

SONOMA COUNTY OPEN SPACE FISCAL OVERSIGHT COMMISSION

COMMISSIONERS

Mike Sangiacomo (Sonoma)
Todd Mendoza (Petaluma)
Dee Swanhuysen (Sebastopol)

Bob Anderson (Healdsburg)
Eric Koenigshofer (Occidental)
Jeff Owen (Alternate)

Regular Meeting
747 Mendocino Avenue – Suite 100, Santa Rosa, CA 95401
January 15, 2015 5:00 pm

AGENDA

1. **Election of Officers.**
Minute Order approving election of officers [Minute Order 12]
2. **Agenda Items to be Held or Taken Out of Order; Off-Agenda Items.**
3. **General Announcements Not Requiring Deliberation or Decision.**
4. **Public Comment.**
The Brown Act requires that time be set aside for public comment on items not agendized.
5. **Correspondence/Communication.**
6. **Approval of Commission Minutes.** [Attachment 1]
November 6, 2014
7. **Ad Hoc Committee Reports.** [Attachment 2]
 - Annual Report/Audit Report Review (Anderson, Swanhuysen)
-Review of Commission's 4th Report to the Board of Directors
 - Investment (Mendoza, Owen)
 - Review of County Services (Mendoza, Koenigshofer)
 - Stewardship (Mendoza, Sangiacomo)
 - Operation and Maintenance Transaction Review (Anderson, Koenigshofer)
 - Matching Grant Program (Koenigshofer, Owen)
8. **Creation of Ad Hoc Committees for 2015 and Assignment of Commissioners.**
 - Annual Report/Audit Report Review
 - Investment
 - Review of County Services
 - Stewardship

- Operations and Maintenance Transaction Review
- Annual Report/Audit Report Review
- Matching Grant Program
- Other?

9. **Colgan Creek Restoration Phase 3 – Matching Grant Project.**

[Attachment 3]

10. **Role of the Fiscal Oversight Commission.**

11. **Adjournment.**

Suggested Next Meeting: February 5, 2015

In compliance with Government Code §54954.2(a), the Sonoma County Open Space Fiscal Oversight Commission will, on request, make this agenda available in appropriate alternative formats to persons with a disability, as required by Section 202 of the ADA of 1990 (42 U.S.C. §12132), and the Federal rules and regulations adopted in implementation thereof. Individuals who need this agenda in another format or need a disability-related modification or accommodation should contact Sue Jackson at 707.565.7346 at least 72 hours prior to the meeting to ensure arrangements for accommodation. Pursuant to Government Code § 54957.5, a copy of all documents related to an item on this agenda submitted to the Fiscal Oversight Commission may be obtained from the Fiscal Oversight Commission office, 747 Mendocino Avenue, Santa Rosa, CA 95401.

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UNAPPROVED

Minutes for Meeting of November 6, 2014

Commissioner Mendoza called the meeting to order at 5:00 pm.

Commissioners Present: Anderson, Koenigshofer, Mendoza, Swanhuyser, Sangiacomo, Owen (Alternate) (arrived at 5:05).

Staff Present: Bill Keene, General Manager; Mary Dodge, Fiscal and Administrative Services Manager; Sheri Emerson, Program Manager-Stewardship; Misti Arias, Program Manager-Acquisitions; Kathleen Marsh, Stewardship Coordinator; Alex Roa, Assistant Planner; Hannah Spencer, Technician-Stewardship; Sue Gallagher, Counsel; Martha (Marty) McCoy, Counsel; Christine Minkel, Administrative Aide to the Commission.

Also Present: Steve Ehret, Park Planning Manager, Sonoma County Regional Parks

1. **Agenda Items to be Held or Taken Out of Order; Off Agenda Items.**

There were none.

