

# 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  
December 1, 2016 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 Report.** [Attachment 2-September]  
[Attachment 3-October]
8. **Ad Hoc Committee Reports.**
  - Annual Report/Audit Report Review (Anderson, Owen)
  - Matching Grant Program (Owen)
  - Finances (Owen, Sangiacomo)
  - Review of County Services (Mendoza, Koenigshofer)
  - Management Review Recommendations (Anderson, Koenigshofer)
  - Stewardship (Mendoza, Sangiacomo)
9. **Mitigation Policy.** [Attachment 4]
10. **Suggested Next Meeting.** January 5, 2016
11. **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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FISCAL OVERSIGHT COMMISSION**

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**UNAPPROVED**

**Minutes for the Meeting of October 13, 2016**

Commissioners Present: Bob Anderson, Chair; Todd Mendoza, Vice Chair; Eric Koenigshofer; Regina De La Cruz

Staff Present: Bill Keene, General Manager; Mary Dodge, Administration and Fiscal Services Manager; Misti Arias, Program Manager – Acquisition; Stuart Martin, Land Acquisition Specialist; Jennifer Kuszmar, Associate Planner – Matching Grant Coordinator; Robert Pittman, Counsel; Lisa Pheatt, Counsel; Sue Jackson, Deputy Clerk/Recorder.

Also Present: Elizabeth Tyree, Sonoma County Regional Parks  
Russ Pinto, Sonoma County Regional Parks  
Nicolas Oliver, Legal Fellow, County Counsel  
Howard Levy, Ward Levy Associates  
Duane De Witt, Roseland Action

1. **Call to Order.**

Commissioner Anderson called the meeting to order at 5:03 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.**

Bob Anderson welcomed Commissioner De La Cruz, newly appointed by Supervisor Shirlee Zane. Ms. De La Cruz has been employed by the County of Sonoma – Permit and Resource Management Division. She has served on numerous committees and commissions.

Bob Anderson attended an event on October 7<sup>th</sup> that was also attended by Representative Sam Farr, a member of the U.S. House of Representatives for many years. Previously, (1980-1993) he was a member of the California State Assembly, during which time he authored legislation that was used to fund the District through the Open Space Authority.

Bill Keene announced the following agenda items scheduled for future Commission meetings:

- November 2016 – the Stewardship Reserve Calculation
- December 2016 – the Mitigation Policy

- January 2017 – Comprehensive Plan Kick-off – tentatively scheduled as a special meeting to include District Founders, the Advisory Committee, and the public.

4. **Public Comment.**

Duane De Witt addressed the Commission regarding property at 1370 Burbank Avenue which he understands is being considered for acquisition by the City of Santa Rosa at a highly inflated rate. He quoted the last sale of the property at \$137,000, and the City's current consideration of paying \$2 million for the property. He urged the Commission to be conservative in evaluating comparable sales figures, thereby allowing funding for projects that have been started, but remain unfinished.

5. **Correspondence/Communication.**

There was none.

6. **Approval of Commission Minutes.**

On a motion by Commissioner Mendoza and second by Commissioner Koenigshofer, the minutes of September 8, 2016 were approved as submitted.

7. **Financial Report.**

The commissioners reviewed the financial report, "Consolidated Balance Sheet – District and OSSTA Funds, August 30, 2016" and the "Preliminary Consolidated District and OSSPA Budget to Actual for Two Months Ended August 30, 2016" prepared by Mary Dodge. Ms. Dodge reported that the draft financial statements prepared by Maze and Associates are complete and ready for review and approval by the Report/Audit Report Review committee prior to submission to the Board of Directors for approval.

8. **Ad Hoc Committee Reports.**

No meetings were held.

Commissioner Anderson appointed Alternate Commissioner Owen to the Annual Report/Audit Report Review committee.

Ms. Arias recommended that the Matching Grant Program committee remain intact to provide continuity in reviewing projects currently under consideration for final approval.

9. **2016 Matching Grant Recommendations.**

Ms. Kuzmar presented an overview of the projects submitted for consideration by the District's Matching Grant Program funding, including the District's rationale for each application's acceptance and rejection. The Commission recommended certain changes to staff recommendations specifically related to the Southeast Santa Rosa Greenway project, i.e., that approval for its funding be postponed until such time that the estimated value of the property is known. Further, the Commission recommended fully funding "Andy's Unity Park," an application submitted by Sonoma County Regional Parks. Staff had recommended partial funding of the project. The District will present its recommendations to the Board of Directors and request approval for the funding at the October 25, 2016 BOD meeting. On a motion by Commissioner Anderson that the Commission's recommendation be included in the Board report was passed, with Commissioners Anderson, Mendoza and Koenigshofer voting "Aye" and Commissioner De La Cruz voting "No."

