



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, August 2, 2023 at 2:30 p.m.

Teleconference Locations:

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

New Natural Resources Headquarters
715 P Street
Conference Room 17-201
Sacramento, CA 95814

OC Sailing and Events Center, Community Room
34571 Golden Lantern Street
Dana Point, CA 92629

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.

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://octa.legistar.com/Calendar.aspx>

- 1. Welcome**
 - 2. Pledge of Allegiance**
 - 3. Approval of Feb. 1, 2023 Minutes**
 - 4. Environmental Mitigation Program Endowment Fund Investment Report**
Dan Phu and Robert Davis, OCTA
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AGENDA

Measure M2 Environmental Oversight Committee

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 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 last two reports were reviewed and are consistent with the pool objectives. Staff will provide a status summary of the endowment. Additional information as well as the latest quarterly investment reports for the Endowment Pool are included.

5. Dam Removal Restoration Project Update and Site Tour

Dan Phu and Lesley Hill, OCTA

The United States Forest Service (USFS) Trabuco District Dam Removal Project (Project) has been completed and approved. OCTA contributed \$185,000 towards this project in 2018. The Project's purpose was to enhance aquatic organism passage and stream habitat in Silverado, Holy Him, Trabuco, and Upper San Juan Creeks. Dams present partial or complete barriers to native fish and other aquatic organisms, and the dam removal work will support the recovery goals for the southern steelhead. With funding from OCTA, the USFS was able to remove a total of fourteen dams from San Juan Creek and additional partial dams (dams that were removed by others) from Trabuco and Holy Jim Creek. Monitoring was completed in 2022. An EOC site visit occurred at some of the Trabuco Creek dam removal sites on June 29th. Additional information is attached. An overview of the project and summary of the site tour will be provided.

6. Fairview Park 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 is attached. OCTA staff will provide a brief update on this project.

7. Transportation Corridor Agency Saddle Club Site Plan Update

Dan Phu, OCTA

The OCTA was notified by the County of Orange Public Works Department that they had received a formal application for a proposed project by the Transportation Corridor Agency (TCA) located at the Saddle Club Site. The proposed project, the Saddle Club Site Use Plan Implementation Project, proposes to protect open space areas, conduct restoration, and provide access to trails to the public. OCTA staff reviewed and provided



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Measure M2 Environmental Oversight Committee

comments in December 2019. A subsequent site visit occurred in February 2020 and included OCTA staff and EOC members. Previous correspondence with the County during early project review stages allowed staff to provide comments to the County regarding the proposed project. The environmental document for the project has since been finalized. Additional information is attached. Staff will provide an update on the proposed project.

8. 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.

9. Hikes and Equestrian Rides

Marissa Espino, OCTA

The next docent-led hike will take place on August 12th at the Pacific Horizon Preserve. The next equestrian ride will take place on September 17th at the Trabuco Rose Preserve and the 2023 master calendar 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 (3) minutes.

10. Committee Member Reports

11. Next Meeting – November 1, 2023

12. Adjournment



Minutes

Measure M2 Environmental Oversight Committee

Committee Members

*Brian Goodell, Chair
Karen Drewe, CA Dept. of Fish & Wildlife
Dan Silver Endangered Habitats League
Derek McGregor, DMc Engineering
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.**

Member(s) Absent

*Ajay Khetani, Taxpayer Oversight Committee
Chris Flynn, Caltrans (Brian Liu, Caltrans, attended on behalf of Chris Flynn)
Katrina Foley, OCTA Board of Directors
Joe Navari, CA Wildlife Conservation Board
Veronica Li, US Army Corp of Engineers*

Member(s) Teleconferencing

*Melanie Schlotterbeck, Vice Chair
Bev Perry, Civic Engagement Consultant*

Teleconference Location:

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

1. Welcome

Chair Brian Goodell called the Environmental Oversight Committee (EOC) meeting to order.

2. Pledge of Allegiance

Brian Liu led the Pledge of Allegiance.

3. Approval of September 14, 2022 Minutes

A motion was made by Melanie Schlotterbeck, seconded by Derek McGregor to approve, with changes, the September 14, 2022 EOC meeting minutes. Motion passed unanimously.

4. Environmental Mitigation Program Endowment Fund Investment Report

Dan Phu, Sustainability Planning Manager, and Robert Davis, Manager Treasury/Public Finance provided an update on the Environmental Mitigation Program Endowment Fund Investment Report.

Committee Member Comments:

A committee member asked for more detail on the two quarters of data, as the third quarter was down 4% while the first two quarters were minus 15%. Robert Davis responded that the first half of the fiscal year, July through September, was one of the worst performances for stocks and bonds on record. When you look at the S&P 500 and other indexes, they are down somewhere around 25% or higher. For this portfolio, being down approximately 15.6% is pretty good considering. For the endowment fund, the investing plan extends beyond normal economic cycles, so it is a longer-term outlook, over five to 10 years. This matches up with the endowment fund funding period through 2028 or 2029.

5. Coastal Fire Burn Area Update

Lesley Hill, Environmental Mitigation Program Project Manager, gave an update on this item. <This presentation available upon request.>

Committee Member Comments:

A committee member asked if the bike trail was shown on the photo. Lesley Hill responded yes.

