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MEETING NOTICE AND AGENDA

ENVIRONMENTAL MITIGATION PROGRAM WORKING GROUP

The Environmental Mitigation Program Working Group may take action on any item appearing on this agenda.

Tuesday, February 14, 2012

1 to 3 p.m.

SANDAG, 7th Floor Conference Room
 401 B Street
 San Diego, CA 92101-4231

Staff Contact: Keith Greer
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AGENDA HIGHLIGHTS

- **TransNet ENVIRONMENTAL MITIGATION PROGRAM: INFORMATION ON THE KEEP SAN DIEGO MOVING WEB SITE**
- **FINAL REPORT: REGIONAL MANAGEMENT AND MONITORING "DAHLEM-STYLE" WORKSHOP**
- **TIMING OPTIONS FOR THE NEXT TransNet ENVIRONMENTAL MITIGATION PROGRAM LAND MANAGEMENT GRANT CYCLE**

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ENVIRONMENTAL MITIGATION PROGRAM WORKING GROUP

Tuesday, February 14, 2012

ITEM #		RECOMMENDATION
1.	WELCOME AND INTRODUCTIONS (Chair, SANDAG Board Member, Carrie Downey, City of Coronado Council Member)	
+2.	SUMMARY OF DECEMBER 13, 2011, MEETING Review and approve the meeting summary of the December 13, 2011, meeting.	APPROVE Estimated Start Time: 1:00 - 1:10
3.	PUBLIC COMMENTS AND COMMUNICATIONS Members of the public shall have the opportunity to address the Environmental Mitigation Program Working Group (EMPWG) on any issue within the jurisdiction of SANDAG that is not on this agenda. Anyone desiring to speak shall reserve time by completing a "Request to Speak" form and giving it to the EMPWG coordinator prior to speaking. Public speakers should notify the EMPWG coordinator if they have a handout for distribution to EMPWG members. Public speakers are limited to three minutes or less per person. EMPWG members also may provide information and announcements under this agenda item.	COMMENT Estimated Start Time: 1:10 - 1:15
4.	<i>TransNet</i> ENVIRONMENTAL MITIGATION PROGRAM: INFORMATION ON THE KEEP SAN DIEGO MOVING WEB SITE (Keith Greer, SANDAG) SANDAG staff will present information that is available on the status of the <i>TransNet</i> Environmental Mitigation Program that can be obtained through the <i>TransNet</i> Keep San Diego Moving Web site (www.keepsandiegomoving.com). Information on the status, acquisition, management, and monitoring and links to other Web resources will be presented.	INFORMATION Estimated Start Time: 1:15 - 1:30
5.	FINAL REPORT: REGIONAL MANAGEMENT AND MONITORING "DAHLEM-STYLE" WORKSHOP (Dr. Douglas Deutschman, Institute for Ecological Management and Monitoring, San Diego State University) Dr. Deutschman, under contract to SANDAG, facilitated a series of meetings during September and October 2010 to foster scientific creativity and the free exchange of information from a diverse group of stakeholders on management and monitoring. The draft findings were presented to the EMPWG on May 17, 2011. Dr. Deutschman will provide and present his final report on this topic.	INFORMATION/ DISCUSSION Estimated Start Time: 1:30 - 2:15
+6.	TIMING OPTIONS FOR THE NEXT <i>TransNet</i> ENVIRONMENTAL MITIGATION PROGRAM LAND MANAGEMENT GRANT CYCLE (Keith Greer, SANDAG) During the November 8, 2011, EMPWG meeting, several members asked about options for modifying the timeline to assure that land management grants could be under contract by September to prepare for subcontractors to start work in the winter. SANDAG staff has prepared three options for the Working Group to consider.	DISCUSSION/ POSSIBLE ACTION Estimated Start Time: 2:15 - 2:50

ITEM #

RECOMMENDATION

7. NEXT MEETING DATE AND ADJOURNMENT

INFORMATION

The next meeting of the EMPWG has been scheduled for April 10, 2012, from 1 to 3 p.m.

