

MINUTES
SAN FRANCISQUITO CREEK
JOINT POWERS AUTHORITY BOARD
27 March 2003

Chairperson Kinney called the public meeting to order at 6:05 p.m. at the City of Menlo Park Council Conference Chambers, 801 Laurel Street, Menlo Park, California.

1. ROLL CALL

Members Present: Director Bay, City of East Palo Alto
Director Jacobs Gibson, San Mateo County Flood Control District
Director Kinney, City of Menlo Park
Director Mossar, City of Palo Alto

Members Absent: Director Zlotnick, Santa Clara Valley Water District

Associate Members Present: Phil Chang, Watershed Council
Michael Fox, Stanford University

Associate Members Absent: None

JPA Staff Present: Cynthia D'Agosta, Executive Director
Andrew Kloak, Staff
Kevin Murray, Staff

Others Present: Greg Stepanicich (JPA Legal Counsel); Jennie Micko, Pat Showalter (Santa Clara Valley District); Kent Steffens, Dianne Dryer (City of Menlo Park); Glenn Roberts, Mike Sartor, Joe Teresi (City of Palo Alto); Debra O'Leary (COE Liaison to East Palo Alto); Walt Callahan, Brian Lee (San Mateo County Flood Control District); Karen White, Jeff Shore (Duveneck Saint Francis Neighborhood Association); John Schaefer (Palo Alto Resident); Mary Carey Schaefer (Crescent Park Neighborhood Assn.); Curt Myers (Palo Alto Resident); Glenna Violette (Palo Alto Resident); Joe Violette (Palo Alto Resident); Steve Bisset (Palo Alto Resident); Thomas Rindfleisch (Palo Alto Resident); Art Kraemer (Palo Alto Resident); Alicia Torregrosa (Menlo Park Resident); Viv Blomenkamp (League of Women Voters Palo Alto); James Chung (Palo Alto Resident); Jim Wiley (Menlo Park Resident); Stanley R. Smith (Palo Alto Resident); Bill Reller (Palo Alto Resident); Ginger Holt (Menlo Park Resident); Oscar Firschein (Palo Alto Resident)

2. PUBLIC COMMENT -None

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3. APPROVAL OF AGENDA

Director Bay requested an agenda change so that Item 6B would be heard first and Item 6A would be follow that.

The Board considered approval of the agenda with the change in order as requested. It was moved by Director Bay, seconded by Director Mossar, and approved 4-0.

4. CONSENT CALENDAR-None

5. APPROVAL OF MARCH 27, 2003 SPECIAL MEETING MINUTES

The Board considered approval of the minutes from February 27, 2003. It was moved by Director Kinney, seconded by Director Bay, and approved 3-0-1. Director Jacobs Gibson abstained.

6. REGULAR BUSINESS:

B. FY 2003-04 Operational Budget

Ms. D'Agosta stated that this Operational Budget being presented for board approval has been revised from the February proposal in an effort to reduce the amount of member agency contribution.

Ms. D'Agosta presented a power point presentation of the budget that was outlined in the written report and attachments given to the Board and the public.

Chairperson Mossar asked Ms. D'Agosta to clarify the 25% increase in personnel services and benefit coverage costs under the heading "budget assumptions."

Ms. D'Agosta stated this 25% increase comes as an estimate from the JPA's benefit carriers but this was not included in this version of the budget.

Chairperson Mossar said those increases are likely so it makes sense to include the estimated increase somewhere in the budget.

Chairperson Mossar said closing the JPA office for the month of August sounded like it could work. She asked Management Team members and member agency technical staff in attendance if the JPA being closed for a month would not hurt the relationship with the COE.

Ms. D'Agosta stated this would be an early stage in the JPA-COE relationship on the CAP project and the Management Team did not see it as a problem.

Chairperson Mossar said a lack of response from staff indicated that the proposal to close the JPA office in August as a budget cost cutting solution was acceptable.

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Director Bay said he understood the reasoning for the establishing the revolving fund for grants administration and asked how large were the overall spikes in cash flow in the JPA general ledger.

Ms. D'Agosta stated she would look into the range of cash flow fluctuations caused by the grants.

Director Jacobs Gibson commended Ms. D'Agosta for developing a trimmed down FY 2003-04 Operational Budget. She said that with possible layoffs in San Mateo County looming, she found it difficult to ask for any increase in the JPA budget.