6. Southern California Edison Coordination Update

Lesley Hill, Planning, gave an update on this item. <This presentation available upon request.>

Committee Member Comments:

A committee asked if there was any time frame when Edison would work on the easements. Lesley Hill responded there was no commitment on timing.

A committee asked if Edison efforts were being run out of their offices in the Inland Empire. Dan Phu responded he believed the office was in Rosemead.

A committee member asked if for the next meeting they could get a plan of where the utility lines actually run. Lesley Hill responded that they would work on this.

A committee member commented there is a parallel task going on; one discussion is the negotiations with Edison on the damage and how we get compensation for that damage and the second discussion is the go-forward plan. Are the two tied together or are they separate? Lesley Hill responded that the mitigation ratio and requirements will depend on if the poles remain in the same locations. Edison is being pushed to get back to them with the planned pole relocations and a proposal for compensation of damage that has occurred. Lesley said Edison is also working with California Coastal Commission who is requiring a coastal development permit for this after-the-fact work, and the commission is also asking for the same information. The go-forward plan is also being coordinated with OCTA legal and SCE legal with commitments that all future work would be consistent with a pending access agreement.

A committee member asked what type of notice has been given to Edison. Cassie Trapesonian, OCTA assistant general counsel, responded a "cease and desist" letter was sent to Edison after the impact of trespassing on different preserves had been found. Edison then responded by considering this as a claim versus a request from an agency.

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

Cassie Trapesonian, OCTA assistant general counsel, gave an overview of the teleconferencing options for committees that abide by the Brown Act.

Committee Member Comments:

A committee member asked if any of the three options preclude the others; meaning can we go back to using the traditional, pre-pandemic, which is where the agenda is posted within the agency's jurisdiction so anyone can attend. Cassie Trapesonian responded the options are not mutually exclusive and a number of the options can be used at one time.

A committee member asked can this committee make decisions or does it have to be made by the Board of OCTA? Cassie Trapesonian responded technically a committee can make the decision on how that committee operates, but typically the committees follow the direction of the OCTA Board.

A committee member responded that they had a problem with taking the decision to the OCTA Board as the committee has the ability to decide given the circumstances of the committee members, they don't have to go to the OCTA Board and are adding a layer of complexity that is not necessary. Cassie Trapesonian responded, a point of clarification is the committee would not lose the ability to do the traditional teleconferencing, a practice used by the committees for a long time.

A committee member commented that right now there is a state of emergency, and this option is available until about a year from now, but if the Governor ceases the state of emergency before 2024, we could lose that option.

Cassie Trapesonian responded correct. The only clarification is if you are adopting the resolutions for a state of emergency, it has to be done by the Board every 30 days and the OCTA Board stopped adopting those for the Covid pandemic emergency, that one is off the table.

A committee member commented that the OCTA Board took option two off the table and the committee does not have the independent ability of adopting the option. Cassie Trapesonian responded yes, and once the agency stops, you cannot pick it up at a later time unless there is a new state of emergency.

A committee member commented for clarification, if they were to call in, it would need to be from a conference room where the public could come in to that location. Cassie Trapesonian responded yes, it has to be a public location that meets ADA (Americans with Disabilities Act) requirements - a home or nonpublic location cannot be verified. Agendas have to be posted outside the teleconference location for 72 hours prior to the meeting, and the public is able to hear and then be able to speak on the teleconference line when public comments are called.

A committee member asked what the quorum for the committee is. Marissa Espino responded seven.

A committee member commented that the meeting today is under the traditional options of the Brown Act. Cassie Trapesonian responded yes.

A committee member asked what if they were not at the location to post agenda 72 hours prior to the meeting. Cassie Trapesonian responded someone else could post.

8. Restoration Project Update

Lesley Hill, Planning, gave an overview and update on this item pertaining to the Fairview Park restoration project. <This presentation is available upon request.>

Committee Member Comments:

A committee member asked about how the work on the 13 acres was progressing.

Lesley Hill commented that it appeared to be going well from site visits, but there has not been in-depth checking to see if all requirements were being met. Meeting all of the criteria set in the restoration plan was still a question.

A committee member asked how a plan was put together for 23 acres and ended up with 15 acres. Lesley Hill responded she did not have an answer. The acreage was provided in the restoration application and in the restoration plan from the City. OCTA did not ground truth or survey the city's project area.

A committee member asked how this was discovered. Lesley Hill responded that after a site visit with the Wildlife Agencies and city staff in 2019, it seemed that on the ground vegetation was not matching the restoration plan. OCTA requested that the city provide mapping of the work that was done. More recently, city staff determined there was a larger acreage discrepancy than what was realized in 2019.

9. Hikes and Equestrian Rides

Marissa Espino, Public Outreach presented an update on this item.

There were no committee member comments.

10. Public Comments

Marissa Espino, Public Outreach stated that a public comment was submitted by the Sierra Club via email on Tuesday January 31, 2023, at 9:09 a.m. The EOC was emailed this comment at 10:24 a.m. on January 31, 2023.

A committee member commented the issue will be on a future agenda.

A committee member asked if any of the Pacific Horizon trails are in the management plan.

Lesley Hill, Planning, responded there is a resource management plan and there is a trail that has public access through the preserve.

11. Committee Member Reports

There were no committee member reports.

12. Next Meeting – May 3, 2023 at 2:30 p.m.

13. Adjournment

The meeting adjourned at 3:45 p.m.



