



SPECIAL AND REGULAR MEETING

**BOARD OF DIRECTORS
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT**

SPECIAL MEETING

**BOARD OF DIRECTORS
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
FINANCING AUTHORITY**

Administrative Office
330 Distel Circle
Los Altos, CA 94022

August 10, 2016

DRAFT MINUTES

SPECIAL MEETING – CLOSED SESSION

President Kishimoto called the special meeting to order at 5:03 p.m.

ROLL CALL

Members Present: Jed Cyr, Larry Hassett, Yoriko Kishimoto, and Pete Siemens

Members Absent: Nonette Hanko, Cecily Harris, and Curt Riffle

Staff Present: General Manager Steve Abbors, Assistant General Manager Kevin Woodhouse, Assistant General Manager Ana Ruiz, Chief Financial Officer/Administrative Services Director Stefan Jaskulak, General Counsel Sheryl Schaffner, Real Property Manager Mike Williams, Senior Real Property Agent Allen Ishibashi, Planning Manager Jane Mark, and Senior Planner Tina Hugg

- 1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION.
(Government Code Section 54956.9(d)(1))**
Name of Case: Midpeninsula Regional Open Space v. Michael Rossetta, et al; Santa Clara County Superior Court Case Number 1-15-CV-289568
- 2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code Section 54956.8)**
Property: Santa Clara County Assessor's Parcel Number 517-24-007
Agency Negotiator: Allen Ishibashi, Senior Real Property Agent
Negotiating Party: Marita Quint

Under Negotiation: Fee Title, Trail and Road Easements or Rights

Property: Santa Clara County Assessor's Parcel Number 517-24-020

Agency Negotiator: Allen Ishibashi, Senior Real Property Agent

Negotiating Party: Ann Dunham

Under Negotiation: Fee Title, Trail and Road Easements or Rights

Property: Santa Clara County Assessor's Parcel Number 510-33-006

Agency Negotiator: Allen Ishibashi, Senior Real Property Agent

Negotiating Party: Andrew Gere

Under Negotiation: Fee Title, Trail and Road Easements or Rights

Property: Santa Clara County Assessor's Parcel Number 510-48-002

Agency Negotiator: Allen Ishibashi, Senior Real Property Agent

Negotiating Party: Ken Crafford

Under Negotiation: Fee Title, Trail and Road Easements or Rights

Property: Santa Clara County Assessor's Parcel Number 510-48-001

Agency Negotiator: Allen Ishibashi, Senior Real Property Agent

Negotiating Party: Oakley Fairview Company

Under Negotiation: Fee Title, Trail and Road Easements or Rights

**3. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION
(Government Code Section 54956.9)**

M. Mahronich, et al v. Presentation Center, Los Gatos, Inc.

Santa Clara Superior Court Case No. 1-15-CV-276706

Public comments opened at 5:03 p.m.

No speakers.

Public comments closed at 6:03 p.m.

The Board convened into closed session.

Director Hanko arrived at 5:13 p.m.

Director Riffle arrived at 5:18 p.m.

Director Harris arrived at 6:20 p.m.

President Kishimoto adjourned the special meeting at 6:30 p.m.

REGULAR MEETING – BOARD MEETING

President Kishimoto called the regular meeting of the Midpeninsula Regional Open Space District to order at 7:00 p.m.

President Kishimoto reported the Board met in closed session, and no reportable action was taken.

ROLL CALL

Members Present: Jed Cyr, Nonette Hanko, Cecily Harris, Larry Hassett, Yoriko Kishimoto, Curt Riffle, and Pete Siemens

Members Absent: None

Staff Present: General Manager Steve Abbors, Assistant General Manager Ana Ruiz, Assistant General Manager Kevin Woodhouse, Chief Financial Officer/ Administrative Services Director Stefan Jaskulak, General Counsel Sheryl Schaffner, District Clerk Jennifer Woodworth, Senior Administrative Assistant Amy Schmitt, Engineering and Construction Manager Jay Lin, Capital Project Manager III Damon Adlao, Capital Project Manager II Zachary Alexander, Controller Mike Foster, Public Affairs Manager Shelly Lewis, and Senior Planner Meredith Manning.

