

SONOMA COUNTY OPEN SPACE FISCAL OVERSIGHT COMMISSION

COMMISSIONERS

Mike Sangiacomo (Sonoma)
Todd Mendoza (Petaluma)
Regina De La Cruz (Rohnert Park)

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

Regular Meeting
747 Mendocino Avenue – Suite 100, Santa Rosa, CA 95401
June 1, 2017 5:00 pm

AGENDA

1. **Call to Order.**
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]
7. **Financial Reports.**
Monthly District Reports [Attachment 2]
8. **Ad Hoc Committee Reports.**
 - Annual Report/Audit Review (Anderson/Owen) [Attachment 3]
Meeting held May 19, 2017
 - Finance/Investment (Sangiacomo/Owen)
Meeting held May 10, 2017
 - Matching Grant Program (De La Cruz/Owen)
 - District Office Location Scenarios (Anderson/Koenigshofer)
9. **California Coastal Trail Segments Funding Agreement and
Kashia Coastal Reserve Recreation Covenant** [Attachment 4]
10. **Paulin Creek Update.**

continued

11. **Closed Session.**

[Attachment 5]

Conference with Property Manager

Property: Rips Redwoods

Address: 31010 Stewarts Point - Skaggs Springs Road, The Sea Ranch, 95497

APNs: 122-210-007, 122-210-008, 122-220-006, 122-230-001, 122-230-002,
122-230-006, and 123-110-007

Owner: Rips Redwoods, LLC

Negotiating Parties:

Owner's Representative: David Katz

District's Representative: William J. Keene, General Manager

Under Negotiation:

Acquisition of Interest in Real Property by the Open Space District. The Commission will give instruction to its negotiator(s) on the price. (*Government Code Section 54956.8*)

12. **Report on Closed Session.**

13. **Suggested Next Meeting.** July 6, 2017

14. **Adjournment.**

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 the Meeting of May 4, 2017

Commissioners Present: Mike Sangiacomo, Chair Pro Tem; Bob Anderson, Eric Koenigshofer; Jeff Owen, Alternate.

Staff Present: Bill Keene, General Manager; Misti Arias, Acquisition Program Manager; Jennifer Kuszmar, Associate Planner-Matching Grant Coordinator; Seamus Rafferty, Technician-Stewardship; Lisa Pheatt, Deputy County Counsel; Sue Jackson, Deputy Clerk/Recorder.

1. Call to Order.

Commissioner Sangiacomo called the meeting to order at 5:05 pm.

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

There were none.

3. General Announcements Not Requiring Deliberation or Decision.

Mr. Keene made the following announcements:

- Young-Armos – Incubator Farm and Wetland Restoration
The District will hold a public meeting to continue discussions of a potential incubator farm and wetland restoration on the Young-Armos property. The meeting is scheduled for Monday, May 8, 2017, 5:30 pm – 7:00 pm, at the Rohnert Park City Hall, and will include a review of three iterations of the site concept plan.
- Paulin Creek – An article on the potential development of land owned by the County, the Water Agency, and adjacent to Paulin Creek Open Space Preserve is expected to be published in the Santa Rosa Press Democrat in the near future.
- Howlett Forest – Bruce Robinson, the Radio News Director KRCB Public Media, featured the Howlett Forest acquisition on his May 2nd show.
- Vital Lands Initiative – Four thematic workshops will be held by the District during May, and will focus on Greenbelts and Community Separators, Agriculture, Natural Resources, and Recreation and Urban Open Space.
- Voter Opinion Survey/Polling Results
The District's consultant (FM3) has completed the voter opinion survey. The results will assist the District in understanding community awareness and support of the District, and will contribute to the District's long term planning and messaging. Commissioner

Koenigshofer asked that a discussion of the survey and its results be agendaized for further discussion.

- **OpenRoad with Doug McConnell**

The District will be featured on *OpenRoad with Doug McConnell*, May 21, 2017 at 6:00 pm (NBCBA). Taylor Mountain Open Space Preserve and Prince Gateway Park and Prince Memorial Greenway will be showcased.

4. **Public Comment.**

There was none.

5. **Correspondence/Communication.**

There was none.

6. **Approval of Commission Minutes.**

On a motion by Commissioner Anderson and second by Commissioner Koenigshofer, the minutes of April 6, 2017, were approved as submitted.

7. **Financial Report.**

Mr. Keene presented (1) the Quarterly Report and Certification of the County Treasurer for Quarter Ending March 31, 2017, (2) the Consolidated Balance Sheet – District and OSSTA Funds for March 31, 2017, and (3) the Consolidated District and OSSTA Budget to Actual for the nine months ended March 31, 2017.

8. **Ad Hoc Committee Reports.**

- Annual Report/Audit Review (Anderson/Owen) – The committee is scheduled to meet on May 19, 2017.
- Finance/Investment (Sangiaco/Owen) – The committee is scheduled to meet on May 10, 2017.
- Matching Grant Program (De La Cruz/Owen) – Nothing to report.
- District Office Location Scenarios (Anderson/Koenigshofer) - Nothing to report.

9. **Matching Grant Program Overview.**

Ms. Kuszmar presented an overview and update of the current Matching Grant Program cycle. The Commission had comments and made recommendations which will be incorporated and presented to the Commission at an upcoming meeting.

10. **Suggested Next Meeting.** June 1, 2017

11. **Adjournment.**

The meeting was adjourned at 6:45 pm.

Respectfully submitted,

Sue Jackson
Deputy Clerk

Sonoma County Agricultural Preservation and Open Space District
Consolidated Balance Sheet - District and OSSTA Funds
April 30, 2017

Assets

Cash and Investments	\$59,160,844
Unrealized Gains and Losses	
Prepaid Expenditures	1,124
Other Current Assets	25,000
Intergovernmental Receivables	

Total Assets	<u><u>\$59,186,968</u></u>
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Liabilities and Fund Balance

Current Payables	\$871
Accrued Exp/Other Current Liab	
Customer Deposits	50,000
Long-Term Liabilities	30,000

Total Liabilities	<u><u>80,871</u></u>
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Fund Balance

Nonspendable - Prepaid Expenditures	1,124
Restricted - District Activities	59,104,973
Total Fund Balance	<u><u>59,106,097</u></u>

Total Liabilities and Fund Balance	<u><u>\$59,186,968</u></u>
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Cash by Fund

OSSTA - Measure F	\$52,605,329
Open Space District	2,992,108
Fiscal Oversight Commission	18,982
Stewardship Reserve	
Cooley Reserve	149,291
Operations and Maintenance	3,395,134

Total Cash by Fund	<u><u>\$59,160,844</u></u>
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Sonoma County Agricultural Preservation and Open Space District
Consolidated District and OSSTA Budget to Actual
For the ten months ended April 30, 2017
83% of Year Complete