August 2, 2023

To: Environmental Oversight Committee
From: Orange County Transportation Authority Staff
Subject: August Environmental Oversight Committee Information Items
(Items 4 – 8)

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 eight endowment deposits (\$2.9 million annually). Quarterly investment reports are provided to the Board. The most recent report was provided in June 2023. As of March 31, 2023, the balance was \$23,112,620.37. 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 last two quarterly investment reports for the Endowment Pool are included as Attachment B. The reports have been reviewed and are consistent with the pool objectives. Staff will provide a summary of the latest report.

Item 5 – Dam Removal Restoration Project Update and Site Tour

In March 2023, the Wildlife Agencies provided their sign off on the OCTA funded United States Forest Service (USFS) dam removal restoration project (Project). With the 2018 funding from OCTA, the USFS was able to remove 14 dams from San Juan Creek, plus additional dams and dam remnants in San Juan, Trabuco, and Holy Jim Creeks. This is the fifth OCTA funded restoration project to meet its success criteria.

The purpose of the Project was to enhance aquatic organism passage and stream habitat in these Creeks. Removing human-made dams in these local creeks is essential to supporting native aquatic species (i.e., Arroyo Chub) and providing suitable habitat for potential re-establishment of extirpated species including Southern California Steelhead Trout. These dams presented partial or complete barriers to native fish and other aquatic organisms, especially during periods of low flow. Arroyo Chub have moved upstream in San Juan Creek from where they were previously recorded thanks to this project. An EOC site visit occurred on Thursday, June 29th in which USFS staff provided a site tour to show some of the sites that had been improved by this project. Staff will share an overview of the project and the site tour.

Item 6 - Fairview Park 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. Approximately 13 acres of the proposed project have been implemented. Once the restoration is completed and approved by the Wildlife Agencies, OCTA can utilize the restored habitat for mitigation as part of the OCTA M2 Conservation Plan. As discussed during the February EOC meeting, various project concerns have been discussed between the City, OCTA, and the Wildlife Agencies. The project is deficient of approximately 10 acres of the committed restoration habitat types. In addition, the City has yet to record a required conservation easement over the project area. In September 2022, the Wildlife Agencies sent a letter to the City pertaining to project concerns and requested collaboration between OCTA and the Wildlife Agencies to help resolve the issues. If these project requirements are not completed, OCTA would be out of compliance with the Conservation Plan provisions, and the City of Costa Mesa would be out of compliance with their contractual obligations. The City sent a letter to OCTA in January stating that they will continue to work collaboratively to resolve the concerns. Ongoing monthly meetings are taking place. In addition, at the request of Director Foley, a site visit was held in April 2023 with the City and Orange County Parks to discuss project concerns and potential solutions. OCTA understands that the City is working on a proposal for the remaining restoration and next steps. A brief update will be provided to the EOC.

Item 7 – Transportation Corridor Agency Saddle Club Site Plan Update

OCTA staff provided comments to the Transportation Corridor Agency (TCA) pertaining to the Saddle Club Preservation Property Site Use Plan Implementation Project Draft Initial Study/Mitigated Negative Declaration in October 2019. As a reminder, the TCA Saddle Club Preservation Property is located directly adjacent to the OCTA Wren's View Preserve in Trabuco Canyon. OCTA comments included suggested edits pertaining to general Wren's View Preserve information, concerns about inaccurate trail representation, and comments related to public access. In February 2020, OCTA and members of the EOC attended a site visit provided by TCA of the Saddle Club Preservation site. The same concerns included in the above-mentioned comment letter were communicated to TCA during the site visit and within a post site visit letter. These letters are included as Attachment C.

More recently, the Final Mitigated Negative Declaration (MND) of the Site Use Plan (December 2021) was provided to OCTA. The final document addressed the OCTA concerns. TCA's details pertaining to trails and a public access plan for the site are expected to be included in TCA's pending resource management plan for the site. The phasing for TCA public access was deleted from the site plan to remove confusion pertaining to the Wren's View Preserve. TCA acknowledged that they had not intentionally inferred to alter the OCTA Wren's View public access plan. TCA also acknowledged that the County is the appropriate entity to lead future potential conversations related to any potential trail connections. Language was also added to the document that obligates TCA to conduct periodic site assessments to check the integrity of the fencing and signs of trespassing onto adjacent properties, and that patrols and signage would be added to the site accordingly. OCTA staff will share an update with the EOC.

Item 8 – Southern California Edison Coordination Update

As previously shared with the EOC, biological impacts occurred at the Pacific Horizon (151 acres in Laguna Beach) and Silverado Chaparral Preserve (204 acres in Silverado Canyon) as a result of Southern California Edison (SCE) utility maintenance work (Attachment D). OCTA's goal is to ensure that the necessary powerline maintenance needs of SCE are coordinated and completed, while also minimizing impacts to protected Preserve habitat. OCTA and SCE are working cooperatively toward these goals. Potential agreements are being collaboratively developed to define utility access to all OCTA Preserves and identify expected procedures and information needs related to any future SCE activities.