Director Jacobs Gibson said it was clear that the revolving fund was being established to come up with a way to advance money for projects. She asked Ms. D'Agosta if the JPA could defer the revolving fund until some other time.

Ms. D'Agosta stated that without the revolving fund, the JPA would have to refuse awarded grant funding.

Kevin Murray said the revolving fund was set up for accounting and reporting purposes as recommended by JPA independent auditor Kevin Harper in last year's management letter. Mr. Murray said foregoing the revolving fund would make it much more difficult for staff to manage the accounting in the new fiscal year because operational and grant expenses would be mixed together in one place.

Director Jacobs Gibson said a JPA budget with no increase was the only option the San Mateo County Flood Control District (SMCFCD) would be willing to accept. She said she did not feel comfortable going back to her colleagues [San Mateo County Board of Supervisors] asking for an increase for the JPA when her organization was making cuts across all departments and programs.

Director Jacobs Gibson said that a loan from her agency would eliminate the need for the increase and should be one of the options the JPA explores.

Director Bay asked if staff could research borrowing against those capital funds set aside by SMCFCD so the JPA can secure a line of credit.

Ms. D'Agosta stated she was willing to explore all these options.

Chairperson Mossar motioned to approve the FY 2003-04 JPA Operational Budget as presented but with one change. She said the \$20,000 amount should not be set aside to create a revolving fund for grants but instead this money should go back into retained earnings and thereby reduce each member agency contribution from \$66,849.40 to \$62,849.40. Chairperson Mossar's motion also included directing staff to identify alternative methods for grant payments.

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The Board considered approval of Chairperson Mossar's motion for approval of the JPA Operational Budget with the changes. It was moved by Director Bay, seconded by Director Jacobs Gibson, and approved 4-0.

6:40 p.m. Director Jacobs Gibson left at this point in the meeting.

A. CAP 205 (Continuing Authorities Program.) Management Team 'Project Criteria' Recommendations and Report on Public Process.

Ms. D'Agosta stated a CAP 205 process timeline and schedule was developed that was contained in the staff report. She outlined how the CAP 205 process would proceed forward and critical Management Team tasks to be completed.

Director Bay said he was most interested in interacting with the Management Team to learn of their findings before the April 24 Board decision on the CAP 205 project but the schedule did not seem to allow for that. He said he wanted to see a digested coherent staff proposal and it was his feeling that he had to go into the Board Meeting having to make a decision without enough time to review the information.

Chairperson Mossar said this was a very aggressive schedule with a new public meeting added for May 7th. She asked if the JPA's chances of getting the CAP for 2003 would be hurt if the CAP 205 project selection decision were pushed back.

Ms. D'Agosta stated the schedule was the JPA's internal deadline and that she had met with the COE earlier that week to get a better idea about the schedule and FY 2003 CAP 205 funding.

Kent Steffens said it was a very aggressive schedule. He said the Management Team wanted to inform the public and the board and with more time they could generate more thoughtful analysis of the proposals.

Chairperson Mossar asked Mr. Steffens how much more time was needed.

Mr. Steffens said a month would be great and would allow the Management Team more time for public input.

Director Bay said the Board still needed the April 24th Board Meeting for discussion on the CAP 205 but that more time was needed for digestion of all the facts and analysis before a decision could be made.

Ms. D'Agosta stated that a one-month extension was the best solution so that the project selection decision would take place at the May 22nd Board Meeting.

Chairperson Mossar said this extension would work because broader analysis and more technical data were needed. She said the public needs hard data and the commitment to process should not be the highest concern. She said the plan should be that the JPA should

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forego the public meetings and have all the input and questions from the public take place at the upcoming Board Meetings.

Chairperson Mossar said that the Board wanted to hear from members of the public who wished to speak on the CAP 205 project.

Art Kramer said the Board should go ahead with the CAP 205. He said the community is ready now get moving with the seven million dollars or \$100,000 in Reconnaissance Study funding from the Federal government.

Stan Smith said the JPA should move ahead with the CAP 205 and what was at stake was the credibility of the JPA in the eyes of the community.

