

MINUTES
SAN FRANCISQUITO CREEK
JOINT POWERS AUTHORITY BOARD
27 February 2003

Chairperson Kinney called the public meeting to order at 6:04 p.m. at the City of Palo Alto Council Conference Chambers, 250 Hamilton Avenue, Palo Alto, California.

1. ROLL CALL

Members Present: Director Kinney, City of Menlo Park
Director Bay, City of East Palo Alto
Director Zlotnick, Santa Clara Valley Water District
Director Gordon, San Mateo County Flood Control Dist-Alt.
Director Mossar, City of Palo Alto (Not present at roll call, arrived at 6:08 p.m., and assumed chairperson role at that time.)

Members Absent: Director Jacobs Gibson, San Mateo County Flood Control 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 (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 (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.); Robin Kennedy (Palo Alto Resident); 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); Bill D'Agostino (Palo Alto Weekly); Art Kraemer (Palo Alto Resident); Alicia Torregrosa (Menlo Park Resident); Viv Blomenkamp (League of Women Voters Palo Alto); Sarah Sutton (Wolfe Mason Associates); Xenia Hammer (Crescent Park Neighborhood Association); John Baca (Palo Alto Resident); Stan Smith (Palo Alto Resident); Bill Reller (Palo Alto Resident)

2. PUBLIC COMMENT

Robin Kennedy, a representative of the law of firm Miller, Starr and Regalla, reported that the proposed changes to the Allied Arts Guild facility were a concern and the Mitigated Negative Declaration was wholly inadequate. She said the project warrants a full scale Environmental Impact Report (EIR) and urged the JPA to clarify their position on this project before the March 11th Menlo Park Council Meeting.

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6:08 p.m. Chairperson Mossar arrived at the end of Ms. Kennedy's comments.

Director Zlotnick asked Ms. D'Agosta what her level of awareness of Allied Arts project was.

Ms. D'Agosta stated that the JPA has had communication with City of Menlo Park staff and the landscape architect on plant material for the project and how it related to the Master Plan but has not submitted formal comments on the project.

Director Zlotnick said that the March 11th date Ms. Kennedy mentioned, would be too soon for the Board to officially offer comment on the project [since the Board was not scheduled to meet again until March 27th.]

Chairperson Mossar said the JPA had relied on cooperative relationships with staff of the various jurisdictions in their approach to projects like this one. She said the JPA had not commented on individual projects but it is a future vision for the agency to do this.

3. APPROVAL OF AGENDA

The Board considered approval of the agenda. It was moved by Director Zlotnick, seconded by Director Kinney, and unanimously approved 5-0.

4. CONSENT CALENDAR

- A.) Resolution # 03-02-27A – Accepting JPA Urban Streams Grant Funding
- B.) Resolution # 03-02-27B - Authorizing JPA Co-Sponsorship of Urban Streams Grant for the Watershed Council
- C.) Resolution # 03-02-27C – Authorizing Executive Director to sign Prop 13 State Contract for Sediment Study

Chairperson Mossar asked staff what the associated dollar amounts are for Resolution A and B.

Mr. Murray said the dollar amounts for Resolution A is \$72,000 and Resolution B is \$37, 600.

The Board considered approval of the three resolutions-Resolution #03-02-27A, Resolution #03-02-27B and Resolution #03-02-27C. It was moved by Director Gordon, seconded by Director Kinney and unanimously approved 5-0.

5. APPROVAL OF JANUARY 23, 2003 SPECIAL MEETING MINUTES

The Board considered approval of the minutes from January 23, 2003. It was moved by Director Zlotnick, seconded by Director Bay, and approved 4-0-1. Director Gordon abstained.

6. REGULAR BUSINESS:

- A. CAP 205 (Continuing Authorities Program) Management Team Report on Criteria and Public Meeting Process. (Attachment)

Ms. D'Agosta stated the Management Team staff report included progress on the criteria and public meeting schedule for the CAP 205. She stated the first public meeting on February 19 at SRI on the CAP went well with fifty members of the public and two board members attending.

Ms. D'Agosta stated the large amount of information generated for the CAP 205 had caused the Management Team to reconsider the timeframe. She proposed coming back to the board with the criteria at the March 27th meeting and project list at the April 24th meeting.

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Ms. D'Agosta stated new developments [San Francisquito Creek Reconnaissance Study earmarked for funding in the proposed FY 2004 federal budget] have caused the Management Team to come up with four scenarios for the Board. She stated the scenarios reviewed the best way to proceed ahead on the issue of funding with both the CAP 205 and the General Investigation (GI) in the picture.

Ms. D'Agosta stated that since neither the CAP 205 nor the GI requires funding for the initial phases with the COE that the JPA should proceed ahead on both tracks and find a way to secure funding at a later date.

