



Midpeninsula Regional
Open Space District

May 24, 2017
Board Meeting 17-12

SPECIAL AND REGULAR MEETING

BOARD OF DIRECTORS MIDPENINSULA REGIONAL OPEN SPACE DISTRICT

Administrative Office
330 Distel Circle
Los Altos, CA 94022

Wednesday, May 24, 2017

DRAFT MINUTES

SPECIAL MEETING – STUDY SESSION

President Hassett called the special meeting to order at 5:00 p.m.

ROLL CALL

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

Members Absent: Cecily Harris

Staff Present: General Manager Steve Abbors, General Counsel Sheryl Schaffner, Assistant General Manager Ana Ruiz, Assistant General Manager Kevin Woodhouse, Chief Financial Officer/ Administrative Services Director Stefan Jaskulak, District Clerk/Assistant to the General Manager Jennifer Woodworth, Natural Resources Manager Kirk Lenington, Real Property Manager Mike Williams, Planning Manager Jane Mark, Land & Facilities Manager Brian Malone

1. Review of the San Mateo Coastal Annexation Area Service Plan and Commitments (R-17-66)

General Manager Steve Abbors provided introductory comments and explained a future Board meeting will be held on the San Mateo Coast to discuss outreach plans and programs for the San Mateo Coastal Area.

Director Harris arrived at 5:02 p.m.

Assistant General Manager Ana Ruiz summarized the history of the Coastal Service Plan development, including voter and Local Area Formation Commission (LAFCo) approval of the annexation and the Coastal Service Plan Mission Statement. Ms. Ruiz described differences in governance and agreements for the Coastal Annexation Area (CAA), such as prohibition of

eminent domain and a Memorandum of Understanding (MOU) with the San Mateo County Farm Bureau, and various other LAFCo conditions of approval.

Real Property Manager Mike Williams discussed the District's land acquisitions to date and its work with Peninsula Open Space Trust (POST) and other partners to preserve open space and agricultural lands on the San Mateo Coast, including grant and partner funding of acquisitions. Mr. Williams reviewed the guiding principles for the CAA related to services and funding and outlined several Measure AA portfolios that increased funding CAA projects.

Land & Facilities Manager Brian Malone discussed the District's efforts to preserve and foster agricultural operations on the coast, which include leasing District land and minimizing conflicts between agricultural and non-agricultural uses. These efforts include numerous grazing and row crop operations on District land, hiring a rangeland ecologist to help manage the grazing plans, and building infrastructure to minimize impacts of the public on agricultural operations. Additionally, the San Mateo County Farm Bureau MOU requires the District to consult with the Farm Bureau when considering new purchases, grazing plans, agricultural management plans, or new facilities, ensuring that policies affecting coastal agricultural are followed. Mr. Malone outlined the District's guiding principles related to forestry and partnerships in the CAA.

Planning Manager Jane Mark summarized the District's efforts related to the guiding principles for representation and planning & development and outlined the low-intensity public recreation opportunities and open space planning, such as the Vision Plan, Priority Conservation Areas, and La Honda Master Plan. Finally, the land use guiding principles help ensure existing San Mateo County land use and zoning designations are retained for District activities and compliance with County land use policies and permitting requirements.

Director Kishimoto inquired regarding the possible effects of drought on agricultural operations.

Natural Resources Manager Kirk Lenington explained the District has adjudicated rights on the San Gregorio Creek and the drought naturally limited the amount of grazing possible due to the lowered amount of feed available.

Mr. Williams provided additional information for potential well installation and irrigation system for the Pilarcitos watershed area.

Director Riffle inquired regarding the balance between preserving riparian corridors and fish habits and providing water for row crops.

Mr. Lenington explained District staff and its consultants are currently studying this issue to help determine the right balance for these possibly conflicting priorities.

Director Siemens inquired regarding District regulations related to greenhouses.

Ms. Ruiz responded any policy updates related to greenhouses could be included in a future update to the Basic Policy.

Director Hanko inquired if the District has any restrictions on real estate developers purchasing agricultural lands.

Mr. Williams explained when the District sells agricultural lands it typically maintains an agricultural easement and may make an allowance for a home on the property for the owner and nearby farm labor housing when necessary.

Director Harris inquired whether the Coastal Plan prevent us from managing lands that were not purchased recently.

Mr. Williams explained the Coastal Plan does not limit this and land management opportunities have been discussed in the past.

Director Harris requested additional information related to campgrounds on District lands.

Mr. Williams explained that while the District cannot have camping areas on its lands in the CAA, it does not prevent the District from working with partners to help facilities campgrounds on their properties, such as San Mateo County and POST hikers' huts.