	Budget Final	Actual Year to Date	Encumbrances Year to Date	Remaining Balance	% of budget Remaining
Revenues					
Tax Revenue	\$21,320,000	\$15,314,876		\$6,005,124	28.17%
Intergovernmental Revenues	36,752,956	13,514,553		23,238,403	63.23%
Use of Money & Prop	495,000	379,811		115,189	23.27%
Miscellaneous Revenues		292,980		(292,980)	
Other Financing Sources	629,822	30,511		599,311	95.16%
Total Revenues	59,197,778	29,532,731		29,665,047	50.11%
Expenditures					
Salaries and Benefits	4,110,740	2,697,033		1,413,707	34.39%
Services and Supplies	7,188,198	2,302,152	\$1,872,165	3,013,881	41.93%
Other Charges	37,777,149	15,930,682	905,658	20,940,809	55.43%
Capital Expenditures	25,018,433	6,932,336	142,041	17,944,056	71.72%
Other Financing Uses	8,144,598	6,179,601		1,964,997	24.13%
Total Expenditures	82,239,118	34,041,804	2,919,864	45,277,450	55.06%
Net Earnings (Cost)	(\$23,041,340)	(4,509,073)	(\$2,919,864)	(\$15,612,403)	
Beginning fund balance		63,615,170			
Ending Fund Balance		\$59,106,097			

Note: Sales tax collected by April 30, 2016 was \$14,275,232. This represents an increase of 7.28% from the prior year.

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June 1, 2017

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

Re: 2016 Annual Report

Dear Board Members:

This letter constitutes the Fiscal Oversight Commission's (Commission) Sixth Annual Report as required by Board of Supervisors' Resolution No. 10-0832 dated December 7, 2010. The report covers the period from February 29, 2016 to date.

Executive Summary

During this reporting period the Commission has received no information of any transfer of funds other than for the reasonable value of goods and services provided by the County to the District, and no Measure F funds were directly or indirectly appropriated or transferred to the County's General Fund for other than reasonable value of goods and services. In the Fifth Report of the Commission review, efforts were focused on the legal services provided to the District by the Sonoma County Counsel's Office and several recommendations were made. Progress on those recommendations are discussed in this report.

After review of audit reports and agreements on the District's expenditures for operations and maintenance on recreational properties, it appears the District is in compliance with the expenditure plan and Resolution 16-0040. The Commission has also determined that the District is continuing to utilize the County's procurement practices, and is in compliance with Generally Accepted Accounting Principles (GAAP) regarding procurement.

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 as set forth in Resolution No. 10-0832.

The Commission's Sixth Annual Report to the District's Board of Directors on the Commission's actions in performing its assigned tasks are as follows:

Commission's Sixth Annual Report

A. Role of Commission. In conjunction with the periodic audits of the District, the Commission shall serve as an audit committee in order to determine: (1) that no Measure F funds are directly or indirectly appropriated or transferred to the County's General Fund for other than reasonable value of goods and services, (2) that District's expenditures for operations and maintenance on recreational properties are in compliance with the expenditure plan and Resolution 16-0040, Initial Public Access Operations and Maintenance (IPAOM) Policy adopted February 2, 2016, and (3) determine whether or not the District's procurement practices assure that it is paying reasonable prices for appropriate goods and services and providing sufficient detail to provide an audit trail.

1. ***Transfer of funds and reasonable value of goods and services.*** During this reporting period, the Commission's Annual Report/Audit Review subcommittee met as needed to review the reports issued by the District's external audit firm, Maze and Associates, and the Sonoma County Auditor-Controller-Treasurer-Tax Collector's office. The reports reviewed were for the fiscal year ended June 30, 2016 and included audited Basic Financial Statements, the Independent Accountant's Report on Applying Agreed upon Procedures for IPAOM related transactions, the Memorandum on Internal Control and Required Communications, and the Measure F Government Code Section 50075.3 Reporting. These reports are available on the District's website using the link shown below.
2. The subcommittee made several edits to clarify the wording of the Basic Financial Statements, with significant input regarding NOTE 5-Intergovernmental Revenue and Open Space Special Tax Account, primarily as it related to the July 2015 refunding of the 2007 Measure F Sales Tax Revenue Bonds. The Basic Financial Statements provided a clean audit opinion, and to date, the Commission has received 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 the fifth annual report, the Commission focused on the legal services provided to the District by the Sonoma County Counsel's Office. The Commission recommended that District staff (1) execute a written agreement outlining the scope of legal services to be provided to the District, (2) that County Counsel submits a memo to the District outlining the procedures in place that prevent conflict of interest by County Counsel regarding the District's business and the County's business, and (3) that County Counsel works with the County Administrator's Office to enhance the manner of board meetings, so the public can more easily determine when the Board is acting as the District's Board versus the County's Board or another entity's Board, and that the corresponding meeting minutes clearly identify the governing body.

During this reporting period, District staff worked with County Counsel to define the terms of the service level agreement. The District anticipates the agreement will be completed in the coming months. The District also anticipates the agreement will address the Commission's concerns regarding conflicts of interest relating to County business. Regarding the last recommendation pertaining to Board meetings, the Commission's concerns were conveyed to County Counsel and have resulted in several discussions between District and County Counsel staff regarding potential procedural changes during meetings that will increase the public's ability to recognize when the Board is acting as the District's Board of Directors. As a result of these discussions the Board now calls out what Boards they are representing at the beginning of each meeting.

3. ***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 implementing policies. Over the past several years, the process for recording and reviewing these expenditures has been enhanced. The Commission participated in the development of the District processes, as well as in the development of the policy adopted by the District's Board on February 2, 2016. For fiscal year 2015-16 Maze & Associates, the District's independent auditing firm, conducted a transaction review, involving expenditures coded to the operations and maintenance fund, and six transfer agreements between the District and the entity receiving the transferred property. The Initial Public Access Operation and Maintenance (IPAOM) review was completed on December 2, 2016. There were no findings nor any communications indicating that there were any concerns regarding the accuracy of the staff account coding for invoices or timecards. In the fiscal year 2015-16, the Commission recommended in-service training for staff on proper account coding. The training was implemented and has been on-going.
4. ***Procurement Practices.*** The commission reviewed the Memorandum on Internal Control and Required Communications issued by Maze & Associates which did not report any material weaknesses or deficiencies identified during the audit regarding procurement practices or other material processes. 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. The General Manager is satisfied that the practice meets the District's needs.

B. Respond to requests from the Board of Directors for Advice. During this report period, there were no requests for advice from the District Board. The Commission has received and dealt with the following matters as requested by the District's General Manager. Following is a summarization of the activities addressed by the Commission during this reporting period. Appraisal Reviews are shown in Task F below.

