



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
September 22, 2016 at 4:00 p.m.**

AGENDA

- 1) ROLL CALL
- 2) APPROVAL OF AGENDA
- 3) APPROVAL OF MEETING MINUTES – July 28, 2016 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 and planning
 - b) Approve amendments to the Financial Management and Accounting Policies
 - c) Approve an appeals process for the pre-qualification of prospective construction contractors
 - d) Upstream of Highway 101 project: discuss the scope of the SFCJPA's EIR
 - e) Discuss the agenda of the planned October 22, 2016 Board retreat
- 6) ADJOURNMENT

PLEASE NOTE: This Board meeting Agenda can be viewed online by 4:00 p.m. on September 19, 2016 at sfcjpa.org -- click on the "Meetings" tab near the top. Supporting documents related to the Agenda items listed above will be available at the same online location by 6:00 p.m. on September 20, 2016.

NEXT MEETING: Board retreat, October 22, 2016 at 9:00 AM, City of Menlo Park Arrillaga Recreation Center

San Francisquito Creek Joint Powers Authority
September 22, 2016 Regular Board Meeting
Agenda Item 3
July 28, 2016 Regular Board Meeting Minutes

Chairperson Pine called the meeting to order at 4:12 p.m. at the Menlo Park City Council Chambers, Menlo Park, CA.

DRAFT

1) ROLL CALL

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

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

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

Others Present: Dennis Parker, East Palo Alto resident; Bill Springer, SCVWD; Joe Teresci, City of Palo Alto; Azalea Mitch, City of Menlo Park; Jim Porter, SMCFCFCD

2) APPROVAL OF AGENDA

Director Abrica made a motion to approve the agenda. Director Kremen seconded. Agenda Approved unanimously 3-0. Director Keith and Director Burt not present.

3) APPROVAL OF MEETING MINUTES-May 19, 2016, May 26, 2016 and June 8, 2016 Board Meetings

Director Kremen made a motion to approve the May 19, 2016 (with an edit), May 26, 2016 and June 8, 2016 Board meeting minutes. Director Abrica seconded. Motion to approve the May 19, 2016 (with edit), May 26, 2016 and June 8, 2016 Board meeting minutes approved 3-0. Director Keith and Director Burt not present.

4) PUBLIC COMMENT

None.

5) REGULAR BUSINESS

S.F. Bay-Highway 101 project: discuss construction planning and activities

Mr. Materman provided an update on the Bay-Highway 101 project construction planning and activities.

Director Kremen asked for an update on the project budget. Mr. Materman stated that there can be a project budget update provided at the next meeting of the Board.

Chairperson Pine asked for clarification regarding the need to have the outstanding permits approved by September 1. Mr. Murray responded explaining that all of the regulatory agencies need to give clearance for construction activities by September 1 as this is the first date we can gain full access to the channel. Mr. Murray noted that the operations and maintenance manual is not included as an item that typically needs to be approved prior to construction but that it does have to get approved before the end of construction.

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Chairperson Pine asked for the anticipated start time for the PG&E pipeline project. Mr. Materman responded saying that we anticipate that PG&E would start working on the gas transmission pipeline in late August and will complete by mid-November. Mr. Materman shared with the Board PG&E's new plan to remove the abandoned pipes after the completion of the new pipes. Mr. Materman said that PG&E stated that the old pipes would be removed in 2017. Director Kremen asked if the cost of the SCVWD's contract would decrease now that PG&E is choosing to remove those pipes. Mr. Materman replied that it seems logical that it should and that he would invite SCVWD staff to respond as well. Director Kremen asked Mr. Materman to request that PG&E provide in writing confirmation that the removal of the abandoned pipelines would not impact the SFCJPA's contract with PG&E. Mr. Materman said that he would secure such a letter.

Chairperson Pine asked if the construction work being planned for this year would provide a flood protection benefit for upcoming rainy season. Mr. Materman replied saying that there are two planned activities that could provide some, but not much, benefit: degrading the Bay levee and removing all the vegetation in the channel.

Mr. Materman announced that the Bay-Highway 101 project groundbreaking ceremony will be on August 5, 2016 at 10:00 am at the Friendship Bridge. He noted that four SFCJPA Board members; staff from Congresswoman Speier and Congresswoman Eshoo's offices; Senator Jerry Hill and Assemblyman Rich Gordon; Anne Morkill, head of the Don Edwards Wildlife Refuge; residents from East Palo Alto and Palo Alto; and staff from the SFCJPA and member agencies will be in attendance.

Director Kremen asked if there was a prepared script for the groundbreaking. Mr. Materman replied that staff at all member agencies discussed an overall script, and that SCVWD staff is working on a briefing for him and other agency staff are doing likewise for their representatives.

Upstream of Highway 101 project: discuss construction planning and activities

Mr. Materman provided a summary of the current status of the project upstream of Highway 101, noting that the Corps believes it can be ready to have a scoping meeting in October of this year.