SCE does not have easements for the power poles or facilities at either of these Preserves. As a result, surveys for the utility poles and facilities have recently

been completed. The surveys determined that most of the poles are located on adjacent County owned land with one occurring on City of Laguna Beach property. Survey information is necessary to develop easements and agreements for the poles and affiliated work areas near and within the Preserves. These agreements will lay out expected procedures and information needs related to any future SCE activity. Substantial progress has been made on this agreement which is expected to be completed soon.

Attachments:

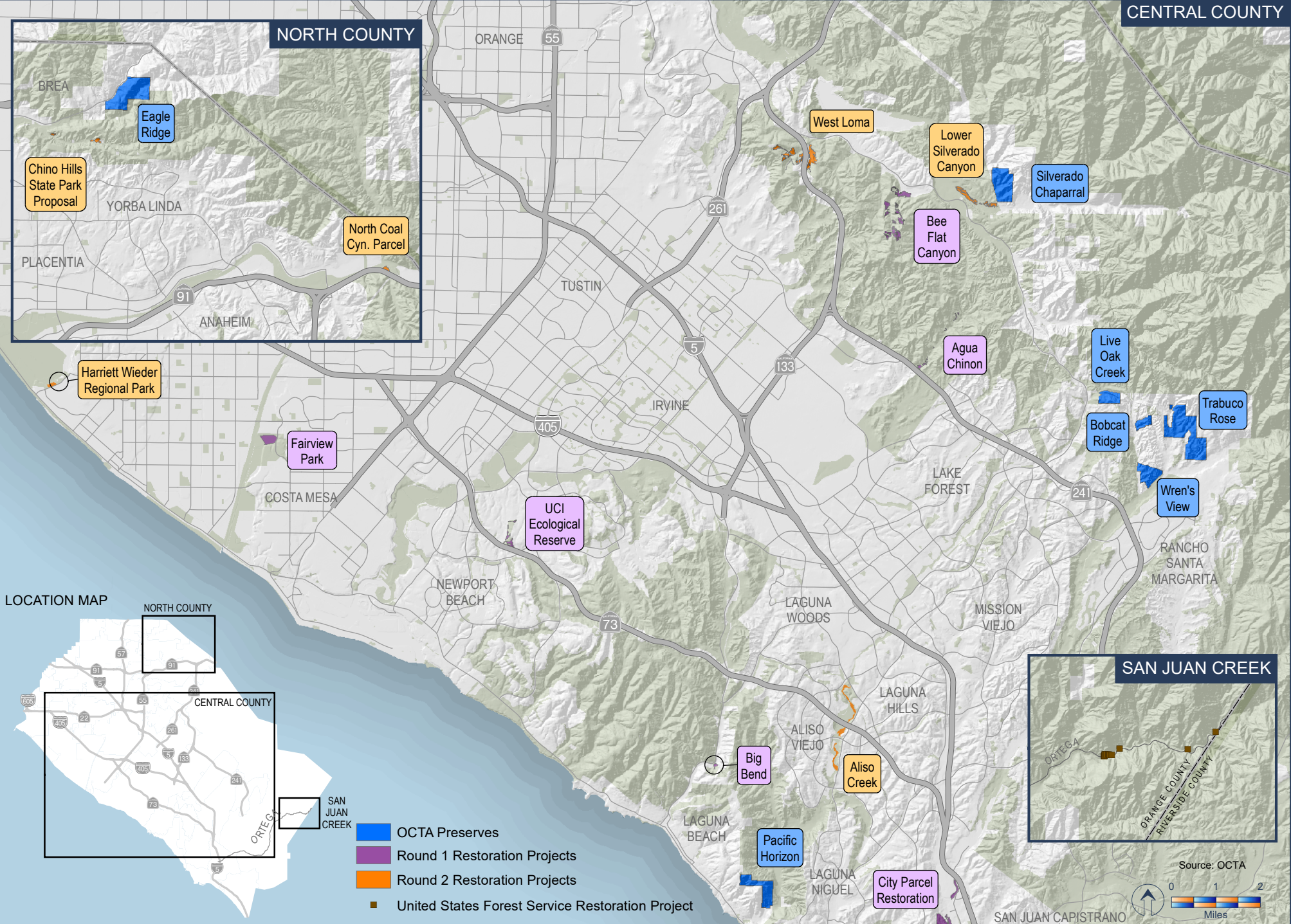
- A. OCTA Preserves and Restoration Projects
- B. OCTA Endowment Pool Dec. 31, 2022, and March 31, 2023 Quarterly Investment Reports
- C. Saddle Club Preservation Property Coordination Letters
- D. Pacific Horizon and Silverado Chaparral Preserves/Southern California Edison Poles and Impacts Figure

OCTA Preserves and Funded Restoration Projects

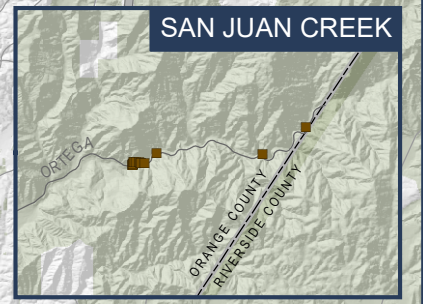
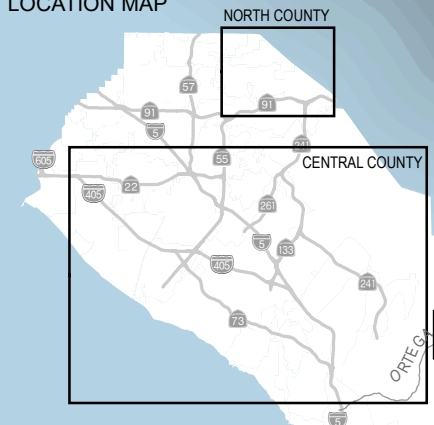