The Commission was in agreement with Staff recommendations for the remaining project applications.

10. **Closed Session.**

Conference with Property Manager – Wendle Property

The Commission adjourned to Closed Session at 6:35 pm. and reconvened to Open Session at 7:30 pm.

11. **Report on Closed Session.**

The Commission reconvened to Open Session at 7:30 pm and reported the following:

**Wendle Property**

**Resolution No. 16-**

On a motion by Commissioner Koenigshofer and second by Commissioner Mendoza, the Commission determined that the District's contribution for the proposed acquisition does not exceed fair market value of open space interested being acquired by the District.

Ayes: 3    Noes: 1    Abstain: 0    Absent: 2

Anderson: Aye    Koenigshofer: Aye    Mendoza: Aye    De La Cruz: No

12. **Suggested Next Meeting.**                      **November 3, 2016**

15. **Adjournment.**

The meeting adjourned at 7:45 pm.

Respectfully submitted,

Sue Jackson  
Deputy Clerk

Sonoma County Agricultural Preservation and Open Space District  
 Consolidated Balance Sheet - District and OSSTA Funds  
 September 30, 2016

<b>Assets</b>	
Cash and Investments	\$62,854,837
Unrealized Gains and Losses	
Accounts Receivable	19,934
Other Current Assets	25,000
Intergovernmental Receivables	45,848
<b>Total Assets</b>	<b>\$62,945,619</b>
 <b>Liabilities and Fund Balance</b>	
Current Payables	\$75,732
Accrued Exp/Other Current Liab	3,853
Long-Term Liabilities	30,000
<b>Total Liabilities</b>	<b>109,585</b>
 <b>Fund Balance</b>	
Nonspendable - Prepaid Expenditures	5,423
Restricted - District Activities	62,830,611
Total Fund Balance	<b>62,836,034</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$62,945,619</b>

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<b>Cash by Fund</b>	
OSSTA - Measure F	\$56,895,660
Open Space District	2,249,781
Fiscal Oversight Commission	28,322
Stewardship Reserve	
Cooley Reserve	151,099
Operations and Maint. Res.	3,529,975
<b>Total Cash by Fund</b>	<b>\$62,854,837</b>

Sonoma County Agricultural Preservation and Open Space District  
Preliminary Consolidated District and OSSTA Budget to Actual  
For the three months ended September 30, 2016  
25% of Year Complete

	Budget Final	Actual Year to Date	Encumbrances Year to Date	Remaining Balance	% of budget Remaining
<b>Revenues</b>					
Tax Revenue	\$21,320,000	\$2,197,420		\$19,122,580	89.69%
Intergovernmental Revenues	36,752,956			36,752,956	100.00%
Use of Money & Prop	495,000	(81,844)		576,844	116.53%
Miscellaneous Revenues		4,147		(4,147)	
Other Financing Sources	629,822	30,504		599,318	95.16%
<b>Total Revenues</b>	<b>59,197,778</b>	<b>2,150,227</b>		<b>57,047,551</b>	<b>96.37%</b>
<b>Expenditures</b>					
Salaries and Benefits	4,110,740	690,566		3,420,174	83.20%
Services and Supplies	7,375,725	437,207	\$1,555,916	5,382,602	72.98%
Other Charges	37,777,149	1,923	642,815	37,132,411	98.29%
Capital Expenditures	25,018,433		265,357	24,753,076	98.94%
Other Financing Uses	8,144,598	1,825,292		6,319,306	77.59%
<b>Total Expenditures</b>	<b>82,426,645</b>	<b>2,954,988</b>	<b>2,464,088</b>	<b>77,007,569</b>	<b>93.43%</b>
<b>Net Earnings (Cost)</b>	<b>(\$23,228,867)</b>	<b>(804,761)</b>	<b>(\$2,464,088)</b>	<b>(\$19,960,018)</b>	
Beginning fund balance		63,640,795			
<b>Ending Fund Balance</b>		<b>\$62,836,034</b>			

Note: Sales tax revenue is received approximately three months behind the date it is collected. Sales tax collected by September 2015 was \$2,318,176. Fluctuation may be from timing and not taxable sales.