Chairperson Pine asked for clarification on how the Corps Feasibility Study is funded. Mr. Materman responded that the SFCJPA is a cost share partner with the Corps, and that the SFCJPA contribution is equally divided between the SMCFCFCD and the SCVWD. He continued that the SMCFCFCD's increased support for the Bay-Highway 101 project through the recent funding agreement amendment was made possible by committing all of that agency's funding for our creek. Through a separate agreement amendment between the SFCJPA, SCVWD and SMCFCFCD, the SCVWD will backfill those transferred funds. Mr. Materman continued saying that the Corps has \$600,000 in federal funding available right now, and that no one can be sure of the total cost of the Study.

Mr. Materman mentioned that funding for work upstream of Highway 101 would be a topic of the next Board retreat/study session, and proposed several dates to the Board for that meeting. Chairperson Pine directed staff to poll Board members on their availability for October 15 or October 22, with an anticipated start time of 9:00 am and finishing time of 1:00 pm.

Approve FY2016-17 Salary Schedule

Mr. Materman asked the Board to approve the FY2016-2017 salary schedule. Director Kremen made a motion to approve the FY2016-2017 Salary Schedule. Director Abrica seconded. The FY2016-2017 Salary Schedule approved unanimously 3-0. Director Keith and Director Burt not present.

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- 6) **BOARD MEMBER MATERS** – Nonagendized comments, requests, or announcements by Board members; no action may be taken.

Director Abrica asked when the next creek cleanup date would be scheduled. Mr. Murray responded saying that we start planning it in August and usually do the creek walk within the first few weeks of September. Director Abrica explained that he was working with a volunteer group three weeks ago picking up trash around Woodland Avenue outside of the creek and the group noticed a lot of trash inside the creek and was curious how they could participate to help clean it up. Mr. Murray replied saying that Acterra hosts an annual Coastal cleanup around September 20 and members of the public are able to participate.

- 7) **ADJOURNMENT**

Chairperson Pine adjourned the meeting at 5:04 pm in memory of Art Kraemer and Vivian Bloomenkamp.

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

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Executive Director's Report

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

a. S.F. Bay-Highway 101 project: discuss construction activities and planning

At Board meetings for the past few years we have discussed efforts to prepare for construction of a project to improve public safety and recreation, and increase marsh habitat, between the Bay and Highway 101. In June of this year, major construction of the project commenced with PG&E's relocation (and improvement to the foundation) of an electrical tower. At the July 28, 2016 Board meeting, I transitioned from reporting to the Board only on preparation for planned project construction to also updating the Board on in-the-ground construction activities.

Since the last Board meeting on July 28, 2016, the Santa Clara Valley Water District (SCVWD), City of East Palo Alto, and SFCJPA put on the groundbreaking for the project on August 5th. With participation from SFCJPA Board members or elected officials from all five member agencies; State Senator Jerry Hill; State Assemblymember Rich Gordon; Paul Beck, Congresswoman Eshoo's legislative counsel; Brian Perkins, Congresswoman Speier's District Director; and U.S. Fish & Wildlife Service regional manager Anne Morkill; we believe that it was a very successful event because it enabled us to collectively celebrate this long-awaited milestone and it received substantial positive media attention. The following are the highlights of construction activity and planning since the last Board meeting.

The SCVWD is managing the largest project contract, with Teichert Construction, for the building of levees and floodwalls. Teichert and the SCVWD's construction management firm, Mott-MacDonald, have mobilized on the site, with offices between the Baylands Athletic Center and International School of the Peninsula. On-site meetings are conducted weekly at the construction offices, with participation from Teichert, Mott-MacDonald, SCVWD, the cities of Palo Alto and East Palo Alto, the Palo Alto Golf Course Reconfiguration Project contractor, and the SFCJPA. These weekly meetings help to coordinate construction sequencing and permit compliance, and serve as a venue to discuss the many issues encountered during construction. Additionally, the SFCJPA has established a separate weekly conference call between these entities, PG&E and the East Palo Alto Sanitary District to coordinate the relocation of underground utilities with the activities of Teichert and the Palo Alto Golf Course.

To date, specific project construction elements completed or underway include:

- Installation of construction signage, trail closure signage and scheduling, and establishment of alternative route designations. A weekly email list regarding trail closures is distributed to anyone who has signed up to receive it, the Silicon Valley Bicycle Coalition and Bay Trail Program.
- Site preparation, including removal of trees and other vegetation within and outside of the channel as needed to construct the project.
- Modifying small portions of the International School campus and the U.S. Postal Service property closest to the creek to accommodate channel widening and the installation of floodwalls and the public trail, and constructing a retaining wall to support the public trail.
- Closing or relocating minor utilities, such as irrigation lines, to accommodate channel widening.
- Updated design for the installation of support piles for the Friendship Bridge boardwalk extension.