Jeff Shore said there was a need for hard data on the CAP 205 project and anything else would lead to frustration to everyone involved. He said he was clear that the CAP 205 and the GI could not be both undertaken. Mr. Shore said the Board should choose between the projects and, in his mind, the GI was the last best hope for bringing a flood control project to SF Creek.

Thom Rindfleisch said he wanted to encourage the Board to move forward with this CAP proposal. He said the Board vacillated in February after approving it in January. He said he advocated that there was a way to think about this by narrowing the set of things the JPA considers.

Mr. Rindfleisch said that he was certain that the project selected could protect all parts of the community. He said the JPA should get over one hurdle at a time by handing the CAP 205 first. He said the proposals for the CAP 205 would be a concrete plan and the \$100,000 in the President's budget was uncertain.

Steve Bisset said there has been a great deal of research on the creek in the past. He said CAP 205 money was on the table and the JPA should take it. Mr. Bisset said the Board should fund matching dollars for the CAP and work on future funding the GI. He said the criteria are excellent as published but he wanted to change criteria #6 from a low to high priority because the CAP is the first phase of the long-term solution. He said criteria #6 wording should be changed so it reflects advancing the long-term process.

Janet Davis said time has been wasted over the last two years by the JPA. She said she wanted the JPA to buckle down and come up with a flood control solution.

Jim Wiley said the JPA should move forward with the CAP funding but it was important not to move the flood from one area to another. He said the decision had to be carefully thought out.

Glenna Violette said there had been a lot of hyperbole about solutions to the flooding since the 1955 event and she wanted the JPA to get something done this time.

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Ms. D'Agosta summarized that the April 24 Board Meeting would be a review of the progress for the research. She stated that May 7th would be a public meeting for a review of the final project proposal and that the May 22nd Board Meeting would be the decision on the CAP 205 project.

Chairperson Mossar requested Ms. D'Agosta reschedule the Palo Alto Council and the Menlo Park Council study sessions from April to May.

Ms. D'Agosta stated she would work to reschedule those council study sessions until May. She asked to address comments that have been made on the Criteria. Stating that Criteria #'s 6 & 7 are extremely difficult to capture, but that the objective is not to interfere with advancing or leveraging the GI project, while advancing information for the long-term. Background information on #6 is that there is a real concern of not upsetting the cost/benefit ratio of the long-term project with the work of the CAP, and that there is a memory and reality base to this coming from the experience with the Willow St. diversion project that had been proposed. The method with which we can advance the long-term cannot be as specific as saying the CAP builds upon the GI. The COE has made it very clear that there is no overlap between the CAP and GI funding and project management sources. However, that doesn't preclude us from being smart about how we approach this [CAP] in using it to understand how it works in the bigger picture. We must be very conscious of the COE process with how we word this to coincide.

Director Bay said he would like to criteria #7 wording to include that the JPA will work with being strategic with the COE on the CAP 205 and the GI.

Chairperson Mossar said criteria #9 wording should be changed from reduce to minimizes. She said criteria #10 should stated it would do no harm.

Director Bay said the criteria list should be reshuffled from high to low. He said that he had not vacillated about the project. He said that the current work of the technologists was a positive development.

Chairperson Mossar also agreed that the technologists have been very helpful.

Mr. Rindfleisch said there has been a huge amount of research done that needed to be pulled together for the CAP 205 project.

The Board considered approval of the recommended criteria list for the CAP 205. It was moved by Director Bay, seconded by Director Kinney, and approved 3-0.

C. Changes to Office telephone numbers beginning April 4, 2003

Ms. D'Agosta stated the JPA was changing their phone number as of April 4th and the JPA had a series steps in place to communicate the change. She stated that this item was for information only.

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7. BOARD MEMBER REPORTS

Chairperson Mossar reported that her trip to Washington was very good and she learned that the odds are favorable that the Reconnaissance Study earmark for SF Creek would stay in a budget.

Director Bay said he met with a resident and cartographer from East Palo Alto named Albert Mitchell who informed him that the center line of Euclid Ave is a point in the creek where the Member Agency cities (Palo Alto, East Palo Alto and Menlo Park) are joined together. Director Bay said the JPA should do something symbolic and perhaps ceremonial at this spot.

8. ADJOURNMENT

Chairperson Mossar adjourned the meeting at 7:55 p.m.

Minutes prepared by: Andrew Kloak
San Francisquito Creek Joint Powers Authority