Sonoma County Agricultural Preservation and Open Space District  
 Consolidated Balance Sheet - District and OSSTA Funds  
 October 30, 2016

**Assets**

Cash and Investments	\$63,445,943
Unrealized Gains and Losses	
Accounts Receivable	
Other Current Assets	25,000
Intergovernmental Receivables	45,848
<b>Total Assets</b>	<b>\$63,516,791</b>

**Liabilities and Fund Balance**

Current Payables	\$71,741
Accrued Exp/Other Current Liab	6,323
Customer Deposits	50,000
Long-Term Liabilities	30,000
<b>Total Liabilities</b>	<b>158,064</b>

**Fund Balance**

Nonspendable - Prepaid Expenditures	5,423
Restricted - District Activities	63,353,304
<b>Total Fund Balance</b>	<b>63,358,727</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$63,516,791</b>

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**Cash by Fund**

OSSTA - Measure F	\$57,940,154
Open Space District	1,792,748
Fiscal Oversight Commission	27,760
Stewardship Reserve	
Cooley Reserve	151,431
Operations and Maint. Res.	3,533,850
<b>Total Cash by Fund</b>	<b>\$63,445,943</b>

Sonoma County Agricultural Preservation and Open Space District  
Preliminary Consolidated District and OSSTA Budget to Actual  
For the four months ended October 31, 2016  
33% of Year Complete

	Budget Final	Actual Year to Date	Encumbrances Year to Date	Remaining Balance	% of budget Remaining
<b>Revenues</b>					
Tax Revenue	\$21,320,000	\$3,723,886		\$17,596,114	82.53%
Intergovernmental Revenues	36,752,956			36,752,956	100.00%
Use of Money & Prop	495,000	50,643		444,357	89.77%
Miscellaneous Revenues		5,253		(5,253)	
Other Financing Sources	629,822	30,511		599,311	95.16%
<b>Total Revenues</b>	<b>59,197,778</b>	<b>3,810,293</b>		<b>55,387,485</b>	<b>93.56%</b>
<b>Expenditures</b>					
Salaries and Benefits	4,110,740	932,065		3,178,675	77.33%
Services and Supplies	7,375,725	663,774	\$2,914,553	3,797,398	51.49%
Other Charges	37,777,149	1,922	642,815	37,132,412	98.29%
Capital Expenditures	25,018,433	49,725	225,221	24,743,487	98.90%
Other Financing Uses	8,144,598	2,444,875		5,699,723	69.98%
<b>Total Expenditures</b>	<b>82,426,645</b>	<b>4,092,361</b>	<b>3,782,589</b>	<b>74,551,695</b>	<b>90.45%</b>
<b>Net Earnings (Cost)</b>	<b>(\$23,228,867)</b>	<b>(282,068)</b>	<b>(\$3,782,589)</b>	<b>(\$19,164,210)</b>	
Beginning fund balance		63,640,795			
<b>Ending Fund Balance</b>		<b>\$63,358,727</b>			

Note: Sales tax revenue is received approximately three months behind the date it is collected. Sales tax collected by September 2015 was \$2,318,176. Fluctuation may be from timing and not taxable sales.





## **MEMORANDUM**

**Date:** November 23, 2016 (Meeting of December 1, 2016)  
**To:** Fiscal Oversight Commission  
**From:** Sheri J. Emerson, Stewardship Program Manager  
**Subject:** Draft District Mitigation Guidelines document for your review

As you know, District staff is working on a Mitigation Policy that would apply to District-protected lands. Please review and provide comments on the attached draft document in preparation for discussion at the Fiscal Oversight Commission meeting on December 1, 2016.

Feel free to contact me directly at 565.7358 or [sheri.emerson@sonoma-county.org](mailto:sheri.emerson@sonoma-county.org) with any questions or comments.



## **GUIDELINES FOR EVALUATION OF ENVIRONMENTAL MITIGATION-RELATED PROPOSALS**

**11/22/16 DRAFT**

The following guidelines are intended to inform the evaluation of environmental mitigation-related proposals by District staff and mitigation related decisions by the District General Manager. Included is a summary of the District and its land conservation work, a discussion of the nexus of District-protected lands with mitigation, the criteria for District evaluation of mitigation-related proposals, and the process for proposal evaluation and decision making.