1. February 4, 2016: Report out on the Commission meeting with Director Efren Carrillo, County Counsel Bruce Goldstein, and the District General Manager to convey the results of the Commission's review of legal services provided to the District and discussion of the items mentioned in Task A (1) above.
2. March 3, 2015: Review of the fifth annual report; planning session focused on the activities, responsibilities and relationship between the District and County.
3. April 4, 2016: Review of East Washington Park Matching Grant; approval of updated Rules of Governance.
4. May 5, 2016: Review of monthly financial reports; review of Irwin Creek Restoration Matching Grant Agreement.
5. June 2, 2016: Review of monthly financial reports; study session on 2016 priorities resulting in a list of topics of importance.
6. July 21, 2016: Review of monthly financial reports; SMART Matching Grant Agreement; funding request for Pole Mountain Initial Public Access Operation and Maintenance; Cooley Ranch outings.
7. September 8, 2016: Review of monthly financial reports; discussion of sales tax reporting and economic trends with the District's recently contracted sales tax consultant Lloyd de Llamas, Executive Chairman of HdL and Associates.
8. October 13, 2016: Review of monthly financial reports; and discussion of completion of external audit; recommendations on funding of Matching Grant projects.
9. December 1, 2016: Review of monthly financial reports; draft Mitigation Policy; request for review of revised Mitigation Policy.

10. January 26, 2017: Joint Special meeting with the District Advisory Committee; discussion of revised draft Mitigation Policy.
11. February 9, 2017: Review of monthly financial reports; continued discussion on draft Mitigation Policy.
12. March 2, 2017: Review of monthly financial reports; continued discussion on draft Mitigation Policy.
13. April 6, 2017: Review of monthly financial reports; review of proposals for external audit and recommendation to award the contract to Maze & Associates; viewing of the Founders Film shown at County-wide Vital Lands Initiative Meetings,, continued discussion on the Stewardship Reserve Fund calculation.

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.

C. Preview District Borrowing Transactions. For this reporting period there were no borrowing transactions to preview.

D. District's Annual Audit. The Commission's Audit Report Review Committee reviewed the District's FY 15/16 Audit Report as prepared by Maze & Associates. The Commission discussed the need to continue to include the funding strategy for the Stewardship Reserve which anticipates payments to the Reserve to begin at the end of the debt issue. That strategy came about with the refunding of the Measure F Sales Tax Revenue Bonds and the use of the Stewardship Reserve fund and other funds to pay down bond principal and shorten the term. The audited financial statements NOTE 5 details the strategy.

E. Annual Report to the Board of Directors. This report documents review, comments and endorsement of (a) the District's annual audit (b) the County Auditor's Annual Report on the Activities of the District (Government Code §50075.3), (c) administration of the Stewardship Reserve Fund and (d) comments on other matters regarding the District's compliance with Measure F.

- a) As discussed throughout this report, the Commission has participated in the selection of the District's external auditor and has reviewed and commented on the District's Basic Financial Statements, Memorandum on Internal Control and Agreed Upon Procedures relating to Initial Public Access Operations and Maintenance transactions. For the fiscal year ending June 30, 2016 there were no findings or recommendations from the audit firm Maze and Associates regarding District accounting, financial reporting, or internal control processes.
- b) As of the date of this report, the Sonoma County Auditor has prepared the report for

the period ending June 30, 2016. The Commission's Annual Report/Audit Report Review Committee has reviewed the report and is satisfied that it summarizes the Measure F annual sales tax revenue and allowable expenditures, and pending project status. The Commission recommends that the District add this report to its website in the Budget and Financial section.

- c) Regarding the Stewardship Reserve Fund, as part of the Measure F Bond Refunding there are presently no funds in the Stewardship Reserve Fund. As discussed previously, and detailed in Note 5 of the Basis Financial Statements, the Commission is currently reviewing the model for calculating the Stewardship Reserve Fund requirement, and has recommended replenishing the fund at the end of the refunded debt or earlier.
- d) To date, no information has come to the attention of the Commission showing non-compliance with Measure F.

F. Appraisal Review. During the term of this report the commission 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) Hansen Ranch (Feb. 4, 2016)
- b) Stewarts Point (April 7, 2016)
- c) Colgan7 Creek Phase 2c and 2d (May 5, 2016)
- d) Wendle (Sept. 8, 2016 and Oct. 13, 2016)
- e) Howlett Ranch (January 5, 2017 and February 9, 2017)
- f) Cresta III (February 9, 2017)
- g) Hansen Ranch (February 9, 2017)
- h) Lang Exchange (March 2, 2017 and April 6, 2017 –no action taken as yet)

This report was approved by the Commission at its meeting held on June 1, 2017.

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
Ms. Donna Dunk, Sonoma County Auditor-Controller Treasurer-Tax Collector
Mr. Bruce Goldstein, Sonoma County Counsel
Ms. Sheryl Bratton, Sonoma County Administrator

Links:

Board of Supervisors' Meeting Minutes from December 7, 2010 <http://www.sonomaopenspace.org/wp-content/uploads/2015/05/Board-Reso-10-0832.FOC-Role.Responsibilities.pdf>

Resolutions 10-0832, 10-0833, 10-0834
http://sonoma-county.granicus.com/MetaViewer.php?view_id=2&clip_id=130&meta_id=41975

Sonoma County Agricultural Preservation and Open Space District's Basic Financial Statements for the Fiscal Year Ended June 30, 2016
http://www.sonomaopenspace.org/wp-content/uploads/Audit_Report_15-16.pdf

Sonoma County Agricultural Preservation and Open Space District Memorandum on Internal Control and Required Communications for the Fiscal Year Ended June 30, 2016
<http://www.sonomaopenspace.org/wp-content/uploads/SCAPOS-D-MOIC-FY15-16.pdf>

Independent Accountant's Report on Applying Agreed Upon Procedures for Sonoma County Agricultural Preservation and Open Space District for the Fiscal Year Ended June 30, 2016
http://www.sonomaopenspace.org/wp-content/uploads/Review_of_IPAOM_Fund_Transactions.pdf

Sonoma County Open Space District Fiscal Oversight Commission's Role, Rules of Governance, Meeting Agendas & Minutes
<http://www.sonomaopenspace.org/who-we-are/board-and-advisors/fiscal-oversight-commission/>

Official Statement County of Sonoma Measure F Sales Tax Revenue Bonds issued November 2007
<http://emma.msrb.org/MS61446-MS262167-MD505658.pdf>

County of Sonoma Agenda Item Summary Report on the 2007 Measure F Sales Tax Revenue Bonds Refunding
http://sonoma-county.granicus.com/MetaViewer.php?view_id=2&clip_id=505&meta_id=162825