In addition to the activities completed or underway, SFCJPA staff is engaged in the following actions:

- Working with the City of Palo Alto and PG&E, and with the City of East Palo Alto and the East Palo Alto Sanitary District, to complete relocation of their respective underground utilities to conform with the Project and Palo Alto Golf Course construction schedules.
- Planning, designing, and securing contracts to implement mitigation actions required by project permits. The proposed changes to the Financial Management and Accounting Policies for Board consideration in the following agenda item will facilitate our ability to implement these actions.
- Administering, reporting, and invoicing to receive reimbursement from State construction grants.

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Finally, SFCJPA staff continues to work with regulatory agencies to be sure that all of the documentation necessary for construction is complete. All of the agencies with regulatory authority over the Project have given clearance to proceed with construction, while SFCJPA and SCVWD staff respond to additional rounds of comments from the Regional Water Quality Control Board.

b. Approve amendments to the Financial Management and Accounting Policies

As an independent government agency, the SFCJPA must establish and maintain sound policies that provide management with the authority and guidance to run the agency. As part of the effort to utilize best management practices for the Authority, from time to time I have brought policies to the Board for approval or update. In October 2010, the Board adopted Financial Management and Accounting Policies that cover a broad range of important issues, including:

- Accounting, financial reporting and auditing
- Financial reserves and goals
- Budget adoption and amendment
- Accounting for revenues
- Investments
- Cash collections and disbursements
- Purchasing and contracting

These policies, which are now due for an update, are attached to this Executive Director's Report in a final form attached to proposed Resolution No. 16.9.22.A, as well as in a form that clearly shows the proposed changes. The following are the most important proposed changes:

- Clarifying the timing of financial reports for the Board and role of the Finance Committee in receiving those reports.
- Reducing the percentage required for reserves from 30% to 20% to match current reserves.
- Clarifying the deadline by which the Finance Committee and full Board must consider, rather than adopt, the following fiscal year Operating Budget.
- Clarifying congruence between the spending authority of the Executive Director and the Financial and Management Policies.
- Increasing from \$10,000 to \$35,000 the amount the Executive Director may spend on a contract with full documentation, and the amount the Executive Director may move within in the Operating Budget,. The \$10,000 figure was established in June 2009 before the SFCJPA began to lead large capital projects, and raising this amount to \$35,000 to match the Operating Budget annual contingency will enable the SFCJPA to efficiently implement several contracts for the S.F. Bay-Highway 101 project.
- Increasing the amount at which the SFCJPA can hire a contractor after receiving three documented quotes rather than through a formal Requests for Proposals process.

The Board's Finance Committee is scheduled to meet on September 21, 2016 to review these changes in advance of the full Board meeting.

Proposed Board Action: Pass Resolution No. 16.9.22.A (attached), which approves amendments to the SFCJPA's Financial Management and Accounting Policies.

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c. Approve an appeals process for the pre-qualification of prospective construction contractors

The Joint Powers Agreement that formed the San Francisquito Creek Joint Powers Authority enables the SFCJPA to enter into contracts. All of the previously awarded contracts fall within the legal designation of "Professional Services", a type of contract that we have utilized to secure consultants to perform design, permitting, environmental analysis, and other tasks that support our work.

As our work has expanded, the SFCJPA must now consider advertising and awarding contracts that would be legally designated as "Public Works" to perform construction activities consistent with California law. While the SCVWD advertised and awarded the contract for the primary Bay-101 construction activities, and the SCVWD or another member agency may do the same for bridge and channel widening work upstream of Highway 101 in the near future, there are several construction related actions that must take place to enable those activities which would be designated as a Public Works project.

Near term examples of the types of construction activities that the SFCJPA will need to undertake include relocation of a fire hydrant in East Palo Alto close to East Bayshore Road that is within the construction footprint of the Bay-101 project, and mitigation activities for the Bay-101 project such as the installation of marsh vegetation, native trees and predator exclusion features.

Because the SFCJPA wishes to simplify the contracting process for these relatively small scale actions, and because some of these activities must take place in sensitive habitats requiring specialized skills and experience, the SFCJPA can utilize Section 20101 of the Public Contract Code, which provides a legal vehicle for local government agencies to conduct a process to pre-qualify prospective bidders prior to advertising for bids for a public works contract.

To initiate a pre-qualification process, a pre-qualification questionnaire may be issued by the contracting agency to determine if prospective bidders meet the basic minimum requirements for pre-qualification. Should a prospective bidder receive a "not qualified" determination based on its responses to the pre-qualification questionnaire, Section 20101(d) provides the prospective bidder the right of appeal. In order to comply with Section 20101(d), the SFCJPA Board of Directors must adopt an appeals process to accommodate that right.

SFCJPA staff and legal counsel have developed language that details an appeals process within the attached proposed Resolution No. 16.9.22.B. Board adoption of this resolution, including the appeals process, will allow the SFCJPA to conduct pre-qualification activities for future construction contracts.

Proposed Board Action: Adopt draft Resolution No. 16.9.22.B to establish an appeals process for use during the pre-qualification of prospective bidders for future public works contracts to be advertised and awarded by the SFCJPA.

d. Upstream of Highway 101 project: discuss the scope of the SFCJPA's EIR

While SFCJPA staff will continue to spend considerable time on construction coordination, utility relocation, mitigation, and outreach of the S.F. Bay-Highway 101 Project, the onset of construction in this downstream area of the creek compels us to renew our focus on planning the project elements to provide flood protection upstream of Highway 101. This topic was reintroduced to the Board and public at the last Board meeting on July 28th.

