SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-A**

FROM: Steve Mack, General Manager

Meeting Date : August 5, 2010

SUBJECT: DISCUSSION/ACTION RE SURPLUS DISTRICT LANDS PUBLIC WORKSHOP

RECOMMENDED ACTION: Receive a presentation on a review of the public meeting on surplus lands held July 22, 2010, and other activities regarding Surplus District Lands and provide direction to the Land Management Committee and General Manager.

FISCAL IMPACT: No direct impact.

DISCUSSION:

The District held a public meeting on the District Surplus Lands Strategy focusing on the larger parcels on July 22, 2010. The meeting was well attended and included a presentation on behalf of the Monte Rio Recreation and Park District for transfer of the parcels behind the Monte Rio Terraces for purposes of creating a regional park, and there were many comments from the meeting participants regarding this particular proposal and the concept of the District transferring its surplus lands, generally. Attached is Attachment A which is a summary of the meeting and includes my distillation of the many valuable comments and ideas presented at the workshop. Board Members may recall other comments or may want to expand on some of the issues listed in the summary.

Comments/Observations:

Surplus lands. In an email to Board Members I explained my perspective on the use of the term "surplus" which is that the district has surplus lands that it hasn't formally declared surplus yet. That will happen when we get to a place where we have a mutually agreeable transfer.

The word "transfer" does not imply no cost. I use this term to refer to lands changing ownership for any negotiated amount of money including $0 and fair market value as determined by an appraisal. The use of the term "transfer" should not give the implication that the transfer would be at no cost to the transferee. Regardless of the financial terms of any transfer, I believe all lands being transferred should have their market value determined.

The word is out. With the workshop and attendant publicity, post and prior, the word is out that the District has land available for other suitable purposes. We

have done what we can in this regard and it is now up to others to present us with their ideas and for those ideas to be backed with details that meet the objectives of the District in its Surplus Land Strategy.

One presentation/idea for larger parcels. At the workshop only one proposal for use of District surplus lands was presented. The presentation by Ken Wells showed one idea with vision for the Monte Rio area and had support from most of the local and regional open space agencies and organizations. However, it was not a formal proposal; the District has nothing more than a Power Point file describing it, and a fair amount of work is needed for it to get to a place where the District could consider it. We have received no other communications regarding the transfer of the larger parcels. With this concept and others that may follow the potential transferee will need to be the proponent of any transfer and complete whatever studies and investigations that are needed.

Smaller parcels. The workshop focused on the larger parcels and most comments were made in regard to those larger parcels. However, the District has many more small parcels than large parcels, and some effort should be made with respect to them. The Strategy calls for employing a local realtor to market the small parcels and it seems appropriate to do that now.

Assessment of where we are. The effort of looking into the District's surplus lands is bifurcating into three areas which require separate approaches:

- The larger parcels which may be appropriate for some open space use. Currently we have received a presentation, called Monte Rio Mountain Park, on the parcels behind the Monte Rio Terraces that might be part of a regional park effort that would bring many economic benefits to the area, and this proposal could be a model for the use of the other larger parcels. Many details need to be worked out before the Monte Rio Mountain Park becomes a reality. There has been no formal proposal and it's unclear what all needs to be done and in what order.

  The Sonoma County Agricultural Preservation and Open Space District has offered to help with this proposal in a letter dated July 20, 2010 and other agencies and organizations have expressed their support and willingness to help. Perhaps a next step is availing the services of the regional and local agencies and organizations to see what needs to be done, and how to get those activities accomplished.

- Riverfront parcels which may be appropriate for public access. Recently, more attention has been on the larger parcels, but the riverfront parcels may have the more immediate benefit in terms of providing better river access. Two of the parcels are currently being used for that purpose, but in an unmanaged and unofficial way.

- The other smaller parcels which may have some local interest. These parcels will require some level of marketing and using a local real estate professional would be an appropriate way of proceeding with this.

Summary Report
District Surplus Lands Workshop
July 22, 2010

Sweetwater Springs Water District held a public workshop at 6:30 pm on July 22 at the Monte Rio Community Center, 20488 Highway 116, Monte Rio, 95446, to inform the public about the District's strategy for its surplus lands and to get feedback and proposals in an informal setting that invites a community discussion.

The Meeting started out with a short public comment period and then the District General Manager, Steve Mack, gave a short introductory presentation with the following information: the District has approximately 900 acres of larger parcels that currently are undeveloped open space. 404 acres are in 4 parcels in the Mount Jackson area (northeast of Rio Nido), 94 acres are in 3 parcels west of Old Cazadero Road (north of Guernewood Park), and 384 acres are in 4 parcels south of the Monte Rio Terraces. These parcels are wooded, have some mostly unmaintained trails and roads, and are on steep slopes and at higher elevations. Historically, the parcels were the source watershed for District owned springs, but the District does not supply water from these springs now and has no plans to do so in the foreseeable future.

One of the District's surplus lands goals is to keep those parcels in open space by transferring the parcels to a more appropriate open space management agency or organization. This presentation was followed by a question and answer period on the presentation.