CENTRAL COUNTY

NORTH COUNTY



LOCATION MAP



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

Source: OCTA





Endowment Pool December 31, 2022

INVESTMENTS

Total Pool Assets

\$1.14 billion (Endowment Pool), \$2.28 billion (total foundation assets) as of December 31, 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

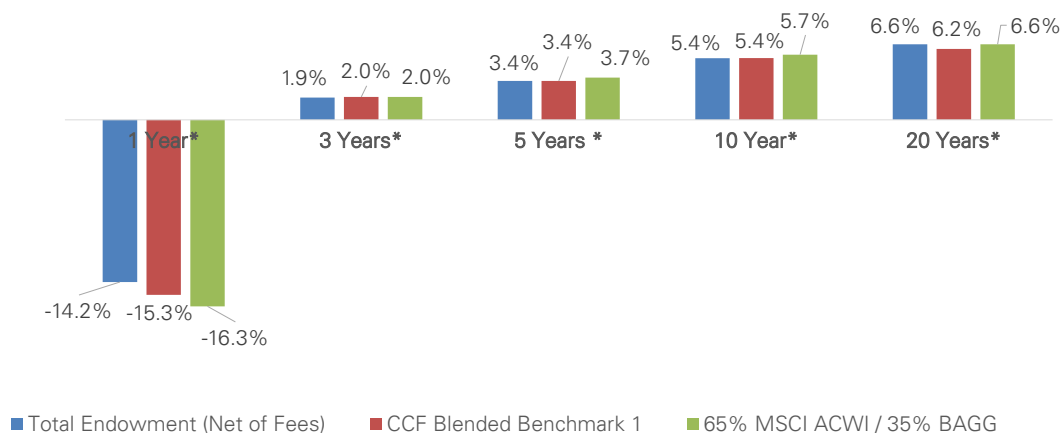
Hall Capital Partners

Performance & Asset Allocation

Performance for December 2022 was -1.7% ^(2,5)

Performance for the three months ended December 31, 2022 was 4.4%

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



Asset Class	Balance (\$m)	% of Port	Long-Term Target Range ⁽⁴⁾
Cash & Equivalent ⁽³⁾	\$3	0.3%	0 - 5%
Fixed Income	\$150	13.2%	10 - 20%
Public Equities	\$534	47.0%	40 - 60%
Alternative Assets	\$139	12.3%	10 - 25%
Private Investments	\$160	14.1%	10 - 20%
Real Assets	\$150	13.2%	5 - 10%
Total Endowment Assets	\$1,136	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 7/1/21.

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 1.13% 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)

10/1/2022 - 12/31/2022

Fund Summary

	Report Period 10/1/2022 - 12/31/2022	Calendar YTD 1/1/2022 - 12/31/2022
Opening Fund Balance	\$21,276,963.74	\$22,634,538.09
Contributions	0.00	2,877,000.00
Investment Activity, net	929,622.74	(3,246,677.72)
Administration & Grant Management Fees	0.00	(58,273.89)
Net Changes to Fund	929,622.74	(427,951.61)
Ending Balance	\$22,206,586.48	\$22,206,586.48

Investment Pool Performance as of 12/31/2022

	This Qtr.	1-Year	3-Years	5-Years	10-Years
Endowment Pool	4.4%	-14.2%	1.9%	3.4%	5.4%
Social Impact Endowment Pool	3.39%	-18.9%	3.1%	5.3%	6.7%
Conservative Balanced Pool	2.84%	-9.9%	1.5%	3.2%	n/a
Short Duration Bond Pool	1.05%	-5.6%	-0.7%	0.8%	n/a
Capital Preservation Pool	0.74%	1.2%	0.7%	1.3%	0.8%

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.

Total Pool Assets

\$1.13 billion (Endowment Pool), \$2.33 billion (total foundation assets) as of March 31, 2023.