A key part of this renewed focus is the SFCJPA's Environmental Impact Report (EIR) under the California Environmental Quality Act (CEQA), an analysis that will enable us to move forward with construction of a project upstream of Highway 101. Completion of an EIR separate from, but coordinated with the Corps of Engineers Feasibility Study of the similar alternatives, will preserve our opportunity to implement flood protection improvements on our own or on our own schedule, should there be delays to the federal study or the availability of federal funding.

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The EIR will analyze a "baseline project" that would provide for protection against a storm event about equal to the flood of record in 1998 (a flow rate of approximately 7,000 cubic feet per second). Following the completion of the Bay-Highway 101 project and Caltrans' replacement of the Highway 101 bridge, the implementation of this baseline project consists of modifying the Newell Road and Pope-Chaucer bridges, widening the channel at a few constricted locations, stabilizing banks, and restoring riparian habitat. While the creek flow requirements for these new bridges are in the context of the SFCJPA's baseline project, the EIR, design and construction of Newell Bridge is being led by the City of Palo Alto, and the design of the Pope-Chaucer Bridge is being led by the SCVWD.

Other project alternatives, which could be considered as additive to the baseline project, include upstream detention, an underground bypass culvert, and floodwalls, all of which will be analyzed within our EIR so that our analysis is complete and defensible. Both the baseline project and these project alternatives will be described in a new Notice of Preparation (NOP) of the EIR. This legal document, released for public comment as part of the EIR process, is also the subject of a public Scoping Meeting. The NOP is planned for release later this month, with the Scoping Meeting in October. There is no action at this Board meeting on this item, only a discussion of the contents of the soon-to-be-released NOP.

e. Discuss the agenda of the planned October 22 Board retreat

In late May 2016, the SFCJPA Board and the governing bodies of our member agencies approved a funding agreement amendment for the S.F. Bay-Highway 101 project that increased funding partly through the transfer of funds that had been planned for work upstream of Highway 101. At the time that the Board approved the amendment, Board members requested that a retreat be planned to discuss the plan, the alternatives to be analyzed, and needed and available funding, for our project upstream of Highway 101. This retreat is now planned for October 22, 2016 from 9:00 a.m.–12:00 p.m. in the Elm Room of the City of Menlo Park's Arrillaga Recreation Center at 700 Alma Street.

Additionally, members of the public and Board members stated the desire to resume the discussion of modifying SFCJPA purposes contained within the original Joint Powers Agreement. This desire, coupled with the need to update this Agreement to designate one of the member agencies as the entity whose certain established policies and procedures the SFCJPA shall operate in accordance with, leads to the topic of amending the original Joint Powers Agreement also being proposed for discussion at the October retreat. There is no Board action proposed for this item.

Submitted by:



Len Materman
Executive Director

Agenda Item 5.b.

Resolution number 16.9.22.A

Resolution of the
Board of Directors of the
San Francisquito Creek Joint Powers Authority
Amending Financial Management and Accounting Policies



SAN FRANCISQUITO CREEK
JOINT POWERS AUTHORITY
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RESOLUTION NUMBER 16.9.22.A

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
AMENDING FINANCIAL MANAGEMENT AND ACCOUNTING POLICIES**

BE IT RESOLVED by the Board of Directors of the San Francisquito Creek Joint Powers Authority that the Board of Directors hereby adopts the attached Financial Management and Accounting Policies, previously approved on October 28, 2010.

Approved and adopted on September 22, 2016, the undersigned hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the San Francisquito Creek Joint Powers Authority.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Director

Date: 9/22/16

APPROVED:

Chairperson

Date: 9/22/16

APPROVED AS TO FORM:

Gregory W. Stepanovich

Legal Counsel

Date: 9/20/16



SAN FRANCISQUITO CREEK
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FINANCIAL MANAGEMENT & ACCOUNTING POLICIES

Adopted October 28, 2010

Amended September 22, 2016

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The San Francisquito Creek Joint Powers Authority (SFCJPA) was created on May 16, 1999 by a Joint Powers Agreement between the City of Menlo Park, City of Palo Alto, City of East Palo Alto, the Santa Clara Valley Water District, and the San Mateo County Flood Control District. The SFCJPA is governed by a five member Board of Directors composed of one elected member of the governing board or city council of each of the five SFCJPA member agencies listed above.

The SFCJPA plans and implements projects, and provides services that benefit communities within the 46-square mile San Francisquito Creek watershed, its 5-square mile floodplain, and coastal regions of the SFCJPA municipal entities. SFCJPA efforts protect vulnerable populations against flooding, including flooding from projected sea level rise; foster and restore healthy ecosystems and marshes; connect communities by enhancing trails and other recreational opportunities; and provide emergency response agencies with regional information to enhance their communication and response capabilities.

