



SAN FRANCISQUITO CREEK
JOINT POWERS AUTHORITY
SFCJPA.ORG

**Notice of Regular Meeting of the
BOARD OF DIRECTORS
City of Menlo Park Council Chambers
701 Laurel Street, Menlo Park, California
April 27, 2017 at 4:00 p.m.**

AGENDA

1. ROLL CALL
2. APPROVAL OF AGENDA
3. APPROVAL OF MEETING MINUTES: March 23, 2017 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 and planning
 - b. S.F. Bay-Highway 101 project: approve a consultant contract with H.T. Harvey & Associates to support construction, and provide habitat monitoring and reporting, in the Faber Marsh
 - c. Approve the Fiscal Year 2017-18 Operating Budget
 - d. Approve a change to the start time of Regular Board meetings in 2017
 - e. Accept the Fiscal Year 2014-15 Audited Financial Statements, audited by Grant & Smith, LLP
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 4:00 p.m. on April 24, 2017 at sfcjpa.org -- click on the "Meetings" tab near the top.

NEXT MEETING: Regular Board meeting, May 25, 2017, City of East Palo Alto Council Chambers

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Director Pine called the meeting to order at 4:12 p.m. at the City of Palo Alto Council Chambers, Palo Alto, California.

DRAFT

1) ROLL CALL

Members Present: Director Pine, San Mateo County Flood Control District
Director Keith, City of Menlo Park
Director Scharff, City of Palo Alto; not present at roll call
Director Abrica, City of East Palo Alto

Members Absent: Director Kremen, Santa Clara Valley Water District (SCVWD)

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

Others Present: Trish Mulvey, Palo Alto resident; Jerry Hearn, Portola Valley resident;
Dennis Parker, East Palo Alto resident; Russell Chen, SCVWD; Mark
Chow, SMCDPW; Azalea Mitch, City of Menlo Park

2) APPROVAL OF AGENDA

Director Keith made a motion to approve the agenda. Director Abrica seconded. Agenda approved 3-0. Director Scharff not present at time of vote. Director Kremen not in attendance.

3) APPROVE BOARD MEETING MINUTES: JANUARY 26, REGULAR BOARD MEETING

Director Keith made a motion to approve the January 26, 2017 Regular Board meeting minutes. Director Abrica seconded. January 26, 2017 Regular Board meeting minutes approved 3-0. Director Scharff not present at time of vote. Director Kremen not in attendance.

4) PUBLIC COMMENT

Trish Mulvey, Palo Alto resident, asked that the Board request a briefing from the SCVWD on the information related to San Francisquito Creek in the newly published Safe Clean Water annual report, specifically regarding the provisions C-2 and E-2. Mrs. Mulvey asked for a briefing of the emergency response protocols of the SFCJPA member agencies as the different organizations used different thresholds and triggers during the winter storm events.

Mr. Materman responded saying that he would put on a future agenda a report on agency responses to recent storms and request a SCVWD briefing on the Safe Clean Water program.

Jerry Hearn, Portola Valley resident, spoke to the Board regarding the Buckeye Creek hydrological review, the Water Conservation Awards and the Ground Water Reliability Partnership Storm Water Resource Plan. Mr. Hearn noted that Charles Ice, an employee of San Mateo County who is leading its groundwater efforts, talked about doing additional studies on flows in San Francisquito Creek and that the SFCJPA should be aware of this work.

Mrs. Byler noted that she drafted the scope of work for these studies for Mr. Ice.

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5) REGULAR BUSINESS

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

Mr. Materman provided the Board with an update on the Bay-101 project activities. He informed the Board that the Ridgeway Rail surveys were now complete, and that with the removal of vegetation in the channel in 2016, the birds did not return to the creek channel this year. Mr. Materman continued with his report, informing the Board that the floodwalls would be installed by the SCVWD contractor in May, that staff is working with PG&E and regulatory agencies to have the installation of the gas pipeline completed this year and is working with the East Palo Alto Sanitary District and regulatory agencies to complete installation of the sewer line this year.

Director Keith asked what the dimensions of the floodwalls would be. Mr. Murray responded that the top of the floodwalls would be a few feet higher than the existing levees, with most of the wall set below ground level. Director Keith asked staff to inform the Board when installation begins. Mr. Materman noted that from outside the channel the completed walls will be a few feet above the trail next to them.

Upstream of Highway 101 project: discuss the Environmental Impact Report scoping process

Mr. Materman provided the Board with an update of the Environmental Impact Report scoping process for upstream of highway 101 and a summary of the comments received through the process.

Director Keith thanked staff from the SFCJPA and member agencies for conducting its outreach and public meetings. Director Keith requested that the calendars of the SFCJPA's EIR and Corps of Engineers Environmental Impact Statement (EIS) be synced. Chairperson Pine concurred with Director Keith asking staff what is being asked of the public. Mr. Materman explained that our objective is to give the public the opportunity to receive information during the development of the Public Draft EIR without slowing the process. Director Keith asked staff to provide the Board with the public engagement meeting dates as soon as there are known and she stated that any concerns regarding floodwalls upstream need to be made clear.

Director Abrica asked for clarification on the process of determining when or if there will be a combination of projects. Director Keith concurred with Director Abrica's request adding to the request that staff provide clarification on how the combinations will be determined or discarded. Mr. Materman that staff will provide that explanation in the EIR, and he stated that combining alternatives would probably not occur as the objective is to build a project that is meaningful and achievable and combining project alternatives seems at this point to create too many impacts and cost too much to be achievable in the short term.

Chairperson Pine asked about the Corps EIS schedule and if it was in sync with the SFCJPA project schedule. Mr. Murray explained that the schedules are not synced right now as the Corps process is about six months behind the SFCJPA's process, and that we and the consultants are working to share tasks of the EIR and EIS to bring these closer in sync. Mr. Materman noted that a meeting between SFCJPA consultant and the Corps consultant occurred yesterday, March 22, and that we will provide the Board more information on this when a schedule is set in the next month or so. Director Keith asked if the Corps remains behind and we finish our process first, who then applies for the permits? Mr. Materman responded that this is one of the items we are discussing with the Corps.

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Mr. Hearn asked if the comments collected through the scoping process were going to be made available before the EIR's Public Draft is released. Mr. Materman responded that comments to the public draft EIR will be provided but not on scoping, as is done on other EIRs. Mr. Hearn asked if the SFCJPA would make public agency scoping comments available as part of the EIR's public engagement process and the Corps process. Mr. Hearn commented that as he read the NOI from the Corps there was no mention of upstream detention. Mrs. Byler explained that the same alternatives are analyzed by the SFCJPA and Corps; the Corps document is expected to screen out upstream detention because of the cost of procuring land. Director Keith asked if the Corps document could include an explanation of why they dropped upstream detention. Mr. Murray responded that the Corps has agreed to justify its decision to screen out any alternative in the EIS. Then Mr. Hearn expressed his concerns about the Regional Water Quality Control Board and their adamant request for information regarding Searsville as the information they are looking for may not be ready within our timeline.

Director Keith suggested that the SFCJPA may want to reach out to the Regional Water Board now, and she requested that staff to agendize communication between the SFCJPA and Regional Water Board.

Mrs. Mulvey noted that Mr. Materman wrote to Regional Water Board Executive Officer in early February seeking their input in writing at this early stage of the EIR. Mrs. Mulvey asked about the work schedule of the SFCJPA's EIR consultant, ICF. Mr. Murray explained that that staff is working on getting an ICF schedule in concert with the Corps' EIS consultant. Mrs. Mulvey noted that in terms of the permitting process it will be helpful to lay out a chart showing the permitting process and the tasks related to each agency. Mrs. Mulvey stated that she did not know that the public would not receive the verbatim comments from the scoping process and she expressed her concerns regarding the timing of receiving comments from permitting agencies. Mrs. Mulvey thanked Mr. Materman for his interest in a public engagement process.

Director Keith concurred with Mrs. Mulvey's comments on a chart detailing the permitting process and she requested that staff produce one to present to the Board at an upcoming meeting.

