



SAN FRANCISQUITO CREEK
JOINT POWERS AUTHORITY
SFCJPA.ORG

**Notice of Regular Meeting of the
BOARD OF DIRECTORS
City of Palo Alto Council Chambers
250 Hamilton Avenue, Palo Alto, California
March 22, 2018 at 3:30 p.m.**

AGENDA

1. ROLL CALL
2. APPROVAL OF AGENDA
3. APPROVAL OF MEETING MINUTES: February 22, 2018 Regular Board meeting
4. PUBLIC COMMENT – *Individuals may speak on any topic for up to three minutes; during any other Agenda item, individuals may speak for up to three minutes on the subject of that item.*
5. REGULAR BUSINESS – Executive Director’s Report
 - a. S.F. Bay-Highway 101 project: discuss construction activities, costs, and Creekside trails
 - b. Presentation by Stanford University on its plan to remove the Lagunita Diversion Dam
 - c. Update on the Upstream of Highway 101 project
 - d. Approve the Fiscal Year 2018-19 Operating Budget
6. BOARD MEMBER COMMENTS – *Non-agendized requests or announcements; no action may be taken.*
7. ADJOURNMENT

PLEASE NOTE: This Board meeting Agenda and supporting documents related to items on the Agenda can be viewed online by 3:30 p.m. on March 19, 2018 at sfcjpa.org -- click on the “Meetings” tab near the top.

NEXT MEETING: Regular Board meeting, April 26, 2018 at 3:30 PM, City of Menlo Park Council Chambers

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Director Kremen called the meeting to order at 3:31 p.m. at the City of East Palo Council Chambers, East Palo Alto, California.

DRAFT

1) ROLL CALL

Members Present: Director Pine, San Mateo County Flood Control District (SMCFCD)
Director Abrica, City of East Palo Alto
Director Kremen, Santa Clara Valley Water District

Members Absent: Director Keith, City of Menlo Park
Director Scharff, City Palo Alto

JPA Staff Present: Len Materman, Executive Director
Kevin Murray, Staff
Tess Byler, Staff
Miyko Harris-Parker, Staff

Others Present: Trish Mulvey, Palo Alto resident; Dennis & Luella Parker, East Palo Alto residents; Jerry Hearn, Portola Valley resident; Jim Wiley, Menlo Park resident; Court Skinner, East Palo Alto resident; Andrew Boone, East Palo Alto resident; Dixie Spoeht-Schuk, East Palo Alto resident; Davena Gentry; Mark Dinan; Michael Mashack; Saied Hossessini, SCVWD; Michel Jeremias, City of Palo Alto; Anne Stillman, SMCFCD; Helen Wolter, Committee for Green Foothills

2) APPROVAL OF AGENDA

Director Pine made a motion to approve the agenda. Director Abrica seconded. Agenda approved 3-0. Director Keith and Director Scharff not present.

3) APPROVE BOARD MEETING MINUTES: JANUARY 25, 2018 REGULAR BOARD MEETING

Director Abrica made a motion to approve the January 25, 2018 Regular Board meeting minutes with suggested edits. Director Pine seconded. January 25, 2018 Regular Board meeting minutes approved 3-0. Director Keith and Director Scharff not present.

4) PUBLIC COMMENT

Trish Mulvey, Palo Alto resident gave thanks to everyone who helped get the trails reopened, and she commented that the Caltrans detour signs that are still up as you approach East Bayshore from Embarcadero need to be taken down.

Court Skinner, East Palo Alto resident, spoke about attending the meeting that was held in East Palo Alto regarding the trails and he expressed support for additional steps to open trails.

5) REGULAR BUSINESS

S.F.BAY HIGHWAY 101 PROJECT: DISUCSS CONSTURCTION PLANS, COSTS AND CREEKSIDE TRAILS

Mr. Materman provided the Board with a progress report on project construction, highlighting updates regarding creekside trails. Mr. Materman noted that there is still work being done which is why some detour signs are still up. Mr. Materman also provided a summary of the

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strategies that are being looked at to reduce costs, noting the prioritization of soil off haul, the cost of which could be about ten million dollars if no other solutions are found.

Saeid Hosseini, SCVWD, stated that SCVWD and Tiechert Construction are working with the cities of Palo Alto and East Palo Alto to come up with a plan for storing soil on site temporarily or permanently. Mr. Hosseini noted that the contractor claims will not be resolved until the soil issues have been taken care of.