2. **General Announcements Not Requiring Deliberation or Decision.**

General Manager Bill Keene made the following announcements:

- The District Matching Grant Program 2014 recommendations were approved by the Board of Directors on October 14, 2014.
- The Curreri acquisition closed on October 30, 2014. The District contributed to the fee purchase of 29 acres. The property has been added to the Sonoma Valley Regional Park.
- The Fitch Mountain property transfer is expected to close on or around November 17, 2014. The property will transfer to LandPaths for three years, and will then be transferred to the City of Healdsburg.
- The Board of Directors reappointed of Mr. Keene to the General Manager position for a three-year period.

3. **Public Comment.**

There were none.

4. **Correspondence/Communication.**

The Commission received a letter from Caryl Hart, Director, Sonoma County Regional Parks, regarding the District's Initial Public Access Policy. The letter, dated October 6, 2014, was received

on November 6, 2014. Discussion of the letter was held under Agenda Item #8: Fee Lands Strategy/Initial Public Access-Operations & Maintenance.

5. **Approval of Commission Minutes.**

On a motion by Commissioner Swanhuysen and second by Commissioner Anderson, the minutes of October 2, 2014, were approved as submitted. Subsequently, an error was noted, i.e., the omission of Commissioner Sangiacomo's attendance. On a motion by Alternate Commissioner Owen and second by Commissioner Anderson, the minutes were approved as amended.

6. **Ad Hoc Committee Reports.**

- Investment (Mendoza, Owen)
Nothing to report.
- Review of County Services (Mendoza, Koenigshofer)
Nothing to report.
- Stewardship (Mendoza, Sangiacomo)
Commissioner Mendoza requested an update on the District's agreement with Center for Natural Lands Management, a consultant firm that is providing guidance on projecting and managing the long-term cost of stewarding District lands. Ms. Emerson recapped work completed-to-date, next steps, and a timeline for receipt of final report and completion of the agreement, which is expected to occur in January 2016. The Commission requested information on practices of similar land management organizations in calculating long-term stewardship costs.
- Operations and Maintenance Transaction Review (Anderson, Koenigshofer)
The committee met on October 13, 2014 with District staff to review and comment on the District's draft Initial Public Access, Operations and Maintenance Policy. The committee awaits the discussion under item #8 of this agenda.
- Annual Report/Audit Report Review (Anderson/Swanhuysen)
The committee met on October 28, 2014. A format for the Commission's Annual Report was determined, which will include a work plan. A draft Annual Report may be brought to the Commission at the December or January meeting. The committee reviewed and accepted the District's FY 13/14 Audit Report that was prepared by Maze & Associates. Commissioners Swanhuysen and Anderson commended Mary Dodge on the inclusion of the new statistical section within the report, which will assist readers by providing sales tax revenue and debt service information. The committee is continuing its review of the FY 13/14 accounting transactions on recreational properties to ensure compliance with Measure F's operations and maintenance category.
- Matching Grant Program (Koenigshofer, Owen)
Projects accepted into the program will be brought before the Commission for Fair Market Value determination over the next few months.

7. **Creation of Ad Hoc Committee (Management Review).**

The Commission discussed its role in implementation of the recommendations made in the District's Management Review (Moss-Adams LLP dated June 16, 2014). Mr. Keene suggested participation in (a) development of a Commission Code of Conduct, (b) development of a workshop on the structure, crafting, and impact of conservation easements as a land conservation tool, and (c) discussion of the role and responsibilities of the Commission as described in

Resolution 10-0832. Commissioner Koenigshofer requested that a discussion of the Commission's role be placed on the December agenda.

8. **Fee Lands Strategy/Initial Public Access Operations & Maintenance**

Ms. Emerson provided an update on lands that are owned by the District, and subsequent transfers of ownership to other entities. The update included a discussion of funds made available to the transferees by the District for initial access, operations, and maintenance. The Commission discussed how funds are calculated and appropriated under Measure F (2006).

The Commission reviewed the letter received from Director Hart, regarding the District's Draft Initial Public Access Policy (see Agenda Item 4. Correspondence/Communication). The Commission requested clarification on statements made in the letter. Mr. Ehret responded on behalf of Regional Parks.