County of Sonoma Measure F Sales Tax Revenue Refunding Bonds Series 2015 A (Limited Tax Bonds – Agricultural Preservation and Open Space)
<http://emma.msrb.org/EA725772-EA569231-EA965212.pdf>

Sonoma County Agricultural Preservation and Open Space District's Board of Directors' February 2, 2016 Meeting Agenda Item #27 Initial Public Access, Operations and Maintenance Policy @ 1:17 minute marker on meeting video
http://sonoma-county.granicus.com/MediaPlayer.php?view_id=2&clip_id=581



DATE: May 26, 2017 (Meeting June 1, 2017)

TO: Fiscal Oversight Commissioners

FROM: Sara Press, Land Acquisition Associate

SUBJECT: California Coastal Trail Segments Funding Agreement and
Kashia Coastal Reserve Recreation Covenant

Summary

This item is related to a funding request from Regional Parks for initial public access, operation and maintenance funds (IPAOM) for California Coastal Trail segments on the Kashia Coastal Reserve and Stewarts Point Ranch. Associated with the funding request is the Fiscal Oversight Commission's review of the proposed acquisition of a Recreation Covenant over the Kashia Coastal Reserve.

Kashia Coastal Reserve and Stewarts Point Trail Easements

On December 10, 2015, the Sonoma County Agricultural Preservation and Open Space District (District) acquired a conservation easement over the 688-acre Kashia Coastal Reserve. As part of the same transaction, the County of Sonoma (County) acquired a trail easement for an approximate one-mile segment of the California Coastal Trail on the coastal side of Highway One (see Exhibit A).

On January 13, 2017, the District acquired a conservation easement over the 868-acre Stewarts Point Ranch property from Save the Redwoods League. As part of the same transaction, the County acquired a trail easement for another one-mile segment of the California Coastal Trail on the coastal side of Highway One. The County conveyed a Recreation Covenant to the District over the trail easement (see Exhibit B).

Initial Public Access, Operation and Maintenance Policy and Fund Status

Per the District's Measure F Expenditure Plan and its Initial Public Access, Operation and Maintenance Policy, the District is allowed to expend up to 10% of its sales tax revenue on IPAOM. As of June 30, 2016, the District had an estimated \$3,525,440 available in this fund. In addition to the existing reserve, the District will record 10% of annual open space tax revenue each year (annual average estimate is over \$2M) into this fund, as outlined below.

Beginning reserve balance as of June 30, 2016:	\$3,525,440
Estimated 10% of FY 2016-17 Sales Tax revenues:	\$2,278,130
Estimate of FY 2016-17 expenditure of eligible IPA and O&M costs:	(\$2,379,000)
Committed IPAOM funds for future fiscal years:	(\$1,024,433)
Estimated IPAOM reserve as of June 30, 2017, accounting for committed future funds:	\$2,400,137

The District anticipates requests from Regional Parks for at least another two properties next fiscal year (2017-18): Carrington Ranch, and Mark West Regional Park and Open Space Preserve.

Funding Request

Regional Parks has provided a cost estimate to plan for and build the Coastal Trail segments on Kashia Coastal Reserve and Stewarts Point Ranch for a total estimated cost of \$1,526,000. Regional Parks states that there will be a cost savings by planning for and constructing both trail segments at the same time. Regional Parks has also provided a cost estimate to operate and maintain the trail easement areas.

The Coastal Conservancy (Conservancy) has previously recommended a grant to Regional Parks of \$160,000 toward planning, and anticipates recommending an additional amount for construction.

Regional Parks has requested a total of \$862,143 from the District for planning, construction, operations, and maintenance of the trails on the Kashia Coastal Reserve and Stewarts Point Ranch. Table 1 shows the IPAOM request to the District, which is detailed in Exhibit C.

Table 1. District Budget for Kashia and Stewarts Point Trail Segments

Category	Activity	Coast Estimate
Planning	Resource studies, planning, CEQA, outreach, regulatory permits, project management	\$ 160,000
Construction	Design, bidding, mitigation, permits, construction, construction management, monitoring	\$ 604,000
Operations	Patrols, enforcement, emergency response, sanitation services	\$ 51,216
Maintenance	Infrastructure repair, mowing, storm water management	\$ 46,927
Total		\$ 862,143

Funding Agreement

In order to receive District funding, the District and Regional Parks will execute a Funding Agreement that covers both properties and specifies the types of costs that are eligible for reimbursement. No reimbursement will occur until Regional Parks submits, and the District approves, a Work Plan that more specifically describes the work and costs associated with the activities on each property, and the appropriate background documentation is submitted.

Kashia Recreation Covenant

Associated with Regional Parks' request for IPAOM funding for the trail on the Kashia Coastal Reserve, the District is proposing to acquire a Recreation Covenant over the trail easement located on the property, ensuring that the trail will remain open to the public in perpetuity (see Exhibit D). The Recreation Covenant requires that the trail on the property be opened to the public by December 31, 2019. If there are extraordinary circumstances, such as coastal permitting delays, Regional Parks could request a one-time, two-year extension.

Fair Market Value Determination of Recreation Covenant

The Fiscal Oversight Commission is being requested to determine that the District is not paying more than fair market value for the Recreation Covenant interests being acquired. This interest in real property is being granted at no cost to the District by Regional Parks as a condition of providing IPAOM funds for development and operation of the trail on the Kashia Coastal Reserve.