Consider changing the meeting day or time of Regular Board meetings

Chairperson Pine suggested changing the time of the Regular Board meetings to either 12:30 pm or 3:30 pm, keeping the meeting day to the fourth Thursday of the month (except Nov & Dec). Chairperson Pine directed staff to poll Board members on the suggested time changes and agendize the change for the next regular meeting of the Board.

Review the Fiscal Year 2016-17 Operating Budget mid-year

Director Keith left at 5:20 pm.

Mr. Materman provided the Board with a review of the FY2016-2017 operating budget mid-year.

6) BOARD MEMBER COMMENTS

Chairperson Pine spoke about the prop 84 funds and asked staff to agendize a discussion on the prop 84 grant for a future meeting of the Board.

7) ADJOURNMENT

Chairperson Pine adjourned the meeting at 5:29 pm.

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

Over the past ten months, at each Board meeting we have discussed the construction activities of a project to improve public safety and recreation, and increase marsh habitat, along the Creek channel from the mouth at SF Bay to Highway 101. The following summarizes these activities since the March 23 Board meeting.

On-site weekly meetings are held among staff from the SFCJPA, Santa Clara Valley Water District (SCVWD), cities of Palo Alto and East Palo Alto, and the SCVWD's levee and floodwall contractor to coordinate construction activities and sequencing, and permit compliance. Additionally, the SFCJPA continues to coordinate utility relocation with those entities, the City of Palo Alto's Golf Course project, PG&E, and the East Palo Alto Sanitary District (EPASD).

Beginning on May 1, floodwalls are expected to be delivered to the project site and installed in areas outside of the current channel. Work to prepare the area for this installation has required the closure of a section of the San Francisquito Creek trail on the Palo Alto side beginning this week.

Our regulatory permits allow the levee and floodwall contractor to work within the channel between June 15 and October 15 of this year. To expedite in-channel construction activities and to align our in-channel work with Caltrans' work to rebuild the Highway 101 and frontage roads bridges, SFCJPA staff is working with regulatory agencies to allow in-channel work to begin this season on June 1, the same date as the Caltrans permit allows them to enter the Creek. If successful, demolition of a portion of the existing levees, installation of floodwalls on the East Palo Alto side (which is considered in-channel), and the marshplain grading within the channel, will begin two weeks earlier, on June 1 to October 15. This will be described at the April 27 Board meeting.

To enable both Caltrans' and the levee and floodwall contractor's planned work this season, their coordinated water diversion plan proposes to use the Palo Alto Pump Station for creek diversion and groundwater transfer. City of Palo Alto staff are developing an encroachment permit and agreement between the City and the levee and floodwall contractor to advance the City's interest in moving forward with this and other City interests related to the pump station.

Surveys for Ridgway's Rail were completed last month, and no activity centers (which could indicate nesting sites) were detected in the Creek upstream of Friendship Bridge. This means the restricted work zone will be substantially smaller than in 2016. The 2017 buffer zone during the Ridgway's Rail nesting season, which runs from February 1 to August 31 has been determined; however, the SFCJPA is working with regulatory agencies to obtain a slight variance at the edge of the 2017 buffer zone to enable PG&E to perform their cross-channel work beginning June 15, similar to the buffer zone exemption that the SFCJPA obtained for PG&E Electric to move the electrical tower.

Additionally, we intend to discuss an upcoming SFCJPA construction contract to extend a water main and install a new fire hydrant on East Bayshore Road at a location recommended by the Menlo Park Fire Protection District. Moving this hydrant will make way for the June installation of new floodwalls on the East Palo Alto side of the creek, and we may request a special Board meeting in the next two weeks to enable this work to be completed in May.

Finally, we plan for East Palo Alto Sanitary District to install their new sewer line and siphon between September 1 and October 15 of this year.

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b. S.F. Bay-Highway 101 project: approve a consultant contract with H.T. Harvey & Associates to support construction, and provide habitat monitoring and reporting, in the Faber Marsh

On March 2, 2017 the SFCJPA released a Request For Proposals (RFP) for an ecological consultant to conduct final design services, construction support, restoration monitoring and regulatory compliance reporting for habitat restoration activities in and around the Faber Tract marsh assigned by federal and state agencies as mitigation for impacts of the Bay-Highway 101 project.

Proposals were received by the SFCJPA on March 21, 2017, and were reviewed and scored based on the quality and completeness of proposal; experience of staff to be assigned to the project and previous work of similar scope and complexity; and cost to the SFCJPA.

The HT Harvey proposal scored the highest of the proposals received. SFCJPA staff and HT Harvey have developed the attached draft Agreement, including three exhibits for a Scope of Work, Schedule of Performance and Compensation, for the SFCJPA Board's consideration. This Agreement has been reviewed by SFCJPA legal counsel. The total cost of this contract to the SFCJPA is \$226,192, which includes purchase of plants from a specialized nursery and is covered under the Construction Funding Agreement and one of the SFCJPA's grants from the State's Department of Water Resources. The actual installation of the marsh restoration features will take place under a separate construction contract, for which we plan to advertise for bids in August so that construction can begin late this year.

Proposed Board Action: Approve a consultant contract with H.T. Harvey & Associates to support construction, and provide habitat monitoring and reporting, in the Faber Marsh

c. Approve the Fiscal Year 2017-18 Operating Budget

At the previous Board meeting on March 23, 2017, we discussed the mid-year status and end of year estimate for the current Fiscal Year 2016-17 Operating Budget. As mentioned, this discussion set the stage for the approval of the FY 2017-18 Operating Budget at the April 27 Board meeting.

Following that discussion, the Board Finance Committee met to discuss my proposal for the FY 2017-18 Operating Budget. Attached to this Executive Director's Report is a document that lists the FY 2016-17 approved budget and estimated year end totals that were discussed last month, plus a new third column with the proposed 2017-18 Operating Budget, which was accepted by the Finance Committee. The total income proposed is \$941,200, with proposed expenses totaling \$941,160.

Another attachment to this Executive Director's Report is this proposed FY 2017-18 Operating Budget, which includes the following key items or changes from our current Operating Budget:

- No change to the current amount of \$152,000 contributed by each of our five member agencies towards the SFCJPA Operating Budget. The last time the Board increased member agency contributions was in the spring of 2015, and thus this will be the third consecutive year at this level. In part because expenses will have increased over three years and in part because grant administration funds from the S.F. Bay-Highway 101 project are being substantially exhausted to close the current gap between member agency contributions and expenses, I anticipate that next year (for FY 2018-19) the member agency contribution will need to be modestly increased to avoid an operating deficit.
- Regarding expenses, I have proposed that SFCJPA staff receive their annual salary increase at the beginning of the FY 2017-18. This includes a 3.4% cost of living adjustment (COLA) and additional amounts to bring their salaries more in line with comparable positions at other agencies and closer to a level commensurate with their responsibilities. In addition to this COLA, the Senior Project Manager (Kevin Murray) and Finance and Administration Manager (Miyko Harris-Parker) would receive a 3.2% increase, and Project Manager Tess Byler hired one year ago will receive 7.7% increase. The total cost of these adjustments is approximately \$23,000 next year. At the May 25 Board meeting, I intend to ask the Board to update the Salary Schedule to reflect these salary adjustments.

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- Regarding other categories of expenses, I am proposing a \$9,000 reduction in Contract Services, an increase of about \$7,500 in the Administrative category, and the same amount as this year (\$35,000) for contingency.

Attached is the proposed Fiscal Year 2017-18 Operating Budget that I seek Board approval for so that we may send it to staff at our Member Agencies, who must incorporate our formal request for an annual contribution into their FY2017-18 budgets.

Proposed Board Action: Approve the Proposed Fiscal Year 2017-18 Operating Budget (attached).

d. Approve a change to the start time of Regular Board meetings in 2017

At its December 15, 2016 Regular meeting, the Board approved a 2017 schedule of SFCJPA Regular Board meetings, which is enclosed with this Report. This schedule continued the practice of rotating meetings between the city council chambers of Menlo Park, East Palo Alto and Palo Alto and holding the meetings 4:00 p.m. on the fourth Thursday of every month except November and December. Following a discussion at the March 23, 2017 Board meeting about beginning Board meetings earlier on those days, the SFCJPA polled Board members as to their availability to begin meetings at 12:30 p.m. or 3:30 p.m. The result of this poll is that most Board members preferred an earlier start time of 3:30 p.m.