### **I. THE SONOMA COUNTY AGRICULTURAL PRESERVATION AND OPEN SPACE DISTRICT**

The Sonoma County Agricultural Preservation and Open Space District (District) was created in 1990 by the voters of Sonoma County to permanently protect the diverse agricultural, natural resource, and scenic open space lands of Sonoma County for future generations. Since 1990, the District has protected over 100,000 acres of open space and working landscapes via the purchase of conservation easements and fee title.

The District protects land in four main categories: Farms and ranches; Greenbelts and scenic hillsides; Water, wildlife, and natural areas; and Recreation and Education. Permanent protection involves conservation planning, acquisition, and perpetual stewardship of the land. The District typically will acquire an interest in land through purchase of a restrictive conservation easement. Where this is not feasible, the District may protect land through fee purchase, where the fee title is transferred to another entity at the time of project closing, or at a later date. Conservation easements are retained over all fee properties when ownership is transferred to another entity.

### **II. DISTRICT ROLE IN MITIGATION**

The District is a land conservation organization. The District is not a land use approval entity or regulatory agency, and thus does not set mitigation ratios or issue permits for projects that

impact habitat. There are three main areas where the District's land conservation work intersects with environmental mitigation: Grant Funding, Open Space Easements, and Habitat Mitigation.

#### **A. Grant Funding**

The District is eligible to receive funding towards acquisition and stewardship of easement or District-owned properties, or other District projects, through public agency grant programs, such as the Sustainable Agricultural Land Conservation (SALC) Program, California Regional Water Quality Control Board remediation funds, and the California Department of Transportation's Environmental Enhancement and Mitigation Program. For example, the SALC Program funds originate from the Greenhouse Gas Reductions Fund (established to receive Cap and Trade auction proceeds pursuant to AB32 and SB375) and may be used to purchase agricultural conservation easements, development of agricultural land strategy plans, and other mechanisms that result in greenhouse gas reductions and a more resilient agricultural sector. The District will evaluate grant funding opportunities as they become available for consistency with these guidelines.

#### **B. Open Space Easements**

The District currently receives open space easements through the County's land-use approval process, pursuant to Board of Supervisors Resolution 91-0522. Developers are often required to set aside or dedicate an open space easement over portions of land to mitigate the impacts of a proposed development. These lands or easements are typically conveyed to the District as part of the county's development approval process. The District will continue to work with the County to ensure lands or easements conveyed through the development process further the voter-approved Expenditure Plan and the goals outlined in the District's current Board of Director-adopted guidance documents. The District will recover all costs related to accepting an open space easement.

#### **C. Habitat Mitigation**

Habitat mitigation is a tool that may be utilized to preserve land, or to enhance and restore habitats on already protected land. Compensatory habitat mitigation is required of a project which results in adverse impacts to wetland, special-status species, or another type of valued habitat, and is intended to replace the loss of habitat functions in the landscape. Habitat mitigation may be required by local, state, or federal regulations where consideration has already been given to avoidance and minimization of impacts. Review and approval of a mitigation project plan, and assuring its successful implementation, is the role of the appropriate regulatory agencies. Habitat mitigation typically takes the form of restoration, establishment, enhancement, or in certain circumstances preservation, of wetlands, streams, forested areas, or other types of habitats to compensate for the impacts. In some cases, District objectives may be met through acceptance of mitigation-related funding towards a District project, or through approval of a mitigation project on land protected by a District-held

easement. Habitat mitigation may be specifically permitted in new conservation easements if it is identified during initial acquisition or land transfer negotiations as a necessary or appropriate use of the property in order to assure protection and/or enhancement of a conservation value of critical importance to the District.

### **III. CRITERIA FOR DISTRICT EVALUATION OF MITIGATION-RELATED PROPOSALS**

The District may consider participating in a mitigation-related proposal only if the following criteria are met. The following general criteria apply to grant funding, new open space and conservation easements, and any mitigation-related proposal on District-held easements or District-owned fee land properties.

#### **A. *The proposal must be aligned with the District's objectives and goals***

The District was created in 1990 through approval of Measures A and C by the voters of Sonoma County. Measure F was passed in 2006, which reauthorized a ¼ cent sales tax to support the District through 2031. The open space designations eligible for protection under Measure F's 2006 Expenditure Plan include community separators, greenbelts, scenic landscape units, scenic corridors, agriculturally-productive lands, biotic habitat areas, riparian corridors and other areas of biotic significance, and other open space projects. Protection is accomplished primarily through the purchase of development rights from willing sellers in areas designated in the County's and Cities' General Plan open space elements, but may also include the purchase of fee interests consistent with the Expenditure Plan open space designations.