Estimated Start Time:
2:50 - 3:00

Tentative Topics: Report on *TransNet* Efficiency Audit, Pros and Cons; and Outline of Possible State-of-Preserve Report

+ next to an agenda item indicates an attachment

San Diego Association of Governments
ENVIRONMENTAL MITIGATION PROGRAM
WORKING GROUP

February 14, 2012

AGENDA ITEM NO.: **2**

Action Requested: APPROVE

SUMMARY OF DECEMBER 13, 2011, MEETING

Members in Attendance:

Carrie Downey (Chair), City of Coronado
Mike Grim (Vice Chair), City of Carlsbad, North County Coastal
Bruce April, Caltrans
Michael Beck, Endangered Habitats League
Robert Fisher, U.S. Geological Survey
Jeanne Krosch, City of San Diego
Anne Harvey, San Diego Conservation Network
Michelle Mattson, U.S. Army Corps of Engineers
Bill Tippets, The Nature Conservancy
Marisa Lundstedt, Chula Vista, South County
Kevin Mallory, City of Santee, East Suburban Communities
David Mayer, CA Department of Fish and Game
Barbara Redlitz, City of Escondido
Bobbie Stephenson, County of San Diego
Jim Whalen, Alliance for Habitat Conservation
Susan Wynn, U.S. Fish and Wildlife Service
Emily Young, The San Diego Foundation

Others in Attendance:

Christina Schaefer, ESA
Jeff Lincer, WRI
Simona Valanciute, The San Diego Foundation
Karen Begin, The San Diego Foundation
Hallie Thompson, City of Carlsbad
Yvonne Moore, San Diego Management and Monitoring Program
Rebecca Lewison, San Diego State
Steve Juarez, California Department of Fish and Game
Gabe Buhr, California Coastal Commission
Tom Oberbauer, AECOM
Betsy Miller, City of San Diego
Ron Rempel, San Diego Management and Monitoring Program
Nancy Gardiner, Weston

SANDAG Staff in Attendance:

Rob Rundle
Keith Greer
Katie Levy
Carolyn Alkire

ITEM #1: WELCOME AND INTRODUCTIONS

Chair, Councilmember Carrie Downey, City of Coronado, called the meeting to order at 1:03 p.m.

ITEM #2: NOVEMBER 8, 2011, MEETING SUMMARY

Vice-Chair Mike Grim, City of Carlsbad, motioned to approve the meeting summary from November 8, 2011, and Jim Whalen, Alliance for Habitat Conservation, seconded the motion. The motion carried without opposition.

ITEM #3: PUBLIC COMMENTS AND COMMUNICATIONS

There were no public comments. Chair Downey thanked Michael Beck, Endangered Habitat League, and others who have been participating in the Quality of Life Initiative and indicated that the Working Group would hear more about the current status as part of Item 6.

ITEM #4: MITIGATION ENDOWMENTS AT THE SAN DIEGO FOUNDATION

Karen Begin and Simona Valanciute, The San Diego Foundation, presented how the Foundation establishes and manages funds for endowments. Ms. Begin gave a brief overview of the Foundation that has been operating for the past 36 years and manages \$510 million in assets, of which, \$278 million are permanent endowments. The Foundation's mission is to improve the quality of life in all of our communities by providing leadership for effective philanthropy that builds enduring assets and by promoting community solutions through research, convenings, and actions that advance the common good. The Foundation works with non-profits to strengthen their capacity, works with patrons for charitable giving, and engages potential donors to connect them more deeply to community issues.

Ms. Valanciute described mitigation and land management funds. The Foundation currently manages 33 mitigation funds and is establishing an additional 12 funds. Ms. Valanciute defined an endowment as a permanent charitable gift. The money is invested in-perpetuity with only a portion of earnings (5% annually) going to the purpose of the fund. The Foundation limits the distribution of earnings to a maximum of 5 percent of the principal, with any excess rolled back into the principal to help the principal grow over time. The endowments are permanent and are resistant to future change in leadership or organizational changes which may wish to take back the principal.