Ms. Mark introduced the case study related to the La Honda Creek Open Space Preserve (OSP), including land acquisition, grazing and land management, natural resource protection, preserve master plan, and public recreation.

Mr. Lennington summarized contamination investigations for La Honda Creek OSP and additional natural resource management, conservation grazing and land management, and invasive species management. Pond and fisheries management has helped preserve and protect habitats for protected species, including California red-legged frogs, San Francisco garter snake, steelhead trout, and coho salmon. Additionally, staff has helped remove invasive species, such as purple star thistle, and dilapidated structures.

Ms. Mark discussed the La Honda Creek OSP Master Plan to help guide public access through long-term planning. The District also engages in consultations and outreach to the CAA through public meetings and consultations with the Farm Bureau. When La Honda Creek OSP opens in 2017, the District continues to promote low-intensity public uses through improved ranch roads, planned trails, and staging areas.

Ms. Ruiz provided a status summary of the CAA Service Plan to date and outlined recommended fiscal year 2017-18 Action Plan priorities in the CAA, including potential land acquisitions, natural resource protection and restoration, and public access and education actions.

Walter Moore, President of POST, provided an overview of the Farmland Futures Initiative along the San Mateo County Coast to increase protected open space and agricultural lands in the area.

Ben Wright Senior Conservation Project Manager with POST provided an example case study for the Muzzi San Gregorio Ranch as part of the Farmland Futures Initiative. Mr. Wright outlined the previous uses for the Muzzi Ranch and POST's work to secure a tenant for the property, who would be interested in eventually purchasing the property, subject to an agricultural conservation easement. POST is currently leasing the property to a tenant and has begun drafting the agricultural conservation easement and purchase option, which the tenant will have three years to exercise.

Public comment opened at 6:43 p.m.

No speakers present.

Public comment closed at 6:43 p.m.

Director Riffle inquired regarding a future farm labor housing policy.

Mr. Malone reported the Board recently adopted a housing policy, and staff is currently working on a farm labor housing policy.

Director Kishimoto requested additional information regarding the fees the District pays to San Mateo County for fire protection and La Honda-Pescadero Unified School District.

Mr. Williams reported staff is currently discussing potential renegotiation of the San Mateo County fire protection agreement, and the La Honda-Pescadero Unified School District agreement does not expire for several years.

Director Riffle commended District staff's work on the presentation and his interest in the upcoming Coastal Communication Outreach Plan.

President Hassett thanked District staff and POST staff for their efforts on the presentation and especially for their work in the CAA.

No Board action required.

President Hassett adjourned the special meeting of the Board of Directors of the Midpeninsula Regional Open Space District at 6:55 p.m.

REGULAR MEETING

President Hassett called the regular meeting of the Midpeninsula Regional Open Space District to order at 7:02 p.m.

ROLL CALL

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

Members Absent: None

Staff Present: General Manager Steve Abbors, General Counsel Sheryl Schaffner, Assistant General Manager Kevin Woodhouse, Chief Financial Officer/Administrative Services Director Stefan Jaskulak, District Clerk/Assistant to the General Manager Jennifer Woodworth, Natural Resources Manager Kirk Lenington, Information Systems and Technology Manager Garrett Dunwoody, Land & Facilities Manager Brian Malone, Visitor Services Manager Michael Newburn, Planning Manager Jane Mark, Engineering &

Construction Manager Jay Lin, Human Resources Supervisor Candice Basnight

ORAL COMMUNICATIONS

Yvonne Tryce spoke in favor of having a nature center at the Hawthorn property and inquired if there were any updates regarding the property.

ADOPTION OF AGENDA

Motion: Director Riffle moved, and Director Kishimoto seconded the motion to adopt the agenda.

VOTE: 7-0-0

SPECIAL ORDERS OF THE DAY

- Introduction of staff
 - o Dave Jaeckel, Management Analyst II
 - o Alysha Carabetta, District Ranger
 - o Zuha Lambert, Volunteer Program Lead

CONSENT CALENDAR

Public comment opened at 7:12 p.m.

No speakers.

Public comment closed at 7:12 p.m.

Motion: Director Harris moved, and Director Hanko seconded the motion to approve the Consent Calendar, with the exception of Item 3.

VOTE: 7-0-0

1. **Approve May 10, 2017 Minutes**
2. **Claims Report**
3. **Proposed purchase of the Peninsula Open Space Trust (Conley) Property as an addition to Long Ridge Open Space Preserve, located on Shingle Mill Road in unincorporated San Mateo County (Assessor’s Parcel Numbers 085-170-020, 085-170-290, and 085-170-310) (R-17-29)**

General Manager’s Recommendation:

1. Determine that the recommended actions are categorically exempt from the California Environmental Quality Act (CEQA), as set out in the staff report.
2. Adopt a Resolution authorizing the purchase of the Peninsula Open Space Trust (Conley) property for \$500,000 with a corresponding authorization for a Fiscal Year 2016-17 budget increase of the same amount.