As an independent government agency, the SFCJPA must establish and maintain sound financial management and accounting policies. The Board adopted policies contained herein provide SFCJPA management with the authority and guidance to implement these policies through the adoption of a Financial Management and Accounting Procedures Manual.

ACCOUNTING, FINANCIAL REPORTING AND AUDITING

The SFCJPA will establish and maintain the highest standard of accounting practices.

- A. A comprehensive accounting process will be maintained to provide complete and timely financial information necessary to effectively operate the SFCJPA.
- B. Accounting procedures have been documented to guide employees in their tasks, to assure consistency in the SFCJPA's accounting practices, and to assist during employee turnover.
- C. The SFCJPA will meet the financial reporting standards established by the Governmental Accounting Standards Board.
- D. An annual audit will be performed by an independent certified public accountant in accordance with the requirements of the SFCJPA and its member agencies.
- E. The Finance & Administration Manager will prepare and issue quarterly and timely financial reports to the Executive Director. The Finance & Administration Manager will also issue yearly financial reports to be presented by the Executive Director to members of the the Board Finance Committee who will report the findings to the Board.
- F. To the extent possible, the Executive Director will organize and assign work duties and responsibilities so that no single employee performs a complete accounting cycle. Employees with access to cash and other physical assets will not also have access to the accounting records.

FINANCIAL RESERVES AND GOALS

Sufficient financial reserves are critical to the SFCJPA's ability to achieve its stated mission and purposes.

- A. The SFCJPA will maintain in reserve no less than 20% of the Authority's annual expenses. The prudent use of reserves will enable the SFCJPA to maintain agency operations in the event of unanticipated shortfalls.
- B. The SFCJPA will maintain specific reserves required by law and/or debt covenants and any additional reserve requirements as may be set from time to time by the Board.
- C. The SFCJPA will maintain sufficient reserves to support the cost of reimbursement in the case of disallowed expenditures upon grantor audit and to cover the timing difference between disbursement and reimbursement of grant-eligible costs.
- D. Unspent funds at the end of the fiscal year will close to the SFCJPA reserves account and be used as roll over funds to the following fiscal year budget, unless otherwise directed by the Board.

BUDGET ADOPTION AND AMENDMENT

The budget is the central financial planning document that encompasses all revenue and expenditure decisions related to agency operations and capital expenditures. The budget establishes the level of service to be provided by the SFCJPA within the restriction of anticipated or available funds within the agency's fiscal accounting year, July 1 – June 30.

- A. The Executive Director will submit a draft annual operational budget to the Board Finance Committee for review and discussion prior to April 30th of each fiscal year. Upon the completion of the Finance Committee' review, the draft budget will be agendized for full Board discussion and request Board approval no later than April 30th of each fiscal year.

- B. The annual budget will be a balanced by utilizing all available revenues sources.
- C. The SFCJPA will maintain a budgetary control process to ensure compliance with the budget. The budget will be managed so that specific account fields are not overspent without the approval of the Executive Director or the Board, as described in resolution 09-06-25.
- D. Budget transfers between account fields and budget adjustments that increase the authorized spending level of an account field of over \$35,000 must be approved by the Board. The Executive Director may authorize in writing a transfer of funds not to exceed \$35,000 between account fields, and from the unallocated balance of the General Contingency Account to any other account field, except to the account fields pertaining to the Executive Director's salary or transportation allowance.
- E. The Board will formally review the SFCJPA's fiscal condition, and amend the budget if necessary, approximately seven months after the beginning of each fiscal year.

ACCOUNTING FOR REVENUES

The SFCJPA will maintain adequate control over revenues for accounting and reporting purposes. The accounting process will provide for timely and accurate recording and processing of revenue transactions as well as any specific reporting required.

- A. State and Federal funds, as well as private grants, may be utilized as long as the Executive Director determines that the total costs and requirements of accepting the funds will not adversely impact general operations.
- B. Accounting for third party grants or contracts will allow for separate reporting of the activity as both an SFCJPA activity and in accordance with the requirements of the grant or contract.
- C. If more than one funding source is available for financing a project, the most restrictive sources will be used first.

INVESTMENTS

Adequate cash management and investment procedures can help ensure that sufficient funds are available to meet current expenditures.

- A. The Board will periodically review all investments of funds made from the SFCJPA's reserve account and establish and approve additional investment policies.
- B. The investment policy shall require that idle cash is invested in accordance with the following order of priority: 1) Legality, 2) Safety, 3) Liquidity and 4) Yield.
- C. The SFCJPA will only invest in those investments authorized by the California Government Code section 53601.

CASH COLLECTIONS AND DISBURSEMENTS

A part of the overall maintenance of adequate accounting procedures is the ability to control cash collections and disbursements. Accounting procedures for these areas can be viewed in the SFCJPA's Financial Management and Accounting Procedures Manual.

- A. Disbursements, whether in the form of checks, electronic transfers or other means will be approved by the Executive Director, adequately documented, and accurately recorded in the accounting records. A process for retaining and retrieving supporting disbursements documentation will be maintained.