Recommendation

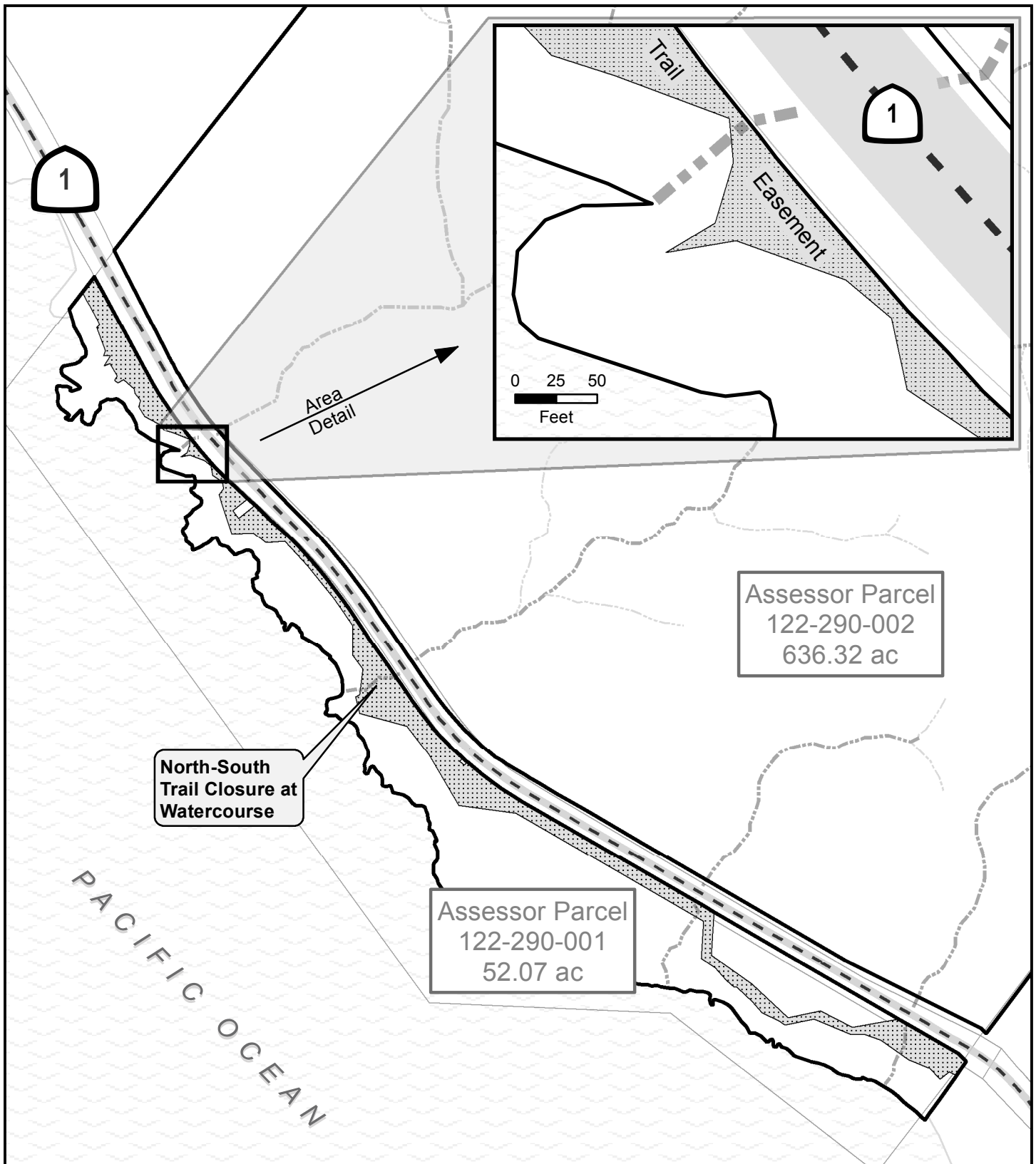
District staff recommend that the Commission adopt a resolution determining that the acceptance of the Recreation Covenant does not exceed the fair market of such interest.

Next Steps

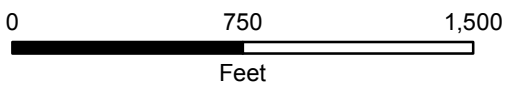
District staff will bring the IPAOM request and the Recreation Covenant acquisition to the Board of Directors on June 20, 2017 for consideration. Any comments by the Commissioners will be brought forward to the Board at that time.

Exhibits

Exhibit A: Kashia Coastal Reserve Trail Easement Map
Exhibit B: Stewarts Point Trail Easement Map
Exhibit C: Regional Parks' IPA and O&M Request
Exhibit D: Kashia Coastal Reserve Recreation Covenant



Kashia Coastal Preserve Trail Easement - Exhibit B



- Watercourse Class II *
- Watercourse Class III *

* Watercourses identified by M.Green;
digitized from LiDAR DEM by C.Kendall.
** Based upon Record of Survey by Pacific
Land Surveyors dated November 2015.
† Based upon Record of Survey by Pacific
Land Surveyors dated November 2015,
NOAA shoreline data, and Assessor records.

- Trail Easement **
- Kashia Coastal Preserve Boundary †
- Assessor Parcel

Map Date: 12/8/2015
Sources: County GIS (parcels, roads); NOAA (shoreline)
This map is for illustrative purposes only and is not
intended to be a definitive property description.