Proposed Board Action: Change the start time of Regular Board meetings in 2017.

e. Accept the Fiscal Year 2014-15 Audited Financial Statements, audited by Grant & Smith, LLP

Conducted by Grant & Smith, LLP, the SFCJPA's 2014-15 Audited Financial Statements (attached) found that there were no difficulties with completing the audit, disagreements with management, and no "deficiencies" or areas of concern. The Audited Financial Statements found that the net assets of the SFCJPA decreased during the 2014-15 Fiscal Year by \$21,446 from the prior year. Separate from our operating assets, a notable difference from previous audits is that this audit includes a detailed discussion of financial reporting around our CalPERS pension, which is now required of government audits.

Upon Board acceptance of this audit, the SFCJPA will immediately engage Grant & Smith, LLP to develop the audited financial statements for FY 2015-16, which we anticipate bringing to the Board for acceptance at the September meeting, which will bring us up to date regarding annual audits.

Proposed Board Action: Accept the attached Fiscal Year 2014-15 Audited Financial Statements, audited by Grant & Smith, LLP.

Submitted by:



Len Materman
Executive Director

Agenda Item 5.b.

Approve a consultant contract with
H.T. Harvey & Associates to
support construction, and provide
habitat monitoring and reporting,
in the Faber Marsh

AGREEMENT FOR

Design Services, Construction Support, Habitat Monitoring and Reporting for Tidal Marsh and Upland Refugia Habitat Enhancements in Faber Tract Marsh

THIS AGREEMENT is made as of May 1, 2017 by and between the San Francisquito Creek Joint Powers Authority, a body corporate and politic ("Authority"), and HT Harvey and Associates, a California Corporation ("Consultant").

R E C I T A L S

A. Authority, along with its member agencies, initiated construction of a Flood Protection, Ecosystem Restoration, and Recreation Project along San Francisquito Creek between Highway 101 and San Francisco Bay in July 2016.

B. State and Federal regulatory agencies have requested that specific actions be taken to create habitat features that will mitigate for the temporal and permanent impacts of the Project activities on species protected under the State and Federal Endangered Species Acts.

C. Authority has retained Consultant to perform design services, construction support during implementation of the requested activities, monitoring of the habitat features to be created, and reporting to Authority and as required to State and Federal Regulatory agencies on the establishment of the habitat features.

D. Authority desires to utilize the services of Consultant as an independent contractor.

E. Consultant represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

NOW, THEREFORE, in consideration of performance by the parties of the promises, covenants, and conditions herein contained, the parties hereto agree as follows:

1. Consultant's Services.

A. **Scope and Level of Services.** The nature, scope, and level of the specific services to be performed by Consultant are as set forth in Exhibit A attached hereto.

B. **Duties of Consultant.** All work performed by Consultant or under its direction must be sufficient to meet the purposes specified in this Agreement, and must be rendered in accordance with the accepted practices and standards of Consultant's profession.

Consultant must stay informed of and observe any and all statutes, laws, ordinances, and regulations pertaining to Consultant's contractual performance. To the extent that any copyrighted materials are used or reproduced for use in such performance, Consultant must secure, at its sole cost and expense, any and all necessary permission to utilize or reproduce such materials in the manner proposed or suggested by the scope of services.

Consultant must not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance in writing by Authority. If in the performance of the services hereunder, it is necessary to conduct investigations or other operations in the field, security and safety of the area of such field operations under the control of Consultant will be the responsibility of Consultant.

Where services hereunder include preparation of drawings and other contract documents by Consultant and where, notwithstanding acceptance and approval by Authority thereof, in the opinion of the Authority, drawings and other contract documents so prepared are found during the course of construction to require modification due to the oversight, inadvertence or negligent omissions of, errors by, or lack of detail provided by Consultant, such modifications must be made by Consultant without additional compensation. Where such contract documents are used in letting a contract for construction, Consultant will assume responsibility for any direct or actual damages suffered or incurred by Authority, including, but not limited to, any increase in compensation due to a construction contractor, which increase is directly attributable to the required changes in the Drawings or other contract documents to the extent caused by Consultant's negligent acts, omissions, or errors.

Consultant is required, at Authority's request, to meet with Authority staff regarding performance of the Scope of Services.

C. Time of Performance. The services shall be performed on a timely, regular basis in accordance with the Schedule of Performance attached hereto as Exhibit C. In the event Consultant is delayed in performance of its services by circumstances beyond its control, Authority may at its discretion grant a reasonable adjustment in the Schedule of Performance. All claims for adjustments in Schedule of Performance must be submitted to Authority by Consultant within thirty (30) calendar days of the time of occurrence of circumstances necessitating the adjustment.

D. Force Majeure. Consultant is not liable for any delay in performance or non-performance caused by Acts of God, war, civil disturbance, government action, labor dispute, computer virus, pandemic illness, inadequate access to Client site or data, or anything else beyond Consultant's reasonable control.

E. Standard of Care. Consultant shall perform the Services, as defined in the Agreement, utilizing the standard of care normally exercised by professional consulting firms in performing comparable services under similar conditions. Consultant makes no warranty or guarantee regarding the accuracy of any forecasts, estimates, or analyses.

F. Compliance with Law. All services rendered hereunder by Consultant shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of Authority and any federal, state or local governmental agency having jurisdiction in effect at the time service is rendered.

G. Changes in Work. Authority may order, via a written Amendment signed by each Party's authorized representative, changes in scope or character of work, either decreasing or increasing the amount of Consultant's services.

2. Term of Agreement.

This Agreement is effective on the date set forth in the initial paragraph of this Agreement and shall remain in effect until the services required hereunder have been completed satisfactorily by Consultant unless earlier terminated pursuant to Section 13.

3. Compensation. Authority agrees to compensate Consultant for its services according to the fee schedule set forth in Exhibit B. Authority also agrees to compensate Consultant for its out-of-pocket expenses to the extent authorized in Exhibit B. In no event shall the total compensation and costs payable to Consultant under this Agreement exceed the sum

of \$226,192 unless specifically approved in advance, in writing, by Authority. Consultant will invoice the Authority monthly with payment due within thirty (30) days of receipt of the invoice. Should the Authority wish to dispute an invoice, it must do so in writing within ten (10) days of receipt. Otherwise, invoices shall be deemed accurate and payable according to the terms thereof.

4. Representatives.

A. Project Manager. Max Busnardo is hereby designated as the representative of Consultant authorized to act in its behalf with respect to the services specified herein. It is expressly understood that the experience, knowledge, capability and reputation of the foregoing Project Manager were a substantial inducement for Authority to enter into this Agreement. Therefore, the foregoing Project Manager shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services hereunder. The Project Manager may not be changed by Consultant without the express written approval of Authority.

B. Contract Administrator. The Contract Administrator and Authority's representative shall be Kevin Murray, or in his absence, an individual designated in writing by the Executive Director of Authority. If no Contract Administrator is so designated, the Executive Director shall be the Contract Administrator. It shall be Consultant's responsibility to assure that the Contract Administrator is kept informed of the progress of the performance of the services, and Consultant shall refer any decisions which must be made by Authority to the Contract Administrator. Unless otherwise specified herein, any approval of Authority required hereunder shall mean the approval of the Contract Administrator.

5. Standard of Performance. Consultant shall perform all work to the highest professional standards and in a manner reasonably satisfactory to Authority. Consultant hereby covenants that it shall follow the highest professional standards in performing all services required hereunder.

6. Ownership of Work Product. All plan sets, reports, documents or other written material developed by Consultant in the performance of this Agreement shall be and remain the property of Authority without restriction or limitation upon its use or dissemination by Authority.

In addition to the above, Consultant shall also provide Consultant Property. The term "Consultant Property" shall mean all pre-existing material, including, but not limited to, any products, software, materials and methodologies proprietary to Consultant or provided by Consultant or its suppliers and any trade secrets, know-how, methodologies and processes related to Consultant's products, software or services, all of which shall remain the sole and exclusive property of Consultant or its suppliers. Subject to payment in full and to the terms of this Agreement, Consultant grants to the Authority a non-exclusive, non-transferable, irrevocable license to use the Consultant Property contained in the Professional Services provided hereunder for the purposes of this Agreement.