Director Pine asked if our permits allow for the flexibility of leaving the soil on site. Mr. Murray replied that as of now we are meeting the requirements of storing the soil onsite. Director Pine asked about the possible off-site storage locations. Mr. Materman explained that there is a site in San Francisco that is taking some soil and the hauling has already started, to which Mr. Hosseini concurred. Mr. Materman continued saying that the Ravenswood ponds also need a significant amount of soil and we are discussing the potential to take some of our soil to that location.

Dennis Parker, East Palo Alto resident, spoke about the anniversary of the Coyote Creek flood and that Menlo Park Fire Chief Harold Schapelhouman has acknowledged the same flooding could happen here. Mr. Parker told the Board that Chief Schapelhouman is using the SFCJPA as an example while helping the City of San Jose with rewriting their emergency action plan. Mr. Parker reflected on the past and how far we've come, acknowledging Mr. Materman's leadership in focusing on downstream improvements to the creek system and working upward. Mr. Parker recognized the importance of bicycle and pedestrian access on trails and he hopes people can be patient.

Chairperson Kremen thanked Mr. Parker for his comments and he reflected on the one-year anniversary of the San Jose flooding, noting that the installation of floodwalls has helped.

Andrew Boone, East Palo Alto resident, spoke about the trail closures and why questions are just being brought up now. Mr. Boone stated he has been a resident for eight years and nothing has been done to improve the trails and streets. Mr. Boone stated that the community needs more details on the ideas being discussed and wants to see a proposal of when the trails will be open. Mr. Boone commented that it would be nice for bicyclists and pedestrians to have the same consideration as the endangered Ridgway's Rail bird.

Mark Dinan, East Palo Alto resident, stated that he organized the meeting that took place in East Palo Alto regarding the trails. Mr. Dinan expressed his frustration over the fact that there was no consideration for the people who use the trails every day. Mr. Dinan commented on the dangerous conditions of the trails expressing his doubt that the trails along the Dish would be handled in the same manner. Mr. Dinan stated that if there is no active construction occurring on Geng Road then the trail should be open.

Director Pine noted that the trail that connects to Geng Road appears to be the biggest concern and he questioned what the biggest issue was in keeping it open. Mr. Hosseini explained that the contractor is using Geng Road as an access to off haul material, even today.

Director Abrica in responding to some of the comments made, acknowledged that East Palo Alto has an underdeveloped bicycle program, noting that some work has been done but more that needs to be done. Director Abrica stated that he thought the meeting on the trails went very well and he reminded the members of the public who were present that the project includes flood protection and recreational enhancement, and that this is a complicated project. Director Abrica said that maybe mistakes were made, but we must keep moving forward.

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Mr. Materman noted that the project will create new or improved trail access points and improvements to trails themselves. He commented that for six years during the planning and design of this project, at virtually every public meeting including monthly Board meetings, we heard from interest groups, especially those who wish to protect the Ridgway's Rail. Mr. Materman stated that we are now over halfway done with construction, and we welcome the opportunity to learn of trail advocates' project-related concerns, which we are trying to accommodate as we seek to complete construction as soon as possible. He also stated that he takes responsibility for the fact that perhaps more could have been done to anticipate those concerns.

UPSTREAM OF HIGHWAY 101 PROJECT UPDATE

Mr. Materman provided the Board with an update on the upstream of Highway 101 project highlighting discussions with Stanford.

Mr. Boone stated that rebuilding the Newell Road bridge will impact the adjoining roads and how people walk to and from the bridge. Mr. Boone expressed his concerns with the City of Palo Alto staff managing the project as reconstructing the bridge does not have much of an impact on Palo Alto but there is a bigger impact on East Palo Alto.

Michel Jeremias, City of Palo Alto, provided the Board with an update on the Newell Road bridge project stating that the Draft EIR is currently being worked on, will be released to the public this year, and that the City of Palo Alto is working closely with City of East Palo Alto staff on it.

6) BOARD MEMBER COMMENTS

None

7) ADJOURNMENT

Director Kremen adjourned the meeting at 4:37 pm.

Minutes Prepared by Clerk of the Board: Miyko Harris-Parker.

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Agenda Item 5
Executive Director's Report

With the help of Kevin Murray, Tess Byler, and Miyko Harris-Parker, I am pleased to submit the following:

a. S.F. Bay-Highway 101 project: discuss construction activities, costs, and Creekside trails

Since construction began in 2016, we have discussed plans and activities for our project to improve public safety and recreation and increase marsh habitat along San Francisquito Creek from the Bay to Highway 101. By October 2017, the majority of the floodwalls were installed and connected to existing levees; thus, even with the need to complete floodwalls and build new levees in 2018, this area has much greater protection against flows and tides.

