



January 4, 2021

To: Regional Highways and Planning Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Measure M2 Environmental Mitigation Program Update

Overview

Measure M2 includes a program to deliver comprehensive mitigation for specific environmental impacts of 13 freeway projects in exchange for streamlined project approvals from the state and federal resources agencies. A biannual status report of these efforts and program update is presented.

Recommendation

Receive and file as an information item.

Background

Measure M2 (M2) includes the Environmental Mitigation Program (EMP) intended to mitigate certain impacts and streamline the approval process for 13 M2 freeway projects. This was achieved through the development of a Natural Community Conservation Plan/Habitat Conservation Plan (Conservation Plan), approved by the California Department of Fish and Wildlife (CDFW) and the United States Fish and Wildlife Service (Wildlife Agencies) in 2017. Consistent with the Conservation Plan, the Orange County Transportation Authority (OCTA) has purchased seven conservation properties (Preserves) and funded 12 habitat restoration projects (Attachment A). An endowment was established for the long-term management of the Preserves. In a parallel process, the United States Army Corps of Engineers (ACOE) and the State Water Resources Control Board (SWRCB) have also established a framework to expedite the regulatory permitting process.

The development of the Conservation Plan, the subsequent purchase of these Preserves, and the restoration projects has largely met the intent of the EMP, and the mitigation needs of the M2 freeway projects. Many of the restoration projects are close to or have obtained approvals from the Wildlife Agencies.

Discussion**Conservation Plan Update**

As a commitment of the Conservation Plan, OCTA is required to prepare an annual report on the implementation processes. The 2019 Annual Report was completed and provided to the OCTA Board of Directors (Board) in July 2020. The report is available on the OCTA website at [Environmental - Preserve Management \(octa.net\)](https://www.octa.net/Environmental-Preserve-Management). OCTA will continue with its efforts to complete the required objectives in a timely manner. The next Conservation Plan Annual Report is anticipated to be completed in early 2021 and will be provided to the Board in the next EMP update.

Silverado, Blue Ridge, and Bond Fire Impacts

Three significant fires have impacted Orange County over the past three months. These fires have impacted multiple investments sponsored by the OCTA EMP. On October 26, 2020, two fires (Silverado and Blue Ridge) ignited and impacted three restoration projects. A status update of these two fires was provided to the Environmental Oversight Committee (EOC) and the Board on October 29, 2020 and has since been updated (Attachment B). The Bond fire ignited in Orange County on Wednesday, December 2, 2020. A summary of this fire is also included in Attachment B. None of the OCTA Preserves were in the burn area, but several restoration projects were affected by these three fires. Staff is coordinating with the jurisdictions involved with the fire response, as well as the Wildlife Agencies. OCTA will coordinate with the restoration project sponsors to fully assess the damage and then work closely with the Wildlife Agencies to discuss next steps. In addition, OCTA will seek federal funding opportunities related to the fires and will work with the Irvine Ranch Conservancy (IRC) to find innovative ways to aide in the restoration recovery.

Bee Flat Canyon Restoration Project Completion

In July 2020, the Wildlife Agencies officially approved the successful completion of the OCTA-funded Bee Flat Canyon Restoration Project. This 84-acre project is within Orange County Parks lands and was funded in April 2011. This restoration project was supported by IRC. The goal of the project was to reestablish a diverse, resilient, and self-sustaining ecosystem. This is the third OCTA-funded restoration project to meet its success criteria. Unfortunately, this project was affected by the Silverado fire. As stated above, OCTA will coordinate with the IRC to fully assess the damage and then work closely with the Wildlife Agencies to discuss next steps. As this project received sign off, OCTA will not be required by the Wildlife Agencies to provide any additional funding for fire damage repairs.

OCTA Preserve Fire Management Plans

OCTA began developing fire management plans (Plans) for the Preserves in 2018 with an anticipated completion date of 2020. Each Preserve will have its own separate Plan. The Plans will provide guidelines for decision-making at all stages, including fire prevention, pre-fire vegetation management, suppression activities, and post-fire responses that are compatible with conservation and stewardship responsibilities. This includes annual vegetation thinning on the Preserves near homes and on the existing access roads.

The first Plan (Silverado Chaparral Preserve) has been approved by the Orange County Fire Authority. OCTA is coordinating with the Wildlife Agencies to obtain their approval. The remaining Plans were anticipated to be completed in 2020. However, due to coordination delays with Southern California Edison regarding easement confirmation, they are anticipated to be finalized in 2021. Once completed, these Plans will be publicly available.

Trabuco Rose Preserve Gully Restoration

OCTA staff has been implementing an erosion stabilization project at the Trabuco Rose Preserve. The ongoing erosion has created a large gully in an unnamed tributary (Attachment C). This has affected the adjacent main access road, which is crucial for maintaining the property. Restoration and repairs have been proposed to restore the area. Engineers have finalized the restoration plan which includes the placement of rock to buttress the sides of the gully. The buttressing would reinforce the oak habitat and access road. Native plants would then be installed to help stabilize the rock and soften this new feature. Staff has been coordinating with the Wildlife Agencies and the ACOE as this project will require permits and approvals from these agencies.

Clean Water Act Permits Update

The M2 freeway projects are anticipated to impact jurisdictional waters, or waters that are subject to regulation by the ACOE, the SWRCB, and the CDFW, which will require mitigation. Before construction activities can occur, OCTA must obtain sections 401 and 404 Clean Water Act permits from the regulatory agencies. The Conservation Plan mitigation was utilized to help obtain Clean Water Act permits. This has streamlined the project-level permitting processes. These efforts are the result of years of collaboration between OCTA and the regulatory agencies and constitute another groundbreaking milestone for the M2 EMP.

Freeway Projects Update

The following projects are in construction and were able to benefit from the EMP. Without the EMP's established process, these projects could have incurred mitigation-related requirements and unknown costs, resulting in project cost and schedule risks.

- Project C (Interstate 5 Improvement Project from State Route 73 [SR-73] to El Toro Road); and
- Project K (Interstate 405 Improvement Project from SR-73 to the Los Angeles County line).

A strong partnership has been forged through collaboration with the environmental community as exemplified by their participation on the EOC. Furthermore, there has been reduction in risk from the threat of potential lawsuits because of these partnerships.

Endowment Fund

The Conservation Plan permits were issued by the 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. To date, OCTA has made five endowment deposits. Quarterly investment reports are provided to the Board, with the most recent one in December 2020. As of September 30, 2020, the balance was \$16,046,435. The balance is above the fiscal year 2021 target of \$16,002,055. Staff will continue assess market conditions and provide regular endowment updates to the Board, Finance and Administration Committee, and the EOC.

Summary

M2 includes an EMP that provides funding for programmatic mitigation to offset certain impacts of the 13 M2 freeway projects. To expedite the delivery of the M2 freeway projects, this program was initiated to implement early project mitigation through preservation and habitat restoration. This program is administered through a Conservation Plan, which was approved by the Wildlife Agencies in mid-2017. To maximize the benefits of the investments, OCTA has utilized some of that same mitigation to obtain Clean Water Act permits.

Attachments

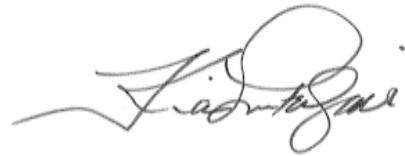
- A. OCTA Preserves and Funded Restoration Projects
- B. Silverado, Blue Ridge, and Bond Fires Update
- C. OCTA Trabuco Rose Gully Location Map and Photo

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