7. Status as Independent Contractor. Consultant is, and shall at all times remain as to Authority, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of Authority or otherwise act on behalf of Authority as an agent. Neither Authority nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner employees of Authority. Consultant agrees to pay all required taxes on amounts paid to

Consultant under this Agreement, and to indemnify and hold Authority harmless from any and all taxes, assessments, penalties, and interest asserted against Authority by reason of the independent contractor relationship created by this Agreement. Consultant shall fully comply with workers' compensation laws regarding Consultant and Consultant's employees. Consultant further agrees to indemnify and hold Authority harmless from any failure of Consultant to comply with applicable worker's compensation laws. Authority shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to Authority from Consultant as a result of Consultant's failure to promptly pay to Authority any reimbursement or indemnification arising under this Section.

8. Confidentiality. Consultant, in the course of its duties, may have access to financial, accounting, statistical, and personal data of private individuals and employees of Authority. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by Authority. Authority shall grant such authorization if disclosure is required by law. Upon request, all Authority data shall be returned to Authority upon the termination of this Agreement. Consultant's covenant under this section shall survive the termination of this Agreement.

9. Conflict of Interest. Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the services to be performed by Consultant under this Agreement, or which would conflict in any manner with the performance of its services hereunder. Consultant further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, Consultant shall avoid the appearance of having any interest which would conflict in any manner with the performance of its services pursuant to this Agreement. Consultant agrees not to accept any employment or representation during the term of this Agreement which is or may likely make Consultant "financially interested" (as provided in California Government Code Sections 1090 and 87100) in any decision made by Authority on any matter in connection with which Consultant has been retained pursuant to this Agreement. Nothing in this section shall, however, preclude Consultant from accepting other engagements with Authority.

10. Indemnification.

A. Consultant shall defend, hold harmless and indemnify the Authority, its Board members, officers, employees, and agents, its constituent local public entities, and its constituent members' respective officers, employees, and agents (collectively, "Indemnitees"), from any claim, demand, damage, liability, loss, cost or expense, including defense costs, for any damage whatsoever, including but not limited to death or injury to any person and injury to any property, to the extent actually resulting from willful misconduct, negligent acts, errors or omissions of Consultant or any of its officers, employees, or agents.

B. Authority does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by Authority, or the deposit with Authority, of any insurance certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense. Consultant agrees that Consultant's covenant under this section shall survive the termination of this Agreement.

11. Insurance.

A. Liability Insurance. Consultant shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by Consultant.

B. Minimum Scope of Insurance. Coverage shall be at least as broad as:

- (1) Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001 or equivalent).
- (2) Insurance Services Office form number CA 0001 or equivalent (Ed. 1/87) covering Automobile Liability, code 1 (any auto).
- (3) Worker's Compensation insurance as required by the State of California and Employer's Liability Insurance.

C. Minimum Limits of Insurance. Consultant shall maintain limits no less than:

- (1) General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. Any general aggregate limit shall apply separately to this Agreement or the general limit shall be twice the required occurrence limit.
- (2) Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
- (3) Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

D. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by Authority. At the option of Authority's Executive Director, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to Authority, its officers, officials, employees and agents; or Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

E. Other Insurance Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

- (4) Indemnitees are to be covered as insureds as respects: liability arising out of activities performed by or on behalf of Consultant subject to the terms, exclusions, and conditions of such policies; products and completed operations of Consultant; premises owned, occupied or used by Consultant; or automobiles owned, leased, hired or borrowed by Consultant. The coverage shall contain no special limitations on the scope of protection afforded to Authority, its officers, employees and agents.
- (5) For any claims related to this Agreement, Consultant's insurance coverage shall be primary insurance as respects Authority. Any insurance or self-insurance maintained by Authority shall be excess of Consultant's insurance and shall not contribute with it.

- (6) Any failure to comply with reporting or other provisions of the policies, including breaches of warranties shall not affect coverage provided to Authority, their officers, employees, and agents.
- (7) Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- (8) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, or cancelled by either party, or reduced in coverage or in limits except after 30 days prior written notice by certified mail, return receipt requested, has been given to Authority.

F. **Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII unless waived by Authority's Risk Manager.

G. **Verification of Coverage.** Consultant shall furnish Authority with original endorsements effecting coverage required by this section. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by Authority before work commences.

H. **Subcontractors.** Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

12. Cooperation. In the event that any claim or action is brought against Authority relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which Authority might require.

13. Termination. Authority shall have the right to terminate the services of Consultant at any time or for any reason upon ten (10) calendar days written notice to Consultant. In the event this Agreement is terminated by Authority, Consultant shall be paid within thirty (30) days for any services properly performed through the end of the working day the Agreement on which Consultant receives the termination notice, and Consultant shall have no other claim against Authority by reason of such termination, including, but not limited to, any claim for compensation.

14. Suspension. Authority may, in writing, order Consultant to suspend all or any part of the Consultant's services under this Agreement for the convenience of Authority or for work stoppages beyond the control of Authority or Consultant. Subject to the provisions of this Agreement relating to termination, a suspension of the work does not void this Agreement. In the event that work is suspended for a period exceeding 120 days, the schedule and cost for completion of the work will be adjusted by mutual consent of the parties.

15. Notices. Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on (a) the day of delivery if delivered by hand during receiving party's regular business hours or by facsimile before or during receiving party's regular business hours; or (b) on the second business day following deposit in the United States mail, postage prepaid, to the addresses heretofore below, or to such other addresses as the parties may, from time to time, designate in writing pursuant to the provisions of this section.

Authority:

San Francisquito Creek Joint Powers Authority
615-B Menlo Avenue
Menlo Park, CA 94025
Attention: Kevin Murray

Consultant:

HT Harvey and Associates
983 University Avenue, Building D
Los Gatos, CA 95032
Attention: Max Busnardo

16. Discrimination and Equal Employment Opportunity. In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, disability, medical condition, or sexual orientation. Consultant will take affirmative action to ensure that employees are treated without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, disability, medical condition, or sexual orientation.

17. Assignability; Subcontracting. Consultant shall not assign, transfer, or subcontract any interest in this Agreement or the performance of any of Consultant's obligations hereunder, without the prior written consent of Authority, and any attempt by Consultant to so assign, transfer, or subcontract any rights, duties, or obligations arising hereunder shall be void and of no effect.

18. Compliance with Laws. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state, and local governments.

19. Non-Waiver of Terms, Rights and Remedies. Waiver by either party of any one or more of the conditions of performance under this Agreement shall not be a waiver of any other condition of performance under this Agreement. In no event shall the making by Authority of any payment to Consultant constitute or be construed as a waiver by Authority of any breach of this Agreement, or any default which may then exist on the part of Consultant, and the making of any such payment by Authority shall in no way impair or prejudice any right or remedy available to Authority with regard to such breach or default.

20. Attorney's Fees. In the event that either party to this Agreement shall commence any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party in such action or proceeding shall be entitled to recover its costs of suit, including reasonable attorney's fees. The venue for any litigation shall be San Mateo County or Santa Clara County.

21. Exhibits; Precedence. All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement.

22. Entire Agreement. This Agreement, and any other documents incorporated herein by specific reference, represent the entire and integrated agreement between Authority and Consultant. This Agreement supersedes all prior oral or written negotiations, representations or agreements. This Agreement may not be amended, nor any provision or breach hereof waived, except in a writing signed by the parties to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

“Authority”

San Francisquito Creek Joint Powers Authority

By: _____
Len Materman, Executive Director

“Consultant”

HT Harvey and Associates

By: _____

Exhibit A

Scope of Work

Faber Tract Marsh Tidal Marsh and Upland Habitat Enhancement Project- Ecological Construction Support and Post-construction Monitoring and Reporting

Proposal #8757

April 21, 2017

Introduction

H. T. Harvey & Associates proposes to provide ecological consulting services to the San Francisquito Creek Joint Powers Authority (SFCJPA) to assist with constructing and monitoring tidal marsh and upland habitat enhancements in Faber Tract Marsh. The enhancements will provide mitigation for impacts on the tidal marsh-upland transition zone from the San Francisquito Creek Flood Protection Project, as required by the *San Francisquito Creek Flood Protection Project: Conceptual High-Tide Refuge Habitat Enhancement Plan* produced by H. T. Harvey & Associates (Enhancement Plan). The Enhancement Plan has been approved by the U.S. Fish and Wildlife Service (USFWS). The enhancements are designed to benefit the California Ridgway's rail (*Rallus obsoletus obsoletus*) and salt marsh harvest mouse (*Reithrodontomys raviventris*) during high-tide events.