The SFCJPA, Santa Clara Valley Water District (SCVWD), and cities of Palo Alto and East Palo Alto continue to coordinate with the SCVWD's levee and floodwall contractor (Teichert Construction) on construction planning and permit compliance. The following summarizes activities since the last Board meeting:

- On February 1, 2018, regulatory restrictions related to the breeding season of the endangered Ridgways' Rail bird went into effect. SCVWD has completed annual surveys in accordance with U.S. Fish & Wildlife Service (USFWS) protocols to identify locations of nesting Rail pairs to avoid until the end of nesting season on August 31. Upon acceptance of the survey results by USFWS, a more defined buffer zone will be drawn so the contractor can work in adjacent areas. The SFCJPA is planning to request variances to the defined buffer to ensure the contractor can complete all construction this year and thus avoid impacts to Rail next year.
- SFCJPA marsh restoration contractor Hanford ARC has completed its work until September 1st, when the Rail breeding season restriction concludes for the year. Planning has begun for our restoration work to begin on September 1, which will include additional native plantings, predator deterrents, and the design, fabrication and installation of interpretive signage describing our project and the natural and built environments it will enhance.
- In compliance with environmental permit restrictions to protect the migration of steelhead fish, in-channel work, including replacing the remaining levees, is paused and will resume in June.
- Caltrans has indicated that it has completed all work on East Bayshore Road and West Bayshore Road, and it plans to complete work on Highway 101 this spring.
- Within the next two weeks, SFCJPA contractor Westland Contractors will install a new fire hydrant on East Bayshore Road in East Palo Alto to replace a hydrant that must be removed for the project.
- As discussed at previous Board meetings, costs associated with claims and change orders from Teichert Construction have the potential to significantly increase construction costs beyond the amount established in the six-party Construction Funding Agreement plus new grant funds. In order to reduce costs, SFCJPA and member agency staff have continued to seek locations to temporarily and permanently store or export unusable soil material and find additional areas for cost savings.
- The SFCJPA and partners continued to evaluate ways to temporarily reopen trails and improve existing roads for bicycle use during construction. The Cities of East Palo Alto and Palo Alto are considering specific measures on East Bayshore, and the SFCJPA has requested that the trail behind the floodwall in East Palo Alto from Verbena Road to East Bayshore Road be opened permanently in April to reduce the reliance on Pulgas Avenue and East Bayshore in that city. This issue is very challenging, particularly for bike and pedestrian users of our trails, and we ask for patience during construction and look forward to the time less than one year from now when all of the project's new or significantly improved trail access points and improved trails will be opened permanently.

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b. Presentation by Stanford University on its plan to remove the Lagunita Diversion Dam

Stanford will discuss its plan to soon remove an abandoned diversion dam on San Francisquito Creek, work that SFCJPA staff consider to be a positive improvement to the watershed. Construction activities will include bank and creek bed stabilization features designed to be similar to those naturally occurring elsewhere in the Creek. The diversion dam was constructed in the late 1800s as one of Stanford's original water supply facilities to carry water to Lake Lagunita on campus. A fish ladder was constructed in the 1950s by the California Department of Fish & Game (now called Fish & Wildlife), and it has undergone several modifications over the years. The facility was abandoned as a water diversion facility in 1985.

Removal of the diversion dam will not have an impact on the SFCJPA capital projects downstream and upstream of the site. Because of the location on the border between two counties, permits are needed from both; Santa Clara County has approved the project application and at a meeting on April 5, we understand that San Mateo County is scheduled to consider the application.

c. Update on the Upstream of Hwy. 101 project

Since the last Board meeting, staff at the SFCJPA and our partners and our consultants have continued working on finalizing plans for and drafting portions of the EIR. We have also intensified our separate discussions with Stanford University and with the Army Corps of Engineers to coordinate technical information and plans. At this SFCJPA Board meeting, we will provide a verbal report on these activities.

d. Approve the Fiscal Year 2018-19 Operating Budget

This agenda item is intended to give Board members an overview of the SFCJPA's budget picture for the current 2017-18 Fiscal Year and serve as background for the Board to approve the 2018-19 Operating Budget, which goes in to effect on July 1st.