During Public Comment, Mr. Ehret, described concerns and obstacles that Regional Parks has had related to certain properties transferred from the District to Regional Parks. He recommended that Regional Parks be consulted or otherwise included in discussions and decision making earlier, e.g., in the acquisition phase of a project, so that potential problems can be identified and addressed.

9. **Communications and Processes: Discussion/Commission Input.**

The Commission commended the District on the timeliness and level of detail in financial reports, and suggested the following actions to ensure continued improvement in communication practices:

- Provide financial information monthly.
- Presentations involving land should include a property map and a reference to how the action being considered, e.g., acquisition, potential amendments, etc., fits into the Sonoma County General Plan 2020.
- Hold strategic planning sessions to allow for in-depth discussion of District programs.

10. **Next Meeting.** December 4, 2014

11. **Adjournment.**

Commissioner Mendoza adjourned the meeting at 7:50 pm.

Respectfully submitted,

Sue Jackson
Deputy Clerk

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January 15, 2015

Board of Directors
Sonoma County Agricultural Preservation and Open Space District
575 Administration Drive
Santa Rosa, CA 95403

Re: 2014 Annual Report

Dear Board Members:

This letter constitutes the Commission's Fourth Annual Report as required by Board of Supervisors' Resolution No. 10-0832 dated December 7, 2010. The report covers the period from February 7, 2014 to date.

Background

Following the voters approval of Measure F in 2006, the Board of Supervisors reorganized the Sonoma County Open Space Authority into the current Commission effective April 1, 2011. As part of that reorganization, the Commission is required to perform certain fiscal oversight duties with respect to the use of funds held in the County's Open Space Special Tax Account and to review and comment on the District's annual audit all as set forth in Resolution No. 10-0832.

What follows is the Commission's Fourth Annual Report to the District's Board of Directors on the Commission's progress in performing its assigned tasks.

Commission's Fourth Annual Report

1. *Transfer of Funds from the Open Space Special Tax Account to the County's General Fund.* To date, the Commission has no information of any such transfer of funds other than for the reasonable value of goods and services provided by the County to the District. In that regard, County departments that provide services to the District under contract or state-approved cost plan are doing so pursuant to the contracts or the plan, which require informative billing with respect to both direct and indirect costs.

2. *Operations and Maintenance Expenditures.* The Commission is required to review District operations and maintenance expenditures for compliance with the 2006 Expenditure Plan and the District's

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implementing policies. The Commission has been proceeding with this task on a case by case basis with reviews of the District's matching grant program and reviews of fee lands transfers as well as conducting an overview of the fiscal year 2013-2014 accounting transactions for recreational lands. That review resulted in the Commission providing direction to District management to schedule an in-service training for District staff on the criteria for the operations and maintenance expenditure category for recreational lands. The training's intent is to improve initial coding for the operations and maintenance category on staff time cards and on non-labor expenditures.

3. *Procurement Practices.* During the Commission's last review period (the Commission's February 6, 2014 Annual Report), the Commission completed a review of the District's procurement practices for the purchase of goods and services from private vendors and determined that the District was meeting reasonable procurement standards. The District's practice is to follow the County's procurement practices. The Commission has determined that the District is continuing to utilize the County's procurement practices and the General Manager is satisfied that the practice meets the District's needs.

4. *Respond to Requests of the Board of Directors for Advice.* During this report period, there was one request for advice from a District Board member. On May 1, 2014, Director Zane sent a letter requesting that the Commission consider a faster pace for the transfer of three recreational properties: Carrington, Calabazas, and Poff. At the May 1, 2014 Commission meeting, the Commissioners discussed Director Zane's letter and heard from District staff that the Carrington property is slated for transfer to Regional Parks and is included in the Tier One property transfer priority category. The Calabazas and Poff properties are included within the Tier Two property transfer category. The two categories were reviewed and approved by the Board in November 2012. Additionally, the Commission has received and dealt with the following matters as requested by the District's General Manager:

- A. February 6, 2014: Review of the District's Long-range Financial Model. This management tool's purpose is to estimate costs of the District's responsibilities and goals with changing variables based on estimated sales tax revenue and other income to determine the amount of funding available for acquisitions.
- B. February 26, 2014: Review of District staff's proposal to develop a model to forecast the long-term cost of conservation easement monitoring. The Commission assisted District staff with the criteria to procure a service provider to develop the model. A more thorough report on the Commission's effort is detailed in section 9 of this report.
- C. May 1, 2014: Review of the District's Fee Lands Strategy. This strategy presented by District staff to the District's Board of Directors in November 2012 provides a prioritization of the transfer of fee lands to recreational partners.
- D. May 13, 2014: Review of the County's March 31, 2014 Quarterly Investment Report. This review occurred with District staff and with County Treasury staff; investment activities and potential investment opportunities were evaluated. A more thorough report on the Commission's effort is detailed in section 9 of this report.
- E. May 15, 2014: Review of the District's current acquisition projects.
- F. June 5, 2014: Review of the District's biennial Matching Grant Program. This task included a review of the submitted grant applications and a review of the District's process for the funding of restoration and recreational development projects.
- G. September 17, 2014: Review of the FY 13/14 accounting transactions for recreational properties. The goal of the review is to assist District staff with identifying qualifying expenses to the Measure F 10% Operations and Maintenance category. A more thorough report on the Commission's effort is detailed in section 2 of this report.

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- H. October 2, 2014: Review of a concept plan for an Urban Farm Center as a location for the District's office. The Commission provided direction to District staff on this plan.
- I. October 2, 2014: Review of the District's FY 13/14 Audit Report as prepared by Maze & Associates. The Commission provided direction to District staff to contact the independent auditor to enhance the readability of the report regarding the Measure F fund flow. A more thorough report on the Commission's effort is detailed in section 6 of this report.
- J. October 2, 2014: Review of the District's Management Review prepared by Moss Adams & Associates. The Commission is looking forward to assisting District staff with the recommendations related to its role.
- K. October 2, 2014: Review of the County Auditor's report on the District's Operations and Maintenance Reserve. The audit performed by the County Auditor's staff validated the beginning balance of the District's Operations and Maintenance Reserve.
- L. November 6, 2014: Review of the District's draft Initial Public Access, Operations and Maintenance Policy, which District staff will present to the District's Board of Directors in early 2015.

For more details of the Commission's effort on the above matters, please refer to the Commission's meeting agendas and minutes. A link is provided at the end of this report.

5. *Preview District Borrowing Transactions.* To date, no preview has been necessary because no borrowing transactions have closed, are pending, or are anticipated.

6. *District's Annual Audit.* The Commission's Audit Report Review Committee reviewed the District's FY 13/14 Audit Report as prepared by Maze & Associates. The Committee provided direction to District staff to contact Maze & Associates to enhance the report with the inclusion of a comprehensive explanation of sales tax revenue, debt service for the 2007 Measure F Sales Tax Revenue Bond issuance, and the overall Measure F fund flow that occurs within the County Treasury. Maze & Associates incorporated those recommendations into its final report.

7. *Annual Financial Report.* The County Auditor has identified the District as a "component unit" of the County in the 2012-2013 Comprehensive Annual Financial Report (commonly referred to as the "CAFR"). There is a difference of opinion between the Commission and the Auditor on this issue and that difference is explained in the Commission's second annual report to the District's Board dated April 23, 2013.

8. *Appraisal Review.* During the term of this report the Commission has reviewed the following District real property appraisals for compliance with the District's Appraisal Standards and, when appropriate, has reported its comments to the District's General Manager for consideration by the Board of Directors:

- A. April 3, 2014: Eliot Trail Easement Donation, Sonoma Mountain
- B. May 1, 2014: Windsor Town Green Conservation Easement, Windsor
- C. May 1, 2014: Hall Open Space Easement Conditional Approval, Geyserville
- D. May 1, 2014: Haroutunian North Sale of Real Property for Road Signal, Airport Blvd at Fulton Road, Sonoma County
- E. May 15, 2014 and June 5, 2014: Lawson Property Transfer to Sonoma County Regional Parks, Sonoma County
- F. June 5, 2014: Clover Springs Property Recreational Covenant, Cloverdale