This scope of work includes (1) an update to the 60% construction plans for the berm and islands (2) construction support to function as the SFCJPA's representative to guide the SFCJPA's qualified restoration contractor during the installation of five high-tide refuge islands and approximately 7.5 acres of berm revegetation around Faber Marsh; (3) plant materials for enhancement installation and maintenance; and (4) monitoring, reporting, and making maintenance recommendations for the berms and islands during a 3-year post-construction monitoring period.

A separate contract is in place with the Santa Clara Valley Water District (District) under which H. T. Harvey & Associates has prepared 60% construction documents for the berm and island enhancements in accordance with the Enhancement Plan. That contract also includes scope for H. T. Harvey & Associates to assist with contractor on-boarding.

Scope of Services

Task 1. Update 60% Construction Documents

H. T. Harvey & Associates will update the 60% construction documents (previously prepared under a separate contract) to include/revise the following:

- Update the staging area location/notes based on additional information provided by SFCJPA and the District to avoid staging outside of the Creek Project's work area.
- Add predator exclusion/deterrent feature plans and details -- include permanent predatory exclusion fencing at the western end of the South Berm, and raptor perching deterrent features on top of wooden pole bridge markers. It is assumed that (1) the SFCJPA will provide conceptual information for these elements, and (2) telephone/email coordination will be needed with the SFCJPA/SCVWD, the Wildlife Refuge, and BCDC regarding the design of the predator exclusion fence.
- Show the location of project-wide interpretive signage required by the regulatory agencies for the Creek Project
- Add notes regarding filling in the depression adjacent to the levee near station 18+00 (the other depression near station 22+00 will be filled by the flood control project)

This task also includes up to 6 coordination conference calls with the SFCJPA/SCVWD.

Deliverables

- Updated 60% Construction Documents (1 iteration)

Task 2. Construction Period Services

The level of effort needed from H. T. Harvey & Associates during construction will depend on several current unknowns, including the final design, project timeline, contractor expertise, and level of project oversight provided by SFCJPA and District staff. The following scope and associated budget are based on our understanding of the 30% construction documents and the typical construction process with a qualified restoration contractor. If a greater level of construction support is necessary, additional design services may be negotiated at our standard rates.

Subtask 2.1. Design Completion

We understand from the RFP that the SFCJPA's selected restoration contractor will complete the project design with guidance from the SFCJPA's selected ecological consultant. H. T. Harvey & Associates restoration ecologists and landscape architects will provide project design advice, particularly as it relates to installation methods and locations, to assist the contractor as it completes project design in accordance with the Enhancement Plan. This task includes telephone and email communications with the SFCJPA and the contractor. We will review and provide written markups and comments on the contractor's various design submittals.

Deliverables

- Written markups and comments on the contractor's design submittals

Subtask 2.2. Contractor Coordination and Observation

Our restoration ecologists and landscape architects will collaborate with the SFCJPA and the selected contractor to ensure that the intent of the final construction documents is implemented by the contractor. H. T. Harvey & Associates will provide up to 180 hours of field construction observation effort to verify the contractor's compliance with the approved construction documents and verify that the ecological elements comply with the project permits. In addition, we will provide up to 34 hours for meetings and project management during the construction period. The task includes preparing responses to the contractor's requests for information during construction.

Deliverables

- Periodic written summaries of construction observations, submittal review forms, and responses to the contractor's requests for information

Task 2 Assumptions

- The SFCJPA will retain a contractor with recent experience in constructing high-tide refuge islands and constructing and maintaining habitat restoration projects in tidal marsh and ecotone habitats along the San Francisco Bay margin.
- The contractor will flag and construct the five refuge islands in a maximum of 3 days outside of the Ridgway's rail breeding season (September 1–January 31).
- The contractor will construct enhancement berms in a single construction season outside of the Ridgway's rail breeding season (September 1–January 31).
- Sample flagging installed or checked by H. T. Harvey & Associates will be sufficient to advise the contractor regarding nonnative plant control, avoidance of native plant species, and plant layout.
- This scope of work does not include preparing a biological as-built report (for submittal to the permitting agencies) or herbicide use proposal (for submittal to USFWS) because the request for proposals (RFP) did not include these items, although they are a requirement of the Enhancement Plan and biological opinion. H. T. Harvey & Associates can prepare these items for additional scope and budget, if requested.
- Construction monitoring for Ridgway's rail and salt marsh harvest mouse, by a USFWS-approved biologist, is not included. We assume, based on the Enhancement Plan and biological opinion, that such monitoring will not be required by USFWS.

Task 3. Nursery Coordination

Subtask 3.1. Container Plants for Island and Berm Installation

We understand that the SFCJPA has contracted directly with The Watershed Nursery (Richmond, California) (TWN) for initial plant propagation. H. T. Harvey & Associates will retain TWN to provide the required

quantities and species for the 7.5 acres of berm revegetation and construction of the five refuge islands during winter 2017–2018, based on the Updated 60% construction documents. This subtask will include one inspection of plants at the nursery during the growing period and communications regarding species substitutions, if needed, during the nursery propagation process.

Deliverables

- Container plants for berm and island installation in winter 2017–2018

Subtask 3.2. Replacement Container Plants for Island and Berm in Years 1 and 2

The Enhancement Plan calls for replacement of all dead woody plants (shrubs) on islands and berms during the first 2 years following construction. We estimate up to 25% of installed shrub plantings will require replacement during these first 2 years. Therefore, we will retain TWN to grow 25% of the quantity and species of berm and island shrubs in the 60% construction documents as replacement plants for installation during winter 2018–2019 and 2019–2020. This subtask includes H. T. Harvey & Associates' preparation of the replacement plant species palette and quantities for our contract with TWN. This task also includes communications with TWN to approve collection locations and make species substitutions, if needed, during the nursery propagation process.

Deliverables

- Container plants for berm and island plant replacement during winter 2018–2019 and 2019–2020

Task 3 Assumptions

- TWN will be directly contracted to H. T. Harvey & Associates.
- For each year of production, a non-refundable deposit of 50% of total anticipated contract costs for that year's production is required to begin the production for each year. This amount will be credited to the final invoice for each year's production budget. The remaining budget for each year's production will be invoiced after delivery of material.
- The SFCJPA is responsible for accepting the contracted plant material by January 15th for each production cycle. If the contracted plants are not picked up at the completion date, the SFCJPA will be invoiced for the entire cost of the contracted plants minus any delivery fees. After 30 days of the completion date, a monthly maintenance charge of 10% of the total plant value of the contract will be billed.
- If project is delayed beyond 6 months it may be necessary for plant health to either increase container size or re-sow plant material (*re-sowing of project material is dependent on propagule availability). At this point all Task 3 payments will be forfeited and a new contract for the re-sized or re-grown material may be arranged.

Task 4. Annual Monitoring and Reporting

H. T. Harvey & Associates will implement the post-construction ecological monitoring and reporting on the islands and berms required by the Enhancement Plan. Monitoring will include periodic observations of site conditions to inform maintenance during the 3-year habitat establishment period. Reporting will include maintenance recommendations and the annual monitoring reports prescribed in the Enhancement Plan. Annual monitoring and reporting in Years 1–3 will be led by H. T. Harvey & Associates restoration ecologists. A District biologist will assist H. T. Harvey & Associates with field data collection each year. This task includes up to 12 hours per year for the H. T. Harvey & Associates project manager and 6 hours per year for the principal-in-charge to coordinate the subtasks in Task 3 with the SFCJPA, the District, and the selected project contactor via phone and email correspondence.