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

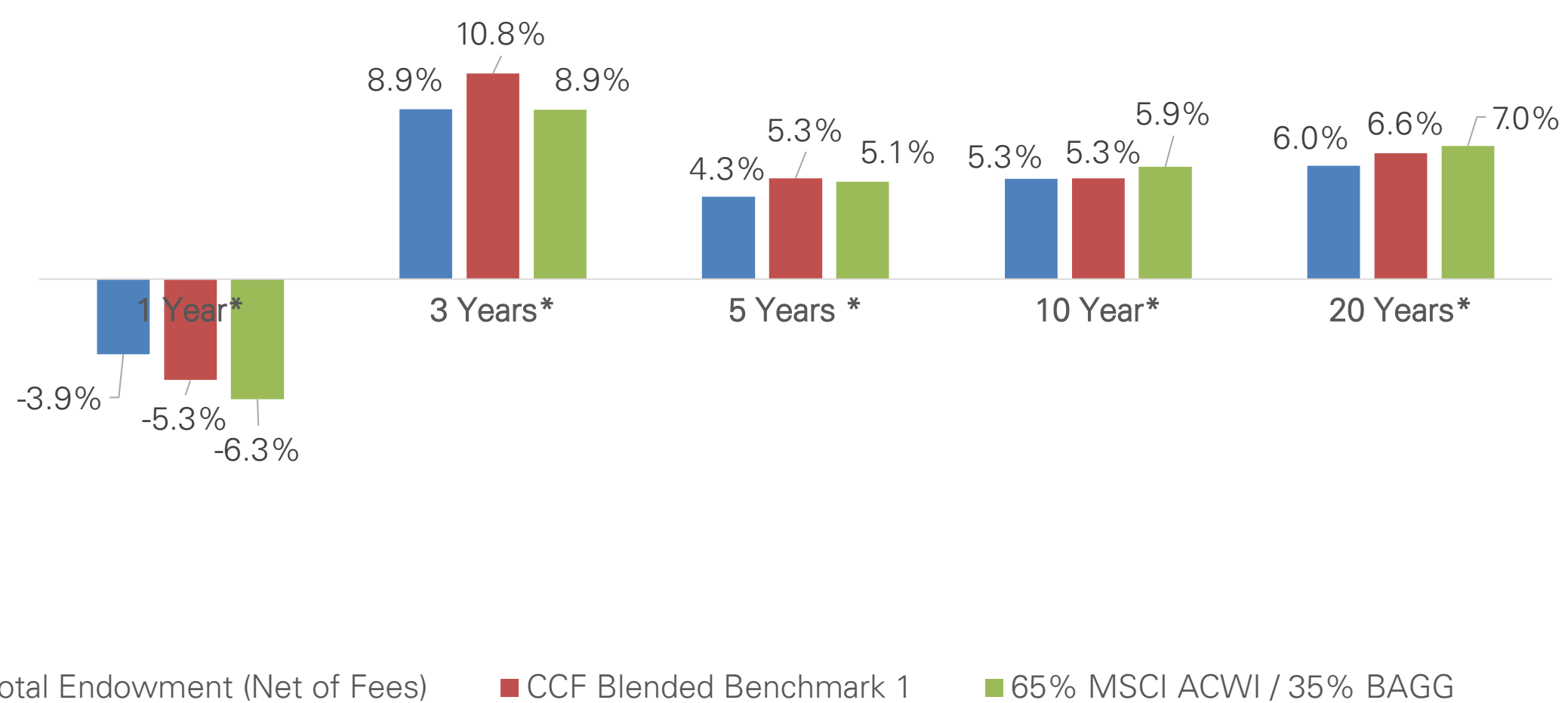
Hall Capital Partners

Performance & Asset Allocation

Performance for March was 0.9% ^(2,5)

Performance for the three months ended March 31, 2023 was 4.4%

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



Asset Class	Balance (\$m)	% of Port	Long-Term Target Range ⁽⁴⁾
Cash & Equivalent ⁽³⁾	\$4	0.4%	0 - 5%
Fixed Income	\$127	11.2%	10 -20%
Public Equities	\$541	48.0%	40 - 60%
Alternative Assets	\$148	13.0%	10 - 25%
Private Investments	\$150	13.3%	10 - 20%
Real Assets	\$159	14.1%	5 - 10%
Total Endowment Assets	\$1,129	100.0%	

* Represents Annualized Returns.

Footnotes:

1 – Total benchmark intended to roughly match CCF portfolio asset allocation with relevant constituent benchmarks. Current blended benchmark effective since 7/1/21.

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 1.17% 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)

1/1/2023 - 3/31/2023

Fund Summary

	Report Period 1/1/2023 - 3/31/2023	Calendar YTD 1/1/2023 - 3/31/2023
Opening Fund Balance	\$22,206,586.48	\$22,206,586.48
Contributions	0.00	0.00
Investment Activity, net	965,978.09	965,978.09
Administration & Grant Management Fees	(59,944.20)	(59,944.20)
Net Changes to Fund	906,033.89	906,033.89
Ending Balance	\$23,112,620.37	\$23,112,620.37

Investment Pool Performance as of 3/31/2023

	This Qtr.	1-Year	3-Years	5-Years	10-Years
Endowment Pool	4.4%	-3.9%	8.9%	4.3%	5.3%
Social Impact Endowment Pool	7.5%	-7.3%	10.4%	7.0%	6.9%
Conservative Balanced Pool	3.5%	-2.8%	4.9%	4.0%	n/a
Short Duration Bond Pool	1.9%	-0.3%	-0.8%	1.3%	n/a
Capital Preservation Pool	1.0%	2.3%	1.0%	1.4%	0.9%

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.



AFFILIATED AGENCIES

*Orange County
Transit District*

*Local Transportation
Authority*

*Service Authority for
Freeway Emergencies*

*Consolidated Transportation
Service Agency*

*Congestion Management
Agency*

March 5, 2020

Mr. Doug Feremenga
Manager, Environmental Planning
Transportation Corridor Agencies
125 Pacifica, Suite 100
Irvine, CA 92618

Subject: Saddle Club Preservation Property Site Visit

Dear Mr. Feremenga:

Thank you for providing the Orange County Transportation Authority (OCTA) Environmental Oversight Committee (EOC) members and OCTA staff a site tour of the Saddle Club Preservation Property on February 19, 2020, and subsequent letter to Ms. Schlotterbeck, EOC Vice Chair, dated February 20, 2020. We appreciate the opportunity to see the resources and gain a better understanding of the schedule for the Transportation Corridor Agency (TCA) Mitigated Negative Declaration and site Resource Management Plan for the Saddle Club Site Use Plan Implementation Project (Project).