Ken Wells, representing the Monte Rio Recreation and Park District (MRR&PD) gave a presentation on a proposal that the Sweetwater Springs Water District transfer the two large parcels south of Monte Rio identified as surplus lands (APN's 097-130-010 and 011) to create a public park with trails. The MRR&PD proposal is being supported by the Sonoma County Trails Council, the Sonoma County Horse Council, and the Backcountry Horsemen - North Bay Unit, which together have the expertise and resources to help MRR&PD accomplish this goal. This idea would also require an easement for trails through the SSWD's Schoolhouse Gulch property (APN 096-010-001) in order to link the acquired park property with the old Monte Rio school site, which would be developed by MRR&PD into a trailhead for the new park. The proposers of this idea believe it has the potential to create a new economic driver for the community based on recreational users visiting the community to use the trails in this new park. The potential also exists for Monte Rio and this park to be the hub of a regional trail system connecting this 'Monte Rio Mountain Park' with the neighboring Sonoma Beach State Park, and Sonoma County Agricultural Preservation and Open Space District and Sonoma Land Trust protected lands.

The meeting was then opened up for questions and comments from the audience. Issues and opinions from the comment periods included:

- District lands are part of the original purchase of the District and should not be given away. Revenue from sale of property should be used be restricted to paying off the bond that was used to purchase the District.

- The Board focus in this effort has moved from obtaining revenue to appropriate land management.

- The watershed values of the District lands are important for the region and must not be compromised.

- Lands were originally obtained as water sources for the District and should be retained for that possible use in the future.

- The process is moving too quickly and much more information in needed on these parcels including environmental features and values, and fair market value. Slow down the process so that other proposals can surface. Look for grant opportunities to develop more information.

- Many comments of support for the concept of a regional park for multiple recreational purposes – hiking, biking, and equestrian.

- Many local agencies and organization are experienced and willing for trail construction and maintenance.

- Monte Rio Recreation and Park District has not demonstrated competency to manage these lands

- Lands should be managed to reduce fire hazard and ensure a healthy forest and the environmental values that brings.

- Lands should be opened up/managed for more availability for public uses.

- Fire hazard is present; some level of management and/or insurance could be done cost effectively.

- Make certain of guarantees that lands will be used for public purposes if transferred. Many comments about transferring the lands and what rights would be transferred – conservation easements, water rights, timber harvesting rights, etc.

- Economic opportunities if lands managed for equestrian, hiking, and cycling purposes.

- Make certain new uses – trails for biking, in particular, do not damage watershed values.

- Have more public meetings on this before any action is taken. Have a public workshop in Guerneville.

Questions and Answers:

Q: How can we be certain that the District won't need these lands for water supply purposes in the future?

A: The District's current approach to obtaining water – wells near the Russian River - develop more than enough water for current and anticipated demand. Use of spring water or surface from local creeks would require meeting surface water treatment rules which, among other requirements, involve approved water treatment facilities prior to delivery to customers and would be cost prohibitive.

Q: What if District sells/transfers land to agency or organization and that agency/organization then sells it for another purpose?

A: Transfer can be structured so that if the receiving agency does not follow through with conditions of sale it reverts to the District. Another approach could be to limit sale to conservation easements or other elements of property rights that limit use to a regional park, for example, and the District would retain other property rights.

Q: Are the parcels contiguous with any existing regional parks?

A: No, but one edge of the parcels behind the Monte Rio Terraces are close to Sonoma State Park.

Q: Don't the ratepayers own the land?

A: No, the land is owned by the Water District but the Directors of the Board do represent the voters in the Water District, many of whom are ratepayers and who do get to vote for directors.

Board Member Comments:

- Many thanks for the attendance and comments.
- Mission of Sweetwater Springs Water District is delivering potable water to its customers; these lands do not fit with this mission.
- The Water District is not a land management agency; perhaps there is a better way to manage the larger parcels and the District is exploring that.
- Revenue from the sale of these lands is important.
- Process will continue to include public input and any transfer of the larger parcels will not happen quickly.

The meeting started at approximately 6:35 and adjourned at 8:07.

SONOMA COUNTY
AGRICULTURAL PRESERVATION
AND OPEN SPACE DISTRICT

July 20, 2010

Steve Mack
Sweetwater Springs Water District
P.O. Box 48
Guerneville, CA 95446

RE: Sweetwater Springs - Monte Rio parcels

Dear Mr. Mack,

Thank you for alerting the Sonoma County Agricultural Preservation and Open Space District (District) of Sweetwater Springs Water District's (SSWD) intention to surplus some of its land.

One of the properties of particular interest to the District is the 318-acre property west of Monte Rio. Over the years, the District and numerous other public and non-profit partners have made a significant investment of time and public dollars to expand recreational opportunities in the nearby vicinity, notably Sonoma Coast State Park. It is our goal to connect communities with land, and the potential addition of these parcels to this public park system, will help achieve this goal. It is our understanding that Monte Rio Recreation and Parks District (MRRPD) is willing to hold title to these parcels in Monte Rio and manage them for future public access. The District is pleased to express its support for the transfer of the SSWD land to MRRPD for future recreation and resource protection. This potential transfer increases the possiblity of walking from Monte Rio to the ocean while continually remaining on park land.

The District would be happy to provide staff assistance to MRRPD in transferring ownership of this property. In exchange for our services, the District is requesting that MRRPD grant a conservation easement over the property to ensure the natural resources on the land remain protected in perpetuity.

Sincerely,

William J. Keene
General Manager

cc: Melanie Bourassa, OSD Acquisition Assistant
Ken Wells, Sonoma County Trails Council
File

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