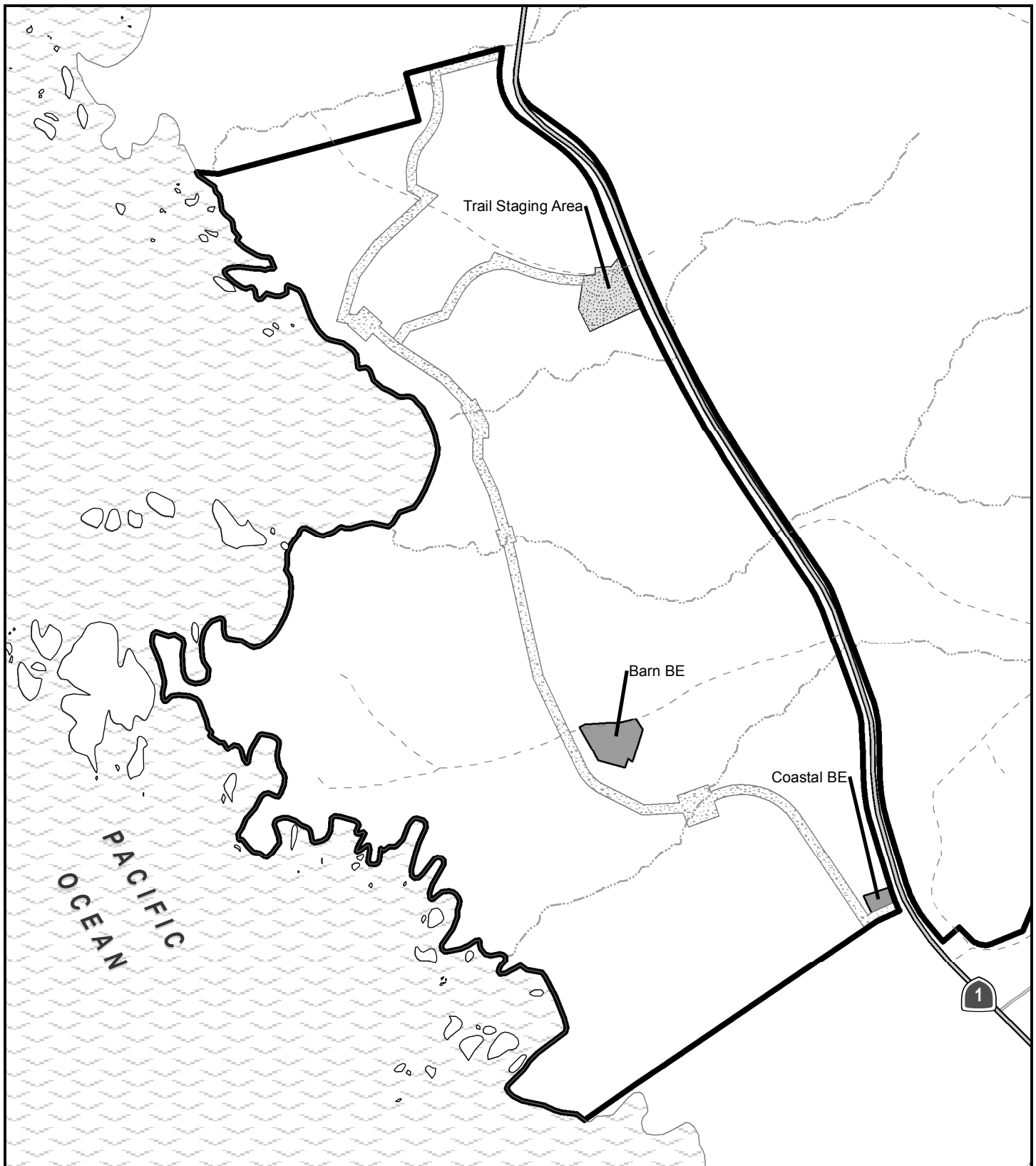


Exhibit C: **Stewarts Point Ranch** **Trail Easement Map**



SONOMA COUNTY
 AGRICULTURAL PRESERVATION
 AND OPEN SPACE DISTRICT

0 250 500
 Feet



- Perennial Waterway
- - - Intermittent Stream
- == Highway
- - - Ranch Road

- Building Envelope *
- ▨ Trail Easement
- ▨ Trail Staging Area

- Property Boundary **

* Identified in Conservation Easement.

** Property boundary extends to ordinary high water mark.

Map Date: 12/22/2016

Sources: Sources: SoCo GIS (roads, parcels);
 Save the Redwoods League (ranch roads);
 NASA/WSI/UMD/Tukman (streams)

This map is for illustrative purposes only and is not intended to be a definitive property description.

Stewart's Point & Kashia-Richardson California Coastal Trail Project
Estimate for Initial Public Access & Phase 1 Trail Development

ITEM		SCAPOS	NOTES
Trail Plan, CEQA, Resource Studies, Stakeholder Outreach			
	Trail Plan (Trail Master Plan & Phase 1 Design)	\$ 25,000	Consultant and staff costs
	CEQA Document (MND) & Mitigation Monitoring Plan	\$ 30,000	Consultant cost
	Biological study	\$ 15,000	Assumes federal wetlands can be avoided at Kashia and assumes a Programmatic Biological Opinion for CRLF
	Additional Cultural Analysis	\$ 15,000	Tribal Cultural Resource (TCR) will be required on both, Traditional Cultural Property (TCP) - Section 106 may be required on both or just one.
	Resource Management Plan	\$ 10,000	
	Public, Landowner, Tribal, Coastal Commission, PRMD Outreach	\$ 20,000	Assume 2 public meetings; numerous other meetings; staff and consultant costs
	Project Management, Environmental Review Commission, etc.	\$ 15,000	Staff and PRMD costs
	Regulatory Permits & Consultation	\$ 30,000	Consultant and Permit cost. CDP, ACOE, SWRCB, CDFW; Assumes no LCP Amendment is necessary
Trail Plan, CEQA, Resource Studies, Stakeholder Outreach Subtotal		\$ 160,000	
Planning/Design, Bidding, Construction Management			
	Bridge Engineering (Geotech, Civil, Structural)	\$ 22,000	Trail Plan, Design, and everything but bridge engineering included in Trail Plan above
	Bid docs, Bidding, Bid award	\$ 9,000	
	Construction Management	\$ 20,000	Consultant and staff costs
	Cultural Resource Monitoring	\$ 8,000	Tribal and archeologist costs
	Caltrans Encroachment Permit	\$ 10,000	Assume 3 revisions on both applications. Addresses trail section in right of way and egress points
	Biological Construction and Post-Con Monitoring	\$ 35,000	
	Mitigation Design & Implementation and/or Mitigation Credit Purchase	\$ 100,000	Estimating approx 0.5-0.7 acres of wetland and CRLF habitat impact combined total. Construct 1.5-2.1 acres of wetland at 3:1 ratio, and purchase CRLF mitigation credits.
	Trail Construction incl aggregate surfacing in select areas	\$ 175,000	
	Trail Bridges	\$ 40,000	
	Drainage Crossings	\$ 70,000	
	Rock Retaining Walls, steps, and other structural rock work	\$ 100,000	
	Signage and Amenities	\$ 15,000	
	Staging Area Construction	\$ -	
	Staging Area Electric Gate	\$ -	
	Restroom - single stall prefab split face block	\$ -	Design - build, PRMD building permit included
Planning/Design, Bidding, Construction Management Subtotal		\$ 604,000	
TOTAL		\$ 764,000	

Stewart's Point & Kashia-Richardson California Coastal Trail Project

3 Year O & M IPA Request

Park Revenues	
Fees (Day Use, Special Use Permit, Camping, Special Event, Firewood, etc)	
Grazing Revenue	
Open Space District O & M Funding (SCAPOSF)	
Transient Occupancy Tax (TOT) - New & Improved Facilities	
Undetermined Revenues*	
Other Revenues (cell towers, leases, concessions, residences, etc)	

TOTAL REVENUE \$ -

3 Year O & M	
Initial Public Access	
Park Operations	
Routine Park Inspection / Park Ranger Patrols	\$ 18,627
Daily Park Open - Closing / Visitor Security / Search & Rescue	\$ 7,164
Fee Collection (park paystation, iron ranger, reservable picnic /group areas, special use permits)	\$ -
Law Enforcement / Emergency Response	\$ 3,582
Resource Management / Monitoring	\$ 3,582
Sanitation Services (litter pickup / trash removal / restroom cleaning)	\$ 5,452
Campground Services (registration, check in, patrols, fee collection, security)	\$ -
Park Mgmt /Direct Admin (staff supervision, risk mgmt, revenue mgmt, contract admin, permits)	\$ 9,809
Sanitation Supplies (cleaning products, trashcans, liners, toilet paper)	\$ 1,500
Utilities (water, gas, propane, other)	
Sanitation Services (porta potty(s) , restrooms, dumpsters)	\$ 1,500
Non Profit / Other Agency support / Professional Services	
	\$ 51,216

Park Maintenance	
Park Infrastructure (signage/ gates / trail markings / parking lot maintenance)	\$ 17,265
Seasonal Mowing or Grazing / Trail Maintenance / Fuel Reduction	\$ 6,906
Landscape Management (invasive removal / erosion & sedimentation controls)	\$ 6,906
Vandalism Repair / Graffiti Removal / Encampment Removal	\$ 3,453
Water Systems -Public Drinking Water, Wells, Other Water Systems	\$ -
Storm Water Mgmt	\$ 3,453
Maint. Mgmt/Direct Admin (staff supervision, risk mgmt, project mgmt, contract admin)	\$ 6,444
Maintenance - Service & Supplies (equipment, equipment repair, structure repair materials)	\$ 2,500
Park Furniture (Tables, Benches, Dog Waste Supplies, Signage, etc)	
Professional Services - Non Profit Resource Mgmt/ Other Agency support	
Sub Total	\$ 46,927

Facilities Management / General Services

Building Maintenance - staff	\$ -
Building Materials - services and supplies	
Sub Total	\$ -

TOTAL COST \$ 98,143

Level of Service

This Initial Public Access funding request assumes that both trail projects will be completed simultaneously and require approximately 2 years to complete the necessary permitting , trail development, and other improvements that facilitate public access.