- B. The processes for cash collections and disbursements will provide for segregation of duties to the greatest extent possible. Bank reconciliations will be reviewed on a timely basis by the Finance & Administration Manager.
- C. All cash collections in the form of checks or currency will be deposited in a timely manner, safeguarded until properly deposited, and accurately recorded in the accounting records.
- D. A receivables process will be maintained that identifies and bills all amounts due to the SFCJPA on a timely basis.

PURCHASING AND CONTRACTING

The SFCJPA will maintain control over purchasing and contracting activities. A process shall provide for the efficient purchasing needs of the agency, prevent unnecessary purchases of materials and supplies, and comply with budgetary requirements.

- A. To the extent possible, vendors located within the jurisdictional lines of the SFJCPA's member agencies will be considered.
- B. The SFCJPA will obtain formal proposals through a request for proposal (RFP) process for each purchase of goods or services in an amount of \$100,000 or more. For purchases in dollar amounts between \$35,000 and \$100,000, the SFCJPA shall obtain at least three documented quotes in writing or from published price lists. The best proposal shall be determined based on a combination of price and quality.
- C. Purchases in amounts less than \$35,000 may be made at the discretion of the Executive Director.
- D. SFCJPA employees can purchase up to \$1,500 per transaction on behalf of the SFCJPA and be reimbursed with appropriate documentation and approval of the Executive Director. All requests for reimbursement must be submitted within two weeks of the purchase date.
- E. An agency debit card will be available for certain purchases. The Executive Director will maintain control of the agency debit card at all times.
- F. The purchase of services of \$35,000 or more requires a written contract between the SFCJPA and vendor or consultant and the award of such contract requires Board approval. For the purchase of services up to \$35,000, the Executive Director has the discretion to enter into a written contract or standard purchase order with the vendor or consultant that defines the scope of services provided and any other appropriate terms. All payments for services require an invoice from the vendor or consultant.
- G. The SFCJPA will pay invoices within 60 days of receipt. When discounts are offered, invoices will be paid within the discount period.
- H. For each RFP issued, the SFCJPA will establish and communicate to the prospective vendors the bidding procedures and evaluation criteria in order to ensure a fair bidding process and enable the SFCJPA to determine the most cost effective proposals.
- I. The SFCJPA will utilize standardized bidding and application procedures, requests for proposals, contracting provisions, and processes to ensure consistent and effective procurement of goods and services.

Agenda Item 5.b.

Tracked changes proposed to the October 28, 2010

Financial Management and Accounting Policies



SAN FRANCISQUITO CREEK
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FINANCIAL MANAGEMENT & ACCOUNTING POLICIES

Adopted October 28, 2010

[Amended September 22, 2016](#)

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The San Francisquito Creek Joint Powers Authority (SFCJPA) was created on May 16, 1999 by a Joint Powers Agreement between the City of Menlo Park, City of Palo Alto, City of East Palo Alto, the Santa Clara Valley Water District, and the San Mateo County Flood Control District. The SFCJPA is governed by a five member Board of Directors composed of one elected member of the governing board or city council of each [of the five SFCJPA member agencies listed above](#),

The SFCJPA plans and implements projects, and provides services [that benefit communities within the 46-square mile San Francisquito Creek watershed, its 5-square mile floodplain, and coastal regions of the SFCJPA municipal entities](#). SFCJPA efforts [protect vulnerable populations against flooding, including flooding from projected sea level rise; foster and restore healthy ecosystems and marshes; connect communities by enhancing trails and other recreational opportunities; and provide emergency response agencies with regional information to enhance their communication and response capabilities](#).

As an independent government agency, the SFCJPA must establish and maintain sound financial management and accounting policies. The Board adopted policies contained herein provide SFCJPA management with the authority and guidance to implement these policies through the adoption of a Financial Management and Accounting Procedures Manual.

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ACCOUNTING, FINANCIAL REPORTING AND AUDITING

The SFCJPA will establish and maintain the highest standard of accounting practices.

- A. A comprehensive accounting process will be maintained to provide complete and timely financial information necessary to effectively operate the SFCJPA.
- B. Accounting procedures have been documented to guide employees in their tasks, to assure consistency in the SFCJPA's accounting practices, and to assist during employee turnover.
- C. The SFCJPA will meet the financial reporting standards established by the Governmental Accounting Standards Board.
- D. An annual audit will be performed by an independent certified public accountant in accordance with the requirements of the SFCJPA and its member agencies.
- E. The Finance & Administration Manager will prepare and issue quarterly and timely financial reports to the Executive Director. The Finance & Administration Manager will also issue yearly financial reports to be presented by the Executive Director to members of the Board Finance Committee who will report the findings to the Board.
- F. To the extent possible, the Executive Director will organize and assign work duties and responsibilities so that no single employee performs a complete accounting cycle. Employees with access to cash and other physical assets will not also have access to the accounting records.

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FINANCIAL RESERVES AND GOALS

Sufficient financial reserves are critical to the SFCJPA's ability to achieve its stated mission and purposes.