ORAL COMMUNICATIONS

No speakers.

ADOPTION OF AGENDA

Motion: Director Cyr moved, and Director Harris seconded the motion to adopt the agenda.

VOTE: 7-0-0

SPECIAL ORDERS OF THE DAY

- Introduction of Staff: Amy Schmitt, General Manager’s Office, Senior Administrative Assistant

CONSENT CALENDAR

Director Kishimoto pulled Item 6 from the Consent Calendar.

Director Siemens pulled Item 5 from the Consent Calendar.

Public comment opened at 7:05 p.m.

No speakers.

Public comment closed at 7:05 p.m.

Motion: Director Riffle moved, and Director Hassett seconded the motion to approve the Consent Calendar, with the exception of Items 5 and 6.

VOTE: 7-0-0

1. **Approve the Minutes for the July 27, 2016 Board meetings**

2. Approve Claims Report

3. Renewal of Investment Authority and Adoption of Annual Statement of Investment Policy (R-16-77)

General Manager's Recommendation: Adopt a resolution to renew the District Controller's investment authority until August 10, 2017 and approve the District's Revised Statement of Investment Policy.

4. Fiscal Year 2016-17 Annual Claims List (R-16-83)

General Manager's Recommendation: Approve the Fiscal Year 2016-17 Annual Claims List, including debt service payments.

5. Measure AA Logo (R-16-99)

Director Siemens suggested modifying the signboard logo to state "your taxes at work" and include the name of the project completed.

Director Riffle spoke in favor of specifying "Measure AA funds are at work" used over stating "taxes at work."

Public Affairs Manager Shelly Lewis explained only the logo is being considered for approval by the Board, and the sign will be modified depending on the project. The examples provided show how the logo may be used but will differ depending on the location, project, etc.

Public comment opened at 7:15 p.m.

No speakers.

Public comment closed at 7:15 p.m.

Motion: Director Hassett moved, and Director Siemens seconded the motion to approve the Legislative, Funding, and Public Affairs Committee's recommendation for Measure AA logo design, with the addition of "funded by" and "2014 Open Space Bond" wording.

VOTE: 7-0-0

6. Resolution Approving a Second Addendum to the Final Environmental Impact Report for the Mount Umunhum Environmental Restoration and Public Access Project (R-16-96)

Senior Planner Meredith Manning responded to a letter submitted by neighbor Dave Leeson stating many of the concerns raised by Mr. Leeson were evaluated in the original Environmental Impact Report. The additional project work addressed by the proposed Second Addendum does not expand upon the original project scope.

General Counsel Sheryl Schaffner described the proposed Second Addendum as a refinement of the previously approved Environmental Impact Report. An addendum is required when changes

are being made to the projects or its elements, but the overall impacts are not in excess of those impacts previously identified and mitigated.

President Kishimoto questioned the amount of exhaust anticipated from the equipment stating it is just below the allowed limit.

Mike Parker the District's consultant from Ascent Environmental provided additional information regarding exhaust limits stating conservative estimates and extensive modeling was used for the calculations and confirmed the data in the report was correct and below the allowable limit.

Director Hanko asked staff to notify any neighbors that may be disturbed by the noise to alert them as to when work is being done.

Ms. Manning stated she will contact the neighbors and provide a schedule for the work if the Board approves the contract to repave Mt. Umunhum Road. Staff will also work with the contractors and neighbors to minimize the impact of noise.

General Manager Steve Abbors stated staff has been in contact with Mr. Leeson and will continue discussions as the project progresses.

Public comment opened at 7:37 p.m.

No speakers.

Public comment closed at 7:37 p.m.