3. Adopt a Preliminary Use and Management Plan for the Peninsula Open Space Trust (Conley) property, as set out in the staff report.
4. Withhold dedication of the Peninsula Open Space Trust (Conley) property as public open space at this time.

Based on Director Riffle's employment with Peninsula Open Space Trust, Director Riffle recused himself for Item 3 and left the room at 7:13 p.m.

Motion: Director Siemens moved, and Director Hanko seconded the motion to approve Item 3.

VOTE: 6-0-0 (Director Riffle recused)

Director Riffle returned to the dais at 7:14 p.m.

4. Proposed Purchase of the HR2LG, LLC (Kahn) property as an addition to Sierra Azul Open Space Preserve located off Hicks Road in unincorporated Santa Clara County (Assessor's Parcel Number 575-11-008) (R-17-59)

General Manager's Recommendation:

1. Determine that the recommended actions are categorically exempt under the California Environmental Quality Act (CEQA), as set out in the staff report.
2. Adopt a Resolution authorizing the purchase of the Kahn property at a cost of \$550,000, with corresponding authorization for a Fiscal Year 2016-17 budget increase of the same amount.
3. Adopt a Preliminary Use and Management Plan for the property, as set out in the staff report.
4. Withhold dedication of the Kahn property as public open space.

BOARD BUSINESS

5. Consideration of the Controller's Report on the Proposed Fiscal Year 2017-18 Budget (R-17-69)

Controller Mike Foster provided the Controller's report outlining projected expenditures for operating and capital expenses. Mr. Foster reported the tax revenue continues to grow and stated the District's FY2017-18 is affordable and sustainable. Mr. Foster provided his FY2017-18 cash projection, 30-year cash flow projection, and projected Measure AA tax rate for the life of the bonds. Mr. Foster stated the District will likely issue a second tranche of Measure AA bonds in FY2017-18. Finally, Mr. Foster provided comments on inflation affecting the District's ability to complete all Measure AA projects. Mr. Foster explained inflation often correlates to assessed valuation growth meaning the District will have increased revenue, and the District may pursue grant funding and has additional General Fund resources that may be used to supplement Measure AA funds.

President Hassett inquired regarding the decline of rental revenue.

Mr. Malone explained some housing has been removed from the housing list, and additional revenue was lost due to cell tower lease expiration.

Public comment opened at 7:34 p.m.

No speakers present.

Public comment closed at 7:34 p.m.

Director Kishimoto thanked Mr. Foster for his response to her concerns regarding inflation.

Motion: Director Cyr moved, and Director Siemens seconded the motion to approve the Controller's report on the Fiscal Year 2017-18 Budget.

VOTE: 7-0-0

6. Proposed Fiscal Year 2017-18 Budget & Action Plan Initial Review and Public Hearing (R-17-72)

Chief Financial Officer/Administrative Services Director Stefan Jaskulak provided an overview of the budget for the District's revenues, operating expenditures, capital expenditures, land and associated costs, and debt service.

Mr. Foster described the expenditure trends for the previous and upcoming budget years and projected revenue for FY2017-18, including property taxes and Measure AA funds.

Mr. Jaskulak reviewed the proposed FY2017-18 expenses by category, compared the FY2017-18 budget to the FY2016-17 budget, and described key factors that led to budget increases or decreases. Mr. Jaskulak summarized the six major District programs and associated subprograms in the District's Action Plan and Capital Improvement Plan.

Director Hanko requested clarification regarding the location of the eucalyptus trees in Los Trancos OSP.

Mr. Malone described the location of the eucalyptus trees to be removed.

Director Hanko requested additional information regarding potential annexation within the District's Sphere of Influence.

Mr. Abbors provided an update on the project and explained staff will come to the Board with additional information at a future meeting.

Public hearing opened at 8:37 p.m.

City of Saratoga Councilmember Howard Miller spoke in favor of the Saratoga-to-the-Sea trail and thanked the Board for their support.

Public hearing closed at 8:41 p.m.

Director Siemens requested additional information regarding the Mt. Umunhum Radar Tower Second Assessment and expressed concern that public funds would be used for a project that does not serve the District's mission.

Ms. Ruiz explained that when the Board approved retaining the Tower, a second assessment would be required to determine what long-term repairs would be required. The proposed assessment will use the first assessment as a basis.