- A. The SFCJPA will maintain in reserve no less than 20% of the Authority's annual expenses. The prudent use of reserves will enable the SFCJPA to maintain agency operations in the event of unanticipated shortfalls.
- B. The SFCJPA will maintain specific reserves required by law and/or debt covenants and any additional reserve requirements as may be set from time to time by the Board.
- C. The SFCJPA will maintain sufficient reserves to support the cost of reimbursement in the case of disallowed expenditures upon grantor audit and to cover the timing difference between disbursement and reimbursement of grant-eligible costs.
- D. Unspent funds at the end of the fiscal year will close to the SFCJPA reserves account and be used as roll over funds to the following fiscal year budget, unless otherwise directed by the Board.

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BUDGET ADOPTION AND AMENDMENT

The budget is the central financial planning document that encompasses all revenue and expenditure decisions related to agency operations and capital expenditures. The budget establishes the level of service to be provided by the SFCJPA within the restriction of anticipated or available funds within the agency's fiscal accounting year, July 1 – June 30.

- A. The Executive Director will submit a draft annual operational budget to the Board Finance Committee for review and discussion prior to April 30th of each fiscal year. Upon the completion of the Finance Committee' review, the draft budget will be agendized for full Board discussion and request Board approval no later than April 30th of each fiscal year.

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- B. The annual budget will be a balanced by utilizing all available revenues sources.
- C. The SFCJPA will maintain a budgetary control process to ensure compliance with the budget. The budget will be managed so that specific account fields are not overspent without the approval of the Executive Director or the Board, as described in resolution 09-06-25.
- D. Budget transfers between account fields and budget adjustments that increase the authorized spending level of an account field of over \$35,000 must be approved by the Board. The Executive Director may authorize in writing a transfer of funds not to exceed \$35,000 between account fields, and from the unallocated balance of the General Contingency Account to any other account field, except to the account fields pertaining to the Executive Director's salary or transportation allowance.
- E. The Board will formally review the SFCJPA's fiscal condition, and amend the budget if necessary, approximately seven months after the beginning of each fiscal year.

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ACCOUNTING FOR REVENUES

The SFCJPA will maintain adequate control over revenues for accounting and reporting purposes. The accounting process will provide for timely and accurate recording and processing of revenue transactions as well as any specific reporting required.

- A. State and Federal funds, as well as private grants, may be utilized as long as the Executive Director determines that the total costs and requirements of accepting the funds will not adversely impact general operations.
- B. Accounting for third party grants or contracts will allow for separate reporting of the activity as both an SFCJPA activity and in accordance with the requirements of the grant or contract.
- C. If more than one funding source is available for financing a project, the most restrictive sources will be used first.

INVESTMENTS

Adequate cash management and investment procedures can help ensure that sufficient funds are available to meet current expenditures.

- A. The Board will periodically review all investments of funds made from the SFCJPA's reserve account and establish and approve additional investment policies.
- B. The investment policy shall require that idle cash is invested in accordance with the following order of priority: 1) Legality, 2) Safety, 3) Liquidity and 4) Yield.
- C. The SFCJPA will only invest in those investments authorized by the California Government Code section 53601.

CASH COLLECTIONS AND DISBURSEMENTS

A part of the overall maintenance of adequate accounting procedures is the ability to control cash collections and disbursements. Accounting procedures for these areas can be viewed in the SFCJPA's Financial Management and Accounting Procedures Manual.

- A. Disbursements, whether in the form of checks, electronic transfers or other means will be approved by the Executive Director, adequately documented, and accurately recorded in the accounting records. A process for retaining and retrieving supporting disbursements documentation will be maintained.

- B. The processes for cash collections and disbursements will provide for segregation of duties to the greatest extent possible. Bank reconciliations will be reviewed on a timely basis by the Finance & Administration Manager.
- C. All cash collections in the form of checks or currency will be deposited in a timely manner, safeguarded until properly deposited, and accurately recorded in the accounting records.
- D. A receivables process will be maintained that identifies and bills all amounts due to the SFCJPA on a timely basis.

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PURCHASING AND CONTRACTING

The SFCJPA will maintain control over purchasing and contracting activities. A process shall provide for the efficient purchasing needs of the agency, prevent unnecessary purchases of materials and supplies, and comply with budgetary requirements.