Prior to trail completion, O & M funding is requested to support the signage, fencing and operational coordination with the property owners. This coordination, will foster collaborative problem solving and partnership as initial public access is provided.

Once the trail projects have been completed, Park Rangers will patrol the property 1-2 times per week to observe site conditions, visitor use patterns and infrastructure throughout the property. Similar to the very popular North Sonoma Mountain trail project, we are anticipating the need for extra field staff during the first year of public use to provide responsive management of the trail during periods of peak visitation.

Park Rangers will provide Law Enforcement and Emergency response along the trails. Park staff will work closely with property owners to develop a close working relationship and beneficial ways to communicate and resolve issues with trespass or vandalism if such issues arise.

Natural resource staff will monitor cultural and ecological resources and coordinate with Park Planning staff, land owners and other environmental / regulatory agencies as necessary. Erosional areas and invasive plants will be evaluated and managed according to best management practices. Culverts and other surface improvements related to the trail and parking areas will be evaluated and incorporated in the department storm water management program.

Maintenance staff will maintain trails, signage, gates, and fencing on the property. Vegetation management will be performed as needed to maintain clearances along trails and parking areas.

RECORDING REQUESTED BY AND RETURN TO:

Clerk of the Board of Directors
Sonoma County Agricultural
Preservation and Open Space District
575 Administration Drive, Room 102A
Santa Rosa, CA 95403

Free recording per Government Code Section 6103

KASHIA COASTAL RESERVE
RECREATION CONSERVATION COVENANT
(California Civil Code §§815 *et seq.*)

THIS RECREATION CONSERVATION COVENANT (“Covenant”) is entered into by and between the Sonoma County Agricultural Preservation and Open Space District, a public agency formed pursuant to the provisions of Public Resources Code sections 550 *et seq.* (“the District”) and the County of Sonoma, a political subdivision of the State of California (“Trail Easement Owner”), its successors and assigns and those claiming under it.

Recitals

A. The District was formed for the purpose of preserving open space in the County of Sonoma and is funded by a voter approved sales tax, the expenditure of which is directed and limited by the Sonoma County Agricultural Preservation & Open Space 2006 Expenditure Plan (“the 2006 Expenditure Plan” or “the Plan”) adopted as part of the Sonoma County Open Space, Clean Water and Farmland Protection Measure (Sonoma County Ordinance No. 5677R).

B. Among the categories of open space identified for protection in the 2006 Expenditure Plan are “fee interests for outdoor public recreation where the public use would not be inconsistent with the open space designations” listed in the Plan.

C. The Kashia Band of Pomo Indians of the Stewarts Point Rancheria (“Kashia Tribe”) is

the owner in fee simple of that certain real property located in Sonoma County and more particularly described in Exhibit A, attached hereto and incorporated herein by this reference ("Property").

D. The Kashia Tribe conveyed to the District that certain "DEED AND AGREEMENT BY AND BETWEEN THE KASHIA BAND OF POMO INDIANS OF THE STEWARTS POINT RANCHERIA AND THE SONOMA COUNTY AGRICULTURAL PRESERVATION AND OPEN SPACE DISTRICT CONVEYING A CONSERVATION EASEMENT AND ASSIGNING DEVELOPMENT RIGHTS" recorded December 10, 2015, as Instrument No. 2015105583 in the Official Records of Sonoma County ("Conservation Easement") generally limiting the use of the Property to natural resource preservation and management and low-intensity public outdoor recreation consistent with identified open space values.

E. In a companion transaction, the Kashia Tribe conveyed to the Trail Easement Owner that certain "GRANT OF PUBLIC TRAIL EASEMENT" recorded December 10, 2015, as Instrument No. 2015105587 in the Official Records of Sonoma County (the "Trail Easement") over a portion of the Property (the "Trail Easement Area") as more specifically mapped in Exhibit B, attached to the Trail Easement and incorporated herein by reference. The Trail Easement Owner acknowledges and agrees that the rights and obligations created pursuant to the Trail Easement are to be interpreted and carried out subject to and in a manner consistent with the terms of the Conservation Easement.

F. This Covenant is intended to complement the Conservation Easement and Trail Easement by assuring the continued and perpetual recreational use of the Trail Easement Area consistent with the terms of the Conservation Easement and the Trail Easement, and to ensure the Trail Easement Owner's performance under both the Conservation Easement and the Trail Easement.

Agreement

FOR VALUABLE CONSIDERATION, the Trail Easement Owner hereby undertakes the following obligations for the benefit of the District:

1. *The Covenant.* The Trail Easement Owner hereby conveys to the District a recreation conservation covenant (“Covenant”) within the meaning of Restatement Third, Property (Servitudes) §1.6(1) and pursuant to the authority of Civil Code §§815 *et seq.* and the common law of California, to assure that the Trail Easement Area will be available to the public as provided under the terms and conditions of the Trail Easement in a manner consistent with the Conservation Easement and the provisions herein.

2. *Obligation to Provide Low-Intensity Public Outdoor Recreation and Educational Uses.*

A. The Trail Easement Owner hereby agrees to use, operate and maintain the Trail Easement Area as a public trail and staging area in perpetuity, available for public uses in a manner consistent with the Conservation Easement, the Trail Easement, and the provisions herein.

B. Prior to opening the Trail Easement to the public, the Trail Easement Owner shall prepare a Public Access Plan for review and approval by District in accordance with the procedures and requirements set forth in Sections 5.1.6 and 6.2 of the Conservation Easement. Trail Easement Owner’s use, operation and maintenance of the Trail Easement as a public trail and staging area shall be in accordance with the provisions of the Trail Easement and with the Public Access Plan.

C. Trail Easement Owner shall open the Trail Easement Areas as a public trail no later than December 31, 2019. Such access must, at a minimum, provide general availability of the Trail Easement Area for public walking no less than six hours per day, seven

days per week, except as otherwise provided in Section 5.6 of the Conservation Easement (Public Access Limitations) and in Paragraphs 5 and 7 of the Trail Easement.