The goals from the District's Board-adopted Acquisition Plan, *Connecting Communities and the Land*, currently guide the actions of the District. They are:

1. Maintain the county's rich rural character and the unique qualities of each city and areas throughout the county that help provide our sense of community.
2. Support the economic vitality of working farms to preserve the agricultural heritage and diversity of the county.
3. Protect the ridgetops, coastal bluffs, hillsides, and waterways that create the county's striking natural beauty.
4. Provide connections between urban areas, parks and natural areas throughout the county for both people and wildlife.
5. Preserve diverse natural areas that provide habitat for wildlife.
6. Protect the waterways and associated natural lands that maintain water quality and supply.
7. Partner with local agencies and organizations to leverage funding for land protection, foster stewardship, and provide opportunities for recreational and educational experiences.

As the Board adopts future guidance documents (including the District's Comprehensive Plan which is currently in preparation), the approved goals and objectives therein will be used to guide a determination with this criterion.

***B. The proposal must not result in a gift of public funds***

As the District is a sales tax-funded organization with a voter-approved expenditure plan, the District must be certain that all expenditures are appropriate. Towards that end, the District receives an independent audit each year of the District's expenditures, which is reviewed by the Fiscal Oversight Commission in an independent audit each year, pursuant to Board Resolution 10-0832.

If the District's costs related to review and implementation of mitigation-related proposals is beyond the scope of the District's permitted use request process or other standard District practice, the District must recover those costs. The District will require execution of a simple funding agreement to cover initial project review costs.

For mitigation funding proposals, a cooperative agreement with all involved parties that describes legal, financial, and implementation responsibilities, must be approved by the Board of Directors before a project can move forward. On District-owned properties and on new easements, the District must recover the cost to acquire the land proposed for use as mitigation. The District may then use these funds to protect additional land.

***C. The proposal must enhance the conservation values already protected by the District***

Only where the enhancement of protected conservation values can be clearly demonstrated will the District give further consideration to a mitigation proposal. This may include enhancement or restoration of existing or historic habitat types.

***D. Participation in the habitat mitigation project must not present a risk to the District's long term financial stability***

The District's sales tax funding is authorized through 2031. At that point, the District must fulfill its perpetual easement stewardship obligations through the annual interest earnings from the Stewardship Reserve Fund. The financial planning that guides the investment strategy for this fund relies on certain assumptions of the nature and extent of required monitoring tasks, and currently does not include costs for perpetual maintenance or property management. This is because, as stated in the District's 2012 Fee Lands Strategy, the District intends to own very little, if any, fee acreage by the time Measure F sunsets in 2031. Therefore, the District will not participate in a mitigation project that requires a long-term habitat monitoring commitment (as a consequence of the mitigation) that includes activities beyond the scope of the District's

typical easement monitoring program. The liability and responsibility for project success needs to stay with the original project proponent.

**E. Funding Requirements**

Participation in or approval of a mitigation project, or acceptance of mitigation-related funds, must not compromise the ability of the District to secure grants or other outside funding sources for District projects and programs, and the mitigation project or funding must be consistent with any grants that funded the acquisition or development of a property.

**F. Additional criteria that apply to existing District-held easements**

District may approve habitat mitigation projects or use of mitigation-related funds habitat enhancement or restoration projects on existing District-held easements only where deemed consistent with the conservation purpose and terms of the easement. In addition, the following criteria will be applied:

1. Easement language prohibiting commercial uses will be interpreted to prohibit mitigation projects that involve sale of mitigation credits
2. All mitigation-related funds must go back into the land; that is, they must be used for the mitigation project itself
3. Any additional protections required by regulatory agencies in association with a mitigation project must be consistent with and subordinate to the District-held easement

**G. Additional criteria that apply to properties the District owns in fee**

The District will not accept mitigation funds towards District projects on fee properties if the use of those funds will require encumbrances in addition to those typically included (such as a Forever Wild designation) in District-held conservation easements or in any other document (such as a transfer agreement, agricultural or recreational covenant) required upon transfer of fee title to a receiving entity. The proposal must be consistent with the planned disposition or conveyance option for the property.

