoing monthly land-tending events to provide the public opportunities to learn about and get directly involved in these ongoing projects.

Furthermore, Laguna Canyon Foundation is developing an additional 21-acre project to continue the restoration of important upland habitats adjacent to these projects and has identified an additional 20 acres for future restoration. In partnership with OC Parks, Laguna Canyon Foundation plans on building on these successes and continuing to steward this area long into the future.

Thank you again to everyone who has participated in and led the EOC, as well as OCTA M2 staff. Our partnership with you in the Aliso Creek effort has been a great example of how the M2 Program has provided both excellent environmental and taxpayer results.