Endowments are invested in one balanced pool pursuant to the Foundation Distribution Policy (see www.sdfoundation.org/Portals/0/AboutUs/2011.07_EndowmentInvPolicy.pdf). The goal of investment earnings is 7 percent with the distribution of 5 percent to the purpose of the fund and 2 percent to the principal. Susan Wynn, U.S. Fish and Wildlife Service, received clarification that the

percentage of earnings was of the principal and as the principal grows, so does the earnings. The \$510 million of combined charitable assets are deposited and held in 1,700 different charitable funds – each one has a separate fund number with a separate agreement and purpose. The Foundation has established an Investment Committee that provides investment oversight and peer-review on a volunteer basis. The Foundation uses a consultant (currently Wurts and Associates) to hire and fire individual investment managers in the various investment asset classes. All assets are reviewed every 90 days to provide for any necessary adjustments.

Last year, the Foundation established a very specific template for mitigation funds including fee structures. The Foundation has three types of mitigation funds; Mitigation Endowment Fund (permanent principal, 0.75% fee), a Mitigation Non-Endowment Fund (non-permanent principal, 0.75% fee), and a Mitigation Escrow Fund (holds funds for last minute needs, 0% fee). The fees are some of the lowest charged by the Foundation. Fund statements are provided quarterly in hard-copy or anytime online.

Ms. Valanciute addressed the issue of what if the annual earnings fall below the 5 percent desired annual distribution. As described previously, the annual earnings above 5 percent are added to the principal. This growth in principle provides a cushion for years when earnings do not reach the targeted 5 percent. If necessary, the Foundation will provide the 5 percent from the growth in principal from prior year earnings. They will distribute 5 percent until the fund reaches its historical principal, at which time they will only release the annual earnings (interest and dividends on the historic principle). In the 36-year history of the Foundation, the expected worst-case earnings have been 2 to 2.5 percent annually.

Bill Tippetts, The Nature Conservancy, asked about the loss of value of the investment due to inflation. Ms. Valanciute indicated that the market does cycle and the principal will build up to catch up to inflation over the long-term of the investment. Dr. Lincer, WRI, asked if the Foundation could go over where the management fee comes from. Ms. Valanciute indicated it comes from the distributed earnings (taken from the 5%). Ms. Wynn described the potential use of both the Non-Endowment Fund (for startup costs) and Endowment Funds (for long-term management) in combination to address market volatility in light of the need to assure annual revenue for preserve managers during the early years of the endowment. Ms. Wynn stated that the use of the Foundation solves several issues that arose during the Environmental Trust bankruptcy by having a third-party financial manager where the money is invested and accounted separately from the land manager.

Ms. Wynn indicated that she feels that the last structural issue has been who takes ownership of the annual reporting/auditing that the management has been completed with the funds that were provided from the Foundation investment.

The question was raised on how the Foundation compares to the National Fish and Wildlife Foundation (NFWF). Ms. Valanciute responded that the Foundation is much larger (50 vs. 2.5 people on staff) and the Foundation does not charge any set-up fees (NFWF charges 2% upfront, but lower annual fees). Mr. Beck asked about how the trend is historically on the return on investments. For the last 10 years, the historical return has been 5.3 percent.

Michelle Mattson, U.S. Army Corps of Engineers (USACOE), has indicated that the USACOE are requiring applicants to set up a long-term management endowment prior to restoration work so that the principal can grow over a period of five years while the restoration site is being monitored for success. She further indicated that USACOE is requiring applicants to reassess their long-term management costs in year three to see if the actual cost has changed.

ITEM #5: PRESERVE MANAGEMENT PLAN STANDARDIZATION

Dr. Rebecca Lewison, San Diego State, provided a status report on work being conducted by San Diego State's Institute for Ecological Management and Monitoring (IEMM) utilizing Environmental Mitigation Program funding. The project, to provide assistance to strengthen and improve management and monitoring in the habitat conservation planning areas, has three components: 1) preserve-level work, 2) building capacity across the MSCP, and 3) ongoing partnerships to address specific species.