D. The District, at its sole discretion, may grant a single extension of time, of no more than two years, if extraordinary circumstances warrant a delay in opening the trail to the public. The District's granting of an extension is dependent upon Trail Easement Owner's ability to demonstrate that reasonable progress has been made and is in compliance with all provisions of this Agreement, the Conservation Easement and the Funding Agreement, and that Trail Easement Owner has demonstrated that the extension will result in successfully opening the trail to the public within the extended timeframe.

3. Enforcement.

A. In the event of an uncured breach by the Trail Easement Owner of any of its obligations under this Covenant, the District may: (1) institute a suit for appropriate equitable relief; (2) institute a suit to recover damages; or (3) pursue any combination of the foregoing.

B. Prior to taking any action under Paragraph 3.A, the District shall provide the Trail Easement Owner with a notice to cure ("Notice"). The Notice shall be a written notification generally describing the condition or event claimed by the District to be a breach of the Trail Easement Owner's obligations that is either mailed or otherwise delivered by the District to the Trail Easement Owner. The Notice shall include a reasonable period in which the breach must be cured to the reasonable satisfaction of the District. The remedies provided by Paragraph 3.A shall be available to the District immediately upon expiration of the cure period.

C. Enforcement of the obligations created by this Covenant shall be at the sole discretion of the District. Any forbearance by the District to exercise its rights under this Covenant shall not be deemed or construed to be a waiver or forfeiture by the District.

D. The actual damages incurred by the District and allowed by Civil Code section 815.7(c) resulting from the Trail Easement Owner's breach of the obligations imposed by this Covenant are uncertain and would be impractical or extremely difficult to measure. Accordingly, the parties agree that during the time which the breach remains uncured after Notice has been given by the District pursuant to Paragraph 3.B, liquidated damages shall be eighty-three percent (83%) of the fair market value of the Trail Easement, to be paid annually, for any single breach, to the District, and seventeen percent (17%) to the State Coastal Conservancy. The Trail Easement Owner's liability for damages is discharged if the Trail Easement Owner cures the breach within the time specified in the District's Notice.

E. The remedies set forth in this Paragraph 3 are in addition to and not intended to displace any other remedy available to any party, in this order: 1) Remedies available under the Trail Easement; 2) Remedies available under this Covenant; 3) Remedies available under the Conservation Easement, Civil Code Sections 815 *et seq.*; and 4) Remedies available under the common law or any other applicable local, state or federal law.

F. Nothing contained in this Paragraph 3 shall be construed to entitle the District to bring any action against the Trail Easement Owner for any failure to perform resulting from causes beyond the Trail Easement Owner's control, including, without limitation, wildfire, flood, storm, and earth movement, or from any prudent action taken by the Trail Easement Owner under emergency conditions to prevent, abate, or mitigate a failure to perform resulting from such causes so long as such action, to the extent that the Trail Easement Owner has control, is designed and carried out in such a way as to further the purpose of this Covenant.

4. *Conveyances; Leasing; Approval of Grantees.* No conveyance of the Trail Easement Owner's interest in the Trail Easement may occur without the District's consent and determination that the prospective transferee of the Trail Easement is reasonably qualified to perform the obligations created by this Covenant, the Trail Easement, and the Conservation Easement. Neither the District's determination nor its consent shall be unreasonably withheld.

All transfers of Trail Easement Owner's interest in the Trail Easement shall be in writing, shall acknowledge this Covenant, the Trail Easement, and the Conservation Easement. A failure to comply with these requirements is a material breach of this Covenant and subject to remedies set forth in Paragraph 3.

5. *Third Party Beneficiaries.* The District and the Trail Easement Owner do not intend and this Covenant shall not be construed to create any rights in third parties.

6. *Integration.* This Agreement is the final and complete expression of the agreement between the parties and any and all prior or contemporaneous agreements written or oral have been merged into this written instrument, other than the Conservation Easement and the Trail Easement which remain in full force and effect.

7. *Inspection.* The District may, within its sole discretion and from time to time, inspect the Trail Easement to determine if the Trail Easement Owner is in compliance with this Covenant.

8. *Covenant to Bind Successors.* This Covenant shall bind the Trail Easement Owner and its successors in interest, assigns, and all persons claiming under them forever. The parties intend that this Covenant shall benefit and burden, as the case may be, their respective successors, assigns, heirs, executors, administrators, agents, officers, employees, and all other persons claiming by or through them pursuant to the common and statutory law of the State of California.

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IN WITNESS WHEREOF, the Trail Easement Owner and District have executed this Easement this _____ day of _____, 2017.

TRAIL EASEMENT OWNER:

By: _____

Chair of the Board of Supervisors

DISTRICT:

SONOMA COUNTY AGRICULTURAL PRESERVATION AND OPEN SPACE DISTRICT

By: _____

President of the Board of Directors

ATTEST:

Clerk of the Board of Directors

NOTE: ACKNOWLEDGMENTS MUST BE ATTACHED FOR ALL SIGNATORIES.

Exhibit A
Property Legal Description

Exhibit B
Trail Easement Record of Survey

RESOLUTION NO.: _____

DATED: _____

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE SONOMA COUNTY OPEN SPACE FISCAL OVERSIGHT COMMISSION DETERMINING THAT THE ACQUISITION PRICE FOR A RECREATION COVENANT OVER THE TRAIL EASEMENT ON THE KASHIA COASTAL RESERVE PROPERTY DOES NOT EXCEED FAIR MARKET VALUE

WHEREAS, by virtue of the contract dated December 7, 2010 between the County of Sonoma and the Sonoma County Agricultural Preservation and Open Space District ("the District") and Sonoma County Board of Supervisors Resolution No. 10-0832 dated December 7, 2010, this Board of Commissioners is required to review each proposed District acquisition or conveyance in order to determine whether the District would be paying more or receiving less than fair market value for the open space interests being acquired or conveyed; and

WHEREAS, the District's General Manager recommends acquisition of a recreation covenant over the trail easement held by the County of Sonoma on a portion of the 688-acre Kashia Coastal Reserve property, located in northwest Sonoma County ("the Proposed Acquisition"); and

WHEREAS, the County of Sonoma intends to convey the recreation covenant to the District at no cost.

NOW THEREFORE BE IT RESOLVED, that this Board of Commissioners hereby finds, determines, declares and orders as follows:

1. *Truth of Recitals*. The foregoing recitals are true and correct.
2. *Fair Market Value*. As the Proposed Acquisition is at no cost to the District, the District will not be paying more than the fair market value of the open space interests being acquired by the District.

COMMISSIONERS:

AYES: _____ **NOES:** _____ **ABSTAIN:** _____ **ABSENT:** _____

SO ORDERED.