Director Riffle stated his belief that the Board's previous decision to keep the Tower led to the continued need for maintenance.

President Hassett stated his belief that historical listing of the structure does not require ongoing repairs to the structure.

General Counsel Sheryl Schaffner explained various other regulatory issues have arisen related to the structure, including water leakage, vector issues inside the building, etc.

Mr. Abbors spoke in favor of the District completing the assessment and receiving donations to implement repairs as necessary.

Ms. Ruiz provided an explanation of the costs that contribute to the proposed cost of the assessment.

Director Siemens stated his concerns regarding the cost of the assessment and suggested District staff could complete the assessment.

Ms. Ruiz reported the proposed amount is lower than originally estimated, and the contract will require Board approval if it is over \$50,000. Additionally, staff will bring the results of the assessment to the Board.

Director Siemens expressed concerns regarding the proposed budget for farm labor housing stating the cost seemed much higher than it would be than if a District tenant built the housing.

Director Harris inquired if the amount of funding proposed for the endangered species programmatic permitting was correct.

Mr. Lenington explained this is only a portion of the project is included in FY2017-18, which the proposed budget covers.

Director Harris expressed her concerns regarding the funding for the Cooley Landing Business and Operating Plan.

Director Harris spoke in favor of outreach to the Bay side of San Mateo County.

President Hassett requested additional information regarding the lease for the Christmas Tree Farm.

Mr. Malone provided information on the current lease and reported any lease renewal would be brought to the Board for approval.

No Board action required.

7. Delegation of Authority to the General Manager to review and discretionarily approve technical designs, plans and specifications for construction and engineering projects (R-17-43)

General Counsel Sheryl Schaffner explained the proposed delegation would formalize the existing process of staff reviewing and approving project design documents for projects already approved by the Board through the Budget & Action Plan.

Ms. Ruiz provided an overview of the proposed project review and approval process for both large, complex projects and/or smaller projects with new policy implications. A streamlined process would be implemented for small to medium scale projects that implement prior Board-approved plans/policies and do not raise new policy issues.

Ms. Schaffner provided additional information regarding the enhanced immunities the District would have under proposed action.

Public comment opened at 9:49 p.m.

No speakers present.

Public comment closed at 9:49 p.m.

Motion: Director Siemens moved, and Director Riffle seconded the motion to adopt a resolution delegating to the General Manager the authority to review and discretionarily approve technical designs, plans and specifications for construction and engineering projects.

VOTE: 7-0-0

INFORMATIONAL REPORTS

A. Committee Reports

No committee reports

B. Staff Reports

Mr. Jaskulak reported staff will be installing laptops in the trucks used by Ranger staff. There will be a demonstration of the new technology prior to the June 14, 2017 Board meeting.

Ms. Ruiz reported a special Board meeting will need to be held on June 6th or 7th related to the Mt. Umunhum public access project.

The Board members provided their availability for those dates to the District Clerk.

C. Director Reports

The Board members submitted their compensatory reports.

Director Kishimoto reported she has been appointed to serve as an alternate representative for the Santa Clara County LAFCo Independent Special Districts.

Director Siemens reported several Board members attended a recent meeting of the Bay Area Open Space Council. Additionally, he attended CSDA Legislative Days to meet with Assembly members and Senators.

The Board adjourned into closed session at 10:02 p.m.

SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT – CLOSED SESSION

- 1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code Section 54956.8)**
Property: City of Campbell, Assessor’s Parcel Number 412-32-014
Agency Negotiator: Allen Ishibashi, Senior Real Property Agent
Negotiating Party: Brent Dressen, Colliers International
Under Negotiation: Terms and Conditions
- 2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code Section 54956.8)**
Property: Santa Clara County APN: 170-64-119
Agency Negotiator: Allen Ishibashi, Sr. Real Property Agent
Negotiating Party: Wellington Park Investors
Under Negotiation: Purchase Terms
- 3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code Section 54956.8)**
Property: Santa Clara County APN: 170-04-054
Agency Negotiator: Allen Ishibashi, Senior Real Property Agent
Negotiating Party: Pearlman Properties
Under Negotiation: Purchase Terms
- 4. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code Section 54956.8)**
Property: Santa Clara County Assessor’s Parcel Number 562-08-003
Agency Negotiator: Michael Williams, Real Property Manager
Negotiating Party: Val Lopez, Amah Mutsun Land Trust
Under Negotiation: Conservation Easement

ADJOURNMENT

President Hassett adjourned the special meeting of the Board of Directors of the Midpeninsula Regional Open Space District at 11:45 p.m.

Jennifer Woodworth, MMC
District Clerk