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- G. June 12, 2014: Curreri Property Conservation Easement, Glen Ellen
- H. August 7, 2014: Jones Dairy Property Conservation Easement, Penngrove

9. *District's Administration of the Stewardship Fund.* During this report term, the Commission's Stewardship Committee met with the District's Stewardship Manager and Finance Manager to review the District's plan to procure a service provider who will develop a model to forecast the long-term cost of conservation easement monitoring. After a competitive procurement, the District selected a vendor and the Board of Directors approved a professional services agreement. The Commission continues to receive updates on the model's progress, which has an anticipated completion date in early 2016.

Additionally, the Commission's Investment Committee has met with the County's Treasury staff to explore investment options for the District's Stewardship Fund and for other District funds as allowed by the District's investment policies.

10. *Compliance with Measure F.* To date, no information has come to the attention of the Commission showing non-compliance with Measure F.

11. *Review of the Auditor's Annual Report on the Activities of the District (Government Code §50075.3).* As of the date of this report, the Commission's understanding is that the Auditor has yet to make this report.

12. *Work Plan for 2015.* During the next report period, as part of its fiscal oversight duties, the Commission plans to assist District staff with its clarification to the District's Board regarding the Commission's role and responsibilities as recommended in the District's Management Review prepared by Moss Adams & Associates.

13. *Approval.* This report was approved by the Commission at its meeting held on January 15, 2015.

Respectfully submitted,

Todd Mendoza
Sonoma County Open Space Fiscal Oversight Commission Chair

cc: Mr. Bill Keene, Sonoma County Agricultural Preservation and Open Space District General Manager
Mr. David Sundstrom, Sonoma County Auditor-Controller Treasurer-Tax Collector
Mr. Bruce Goldstein, Sonoma County Counsel
Ms. Veronica Ferguson, Sonoma County Administrator

Links:

Measure F as approved by voters in November 2006
<http://smartvoter.org/2006/11/07/ca/sn/meas/F/>

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Board of Supervisors' Meeting Minutes from December 7, 2010

Resolutions 10-0832, 10-0833, 10-0834

file:///C:/Users/C/Downloads/20101207_minutes.pdf

http://sonoma-county.granicus.com/MetaViewer.php?view_id=2&clip_id=130&meta_id=41975

Sonoma County Open Space District Fiscal Oversight Commission's Meeting Agendas & Minutes

<http://www.sonomaopenspace.org/Content/?p=10149/preview.html>

Official Statement County of Sonoma Measure F Sales Tax Revenue Bonds issued November 2007

<http://emma.msrb.org/MS61446-MS262167-MD505658.pdf>



DATE: December 31, 2014 (Meeting January 15, 2015)

TO: Fiscal Oversight Commissioners

FROM: Sara Press, Associate Open Space Planner

SUBJECT: Colgan Creek Restoration Phase 3 Matching Grant Project

Background

Colgan Creek originates in the foothills of Taylor Mountain and flows westward across the Santa Rosa Plain into the Laguna de Santa Rosa. Sections of the creek were relocated and channelized by the Sonoma County Water Agency (Water Agency) in the 1950s. Since 2002, the City Council of Santa Rosa has formally approved of the concept of restoring and enhancing portions of the creek. A Lower Colgan Creek Restoration Concept Plan (Restoration Plan) has been adopted by the City's Council as part of its Citywide Creek Master Plan, and is being undertaken by the City of Santa Rosa (City) in partnership with the Water Agency.

The Restoration Plan includes restoring and enhancing a 1.3-mile stretch of Lower Colgan Creek in southwest Santa Rosa between Victoria Drive and Bellevue Avenue, as well as creating a new neighborhood park and a pedestrian and bicycle pathway along the creek. The creek restoration itself will result in a more natural meander, taking advantage of the undeveloped nature of adjacent properties, and will provide a healthier seasonal creek ecosystem that includes riffles, pools and native streamside vegetation that will provide a contiguous riparian corridor. Restoration of Lower Colgan Creek has been given the highest priority for restoration projects in the City because of the flood risk, habitat conditions, need for a safe route to school from the surrounding neighborhoods, and the need for additional park space in the southwest area of Santa Rosa.