Subtask 4.1. Annual Monitoring and Reporting in Year 1 (2018–2019)

An H. T. Harvey & Associates restoration ecologist and a District biologist will carry out Year 1 annual monitoring of the installed islands and berm enhancements. The team will conduct a 1-day field effort to survey habitat elevation and vegetation at each of the five islands during fall 2018, after the California Ridgway's rail breeding season has ended. Monitoring will be done in accordance with the methods described in the Enhancement Plan. A laser level will be used to collect island elevation data (required in Years 1 and 3). Island elevations will be measured relative to a nearby elevation control stake (installed during Task 1). Marsh gumplant (*Grindelia stricta*) percent survival (required in Years 1 and 2 only), gumplant height, and gumplant canopy cover will be measured, and the average absolute percent cover of vegetation on each island will be estimated. Photodocumentation will be collected.

The enhanced berms will be monitored using the methods identified in the Enhancement Plan. Percent cover among installed shrub patches will be quantified along permanent transects (using the line-intercept method), and shrub patch size and distance metrics will be measured for comparison to the performance criteria. Cover among the shrub patches without transects will be estimated to inform weed control recommendations. Percent survival of shrubs will be determined by counting all live shrubs (in Years 1 and 2 only) to determine replanting quantities and locations. Percent cover of vegetation on berms will be assessed outside of shrub patches in the high marsh, ecotone, and upland planting zones using the quadrat method for comparison to the success criteria. Photodocumentation will be collected. We estimate that 3 days will be sufficient to complete annual berm monitoring.

In addition to annual monitoring, an H. T. Harvey & Associates restoration ecologist will perform up to four maintenance inspections to assess the contractor's maintenance work relative to the Enhancement Plan's maintenance goals (e.g., during installation of replacement plants on berms and islands, to assess need for weed control, changes in irrigation regime, or other maintenance needed to keep the berms on track toward meeting project success criteria).

H. T. Harvey & Associates will analyze the monitoring data and prepare an annual monitoring report for submittal to the SFCJPA and the District by January 31, 2019. The Year 1 report is due to USFWS by February 1, 2019. The report will document the condition of the refuge islands and berm enhancements relative to the criteria in the Enhancement Plan and include the following sections: executive summary, introduction, methods, results, and management recommendations. The report will identify final quantities for replacement plants installed on islands and berms by the SFCJPA contractor in winter 2018–2019.

Results of maintenance inspections will be provided as concise (one- to two-page) memoranda to the SFCJPA following each site visit

Deliverables

- Monitoring report and up to four maintenance memoranda

Subtask 4.2. Annual Monitoring and Reporting in Year 2 (2019–2020)

An H. T. Harvey & Associates restoration ecologist and a District biologist will carry out the field data collection for Year 2 annual monitoring of the islands and berms. Island monitoring will be conducted as described for Year 1 except no elevation data will be collected in Year 2.

Maintenance monitoring will be conducted as described for the Year 1 monitoring subtask.

H. T. Harvey & Associates will analyze the field data and prepare an annual monitoring report and maintenance memoranda as described for Year 1.

Deliverables

- Monitoring report and up to four maintenance memoranda

Subtask 4.3. Annual Monitoring and Reporting in Year 3 (2020–2021)

H. T. Harvey & Associates and the District will carry out Year 3 annual monitoring fieldwork as described for Year 1 (with elevation monitoring).

Maintenance monitoring will be conducted as described for the Year 1 monitoring subtask.

H. T. Harvey & Associates will analyze the field data and prepare an annual monitoring report and maintenance memoranda as described for Year 1 except that the annual monitoring report will not identify replanting quantities if the islands and berms meet the performance criteria in the Enhancement Plan.

Deliverables

- Monitoring report and up to four maintenance memoranda

Task 4 Assumptions

- A District biologist will assist an H. T. Harvey & Associates restoration ecologist during data collection for the annual monitoring report.
- H. T. Harvey & Associates will make a single round of revisions to the annual monitoring reports based on a single set of consolidated comments from the SFCJPA and the District. Only minor revisions will be necessary, and the SFCJPA and the District will resolve any conflicting reviewer comments before sending a single set of consolidated comments to H. T. Harvey & Associates.
- The level of effort outlined in this proposal is sufficient to implement and monitor the mitigation actions in the Enhancement Plan. If the site fails to meet the performance criteria, this proposal does not cover the design of remediation measures or additional ecological monitoring that may be required by the permitting agencies.
- The project's biological opinion requires monitoring by a USFWS-approved biologist during maintenance work during the rail breeding season. This scope does not include monitoring for Ridgway's rail by a USFWS-approved biologist during the contractor's weed control activities during the rail breeding season because the level of effort for this work cannot be estimated until the contractor establishes a weed control schedule. H. T. Harvey & Associates can scope and budget this work, if requested, after the contractor's weed control schedule is known.

Optional Task 5. Biological As-built Report and Annual Pesticide Reports

Biological As-built Report. The Enhancement Plan (required by the Biological Opinion) requires submittal of a Biological As-built Report to the USFWS within 60 days of the completion of construction. We will utilize our construction monitoring notes to prepare an as-built report to document any substantial deviations between the constructed condition and the conceptual design in the Enhancement Plan. A draft of each report will be submitted to the SFCJPA and SCVWD within 30 days after completion of construction for review. We will make a single round of revisions and generate the final as-built report for the SFCJPA's submission to the USFWS.

In addition to documenting substantial deviations from the Enhancement Plan, the as-built report for the islands will include baseline measurements of refuge island heights for comparison to the island height performance criterion, species and number of plants installed, documentation of soil used for construction, timing of construction, and photo-documentation. The as-built report for the berms will include the location of shrub patch monitoring transect endpoints, which H. T. Harvey & Associates will establish in 5% of the shrub patches per the Enhancement Plan following plant installation; as well as center points of all shrub patches to inform future shrub patch monitoring, a record of species and number of plants installed, site preparation actions, timing of construction, and photo-documentation.

The budget for this task assumes that the majority of the monitoring necessary for this task will be carried out during Task 2, above. However, this task includes one restoration ecologist for up to two additional field days

to complete data collection for the As-built report. We assume a SCVWD biologist will accompany H. T. Harvey & Associates ecologist during field data collection.

Annual Pesticide Use Reports (Years 1-3). The Enhancement Plan requires that the herbicides for invasive plant control be approved for use by USFWS prior to application. A record of herbicides applied (e.g., type, quantity, timing) must be submitted to USFWS by January 31 of each year documenting the previous year's herbicide use. H. T. Harvey & Associates will provide up to 6 annual pesticide use requests and 4 annual pesticide use reports: prior to installation of berm enhancements and during the 3-year maintenance period. These will be submitted to the SFCJPA and SCVWD for approval, and then to the USFWS. Annual pesticide use reports will be submitted with annual monitoring reports when possible. This task includes up to 8 hours of time to coordinate with USFWS and SCVWD to determine approved pesticides and time to coordinate with the contractor to communicate approved herbicides and receive herbicide use logs.