As shown in the first column of Attachment 1 to this Executive Director's Report, the FY 2017-18 Operating Budget approved by the Board in April 2017 anticipated revenues of \$941,200 and total expenses of \$941,160. The second column of that document lists the estimated operating income and expenses at the end of this fiscal year, June 30, 2018. At this time, we estimate that year-end revenue will be \$842,300. This amount is less than the approved budgeted income due to lower than expected income from our State grants during the current fiscal year and lower than expected reimbursement income to cover the legal costs associated with our Upstream of Highway 101 Project EIR, both of which will be captured as income in the next fiscal year.

We expect that our total estimated expenses this fiscal year will equal \$904,298, which is 0.02% less than the approved budget amount (not including contingency). With this level of expenses and reduced income, our operating deficit this year is about \$62,000. At the start of the next fiscal year on July 1, 2018, we anticipate that our Operating Reserve will total about \$175,000, or just under 18% of the 20018-19 annual budget. At this Board meeting, a brief discussion of the current fiscal year's revenue and expenses will be immediately followed by a discussion, and the requested approval of the FY 2018-19 Operating Budget.

Leading up to this March 22 Board meeting, I met with Board Finance Committee members Dave Pine and Kirsten Keith to discuss the current year's budget position and options for next year's Operating Budget. The third column of Attachment 1 shows the anticipated revenues of \$846,500 in FY18-19 if Member Agency contributions remain at the same level (\$152,000 per agency). When compared to anticipated expenses of \$984,412 shown in that column, these revenues would result in a deficit next fiscal year of about \$138,000 and an Operating Reserve at the end of the year of less than \$40,000.

The Finance Committee members support an increase of Member Agency contributions, the first such increase since the 2015-16 fiscal year three years ago. The need for this increase now was discussed one year ago when I proposed and received approval of no contribution increase in the FY17-18 budget.

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The new proposed contribution amount of \$190,000 per agency would enable the SFCJPA to have a balanced budget for the next two fiscal years, and longer if new grant overhead income is secured by the spring of 2020. It would also enable the agency to increase its Operating Reserve to 25% of annual Operating Expenses at that time, or approximately \$256,000 on July 1, 2020.

Attachment 2 to this Executive Director's Report is the proposed budget for FY2018-19. With a contribution level of \$190,000 per Member Agency, that funding source would total \$950,000 for the year. This amount would be augmented with income of \$65,000 from State grant overhead, \$20,000 from the reimbursement of legal expenses on the Upstream of Highway 101 Project, and \$1,500 from interest on the Reserve, for a total revenue of \$1,036,500.

The members of the Board Finance Committee also supported the level of expenditures proposed for next year, as shown on Attachment 2. There are three broad categories in the budget: Personnel, Contract Services and Administrative, with the largest being Personnel. The only notable change to this budget category from last year is a proposed 5% salary adjustment for staff (two months ago my salary was increased by 4% for the current fiscal year). Should the Board approve a staff salary adjustment in the budget, I will bring the new SFCJPA Salary Schedule to the Board for approval next month. For the Contract Services category in FY18-19 I propose \$90,000, for the Administrative category I propose \$76,500, and \$35,000 for contingency. Proposed expenses between July 1, 2018 and June 30, 2019 would total \$984,412. Again, I propose that income exceed expenses in order to build up the agency's Operating Reserve. Once approved by the Board, I will send the Fiscal Year 2018-19 Operating Budget to staff at our Member Agencies, who incorporate our formal request for an annual contribution into each of their FY2018-19 budget proposals.

Proposed Board Action: Approve the Proposed Fiscal Year 2018-19 Operating Budget (included as Attachment 2 to this Report).

Submitted by:



Len Materman
Executive Director

Agenda Item 5.d.

Approve the
Fiscal Year 2018-19
Operating Budget

San Francisquito Creek Joint Powers Authority Operating Budget
 FY17-18 Approved and Estimated year-end, and FY18-19 Budget if the Member Contribution is unchanged