**IV. PROCESS FOR EVALUATION OF MITIGATION-RELATED PROPOSALS**

District staff will conduct an initial review of each mitigation-related funding proposal according to the criteria in Section III, and report findings to the General Manager. The General Manager will make a determination on if to move forward with the proposal, based on the staff findings regarding the criteria in Section III, and if there are sufficient staff and/or consultant resources available to work on the project. If the General Manager determines that a proposal does not

meet the above criteria in Section III, or otherwise fails to recommend approval of the proposal, that determination may be appealed by the mitigation project proponent by submitting a written request to the District Board of Directors.

As appropriate, the following specific processes will apply:

**A. *Proposal for use of habitat-mitigation related funds towards District acquisition of new conservation easements or fee lands***

District may accept habitat mitigation-related funds to be used towards District acquisition of new conservation easements or fee lands, only where acceptance and use of those funds is determined to be consistent with existing acquisition priorities, and appropriate for expenditure of Measure F funds.

Acceptance of mitigation-related funding for District acquisitions must be approved by the Board of Directors, certifying by resolution that all of the applicable criteria in Section III, above, are met. If approved by the Board, the District will enter into a cooperative agreement with all relevant parties that details all legal, financial, and implementation responsibilities of each party. This will include recovery of all District costs associated with the project. Where the District receives funding towards District projects, the District would retain control of the project, including all aspects of project design and selection of contractors.

**B. *Proposal for work on land protected with a District-held easement***

The District will consider a proposal for work on lands protected with a District-held easement according to the permitted use request review process as described in the Board-adopted District Stewardship Manual. A permitted-use request is submitted to the District and is reviewed by easement stewardship staff, in light of the plain language of the easement and consistent with these guidelines. A determination on the request is made by the General Manager. The District shall recover all costs including the replacement value of the land used for mitigation, as appropriate and if consistent with the terms of the easement.

**C. *Proposal for use of mitigation funds towards District habitat enhancement projects on District-held fee lands***

District may accept habitat mitigation-related funds towards District enhancement or restoration projects on its fee lands, where acceptance of the funds both (a) supports identified District acquisition purposes and stewardship priorities, and (b) does not create an immediate or long term fiscal impact for the District. The District will not allow third parties to undertake mitigation projects on District fee lands. District may complete mitigation projects on fee properties to mitigate for unavoidable impacts resulting from a District maintenance or

construction project, if all land use and regulatory approvals are secured, and the mitigation is consistent with identified District priorities.

Acceptance of mitigation-related funding for District habitat enhancement projects on District-held fee lands must be approved by the Board of Directors, certifying by resolution that all of the criteria in Section III, above, are met. If approved by the Board, the District will enter into a cooperative agreement with all relevant parties that details all legal, financial, and implementation responsibilities of each party. This will include recovery of all District costs associated with the project. The habitat mitigation project must provide payment to the District of the replacement value of the real property interest in the land used for mitigation. Replacement value will be determined by use of a property interest valuation formula incorporated into the language of the easement. Where the District receives funding towards District projects, the District would retain control of the project, including all aspects of project design and selection of contractors.

DRAFT



ATTEST: APR 24 1991

EVEE T. LEWIS

County Clerk & ex-officio Clerk of the  
Board of Supervisors of the State of Cal-  
ifornia, in & for the County of Sonoma  
By E. Merresse Deputy

RESOLUTION NO. 91-0522

Dated: March 26, 1991

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SONOMA,  
STATE OF CALIFORNIA, ESTABLISHING A POLICY WITH RESPECT TO THE  
CONVEYANCE OF CURRENTLY HELD AND LATER ACQUIRED INTERESTS IN  
OPEN SPACE LANDS TO THE SONOMA COUNTY AGRICULTURAL PRESERVATION  
AND OPEN SPACE DISTRICT

WHEREAS, from time to time this Board, the Sonoma  
County Planning Commission and the Sonoma County Board of Zoning  
Adjustments condition tentative subdivision maps and other  
discretionary land use approvals on the dedication of open space  
easements and other non-possessory interests in open space  
lands; and

WHEREAS, from time to time this Board may also acquire  
by gift, devise or purchase non-possessory interests in open  
space lands; and

WHEREAS, the Sonoma County Agricultural Preservation  
and Open Space District (the "District") was recently formed for  
the purpose of acquiring and holding such interests in open  
space lands; and

WHEREAS, this Board is specifically authorized by  
Government Code §26227 and the Legislature's enactment of §6 of  
Chapter 186 of the Statutes of 1990 to convey interests in real  
property to the District and the District is authorized to  
accept such conveyances by Public Resources Code §5540; and

WHEREAS, the District, unlike the County, is subject  
to more stringent state law restrictions on the transfer of real  
property held by the District; and