As shown in the table below and on the attached map, in 2004 and 2007, the City submitted applications under the District's Matching Grant Program (MGP) for funding for acquisition of properties necessary to implement the Restoration Plan. The City also submitted a Matching Grant Program application in 2014 for funding for the restoration work of a specific reach of the creek.

Colgan Creek Matching Grant Projects

Year	2004	2007	2014
District Phase	Phase 1	Phase 2	Phase 3*
Application Name	Park and Preserve	Park and Restoration	Restoration
Project Type	Acquisition	Acquisition	Restoration
Funding Recommended	\$336,940	\$2,000,000	\$617,710
Match	\$336,940	\$2,043,515	\$617,710
Project Status	Acquisition complete (Burbank parcel)	Acquisitions partially complete (SWSR and Colgan Creek LLC parcels)	Restoration not yet underway
FOC Role	Determined FMV on 1/28/08 (\$336,94)	Determined FMV on 12/2/11 (\$131,000)	Informational presentation on 12/4/14
Board Role	The Board approved on 1/29/08	To be presented to the Board early 2015	To be presented to the Board early 2015

* Phase 3 is the subject of this Commission item.

Phase 3 Matching Grant Project

The Phase 3 MGP will help fund the restoration activities on a portion of Lower Colgan Creek. Phases 1 and 2 of the MGP are intended to fund acquisitions that are needed in order to make enough land available so the creek can be realigned to a more natural meander. The Phase 3 restoration project begins approximately 150 feet downstream of Victoria Drive and reaches 1,900 linear feet downstream towards Bellevue Avenue.

Plans for the Phase 3 project include increasing the meander pattern of the creek, regrading the cross-section to a more natural geometry, installing a series of pools and riffles, removing invasive plants, and planting genetically-appropriate native vegetation. This work will expand the riparian corridor, increase groundwater infiltration and water quality, and decrease flooding. Additionally, a Class I pathway will extend on the west side of the creek. This phase is currently designed with 50% construction drawings completed, and if all needed funding is secured, construction could occur in 2016. Construction will occur once funding is in place.

Phase 3 Project Match

The City will provide at least a one-to-one match of the secured \$617,710 grant from City Storm Water Enterprise funds and/or grants from other sources. These funds are in addition to the identified match for District MGP Phases 1 and 2 (which will also consist of funds and in-kind contributions toward the implementation of the Restoration Plan). The City anticipates that the Storm Water Enterprise funds will be budgeted for the project in July 2015. In addition, the City is applying for grants from State and federal agencies such as the Natural Resources Conservation Service, the Natural Resources Agency, and the Department of Water Resources.

