



Midpeninsula Regional
Open Space District

R-19-42
Meeting 19-10
April 10, 2019

AGENDA ITEM 4

AGENDA ITEM

Adopt a Resolution Accepting State Funding Allocated for the Upper Guadalupe/Los Gatos Creek Watershed to Restore Upper Pond and Mud Lake and Construct Phase II Trails within Bear Creek Redwoods Open Space Preserve

GENERAL MANAGER'S RECOMMENDATION *den*

Adopt a resolution authorizing the General Manager to file an application and execute a funding agreement with the California Natural Resources Agency for state funding to assist with the restoration at Upper Pond and Mud Lake, and construction of Phase II trails, at Bear Creek Redwoods Open Space Preserve.

SUMMARY

The State of California allocated \$3,000,000 through Proposition 68 for funding related to the Upper Guadalupe and Los Gatos Creek Watershed. This funding will be administered through the California Natural Resources Agency (“state” or “Resources Agency”). The Resources Agency invited a proposal from the Midpeninsula Regional Open Space District (District) for public access improvements at Bear Creek Redwoods Open Space Preserve (BCR). Funding will be used to offset restoration costs at Upper Pond and Mud Lake and for Phase II trail feasibility, design, permitting, and construction. The funding will be on a reimbursement basis, with a 10% retention until project completion. The grant agreement requires that the District maintain and operate this property for trail access (Phase II trails) and purposes of land restoration (Mud Lake and Upper Pond) for at least 25 years.

DISCUSSION

The State of California allocated \$3,000,000 through Proposition 68 for funding related to the Upper Guadalupe and Los Gatos Creek Watershed. After administrative overhead from the Resources Agency, a total of the \$2,775,000 will be available to the District. Senator Beall specifically recommended this area for funding in the bond because of the key regional environmental role of the Upper Guadalupe, Los Gatos Creek, and Saratoga Creek Watersheds. A portion of these watersheds received regional Priority Conservation Area status in 2015 in recognition of the area’s important conservation value and critical wildlife linkage status.

District staff has been working with Resources Agency staff to determine which projects are the best fit for the program goals. Through these discussions, the Resources Agency invited a proposal from the District for improvements at Bear Creek Redwoods. Funding will be used to offset restoration costs at Upper Pond and Mud Lake, as well as Phase II trail construction.

Upper Pond and Mud Lake

The purpose of the Upper Pond and Mud Lake restoration is to improve the structural stability of the lakes, prevent flooding on Bear Creek Road, and restore the natural hydrology of Briggs Creek and Webb Creek. The existing culvert systems require upgrades to ensure continued site drainage. These improvements are part of a larger plan for public access in and around the site. Design is complete and construction is expected to begin in Summer 2019, with project completion at both sites expected in Fall 2019.

Phase II Trails

The District plans to design and construct approximately 4.2 miles of new trails as part of Phase II trail construction at BCR, including upgrades to existing roads, new trail creation (including one new multi-use trail), and other associated improvements such as stream and drainage crossings, retaining walls, and culvert replacements. Design and Feasibility is scheduled to begin in Spring 2019. Construction will be performed by both District crews and contractors, with crews to begin construction in Spring 2020 and contractor construction to begin in 2021. Project completion is expected in Fall 2022.

Funding Agreement

The funding agreement will be on a reimbursement basis, with a 10% retention until project completion. The grant agreement requires the District to maintain and operate this property for trail access (Phase II trails) and purposes of land restoration (Mud Lake and Upper Pond) for at least 25 years. Proposition 68 outlines the timeline for fund expenditure with an expiration of May 2022. However, because Phase II trail construction is anticipated to conclude in Fall 2022, the District is working with the Resources Agency to extend this timeline through the legislature. Resources Agency staff are confident that this timeline can be extended to accommodate any potential permitting delays for the Phase II trails.

FISCAL IMPACT

This funding agreement provides a total of \$2,775,000 toward the project, beginning in Fiscal Year (FY) 2019-20. Project budgets for FY2019-20 and beyond will be adopted as a part of the annual Budget & Action Plan development process every June. Below is a table of the anticipated project costs, grant offsets, and remaining costs to be funded by the District.