Motion: Director Siemens moved, and Director Riffle seconded the motion to adopt a resolution approving a Second Addendum to the certified Final Environmental Impact Report for the Mount Umunhum Environmental Restoration and Public Access Project at Sierra Azul Open Space Preserve and related minor project modifications.

VOTE: 7-0-0

BOARD BUSINESS

7. Resolution Authorizing the Issuance of a Series 2016 Green Bonds and Approving Related Documents and Associated Actions (R-16-97)

Chief Financial Officer Stefan Jaskulak introduced the internal and external members of the bond team and provided the staff presentation, including an overview of the District's debt. By refinancing the 2007 and callable 2011 bonds and issuing the 2016 Green Bonds, the District will reduce overall District debt service payments by approximately \$15 million over the next twenty-five years. Mr. Jaskulak described the various documents proposed for approval by the Board of Directors and the District's Financing Authority.

Public comment opened at 8:07 p.m.

No speakers.

Public comment closed at 8:07 p.m.

Motion: Director Riffle moved, and Director Hanco seconded a motion to adopt a Resolution authorizing issuance of not to exceed \$68 million in Midpeninsula Regional Open Space District Green Bonds, 2016 Refunding (the “2016 Green Bonds”); approving the related forms and execution of an indenture, a bond purchase agreement, an escrow agreement, and a continuing disclosure agreement; approving form of and distribution of an official statement for said refunding bonds; and authorizing taking of necessary and incidental actions, and documents and certificates.

VOTE: 7-0-0

At 8:09 p.m., the Board adjourned the regular Board meeting of the Midpeninsula Regional Open Space District Board of Directors and convened the Special Meeting of the Midpeninsula Regional Open Space District Financing Authority, with Directors Cyr, Hassett, Riffle, and Siemens present.

**MIDPENINSULA REGIONAL OPEN SPACE DISTRICT FINANCING AUTHORITY
SPECIAL MEETING**

Director Riffle called the special meeting of the Midpeninsula Regional Open Space District to order at 8:10 p.m.

ROLL CALL

Members Present: Jed Cyr, Larry Hassett, Curt Riffle, and Pete Siemens

Members Absent: Joseph Simitian

Staff Present: Executive Director Steve Abbors, General Counsel Sheryl Schaffner, Controller Mike Foster, and Secretary Jennifer Woodworth

AUTHORITY BUSINESS

Motion: Director Hassett nominated, and Director Cyr seconded the nomination of Director Riffle to serve as the Chairperson for the Financing Authority.

VOTE: 4-0-0 (Supervisor Simitian absent)

Motion: Director Hassett nominated, and Director Cyr seconded the nomination of Director Siemens to serve as the Treasurer for the Financing Authority.

VOTE: 4-0-0 (Supervisor Simitian absent)

General Counsel Sheryl Schaffner requested a brief recess to consult the bylaws of the Financing Authority. The Authority recessed at 8:13 p.m. and reconvened at 8:18 p.m. with Directors Hassett, Cyr, Riffle, and Siemens present.

Ms. Schaffner explained that according to the bylaws of the Financing Authority, the Treasurer of the Board of Directors also serves as the Treasurer of the Financing Authority.

Motion: Director Siemens moved, and Director Cyr seconded the motion to reconsider the selection of the Financing Authority Chair and Treasurer.

VOTE: 4-0-0 (Supervisor Simitian absent)

Motion: Director Siemens nominated, and Director Riffle seconded the nomination of Director Hassett to serve as the Chairperson for the Financing Authority.

VOTE: 4-0-0 (Supervisor Simitian absent)

1. Resolution Authorizing the Early Redemption and Execution of All Necessary Documents in Connection with the 2016 Green Bonds (R-16-98)

Public hearing opened at 8:21 p.m.

No speakers.

Public hearing closed at 8:21 p.m.

Motion: Director Cyr moved, and Director Siemens seconded the motion to adopt a Resolution of the Board of Directors of the Midpeninsula Regional Open Space District Financing Authority authorizing the early redemption of the 2007 Series A Revenue Refunding Bonds and 2011 Revenue Bonds, and Approving Forms and Execution of an Escrow Agreement, and Authorizing the taking of all necessary actions in connection with the 2016 Green Bonds.