We encourage TCA to continue coordinating with OCTA and incorporate measures into the Project to address concerns previously stated by OCTA in the Project Draft Initial Study/Mitigated Negative Declaration (IS/MND) comment letter provided to TCA on October 14, 2019 (attached). Concerns were communicated by OCTA staff during the site visit related to public access proposed in the IS/MND. Specifically, the Coyote Connection Trail, which was depicted for future recreational use on the adjacent OCTA owned Wren's View Preserve and is not part of the OCTA public access program. This trail is currently maintained for Preserve management and is not open to the public nor has it been assessed for recreational purposes. OCTA also reiterated that open self-guided access on the Saddle Club property has the potential to facilitate unauthorized recreational use on the Wren's View Preserve.

The OCTA Preserves are part of the OCTA Natural Community Conservation Plan/Habitat Conservation Plan (Plan). This establishes a higher level of commitment to protect the biological resources. The Plan and corresponding permits issued by the United States Fish and Wildlife Service and California Department of Fish and Wildlife (collectively referred to as the Wildlife Agencies) require specific goals and objectives be met. Any alterations to public access on the Wren's View Preserve would require additional assessments, coordination,

Mr. Doug Feremenga
March 5, 2020
Page 2

and approvals by the Wildlife Agencies, otherwise OCTA conservation plans would be compromised.

We appreciate that TCA will be protecting the Saddle Club Site from future development. This protection complements the efforts and investment made by OCTA in preserving the Wren's View Preserve. However, the OCTA property has been designated as a Preserve with limited, controlled access to protect the existing listed species and sensitive resources. Throughout the development of this Project, we encourage communication with OCTA on any matters discussed herein. If you have any questions or comments, please contact me at (714) 560-5907 or at dphu@octa.net.

Sincerely,



Dan Phu
Manager, Environmental Programs

c: Melanie Schlotterbeck, Environmental Coalition
Will Miller, United States Fish and Wildlife Service

Attachment



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October 14, 2019

Mr. Doug Feremenga
Manager, Environmental Planning
The Foothill/Eastern Transportation Corridor Agencies
125 Pacifica, Suite 100
Irvine, CA 92618

**Subject: Saddle Club Preservation Property Site Use Plan
Implementation Project Draft Initial Study/Mitigated Negative
Declaration**

Dear Mr. Feremenga:

Thank you for providing the Orange County Transportation Authority (OCTA) with the Draft Initial Study/Mitigated Negative Declaration for the Foothill/Eastern Transportation Corridor Agency Saddle Club Preservation Property Site Use Plan Implementation Project. Please see the attachment for comments related to OCTA's Environmental Mitigation Program.

Throughout the development of this project, we encourage communication with OCTA on any matters discussed herein. If you have any questions or comments, please contact me at (714) 560-5907 or at dphu@octa.net.

Sincerely,

Dan Phu
Manager, Environmental Programs

Attachment

**Transportation Corridor Agencies Saddle Club Preservation Property Site Use Plan
Implementation Project Draft Initial Study/Mitigated Negative Declaration**

General Comments:

The Orange County Transportation Authority (OCTA) appreciates that the Transportation Corridor Agencies (TCA) is proposing to restore the Saddle Club Preservation Property, which may eventually be considered a mitigation land for TCA. As the Saddle Club Preservation Property is located directly west of the OCTA Wren's View Preserve, OCTA has a vested interest in the management of this adjacent property. It is important to recognize that the OCTA Natural Community Conservation Plan/Habitat Conservation Plan (Plan) establishes a much higher level of commitment for its adjacent Wren's View Preserve. In reference to future public access on Wren's View Preserve, it is important that OCTA determine the appropriate information to include for the Site Use Plan.

In 2006, Orange County voters approved the renewal of Measure M, effectively extending the half cent sales tax to provide funding for transportation projects and programs in the county. As part of the renewed Measure M (or Measure M2 [M2]), a portion of the M2 freeway program revenues were set aside for the M2 Environmental Mitigation Program (EMP) to provide funding for programmatic mitigation to offset impacts from the freeway projects covered by M2. The Wren's View Preserve is one of seven Preserves that were purchased as part of this program.

OCTA prepared a Plan as a mechanism to offset potential project-related effects on threatened and endangered species and their habitats in a comprehensive manner. The development of this Plan enabled OCTA to obtain permits from the California Department of Fish and Wildlife (CDFW) and U.S. Fish and Wildlife Service (USFWS), collectively referred to as the Wildlife Agencies, which allows for the take of threatened and endangered species and their habitats. Those permits require OCTA protect and manage all its Preserves at a much higher level than a park or other open space land. Detailed Resource Management Plans (RMP) were developed and approved by the Wildlife Agencies for each of the Preserves, based on specific biological goals and objectives. At this point in time, it is unclear what type of mitigation this site will be used for.