	Approved FY17-18 Budget	Estimated year-end FY17-18 Budget	FY18-19 Budget with unchanged Memb. Contribution
REVENUES			
Member Contributions (\$152,000 x 5)	760,000	760,000	760,000
Grant funding: S.F. Bay-Hwy. 101 project ¹	130,000	55,000	40,000
Grant funding: SAFER Bay project ²	35,000	20,000	25,000
Upstream of Highway 101 EIR legal	15,000	5,500	20,000
Interest	200	1,800	1,500
Other Revenue	1,000	-	-
Total Revenues	941,200	842,300	846,500
EXPENSES			
Acct. Description	Amount	Amount	Amount
Personnel			
1 Executive Director Salary ³	165,600	182,122	172,224
2 E.D. Transportation Allowance	5,000	5,000	5,000
3 Finance & Admin. Mgr. (FAM) Salary ⁴	96,750	102,310	96,750
4 Senior Project Mgr. (SPM) Salary ⁴	112,000	118,437	112,000
5 Project Manager (PM) Salary ⁴	100,000	105,747	100,000
Staff salary adjustments	-	-	15,438
6 Employee Benefits	207,000	207,000	230,000
7 Membership Dues	4,500	6,000	7,000
8 Payroll Administration/Fees	3,000	1,600	2,500
9 Employer Taxes	55,000	35,000	42,000
Subtotal Personnel	748,850	763,216	782,912
Contract Services			
10 Legal Counsel	40,000	31,000	40,000
11 Auditor	15,000	15,000	15,000
12 Project Consultants	35,000	30,000	35,000
Subtotal Contract Services	90,000	76,000	90,000
Administrative			
13 Computers/Software*	3,000	4,500	3,000
14 Meeting Supplies	1,200	820	1,000
15 Travel/Training	6,500	4,500	6,500
16 Office Supplies	1,200	1,200	1,200
17 Telecommunication	2,300	3,200	4,000
18 Postage	200	100	200
19 Printing/Design	1,200	450	1,200
20 Website	2,500	-	2,000
21 Liability Insurance*	6,210	7,013	8,100
22 Office Lease	35,000	35,000	40,000
23 Utilities	6,500	6,200	7,000
24 Office furniture/maintenance*	1,500	2,099	2,300
Subtotal Administrative	67,310	65,082	76,500
General Contingency			
25 General Contingency	35,000	-	35,000
Total Expenses	941,160	904,298	984,412

¹ Based on current grants, after FY18-19, \$25,000 in Operating Revenue will be available from the Bay-Hwy. 101 project

² Based on current grants, after FY18-19, \$85,000 in Operating Revenue will be available from the SAFER Bay project

³ Estimated year-end salary includes an increase approved mid-year, once per FY cash out of accrued vacation leave

⁴ Estimated year-end salary of FAM, SPM, and PM includes a one-time per FY cash out of accrued vacation leave

ATTACHMENT 2

San Francisquito Creek Joint Powers Authority Proposed Fiscal Year 2018-19 Operating Budget

REVENUES		Amount
Member Agency contributions (\$190,000 x 5) ¹		950,000
Grant administration: S.F. Bay-Hwy. 101 project		40,000
Grant administration: SAFER Bay project		25,000
Upstream of Highway 101 EIR legal		20,000
Interest		1,500
Total Revenues		\$1,036,500
EXPENSES		
Acct.	Description	
Personnel		
1	Executive Director Salary	172,224
2	E.D. Transportation Allowance	5,000
3	Finance & Administration Manager Salary	96,750
4	Senior Project Manager Salary	112,000
5	Project Manager Salary	100,000
	Staff salary adjustments ²	15,438
6	Employee Benefits	230,000
7	Membership Dues	7,000
8	Payroll Administration/Fees	2,500
9	Employer Taxes	42,000
Subtotal Personnel		782,912
Contract Services		
10	Legal Counsel	40,000
11	Auditor	15,000
12	Project Consultants	35,000
Subtotal Contract Services		90,000
Administrative		
13	Computers/Software	3,000
14	Meeting Supplies	1,000
15	Travel/Training	6,500
16	Office Supplies	1,200
17	Telecommunication	4,000
18	Postage	200
19	Printing/Design	1,200
20	Website	2,000
21	Liability Insurance	8,100
22	Office Lease	40,000
23	Utilities	7,000
24	Office furniture/maintenance	2,300
Subtotal Administrative		76,500
General Contingency		
25	General Contingency	35,000
Total Expenses		\$984,412

¹ In FY18-19, Member Agency contributions are proposed for first increase since FY15-16. This enables a balanced budget in FY18-19 and FY19-20, and increases Operating Reserves from \$175,000 (17.8% of FY18-19 Budget) on 7/1/18 to approximately \$256,000 (25% of FY20-21 Budget) on 7/1/20.

² Equal to a 5% increase effective 7/1/18 to the salaries of the Finance & Administration Manager, Senior Project Manager, and Project Manager listed in Account rows 3, 4, and 5.