Preserve-level work focuses on developing partnerships with preserve managers to identify goals and objectives and turn those into efficient and effective management and monitoring operations. The IEMM developed a Steering Committee to address what preserve or preserve complexes should be addressed. The Steering Committee identified seven preserves/preserve complexes that should be considered. The goal was to identify a range of preserves from single area, single manager, to a complex of preserves consisting of areas of multiple jurisdictions/land managers in close proximity. The IEMM then compiled an annotated bibliography of management and monitoring plans and reports related to these potential preserve areas. The IEMM contacted organizations, agencies, and land managers in the identified preserves to evaluate their willingness to participate in the project. The focus was to provide assistance to the land managers, not to provide them with more work. The IEMM found that there was a general excitement about having a level of engagement that previously was not there. The IEMM engaged the land managers from the City of San Diego, Carlsbad, Crestridge, and the Bureau of Land Management in the field to discuss what issues they faced and what assistance would be most useful.

The IEMM is creating individualized work plans. Some of the components of these work plans are very common across preserves while others are very preserve-specific. Some of the common components provide the best opportunity to standardize and strengthen management and monitoring. An example is revisiting goals and objectives of the preserves, how these tie to biological monitoring, and how the monitoring may or may not tie to land management. Contrary to commonly stated opinion, the IEMM believes that there is a lot of monitoring data available; most is just under-utilized.

The IEMM is conducting activities to build capacity at individual preserves by providing training of staff on methods/protocols and experimental design. Finally, the IEMM has been building synergy across preserves aimed at regional-level issues. Two examples were discussed. The first is helping to develop experimental designs for the manipulation of habitat to promote California least terns in Mission Bay and connecting this work to that being done on least terns at Camp Pendleton by the San Diego Zoo's Institute for Conservation Research. The other example is work to stop invasion of areas by *Brachypodium*. The land manager in Carlsbad and Crestridge came independently to the IEMM to discuss this problem and develop an experimental design to evaluate management techniques.

The IEMM will be having workshops and training to build capacity across the region. The first workshop was to address the structural and organizational challenges in the implementation of the MSCP (i.e., Dahlem Conference). In November 2011, the second workshop was held on the establishment of goals and objectives. Goals and objectives are critical to serve as the foundation for efficient management and monitoring. The workshop was well attended and the feedback was that the participants found the workshop relevant to their work. A third workshop is being planned for the end of February on the development of conceptual models.

Species-specific partnerships are being developed by the IEMM in conjunction with others on the Otay tarplant, burrowing owls, hermes copper butterfly, and vegetation monitoring. Ongoing work conducted by the IEMM can be viewed at iemm.sdsu.edu/.

Dr. Robert Fisher, U.S. Geological Survey, asked for more clarity on the work products that will be developed to standardize management plans. Dr. Lewison indicated that final work product will be a summation of the workshops – goals and objective development and how to integrate those into conceptual models. While these products exist already in the literature, they are not being utilized. She believes there is either a gap in understanding, a gap in training, or a gap in experience. Keith Greer, SANDAG, helped clarify that, based on the Dahlem Conference, one of the impediments to implementing the MSCP was lack of a clear management and monitoring approach – a “cookbook.” The IEMM is to develop the cookbook and then will pilot the cookbook on a few preserves and/or preserve complexes. Betsy Miller, City of San Diego, indicated that in the past, she was told what to do, but under the IEMM work, they have someone to help them do it. Ms. Miller asked for assistance on a natural resource management she is currently working on. Ms. Wynn indicated that there are things that can be standardized, such as the protocols for various sampling. Mr. Tippetts indicated that the goals and objectives of existing plans are not clearly written.