Draft IS/MND Comments:

- Table 1.1 should include the Wren's View Preserve as the adjacent land use to the east. Figure 1.3 accurately depicts the land, but the narrative should also be included in the table description.
- Page 28 (first paragraph) includes various special-status wildlife species with moderate to high potential to occur on site. Based on the Wren's View Preserve biological surveys, it would also be expected that the following species may be found on the Saddle Club Site: cactus wren (*campylorhynchus brunneicapillus*/CDFW species of special concern), bobcat (*lynx rufus*), and mountain lion (*puma concolor*/CDFW species of special concern). Please consider these species in your document. It appears that some of these species are mentioned later in the Draft Site Use Plan.

Transportation Corridor Agencies Saddle Club Preservation Property Site Use Plan Implementation Project Draft Initial Study/Mitigated Negative Declaration

- Page 63 (4th paragraph) – The Site Use Plan references that the proposed recreational trail on the project site is being designed to close a gap in the Coyote Connection Trail to help promote equestrian/recreational opportunities in the area. This proposed trail would then traverse through the Wren’s View Preserve. To reiterate, the OCTA Plan establishes a much higher level of commitment for its adjacent Wren’s View Preserve. As discussed in the Wren’s View RMP, both sides to the north and south of the Preserve have access constraints. In addition, any changes to OCTA’s access plan would require approvals by OCTA and the Wildlife Agencies. Please reference the OCTA RMP Section 3.1.3 for more information on the Wren’s View adjacent lands constraints and the public access program.
- Figure 5.16-1 (‘Planned and Existing Trails’) - The figure should be corrected to note that the Coyote Connection Trail is an “existing road/trail” on the Wren’s View Preserve but that it is currently maintained for preserve management and not open for recreational use.

Saddle Club Preservation Property Draft Site Use Plan (Site Use Plan) Comments:

- *Table 1: Activity Implementation Plan Summary*
 - 2.c. states that the fence along the eastern boundary property would be removed by 2021 and that property markers would be placed. The footnote states that this would require OCTA concurrence. To clarify, the entire fence line is the property of OCTA and was installed to protect the biological resources from cattle and occurs entirely on OCTA land. This fence does not occur on the Saddle Club property. The fencing is owned and maintained by OCTA and thus, must not be included in the Site Use Plan. There is potential for OCTA and TCA to discuss alterations to the fence line in the future. However, any final decision will be determined and led by OCTA (as the property owner).
- *Table 2: Surrounding Land Uses*
 - The Wren’s View Preserve should be included in the row discussing land uses to the east.
- *Figure 5: Existing Conditions*
 - See comment pertaining to Figure 5.16-1 above.
- Page 20 (last paragraph) – The Site Use Plan states that there is an additional topographical feature that was observed and did not reveal any evidence of ordinary flows or active banks and was thus determined to be non-jurisdictional (also shown in Figure 9). This feature appears to be the same feature that was mapped on the Wren’s View Preserve as a jurisdictional feature during the 2013 Baseline Biological Surveys. In fact, this feature is included as a California Rapid Assessment Method

Transportation Corridor Agencies Saddle Club Preservation Property Site Use Plan Implementation Project Draft Initial Study/Mitigated Negative Declaration

Area for the Wren's View Preserve. OCTA recommends that TCA consider designating this drainage as "jurisdictional" by the United States Army Corps of Engineers (Corps). The Corps should be contacted for definitive classification.

- Page 28 (footnote 17) – Please change from "O'Neill Preserve" to "Wren's View Preserve."
- Page 30 – The Site Use Plan states that the property's resources will be evaluated on an annual basis. OCTA requests that the site is evaluated more frequently to ensure that impacts are not occurring to the Wren's View Preserve via the Saddle Club property.
- Page 33 – Proposed Pilot Public Recreational Trail Phasing Plan (subsection 'OCTA') – The Site Use Plan states that "a goal of the OCTA RMP is to provide for managed public access and passive recreation opportunities within the Preserve". To clarify, as stated in the RMP, OCTA and the Wildlife Agencies must first "evaluate if managed public access and recreational opportunities within the Preserve are appropriate/compatible with the protection of biological resources". This would include any modifications to existing access. The first and foremost objective with the Wren's View Preserve is to maintain the biological integrity standards set by the Wildlife Agencies. In addition, as previously mentioned, access constraints occur to the north and south of the Preserve.
- OCTA is open to discussing the Wren's View Public Access Plan with TCA to determine if and how the public access may be altered, while staying within the approved Draft Model Public Access Framework. Approvals must also be obtained from the Wildlife Agencies.
- Pages 38-39 – Trail Maintenance and Management – although the Wren's View Preserve provides public access, it is managed, and docent led. The Saddle Club Site is now proposing to allow a higher level of public access directed towards the OCTA Preserve. This could inadvertently trespass onto the Wren's View Preserve (phases I and II) and compromise the biological resources on this Preserve. OCTA requests that TCA monitor the Phase I public access closely to ensure that this increased use is not impacting adjacent protected lands. OCTA requests that TCA include how it will avoid and mitigate these impacts to the Wren's View Preserve in the "Maintenance and Management" section discussion of the Site Use Plan.
- In addition, OCTA staff recommends that TCA perform regular focused surveys for invasive plants and pests on this property. As previously communicated to TCA, both the invasive shot hole borer and gold spotted oak borer beetle have been confirmed on the Wren's View Preserve. Active monitoring and maintenance are necessary to help control the spread of these serious non-native invasive species.