WHEREAS, the District, when it has hired a general  
manager, will be better equipped to receive, hold, manage and  
account for such interests in open space lands;

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

1. that hereafter, title to non-possessory interests  
in open space lands acquired pursuant to the County's land use  
regulatory policies or otherwise acquired by gift, devise or  
purchase shall be taken in the name and for the benefit of the  
District;

2. that the Planning Director and other appropriate  
County officers are directed to assist the General Manager of

the District in locating, inventorying and transferring non-possessory interests in open space lands held by the County to the District;

3. that for the purposes of paragraph 2, above, the Chair is delegated the duty and authority to execute, on behalf of this Board, appropriate deeds of conveyance and other necessary documents;

4. that the General Manager of the District is requested to advise this Board of the written policies by which these non-possessory interests in open space lands will be maintained and protected.

SUPERVISORS:

NICHOLAS \_\_\_\_\_ HARBERSON \_\_\_\_\_ SMITH \_\_\_\_\_ ESPOSTI \_\_\_\_\_ CARPENTER \_\_\_\_\_

AYES 5 NOES \_\_\_\_\_ ABSTAIN \_\_\_\_\_ ABSENT \_\_\_\_\_

SO ORDERED.

THE WITHIN INSTRUMENT IS A  
CORRECT COPY OF THE ORIGINAL  
ON FILE IN THIS OFFICE.

ATTEST: December 8, 2010  
VERONICA FERGUSON, Clerk of the Board of Directors  
of the Sonoma County Agricultural Preservation  
and Open Space District

BY C Woodson  
DEPUTY CLERK

# 1

Resolution No. 10-0832

County of Sonoma  
Santa Rosa, CA 95403

Date: 12/7/2010

**Resolution of the Board of Supervisors of the County of Sonoma, State of California, reorganizing the Sonoma County Open Space Authority, assigning new duties, providing for a transfer of the Authority's assets to the Sonoma County Agricultural Preservation and Open Space District in order to comply with Ordinance No. 5677R, and authorizing the Execution of contracts with the District and with the State Board of Equalization.**

Whereas, on November 7, 2006 the County's voters approved Measure F ("The Sonoma County Open Space, Clean Water and Farmland Protection Measure" also identified as Ordinance No. 5677R); and

Whereas, Section 4 of Measure F provides that effective April 1, 2011 the quarter cent sales tax for open space will be levied by the County rather than the Sonoma County Open Space Authority ("the Authority") and that the Authority will thereafter "provide fiscal oversight as provided in an agreement between the County and the [Sonoma County Agricultural Preservation & Open Space] District"; and

Whereas, the County and the District have reached the agreement anticipated by Sections 2.D. and 4 of Measure F requiring the County to fund the District's annual budget and to reorganize the Authority in order to specify its oversight responsibilities.

**Now, Therefore, Be It Resolved,**

1. Reorganization of the Authority. Effective April 1, 2011, Resolution No. 90-1521 and all resolutions amendatory thereto are rescinded and, pursuant to the authority of Government Code Section 31000.1, the Authority is reorganized as a commission for the purpose of providing fiscal oversight of the operations of the District as those oversight duties are more specifically set forth herein. The official name of the Commission shall be the Sonoma County Open Space Fiscal Oversight Commission.

2. The Commission's Governing Body. The governing body of the Commission:

A. Shall be denominated as its Board of Commissioners;

B. Shall be composed of five members and one alternate member, each of

whom:

(1) Is a resident of Sonoma County;

(2) Shall have been appointed by and serve at the pleasure of the Board of Supervisors after having been nominated by a member of this Board;

(3) Shall serve staggered terms of four years. Members of the Authority in office on March 31, 2011, including the alternate, shall continue to serve as Commissioners for the balance of their terms and until reappointed or replaced by the appointment of a successor.

(4) Shall receive \$100 for attendance at each meeting of the Commission and for attendance at each meeting of each duly constituted committee or subcommittee of which the Commissioner is a member. Additionally, the Commissioners shall be reimbursed their actual, reasonable and necessary expenses incurred in the performance of their official duties.

3. The Commission's Fiscal Oversight Role.

A. In conjunction with the periodic audits of the District and effective April 1, 2011, the Commission shall serve as an audit committee in order to:

(1) Determine that no funds from the County's Open Space Special Tax Account are either directly or indirectly appropriated or transferred to the County's General Fund other than for the reasonable value of goods and services provided by the County and necessary for the administration of the 2006 Expenditure Plan appended to Measure F as Exhibit "A" and in accordance with contracts made therefore by the District's General Manager.