Mr. Tippetts further stated that there is no need for individual preserve managers to develop conceptual models; there should be a package of models developed on a regional-level. Then, when a preserve manager wants to update their natural resource management plan, they would have a template, a package of conceptual models, and an evaluation of what species/habitats their preserve should focus on based on a regional assessment. Dr. Lewison indicated that there was both a preserve-level and regional-level aspect of these plans (previously identified in the Dahlem Conference). Ron Rempel, San Diego Management and Monitoring Program (SDMMP), indicated that Ms. Miller offered her draft Management Plan as one that could be reviewed by the IEMM and SDMMP to look at from both scales.

ITEM #6: QUALITY OF LIFE PUBLIC INFORMATION SURVEY AND SANDAG BOARD ACTION

Rob Rundle, SANDAG, summarized the survey results conducted over the summer for the Quality of Life Initiative. He outlined several of the key results of the survey. The survey results indicated that the public view quality of life (as defined by the survey) in the region as good and believe it will generally remain the same. As such, the public does not perceive that the quality of life is a critical issue that needs to be immediately addressed. The two key issues on the voter’s mind are: 1) improving the local economy, and 2) curbing government spending.

Mr. Rundle reminded the Working Group that SANDAG made a commitment to place a habitat measure on the ballot as part of the *TransNet* Extension Ordinance. Other unfunded infrastructure needs for stormwater quality, shoreline preservation, and transit operations were included as components in a proposed package for evaluation and polling.

The Board of Directors met on Friday, December 9, 2011, to discuss the survey results and next steps. While she is a big supporter of the elements in the proposed initiative, La Mesa Mayor Mary Sessom questioned whether a measure would ever pass based upon the results of the polling and the high threshold for voter approval (two-thirds). Chula Vista Mayor Cheryl Cox recognized that there is a need to place a habitat measure on the ballot and posed the question of just going forward with a habitat-only measure. The Board of Directors discussed this option but came back to approve SANDAG staff's recommendation to extend taking action on a measure no later than four years (2016) allowing the economy to get better, voters to be further educated, and the measure to be more refined. The Quality of Life Ad Hoc Committee was asked to meet again to discuss the details of the polling results and chart out a direction for staff over the next four years.

Chair Downey indicated that since the SANDAG Board of Director's retreat four years ago, there has been ongoing discussions on what components should be included in a future measure and whether some of the current elements should be taken separately to the voters. Timing and voter turnout would be critical for a successful measure. Chair Downey reiterated that the SANDAG Board of Directors is supportive of trying to get a measure passed, but do not want to go forward with a package that could take away the chance of some of the components in the measure passing. There may be a need to decouple some of the elements currently in the proposed measure.

Mr. Beck was in attendance at the Board of Directors hearing and provided his opinion. A habitat-only measure would not stand a good chance of passing alone and should not be decoupled from stormwater. He further went on to indicate that the polling was regional in nature and future polling should be done more at the local-level (i.e., what does a specific city or community get out of the measure). Mr. Beck indicated that further refinement of all four components is necessary. Mr. Beck finished by thanking Chair Downey for her leadership during the Board of Directors hearing.

Mr. Tippetts also thanked Chair Downey for her support, and noted that the likely voters are not the same as the demographics of San Diego County. This is important to understand as we go forward with any measure. Mr. Tippetts also made the linkage of the current quality of life components back to the requirements of the Regional Transportation Plan's Sustainable Communities Strategy and the Regional Comprehensive Plan.

In closing, Chair Downey indicated she was randomly called to take the survey and shared her experiences with the Working Group on the polling. This provided additional insight to her for any future polling efforts.

The quality of life survey is available on the SANDAG Web site at www.sandag.org/uploads/publicationid/publicationid_1623_13778.pdf.

ITEM #7: NEXT MEETING DATE AND ADJOURNMENT

The EMPWG was set to meet at the regularly scheduled day and time on January 10, 2012, from to 1 to 3 p.m. to review the findings on the land management grant program by Independent Taxpayers Oversight Committee auditors. (Note: This meeting was subsequently canceled due to the Auditor's report being delayed until March.)

The meeting was adjourned at 3 p.m. by Chair Downey.