Exhibit B
Fee Estimate



Project Name: Tidal Marsh and Upland Habitat Enhancements in Faber Tract Marsh

Proposal Number: 8757

Date: April 21, 2017

Staff Time Estimates

Task	Personnel Hours by Task										HTH Cost by Task	HTH Direct Expenses (incl. 6% mark-up)	3% annual rate increase	Subcontractor (The Watershed Nursery)	6% mark-up on Subcontractor	Total Project Cost (includes HTH 6% mark up)
	Max Busnardo Principal, Restoration Ecology	Joe Howard Principal, Landscape Architect	Karen Verpeet Senior Associate, Landscape Architect	Gavin Archbald Senior Restoration Ecologist	Matt Pollock Restoration Ecologist	Lauren DeSilva Restoration Landscape Designer	Steve Rottenborn Principal, Wildlife Ecology	Graphics/GIS	Technical Editor	Support						
Task 1. 60% Construction Document Updates (including 6 conference calls)	12	4	16			45	2			2	\$ 14,121	\$ -				\$ 14,121
Task 2. Construction Period Services																
Task 2.1. Design Completion	8	8	2	24		20				2	\$ 10,742	\$ 46				\$ 10,788
Task 2.2. Contractor Coordination and Observation	20	12	2	60	120					2	\$ 30,974	\$ 566				\$ 31,540
Task 3. Nursery Coordination												\$ -				
Task 3.1. Container Plants for Island and Berm Installation	1			8	12					1	\$ 2,939	\$ 69		\$ 77,902	\$ 4,674	\$ 85,584
Task 3.2. Replacement Container Plants for Island and Berm in Years 1 and 2	2			8	12					1	\$ 3,160	\$ 206		\$ 14,383	\$ 863	\$ 18,612
Task 4. Annual Monitoring and Reporting											\$ -					\$ -
Task 4.1. Year 1 (2018-2019)	6			40	112			10	4	2	\$ 22,350	\$ 512	\$ 686			\$ 23,548
Task 4.2 Year 2 (2019-2020)	8			32	100			6	4	2	\$ 19,724	\$ 358	\$ 1,205			\$ 21,287
Task 4.3 Year 3 (2020-2021)	8			28	96			6	4	2	\$ 18,644	\$ 358	\$ 1,710			\$ 20,712
Total Labor Hours	65	24	20	200	452	65	2	22	12	14						Total Cost
TOTAL COST	\$ 14,365	\$ 5,304	\$ 3,980	\$ 30,200	\$ 53,788	\$ 9,815	\$ 442	\$ 2,376	\$ 1,236	\$ 1,148	\$122,654	\$2,114	\$3,601	\$92,285	\$5,537	\$226,192



H.T. HARVEY & ASSOCIATES

Ecological Consultants

Project Name: Tidal Marsh and Upland Habitat Enhancements in Faber Tract Marsh

Proposal Number: 8757

Project Number:

Date: April 21, 2017

PROJECT BUDGET

I. Personnel Costs

Professional Staff*	Hours	Rate	Total
Max Busnardo	65	\$ 221.00	\$ 14,365
Joe Howard	24	\$ 221.00	\$ 5,304
Karen Verpeet	20	\$ 199.00	\$ 3,980
Gavin Archbald	200	\$ 151.00	\$ 30,200
Matt Pollock	452	\$ 119.00	\$ 53,788
Lauren DeSilva	65	\$ 151.00	\$ 9,815
Steve Rottenborn	2	\$ 221.00	\$ 442
Graphics/GIS	22	\$ 108.00	\$ 2,376
Technical Editor	12	\$ 103.00	\$ 1,236
Support	14	\$ 82.00	\$ 1,148
Subtotal			\$ 122,654

Annual Labor Escalation

3% annual rate increase	\$ 3,601
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Subcontractor Costs

Subcontractor (The Watershed Nursery)	\$ 92,285
Service Fees (6%)	\$ 5,537
Subtotal	\$ 97,822

II. Direct Costs

	Units	Rate	
Travel (\$0.54/mile)	2120	\$ 0.54	\$ 1,145
Per Diem (days x rate)	0	\$ 251	\$ -
GIS (per hour surcharge)	22	\$ 10	\$ 220
Equipment			\$ 630
Expendable Supplies			\$ -
Other			\$ -
Service Fees (6%)			\$ 120
Subtotal			\$ 2,114

III. Total Budget

\$ 226,192

* Please note: Substitutions of other similarly-qualified individuals may be made when necessary

Exhibit C Proposed Project Schedule

H. T. Harvey & Associates proposes to complete the tasks and subtasks described above according to the following schedule.

Task	Task/Subtask Number	Subtask	Duration
Update 60% Construction Documents	Task 1		May 2017–June 2017
Construction period services	Subtask 2.1	Design completion	July 2017–September 2017
	Subtask 2.2	Contractor coordination and observation	September 2017–January 2018
Nursery coordination	Subtask 3.1	Plant order for island and berm installation	April 2017–January 2018
	Subtask 3.2	Replacement plant orders for island and berm in Years 1 and 2	February 2018–January 2020
Annual monitoring and reporting	Subtask 4.1	Annual monitoring and reporting in Year 1 (2018–2019)	January–December 2018
	Subtask 4.2	Annual monitoring and reporting in Year 2 (2019–2020)	January–December 2019
	Subtask 4.3	Annual monitoring and reporting in Year 3 (2020–2021)	January–December 2020

Agenda Item 5.c.

Approve the
Fiscal Year 2017-18
Operating Budget

San Francisquito Creek Joint Powers Authority Operating Budget
FY2016-17 Approved and Estimated Year-End, and FY2017-18 Proposed

REVENUES	Approved FY16-17	Estimated FY16-17 Year-End	Proposed FY17-18
Member Agency contributions (\$152,000 x 5) ¹	760,000	760,000	760,000
Grant administration: S.F. Bay-Hwy. 101 project ²	70,000	35,000	130,000
Grant administration: SAFER Bay project	37,500	46,000	35,000
Upstream of Highway 101 EIR legal	15,000	0	15,000
Flood Control 2.0 regional project (completed in 2016)	10,000	44,997	0
Interest	400	100	200
Other Revenue	0	648	1,000
Total Revenues	\$892,900	\$886,745	\$941,200
EXPENSES			
Acct. Description			
Personnel			
1 Executive Director Salary ³	160,000	175,117	165,600
2 E.D. Transportation Allowance	5,000	5,000	5,000
3 Finance & Administration Manager (FAM) Salary ⁴	90,763	95,979	96,750
4 Senior Project Manager (SPM) Salary ⁴	105,070	111,108	112,000
5 Project Manager Salary	90,000	90,000	100,000
6 Employee Benefits	200,000	195,000	207,000
7 Membership Dues	4,900	4,000	4,500
8 Payroll Administration/Fees	2,900	2,900	3,000
9 Employer Taxes	40,000	53,000	55,000
Subtotal Personnel	698,633	732,105	748,850
Contract Services			
10 Legal Counsel	44,000	37,500	40,000
11 Auditor	15,000	15,000	15,000
12 Project Consultants	40,000	35,000	35,000
Subtotal Contract Services	99,000	87,500	90,000
Administrative			
13 Computers/Software	3,000	3,000	3,000
14 Meeting Supplies	1,000	1,200	1,200
15 Travel/Training	3,200	8,000	6,500
16 Office Supplies	1,200	1,200	1,200
17 Telecommunication	2,300	2,300	2,300
18 Postage	200	200	200
19 Printing/Design	350	1,500	1,200
20 Website	2,300	2,300	2,500
21 Liability Insurance	5,800	6,210	6,210
22 Office Lease	33,000	33,000	35,000
23 Utilities	6,500	6,500	6,500
24 Office furniture/maintenance	1,000	1,420	1,500
Subtotal Administrative	59,850	66,830	67,310
General Contingency			
25 General Contingency	35,000	0	35,000
Total Expenses	\$892,483	\$886,435	\$941,160

NOTES: ¹ In FY17-18, Member Agency contribution are proposed to remain level for third consecutive year

² Based on expected grant revenue, after FY17-18 \$25,000 in administration will be available from the Bay-Hwy. 101 project

³ Estimated Year-End salary of Exec. Dir. includes an increase approved mid-year and annual cash out of accrued vacation leave

⁴ Estimated Year-End salary of FAM and SPM includes a one-time per FY cash out of accrued vacation leave

San Francisquito Creek Joint Powers Authority
Proposed Fiscal Year 2017-18 Operating Budget

REVENUES	Amount
Member Agency contributions (\$152,000 x 5) ¹	760,000
Grant administration: S.F. Bay-Hwy. 101 project ²	130,000
Grant administration: SAFER Bay project	35,000
Upstream of Highway 101 EIR legal	15,000
Interest	200
Other Revenue	1,000
Total Revenues	\$941,200

EXPENSES

Acct.	Description	
Personnel		
1	Executive Director Salary	165,600
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
6	Employee Benefits	207,000
7	Membership Dues	4,500
8	Payroll Administration/Fees	3,000
9	Employer Taxes	55,000
	Subtotal Personnel	748,850
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	1,200
15	Travel/Training	6,500
16	Office Supplies	1,200
17	Telecommunication	2,300
18	Postage	200
19	Printing/Design	1,200
20	Website	2,500
21	Liability Insurance	6,210
22	Office Lease	35,000
23	Utilities	6,500
24	Office furniture/maintenance	1,500
	Subtotal Administrative	67,310
General Contingency		
25	General Contingency	35,000
	Total Expenses	\$941,160

Agenda Item 5.e.