Director Zlotnick said he was inclined to proceed ahead with the CAP 205 and the GI projects but was not sure that there was sufficient local match funding to do both. He said that his main concern was that lack of funding would cause the JPA to back out of the CAP 205 project at a later date and hurt the relationship with the COE SF-District office.

Director Kinney said he shared some of the same concerns as Director Zlotnick. He asked Ms. D'Agosta what the deadline of the selection of the CAP 205 project was and if extending the selection date back one month from March to April would hurt the JPA's chances.

Ms. D'Agosta stated the March date for selection of the CAP 205 project was an internal JPA timeline. She stated that the JPA did not want to wait too long because the COE was going to begin reviewing CAP 205's for FY 2003-04 and may look at the undecided CAP 205 project funds for this year. She stated the JPA should try to stay aligned to the schedule as much as possible.

Director Kinney asked if the CAP 205 hurt the chances of getting the GI and would increase the cost benefit risk of the GI.

Ms. D'Agosta stated these questions were asked of the COE in a letter from the JPA. She stated that accepting the CAP 205 would not jeopardize the GI but the CAP 205's potential for impact on the GI cost benefit ratio was less clear.

Director Zlotnick said the question was whether the JPA should take limited dollars and put them into a CAP 205 project or should the JPA wait to use those dollars on the long-term project.

Director Bay asked Ms. D'Agosta if there were early additions to the CAP project for FY 2003-04. He said he did not want the JPA to be in a situation of having neither project in 18 months time. He said he was reluctant to let go of the Cap 205 project and the only way he would consider foregoing the CAP 205 would be to see a very specific plan from staff that shows that this would be best way to proceed.

Director Bay said the JPA was growing the number of informed community members on creek issues. He said did not want to do anything that could hurt this positive development.

Director Gordon said he wanted to bring a dose of reality to the issue of matching funds from San Mateo County Flood Control District (SMCFCD.) He said the commitment Board Member Jacobs Gibson made [to the JPA in the past] used up all the SMCFCD reserves. He said the current level of property tax income in their flood control zone was used up every year in the operating funds designated for SF Creek. He said the only way to generate additional dollars would be to take this issue to the voters and 2/3 of those voters would need to agree to increase the San Mateo County contribution.

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Director Gordon said that consultation is needed with the Army Corps of Engineers about where to place the match dollars and to help the JPA come up with a strategy about this process.

Chairperson Mossar said the relationship the JPA has with the COE and the public are important and the challenge will be to keep both happy. She said satisfying both the COE and public can be done but not without further consultation with the COE.

Chairperson Mossar said criteria point #5 in the staff report remains a concern. It states that the CAP "Will improve public safety by maximizing flood protection to the greatest number of properties of occupants." She said this criteria point flies in the face of keeping the CAP 205 project from changing the cost benefit analysis of the GI.

Ms. D'Agosta said this needed to be addressed.

Chairperson Mossar said the moment has come for the JPA to decide what it was formed to do and find the money to do this. She said it is never an easy time to raise money especially in this current economy but the JPA has an obligation to pursue funding for the CAP 205 and the GI.

Chairperson Mossar said an analysis should be generated to inform the Board when local match funding is needed for the CAP 205 and the GI. She said this report should be laid out with the actual funding amounts and dates included and, if need be, the JPA should hire a consultant to do this. She said there are revenue tools like forming a special taxing district to come up with the money needed. She said not having enough information is no reason to decide for or against the CAP 205 or the GI.

Director Zlotnick said going to the voters would take time and the only immediate option he saw for match funding would be getting the money from general fund dollars. He said the SCVWD and SMCFCFD already put \$1.5 million into a fund for just this purpose.

Chairperson Mossar asked how much local matching money was needed for the Feasibility Phase of the GI.

Ms. D'Agosta stated that an estimated three million dollars was needed.

Director Zlotnick said any long-term flood control project will require going to the voters to provide fifty, seventy or a hundred year flood protection.

Director Gordon said he liked the idea of considering Proposition 218 for the watershed, which is voter approval of local government taxes, fees, assessments and charges. He said contingency planning was important to work on for the near future.

Ms. D'Agosta stated there was a great need to start the public process right away. She stated that the JPA does need specialists to bring a public vote to the ballot in order to raise the money needed for these projects.

Ms. D'Agosta stated the JPA did need to consult with the COE about the CAP 205 and the GI processes. She stated further Board discussion on funding these projects was necessary.

Chairperson Mossar said she would like a plan on hiring a consultant to design the process for funding on these projects and asked Ms. D'Agosta if she could come back to come back to the Board with this information on March 27th.

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Ms. D'Agosta said she would develop this for the Board.