San Diego Association of Governments
ENVIRONMENTAL MITIGATION PROGRAM
WORKING GROUP

February 14, 2012

AGENDA ITEM NO.: **6**

Action Requested: DISCUSSION/POSSIBLE ACTION

TIMING OPTIONS FOR THE NEXT *TransNet* ENVIRONMENTAL
MITIGATION PROGRAM LAND MANAGEMENT GRANT CYCLE

File Number 3200100

Introduction

On November 8, 2011, the Environmental Mitigation Program Working Group (EMPWG) recommended criteria for project eligibility, weighting criteria, and submission guidelines for the next cycle of the *TransNet* Environmental Mitigation Program (EMP) Land Management Grants. At that meeting, Ms. Yvonne Moore, San Diego Management and Monitoring Coordinator, provided an assessment of the program and feedback from various applicants, members of past evaluation committees, and other stakeholders.

While the assessment was overwhelmingly positive, several members of the EMPWG asked about options for modifying the timeline to assure that land management grantees could be under contract to conduct work by September. This was important to assure the grantees had subcontractors in place for the winter and spring seasons. Staff has reviewed the issue and is providing the following options for consideration by the EMPWG.

Discussion

SANDAG staff, working with the Independent Taxpayers Oversight Committee efficiency auditors, has reviewed the past five land management grant cycles. Barring any delays (e.g., cancellation of SANDAG Policy Action Committee meetings, grant applicants failing to provide contract information, agencies not willing to use the standard contract), it take twelve months from the Call for Projects to a signed contract with the successful grantee (see Attachment 1). Most of this time is fixed by SANDAG Board of Director Policy.

In addition to the timeline, the EMPWG also may want to consider two key work products that will assist with the evaluation and prioritization of future land management grants. The first is the development of an invasive weed management strategy and regional weed mapping. The second is the development of a strategic plan for regional management. These documents will help guide future decisions regarding land management grants. With this in consideration, staff has identified three options for consideration as shown in Attachment A.

Option 1: Send Out Call for Projects as Soon as Possible. This option would send the EMPWG recommended criteria to the SANDAG Board of Directors for adoption as soon as possible. The result, if approved by the SANDAG Board of Directors, would be a Call for Projects starting in May with final contracts signed in February 2013. A draft of the invasive species mapping and strategic weed plan would be available during the Call for Projects.

Option 2: Assure Contracts in Place by September. This option would make assure the contracts are in place as of September. This would allow a delay of the Call for Projects until November 2012 (proximately 6 months) with contacts in place August 2013. The upside of this option is that the final invasive species mapping and strategic weed plan would be completed, and a draft of the regional management strategic plan would be completed at the beginning of the Call for Projects for use by potential applicants.

Option 3: Align Land Management with Management Strategic Plan. This option would delay the Call for Projects until a final regional management strategic plan would be completed. The land management grants could then be aligned to implement this plan. This would require the Call for Projects to go out May 2013 with contracts secured by February 2014.

Attachment 1 has a timeline for each of these options. Staff is requesting that the Working Group discuss these options and provide a recommendation.

Attachment: 1. Timeline for Land Management Grants

Key Staff Contact: Keith Greer, (619) 699-7390, kgr@sandag.org

TIMELINE FOR LAND MANAGEMENT GRANTS
(Assuming No Delays in Process)

Action	Approve Call for Projects & Criteria		Call for Project			Recommendations/Approvals				Contracting		
	RPC/TC	ITOC/BOD				Ad Hoc Committee	EMPWG	RPC/TC	ITOC/BOD			
Month	1	2	3	4	5	6	7	8	9	10	11	12

Option 1:	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
Option 2:	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13
Option 3:	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14

Key Events

Jun-12
Sep-12
Nov-12
May-13

- Draft Invasive Species Mapping and Strategic Plan**
- Final Invasive Species Mapping and Strategic Plan**
- Draft Strategic Plan for Regional Management Efforts**
- Final Strategic Plan for Regional Management Efforts**