- A. To the extent possible, vendors located within the jurisdictional lines of the SFJCPA's member agencies will be considered.
- B. The SFCJPA will obtain formal proposals through a request for proposal (RFP) process for each purchase of goods or services in an amount of \$100,000 or more. For purchases in dollar amounts between \$35,000 and \$100,000, the SFCJPA shall obtain at least three documented quotes in writing or from published price lists. The best proposal shall be determined based on a combination of price and quality.
- C. Purchases in amounts less than \$35,000 may be made at the discretion of the Executive Director.
- D. SFCJPA employees can purchase up to \$1,500 per transaction on behalf of the SFCJPA and be reimbursed with appropriate documentation and approval of the Executive Director. All requests for reimbursement must be submitted within two weeks of the purchase date.
- E. An agency debit card will be available for certain purchases. The Executive Director will maintain control of the agency debit card at all times.
- F. The purchase of services of \$35,000 or more requires a written contract between the SFCJPA and vendor or consultant and the award of such contract requires Board approval. For the purchase of services up to \$35,000, the Executive Director has the discretion to enter into a written contract or standard purchase order with the vendor or consultant that defines the scope of services provided and any other appropriate terms. All payments for services require an invoice from the vendor or consultant.
- G. The SFCJPA will pay invoices within 60 days of receipt. When discounts are offered, invoices will be paid within the discount period.
- H. For each RFP issued, the SFCJPA will establish and communicate to the prospective vendors the bidding procedures and evaluation criteria in order to ensure a fair bidding process and enable the SFCJPA to determine the most cost effective proposals.
- I. The SFCJPA will utilize standardized bidding and application procedures, requests for proposals, contracting provisions, and processes to ensure consistent and effective procurement of goods and services.

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Agenda Item 5.c.

Resolution number 16.9.22.B

Resolution of the
Board of Directors of the
San Francisquito Creek Joint Powers Authority
to adopt the proposed appeals process for
prospective bidders who receive a “Not Qualified”
determination from the Authority for a public works contract



SAN FRANCISQUITO CREEK
JOINT POWERS AUTHORITY
SFCJPA.ORG

RESOLUTION NUMBER 16.9.22.B

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY TO ADOPT THE
PROPOSED APPEALS PROCESS FOR PROSPECTIVE BIDDERS WHO RECEIVE A
“NOT QUALIFIED” DETERMINATION FROM THE
SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY FOR A
PUBLIC WORKS CONTRACT**

WHEREAS, the Joint Powers Agreement that formed the San Francisquito Creek Joint Powers Authority (“Authority”) enables the Authority to enter into contracts to advance the mission of the Authority, and

WHEREAS, Section 20101 of the Public Contract Code provides a legal vehicle for local government agencies to conduct a process to pre-qualify prospective bidders prior to advertising for bids for a public works contract, and

WHEREAS, a pre-qualification questionnaire consistent with a Model Form created by the Department of Industrial Relations may be issued by a contracting agency to determine if prospective bidders meet the basic minimum requirements for pre-qualification, and

WHEREAS, should a prospective bidder receive a “not qualified” determination based on its responses to the pre-qualification questionnaire, Section 20101(d) provides the right of appeal to that prospective bidder, and

WHEREAS, Section 20101(d) requires that the contracting agency’s governing board adopt an appeals process to accommodate that right, and

WHEREAS, Authority staff and legal counsel have developed draft language detailing the Authority’s proposed appeals process, which language has been reviewed by the Authority Board of Directors at a duly noticed public meeting;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the San Francisquito Creek Joint Powers Authority hereby adopts the following appeals process for prospective bidders who receive a “not qualified” determination from the San Francisquito Creek Joint Powers Authority for a public works contract:

When a complete and timely submittal in response to a request for pre-qualification of bidders results in a rating below that necessary to pre-qualify, the SFCJPA will issue a “not qualified” determination to the prospective bidder. The notice of a “not-qualified” determination shall set forth the basis and any supporting evidence for the prospective bidder’s disqualification. A prospective bidder that receives a “not qualified” determination can appeal that determination, and request copies of any supporting evidence that has been received from others or adduced as a result of an investigation by the SFCJPA. The prospective bidder may initiate an appeal by submitting a written request to the SFCJPA Contract Manager for review of the determination that the submittal resulted in a “not qualified” determination.

The request must be submitted no later than 5:00 p.m. PST on the fifth business day following the day of the SFCJPA's delivery of a "not qualified" determination. The request for review shall specify the grounds for disputing the determination of "not qualified". All matters not set forth in the written request for review shall be deemed waived by the prospective bidder. If a timely request for review is not submitted, the "not qualified" determination shall be final and all rights of the prospective bidder to challenge the decision of the SFCJPA, whether by administrative process, judicial process, or any other legal process or proceeding shall be deemed waived by the prospective bidder.

If the prospective bidder submits a request for review within the specified time limit, the SFCJPA will schedule a time for a hearing to allow the prospective bidder to rebut any evidence used as a basis for disqualification and to present evidence as to why it should be determined to be qualified to bid for the Project. The hearing shall be an informal process conducted by a hearing committee composed of senior management representatives, separate from SFCJPA staff, from three (3) of the SFCJPA member agencies. Hearing committee members shall be appointed by the SFCJPA Executive Director. The decision of the hearing committee shall be made no later than 15 days prior to the date for receipt of bids. The decision of the hearing committee shall be final.

Approved and adopted on September 22, 2016, the undersigned hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the San Francisquito Creek Joint Powers Authority.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Date: 9/22/16
Director

APPROVED:

Date: 9/22/16
Chairperson

APPROVED AS TO FORM:



Date: 9/20/16
Legal Counsel