Project	Total Project Budget	Grant Funding Amount	Remainder Funded by District
VP21-003 BCR Phase II Trail Improvements	\$2,194,225	\$2,194,225	\$0
MAA21-008 BCR Ponds Restoration and Water Rights (Mud Lake portion)	\$314,005	\$314,005	\$0
MAA21-005 BCR Public Access (Upper Pond portion)	\$211,172	\$211,172	\$0
Acknowledgement signage	\$200	\$200	\$0
<i>Contingency (not to exceed 10% of grant)</i>	\$586,420	\$55,398	\$531,022
GRAND TOTAL:	\$3,306,022	\$2,775,000	\$531,022

BOARD COMMITTEE REVIEW

This report was not previously reviewed by a committee.

PUBLIC NOTICE

Public notice was provided as required by the Brown Act.

CEQA COMPLIANCE

Submitting grant applications to secure funding is not subject to CEQA. Restoration of Upper Pond and Mud Lake, and construction of Phase II Trails, are subject to CEQA, which the District completed as part of the Final Environmental Impact Report for the Bear Creek Redwoods Preserve Plan adopted in January 2017 (State Clearinghouse #2015062029).

NEXT STEPS

Pending Board approval, District staff will work with the Resources Agency to finalize the funding agreement and the General Manager will be authorized to negotiate and execute the agreement and submit all documents necessary to administer the funding agreement. Restoration is anticipated to begin at Upper Pond and Mud Lake in August 2019. Phase II trail design and engineering will begin May 2019, with construction expected in FY2021-22.

District staff will also continue working with the Resources Agency to extend the expenditure timeline for Prop 68 funds through the legislature to accommodate the timeline for Phase II trail construction.

Attachments

1. Resolution approving the District's funding proposal for the Upper Guadalupe/Los Gatos Creek Watershed

Responsible Department Head:

Stefan Jaskulak, Chief Financial Officer/Director of Administrative Services

Prepared by:

Melanie Askay, Grants Program Manager

RESOLUTION NO. 19-__

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT APPROVING
THE APPLICATION FOR GRANT FUNDS FOR THE UPPER
GUADALUPE/LOS GATOS CREEK WATERSHED PROJECT**

WHEREAS, the Legislature and Governor of the State of California have provided funds for the program shown above; and

WHEREAS, the California Natural Resources Agency has been delegated the responsibility for the administration of this grant program, establishing necessary procedures; and

WHEREAS, said procedures established by the California Natural Resources Agency require a resolution certifying the approval of application(s) by the Applicant's governing board before submission of said application(s) to the State; and

WHEREAS, the Applicant, if selected, will enter into an agreement with the State of California to carry out the project.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors for the Midpeninsula Regional Open Space District:

1. Approves the filing of an application for the Upper Guadalupe/Los Gatos Creek Watershed Project;
2. Certifies that Applicant understands the assurances and certification in the application; and,
3. Certifies that Applicant or title holder will have sufficient funds to operate and maintain the project(s) consistent with the land tenure requirements; or will secure the resources to do so; and,
4. Certifies that it will comply with all provisions of Section 1771.5 of the California Labor Code; and,
5. If applicable, certifies that the project will comply with any laws and regulations including, but not limited to, the *California Environmental Quality Act* (CEQA), legal requirements for building codes, health and safety codes, disabled access laws, and, that prior to commencement of construction, all applicable permits will have been obtained; and,
6. Certifies that applicant will work towards the State Planning Priorities intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety as included in Government Code Section 65041.1, and

- 7. Appoints the General Manager or designee, as agent to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, payment requests and so on, which may be necessary for the completion of the aforementioned project(s).

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PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on _____, 2019, at a regular meeting thereof, by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

APPROVED:

Secretary
Board of Directors

President
Board of Directors

APPROVED AS TO FORM:

General Counsel

I, the District Clerk of the Midpeninsula Regional Open Space District, hereby certify that the above is a true and correct copy of a resolution duly adopted by the Board of Directors of the Midpeninsula Regional Open Space District by the above vote at a meeting thereof duly held and called on the above day.

District Clerk