VOTE: 4-0-0 (Supervisor Simitian absent)

Director Hassett adjourned the meeting of the Board of Directors of the Midpeninsula Regional Open Space District Financing Authority at 8:22 p.m.

REGULAR MEETING – OPEN SESSION (RECONVENED)

President Kishimoto reconvened the Regular Meeting of the Midpeninsula Regional Open Space District Board of Directors at 8:22 p.m. with Directors all directors present.

Items 8 and 9 were presented together.

8. Award of Contract to O.C. Jones & Sons Inc. for construction of the Mount Umunhum Road Rehabilitation Project (Project) at Sierra Azul Open Space Preserve for a Base Amount Not-to-Exceed \$5,012,758 and a Separate 15% Contingency (R-16-101)

9. Award of Contract to D-Line Constructors for Construction Services for the Mount Umunhum Summit Project at Sierra Azul Open Space Preserve for a Base Amount Not-to-Exceed \$7,385,000 and a Separate 10% Contingency (R-16-82)

Assistant General Manager Ana Ruiz provided an overview of Mt. Umunhum Road and Mt. Umunhum Summit projects and the cost of the two projects in comparison to current and projected construction markets. The District is in a good financial position to afford both projects at this time, and both the Road and Summit Projects are fully eligible for Measure AA reimbursement under Portfolio 23. Approval of the contracts will allow for the proposed June

2017 opening and fulfill one of the top-rated projects included in the Vision Plan and Measure AA.

Engineering and Construction Manager Jay Lin described the various elements of the Mt. Umunhum Road project previously approved by the Board. Staff conducted extensive outreach to solicit bids for the project, and three bids were received.

Director Riffle suggested limiting use of automatic contingencies to help control project costs and whether staff could manage the project to a lower contingency.

Mr. Lin explained that due to the complex nature and size of the project, a 15% contingency is recommended.

Mr. Abbors reports staff previously analyzed use of contract contingencies and found they were used minimally. Also per past Board direction, staff often uses the Biweekly Report to the Board to report on contract contingencies used.

Public comment opened at 9:04 p.m.

No speakers.

Public comment closed at 9:04 p.m.

Mr. Lin described the various elements of the Mt. Umunhum Summit project previously approved by the Board and described new safety elements of the projects for Board approval, including guardrail installation and crosswalks. Staff conducted extensive outreach to solicit bids for the project, and one bid was received. The bid was subsequently negotiated downward by \$500,000 through materials substitution, minor design changes, etc. Finally, Mr. Lin outlined four alternatives for moving forward and how well each alternative meets the project's goals.

Public comment opened at 9:20 p.m.

No speakers.

Public comment closed at 9:20 p.m.

Directors Kishimoto and Harris commented on the high cost of the projects.

Directors Hassett and Riffle spoke in favor of moving forward with the projects.

Mr. Abbors spoke regarding current District spending of Measure AA funds stating 5% of the \$300 million has been spent, and 5% of the 30-year timeframe of Measure AA has passed.

Director Hanko spoke in favor of approving the projects and the District's original purchase of Mt. Umunhum in 1986.

Director Siemens spoke regarding the enormity of the project and the District's cost-savings elsewhere.

Motion: Director Siemens moved, and Director Hanko seconded a motion to:

1. Authorize the General Manager to enter into contract with O.C. Jones & Sons of Berkeley, CA for a not-to-exceed base contract amount of \$5,012,758.
2. Authorize a 15% construction contract contingency in the amount of \$751,914 to be reserved for unanticipated issues, thus allowing the total contact amount not-to-exceed \$5,764,672.
3. Adopt a Resolution approving a budget line item adjustment in the amount of \$2,764,672 to the Fiscal Year (FY) 2016-17 District budget to fund construction of the Project.