Director Bay said the CAP 205 Criteria study session in February at SRI was a great exercise that increased his understanding of the level of complexity the Board was facing in the CAP 205 decision. He said he realized staff could take months to access the feasibility and the effectiveness of just one project and the Board was asking for twenty projects analyzed in this way in a few months.

6:55 p.m. Director Gordon left at this time.

Director Bay said he wanted to see the wild range of options on the table to be quantified when this comes back to the Board in March.

Ms. D'Agosta stated the Management Team had begun to further delineate the potential projects and refine the scope of the project.

Director Zlotnick said the staff report from the Management Team contained a large list of criteria. He asked when staff would present a finished product of the criteria and a project recommendation for the Board.

Ms. D'Agosta stated the suggested criteria list has continued to narrow and that the criteria list was coming back to the Board at the March meeting.

B. Quarterly Year-to-Date Financial Statement

Ms. D'Agosta stated that this quarterly financial report was presented for information only and reflected agency activity as of 1/31/03.

Director Zlotnick said in terms of format he would like to see the budget remaining categories broken out by percentages. He asked Ms. D'Agosta if the budget for the year was in good shape.

Ms. D'Agosta stated the JPA was on target with the budget until the end of the fiscal year.

C. FY 2003-4 Financial Plan and Operational Budget Presentation and Discussion

Ms. D'Agosta stated this financial plan and operational budget for FY 2003-04 was for information only. She stated that the financial plan was tied with the goals of the agency and the budget was presented to reflect a clearer picture of actual spending.

Ms. D'Agosta stated she was introducing this budget anticipating that there would be discussion on this item. She stated the goal was to have the budget approved by April.

Ms. D'Agosta stated that of the three scenarios, she was recommending scenario B. She stated that this scenario advocated that the JPA take half the rollover and set it aside for a revolving fund.

Ms. D'Agosta stated that the JPA expected less rollover funds for the current budget year (FY 2002-03) and an increase in expenditures for the new fiscal year (FY 2003-04) which would necessitate an increase in the member agencies contributions.

Chairperson Mossar summarized that the budget was lower by \$8,000, retained earnings were reduced from the year before so the amount the member agencies would have to pay was increasing.

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Ms. D'Agosta stated that was correct.

Chairperson Mossar said Director Gordon had to leave early but as he was leaving he requested that she say that the San Mateo County Flood Control District felt their support for the budget will be only for the same contribution amount as last year. She said the reason for this was because their amount of property tax money was at its limit.

Ms. D'Agosta stated that she met earlier that day with San Mateo County Manager John Maltbie and Board Member Jacobs Gibson. She stated they said they could support a zero increase in the JPA member agency contribution and requested that staff go back to find a way to make the budget the same as last year at \$63,528 per member agency.

Director Zlotnick said it was good to see this improved budget format. He said that the staff report talks about the vision of the agency but the Board had not agreed to that.

Director Zlotnick said he was in support of the revolving fund. He said that mileage for employees should be factored into the budget and offered the possibility that the year end auditing was something the SCVWD can help the JPA with.

Chairperson Mossar said it was not sustainable to take the position year in year out to say that the Member Agencies don't have money for the JPA. She said if we want the JPA to work, we have to find a way over this impasse. She said the JPA was right on the edge of increasing this and felt Scenario C was where we are going for the years ahead.

Director Zlotnick said it sounds like Mr. Maltbie said zero increase but that amount needs to be raised because of cost of living increases. He said the JPA did unequal shares on the levee project and may be the way the JPA has to go.

Director Kinney said the modest amount of increase in Scenario A was within reason and Scenario B was a stretch for his city.

Chairperson Mossar said this budget was coming back to the Board at the March meeting. She asked East Palo Alto and Menlo Park to break the impasse with San Mateo County.

Director Bay said that he would certainly be willing to explore that issue in a meeting with Director Kinney, Director Jacobs Gibson, Director Gordon and Mr. Maltbie.

D. Meeting Schedule. Approve new Annual Board Meeting Schedule to accommodate monthly meetings.

Ms. D'Agosta stated there was the recommendation from the Board to go to a monthly meeting especially since there were decisions needed to be made on the Cap 205 and the budget before June. A schedule was developed for monthly meetings until the December 2003.

Ms. D'Agosta recommended that we continue on with meetings each month until June and at the June meeting assess whether they are needed each month from there on forward.

Chairperson Mossar said the intention was to get these meetings in people's schedules early on to hold the date for work the JPA needed to do in the months ahead.

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Director Zlotnick said he had conflicts with several of these dates on the proposed JPA meeting schedule.

Ms. D'Agosta said she would look at the matrix of Board schedules again to work on the dates.

7. BOARD MEMBER REPORTS

Director Zlotnick said SCVWD gave a \$25,000 grant to the Watershed Council.

8. ADJOURNMENT

Chairperson Mossar adjourned the meeting at 7:50 p.m.

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