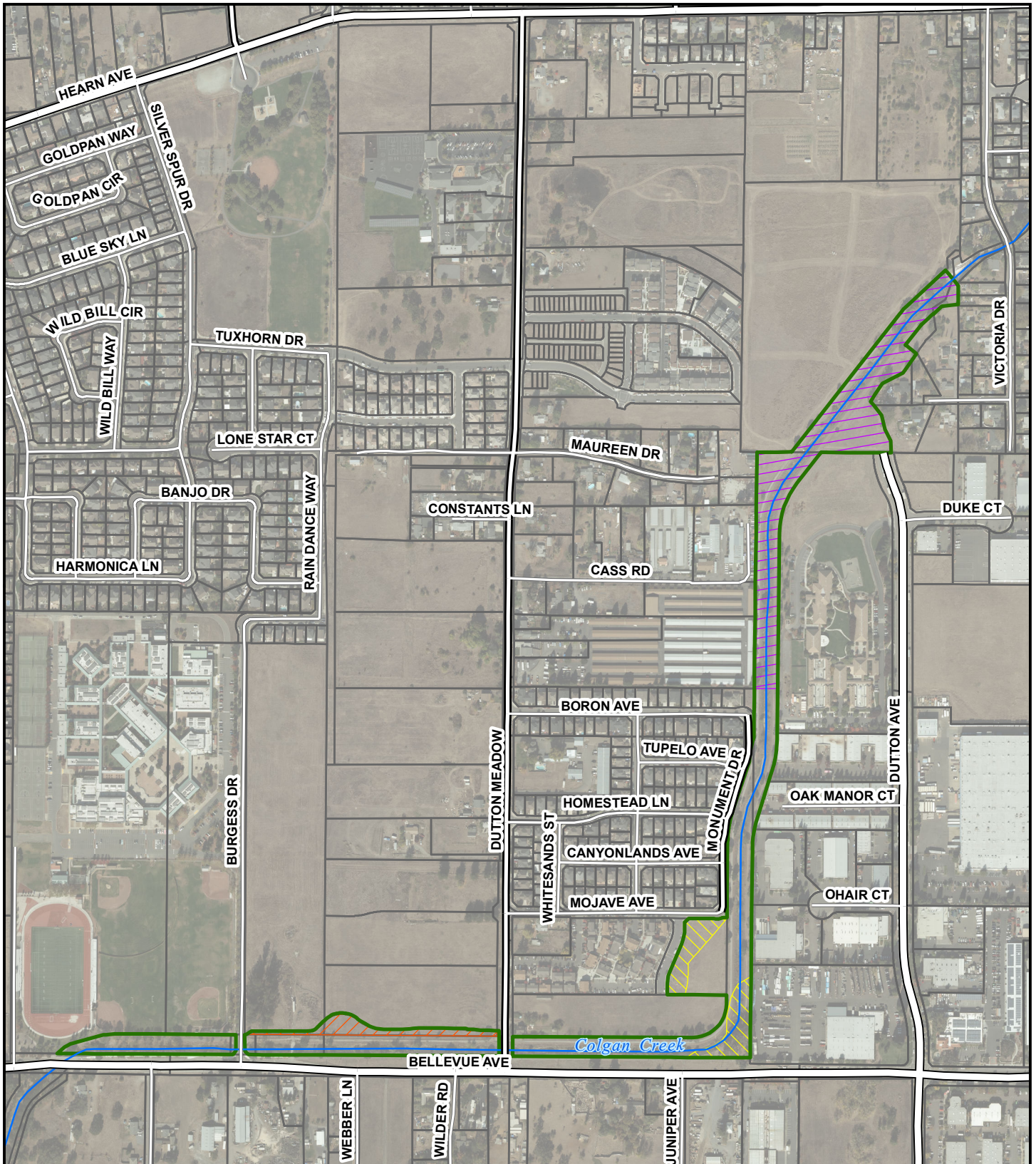
Connecting Communities and the Land

The project furthers objectives and policies in the District's Acquisition Plan by:

- Protecting water resources to benefit human communities as well as fish and wildlife.
- Protecting lands that are important for supporting healthy aquatic habitat in rivers and streams.
- Protecting areas critical to watershed function by preserving and restoring floodplains, riparian areas and adjacent upland habitats.
- Acquiring or protecting lands that promote public access in proximity to urban communities.
- Working with partners to expand bicycle, pedestrian and equestrian trail linkages between communities.
- Ensuring District-protected lands are managed to protect conservation values while allowing compatible public recreational uses.

Next Steps

The project will be presented to the Board of Directors for consideration in early 2015.



Colgan Creek MGP Project Map

0 500 1,000
Feet

- Stream
- MGP Phase 3 Restoration
- MGP Phase 2 Acquisition
- MGP Phase 1 Acquisition
- Conservation Easement Area
- Parcels



Map Date: 11/21/2014
Sources: Streams (SCWA);
Parcels, Streets (County GIS);
NASA/UMD/WSI 2013 (image)
This map is for illustrative purposes
only and is not intended to be a
definitive property description.

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