VOTE: 7-0-0

Motion: Director Siemens moved, and Director Riffle seconded a motion to:

1. Approve the Mount Umunhum Summit Project Design and Plans, and delegate to the General Manager or designee the authority to approve any necessary changes to the Project Design and Plans, and Direct that the “As Built” Designs Come Back to the Board for Final Approval.
2. Authorize the General Manager to enter into contract with D-Line Constructors of Oakland, CA, for a not-to-exceed base contract amount of \$7,385,000.
3. Authorize a 10% construction contract contingency in the amount of \$738,500 to be reserved for unanticipated issues, thus allowing a total contract amount not-to-exceed \$8,123,500.
4. Adopt a Resolution approving a budget adjustment in the amount of \$3,466,450 to the Fiscal Year 2016-17 Budget.

VOTE: 7-0-0

10. Determination of Compensability for Diversity Outreach Ad Hoc Committee Meetings (R-16-100)

District Clerk Jennifer Woodworth presented the staff report.

The Board discussed pursuing legislation to raise the monthly threshold for Director compensation from \$500 per month to \$1,000 similar to the East Bay Regional Park District.

By consensus, the Board directed staff to research the requirements and steps necessary to pursue legislation related to their compensation.

Public comment opened at 9:44 p.m.

No speakers.

Public comment closed at 9:44 p.m.

Motion: Director Siemens moved, and Director Hassett seconded a motion to make the meetings of the Diversity Outreach Ad Hoc Committee compensable.

VOTE: 6-0-1 (Director Riffle abstained.)

INFORMATION MEMORANDA

- Proposed Prospect Road Parking Area (Net Canopy) Safety Structure at Fremont Older Open Space Preserve
- Salmonid Habitat Restoration Projects, San Gregorio Creek
- Vida Verde Nature Center Grant Report

INFORMATIONAL REPORTS

A. Committee Reports

Director Harris reported the Planning and Natural Resources Committee held an open house on August 2, 2016 to provide information regarding the proposed Highway 17 wildlife and trail crossings.

B. Staff Reports

District Clerk Jennifer Woodworth inquired if the Board would like to create an ad hoc committee related to the upcoming Board Development retreat in November. The Board by consensus directed formation of an ad hoc committee and directed staff to return to the Board at a future meeting to authorize compensation for meeting attendance. President Kishimoto appoints Directors Riffle, Cyr, and Kishimoto to serve on the ad hoc committee.

Public Affairs Manager Shelly Lewis provided copies of two new District brochures to help District visitors, which include information regarding easy access trails and volunteer opportunities.

Assistant General Manager Kevin Woodhouse reported the District recently received a gift of \$140,000 as did Deer Hollow Farm. Staff is researching how to work with Deer Hollow Farm to combine the gifts to potentially do restoration work on the White Barn located at Deer Hollow Farm.

Director Riffle reported on another gift received by the District and suggested a Board committee look at policy options related to accepting gifts from the public. By consensus the Board directed the Legislative, Funding, and Public Affairs Committee to work on this issue.

C. Director Reports

The Board members submitted their compensatory reports.

Director Harris spoke in favor of installing trash cans at Pulgas Ridge and considering benches or picnic tables at preserve parking lots or trailheads. Director Harris also shared she has seen many cyclists on the trail there and suggested having larger signage at the trail head.

Director Kishimoto spoke regarding a constituent who contact her regrading tree trimming by PG&E.

Mr. Woodhouse reported staff has contacted the constituent and staff has in the past worked closely with PG&E related to their tree trimming practices and will continue to monitor the activities.

Director Hanko left at 10:12 p.m. citing her recusal regarding items related to PG&E.

Mr. Woodhouse provided an update on staff's response to the constituent stating staff

ADJOURNMENT

President Kishimoto adjourned the regular meeting of the Board of Directors of the Midpeninsula Regional Open Space District at 10:14 p.m.

Jennifer Woodworth, MMC
District Clerk