(2) Review the District's expenditures for operations and maintenance to assure compliance with Paragraph 6 of the 2006 Expenditure Plan and the District's Resolution No. 07-0666, dated August 7, 2007.

(3) Determine whether the District's procurement practices assure that the District is paying reasonable prices that are necessarily incurred for the purchases of goods and services pursuant to written contracts requiring invoices with sufficient detail to provide a usable audit trail.

B. From time to time respond to requests from the Board of Directors of the District or the District's General Manager for advice on matters within the context of this resolution.

C. Preview all proposed District bond sales, lease-purchase transactions and other borrowing transactions to assure compliance with the Sonoma County Open Space Authority's policy resolution no. 2003-028 dated November 20, 2003.

D. Review the District's annual audit, paying particular attention to matters pertaining to subparagraphs 3.A.(1); (2) and (3) as well as other matters deemed appropriate by the Commission.

E. Make an annual report to the District's Board of Directors. The report shall include:

(a) a review and comments on the District's annual audit required by Paragraph 3.D. and, when appropriate, recommendations to the District's General Manager and Board of Directors for corrective action.

(b) a review of, comments on and, when appropriate, an endorsement of the County Auditor's annual report for special taxes required by Government Code §50075.3.

(c) a review and comments on the District's administration of its Stewardship Fund.

(d) comments on other matters respecting the District's compliance with Measure F.

F. Review each proposed District acquisition or conveyance of interests in real property 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. Following the review, the Commission shall report its determination and, when appropriate, make recommendations to the District's General Manager for further negotiations regarding the price to be paid for the interest being acquired or conveyed. The District's General Manager shall advise the District's Board of Directors of any and all of the Commission's recommendations. For the purpose of this subparagraph F. the Commission is a coordinate legislative body of the District's Board of Directors and its deliberations with respect to fair market value and the reporting and making of recommendations to the District's General Manager may be conducted in a closed session pursuant to Government Code §54956.8 and other provisions of the Ralph M. Brown Act.

#### 4. Assets and Liabilities.

A. Not later than January 31, 2011, the Authority shall fully discharge or assign to the District any and all of its liabilities and transfer its remaining non-cash assets to the District with an operative date of March 31, 2011. The timing and manner of the funding, discharge, assignment, and transfer shall be specified by the County Auditor.

B. Effective on March 31, 2011, all of the Authority's cash balances shall be deposited in the Open Space Special Tax Account and thereafter transferred to the District by the County Auditor in accordance with the District's 2010-11 budget. The Authority's cash balance allocated to the Sonoma County Open Space Reserve Fund shall be transferred by the Auditor to a District reserve fund in the District's 2010-11 budget denominated the Sonoma County Agricultural Preservation and Open Space Stewardship Reserve. The Authority's cash balance allocated to the Cooley Open Space Education Fund shall be transferred by the Auditor to a District reserve fund in the District's 2010-11 budget denominated as the Sonoma County Agricultural Preservation and Open Space Cooley Education Reserve.

5. The Commission's Budget. The Commission shall annually submit its proposed budget to the District's General Manager who shall review it and present it with his comments to the District's Board of Directors as part of the District's preliminary budget. From and after April 1, 2011 and in order to perform the duties imposed on it by this resolution and

other provisions of law, the Commission may expend its budgeted funds as it deems reasonable and necessary.

6. Execution of Contract with the District. The Chair of the Board of Supervisors is authorized and directed to execute the contract between the County and the District as required by Measure F.

7. Execution of Contracts with the State Board of Equalization. The Chair of the Board of Supervisors is authorized to execute the following contracts with the State Board of Equalization:

A. Agreement for Preparation to Administer and Operate District's Transactions and Use Tax Ordinance; and

B. Agreement for State Administration of District Transaction and Use Taxes.

8. Delivery of Documents. The Clerk is directed to deliver the State Board of Equalization:

A. Five signed duplicate originals each of the two contracts listed above; and

B. Five certified copies of Ordinance No. 5677R; and

C. One copies of the election results for Ordinance No. 5677R; and

D. Five certified copies of this resolution; and

E. Five copy of the address information document.

**Supervisors:**

Kerns:                      Zane:                      Kelley:                      Carrillo:                      Brown:

Ayes: 5                      Noes:                      Absent:                      Abstain:

**So Ordered.**