Management Letter for
Fiscal Year 2014-15
Audited Financial Statements



April 17, 2017

Board of Directors
San Francisquito Creek Joint Powers Authority
615B Menlo Avenue
Menlo Park, California 94025

We have audited the financial statements of San Francisquito Creek Joint Powers Authority for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by San Francisquito Creek Joint Powers Authority are described in Note 1 to the financial statements. *We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. *Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.*

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. *We are pleased to report that no such disagreements arose during the course of our audit.*

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. *To our knowledge, there were no such consultations with other accountants.*

Other Audit Findings or Issues

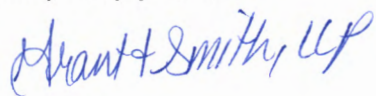
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Board of Directors and management of San Francisquito Creek Joint Powers Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Grant & Smith, LLP

Agenda Item 5.e.

Fiscal Year 2014-15
Audited Financial Statements

**SAN FRANCISQUITO CREEK
JOINT POWERS AUTHORITY
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**



**SAN FRANCISQUITO CREEK
JOINT POWERS AUTHORITY**



GRANT & SMITH, LLP
Certified Public Accountants

SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
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AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
San Francisquito Creek Joint Powers Authority
Menlo Park, California

We have audited the accompanying statement of net position of San Francisquito Creek Joint Powers Authority (the "Authority") as of June 30, 2015, and the related statement of revenues, expenses and changes in net position and of cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

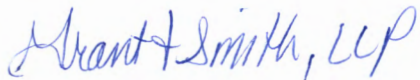
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority at June 30, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 to 6, schedule of Authority's proportionate share of net pension liability, and schedule of employer contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Oakland, California
April 17, 2017



SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2015

This Management's Discussion and Analysis is intended to serve as a narrative overview and analysis of the financial activities of the San Francisquito Creek Joint Powers Authority (the "Authority") for the year ended June 30, 2015. The information presented here should be read in conjunction with the information furnished in the financial statements and notes to the financial statements.

Overview of the Financial Statements

The Authority's financial statements include the statement of net position, statement of revenues, expenses and changes in net position, and statement of cash flows. Also included are the notes to the financial statements.

The statement of net position shows the difference between assets and liabilities. Net position is classified into three categories: invested in capital assets (net of related debt), restricted, and unrestricted. The Authority had no capital assets nor any restricted net position and related debt at June 30, 2015.

The statement of revenues, expenses and changes in net position shows the revenues and expenses that contributed to the change in net position during the year.

The statement of cash flows summarizes the cash inflows and outflows based on type of activity, including cash flows from operations, non-capital financing activities, capital and related financing activities, and investing activities. The Authority had no capital and related financing activity during the year ended June 30, 2015.

Notes to the financial statements provide additional information that is essential to a full understanding of the information provided in the financial statements.

Financial Analysis

The most significant events affecting the comparability of the Authority's financial statements for the year ended June 30, 2015, to the prior year are highlighted below.

Statement of Net Position

The net position of the Authority decreased by \$21,446 from the prior year. The composition of net position as of June 30, 2015 and 2014 is shown in the following table:

SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2015

	<i>FY 14-15</i>	<i>FY 13-14</i>	<i>Change</i>
Cash	\$692,377	\$1,011,775	\$(319,398)
Other government receivables	100,846	132,959	(32,113)
Prepaid expenses	14,191	14,258	(67)
Total assets	<u>807,414</u>	<u>1,158,992</u>	<u>(351,578)</u>
Accounts payable	14,301	35,108	(20,807)
Accrued salaries and benefits	35,636	36,221	(585)
Total liabilities	<u>49,937</u>	<u>71,329</u>	<u>(21,392)</u>
Deferred Inflows of Resources	542,006	850,746	(308,740)
Net Position	<u>\$215,471</u>	<u>\$236,917</u>	<u>\$(21,446)</u>

Other government receivables and accounts payable decreased by \$32,113 and \$20,807, respectively, due to less accrued expenses for capital projects than the prior year. Deferred Inflows of Resources decreased by \$308,740.

Statement of Revenues, Expenses and Changes in Net position

During the year ended June 30, 2015, the Authority's net position decreased by \$21,446 from the prior year. This change in net position is shown in the following table:

	<i>FY 14-15</i>	<i>FY 13-14</i>	<i>Change</i>
Total operating revenues	\$590,000	\$590,000	\$0
Total operating expenses	604,518	540,069	(64,449)
Operating profit (loss)	(14,518)	49,931	(64,449)
Net non-operating revenues(expenses)	(6,928)	796	(7,724)
Change in net position	(21,446)	50,727	(72,173)
Net position, beginning of year, as restated	236,917	186,190	50,727
Net position, end of year	<u>\$215,471</u>	<u>\$236,917</u>	<u>\$(21,446)</u>

SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2015

Operating revenues are comprised of Member Entity contributions. Each member contributed \$118,000 in fiscal year 2013-2014 and \$118,000 in fiscal year 2014-2015.

Operating expenses are comprised of the personnel cost of the Authority's three employees, project consultants, legal and accounting, insurance and office expenses. The Authority's operating expenses for the year ended June 30, 2015, increased by \$64,449 which is primarily due to the following:

- Approximate \$35,636 increase in Personnel Costs is primarily due to payout of vacation expense that reduced authority liabilities.
- Legal expenses increased by \$20,000 due to permit process.

During the year, the Authority implemented GASB 68 which required the Authority to account for its portion of pension expense and liability. Implementation of GASB 68 required net position to be restated by (\$203,347) from \$236,917 to \$35,570.

Summary of Known Facts, Decisions or Conditions

The following are currently known facts decisions or conditions that are expected to have a significant impact on the financial position or changes in financial position of the Authority:

- The Authority's operational budget is funded by annual member agency contributions. The member agencies derive funding from different sources within their general budgets. Those budgets are dependent upon the State's economy and a future stable economic climate. The Authority members are only bound in a voluntary agreement, and make year-to-year decisions whether they will continue to participate in the Authority by contributing the amount requested by the Authority through its approved operating budget.

**SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2015**

Requests for Information

The annual financial report is designed to provide a general overview of the Authority's finances and operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Mr. Len Materman
Executive Director
San Francisquito Creek Joint Powers Authority
615 B Menlo Ave.
Menlo Park, CA 94025

**SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

ASSETS

CURRENT ASSETS

Cash and Investments	\$	692,377
Other Government Receivables		104,501
Prepaid Expenses		14,191
Total Assets		811,069

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts Payable		14,301
Accrued Salaries and Benefits		35,636
Total Current Liabilities		49,937

NONCURRENT LIABILITY

Pension Liability		164,311
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DEFERRED INFLOWS OF RESOURCES

Unearned Grant Income		542,006
Pension Deferred		39,036
Total Deferred Inflows of Resources		581,042

NET POSITION-Unrestricted

	\$	15,779
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See accompanying notes.

**SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015**

	ACTUAL	BUDGET	VARIANCE
OPERATING REVENUES-Member			
Entity Contributions:			
City of Palo Alto	\$ 118,000	\$ 118,000	\$
City of East Palo Alto	118,000	118,000	
City of Menlo Park	118,000	118,000	
Santa Clara Valley Water District	118,000	118,000	
San Mateo County Flood Control District	118,000	118,000	
Total Operating Revenues	<u>590,000</u>	<u>590,000</u>	
OPERATING EXPENSES:			
Personnel:			
Salaries and Wages	268,849	267,867	982
Benefits	174,524	157,000	17,524
Payroll Taxes	24,976	24,000	976
Pension Expense			
Personnel Services	8,186	6,800	1,386
Auto Allowances	5,000	5,000	
Legal	51,087	35,000	16,087
Financial/CPA	12,000	15,000	(3,000)
Grant Administrator	6,344	53,000	(46,656)
Office Expense	50,054	53,350	(3,296)
Consultant Services/Studies		40,000	(40,000)
Contingency	3,498	10,000	(6,502)
Total Operating Expenses	<u>604,518</u>	<u>667,017</u>	<u>(62,499)</u>
Operating Profit(Loss)	<u>(14,518)</u>	<u>(77,017)</u>	<u>62,499</u>
NON-OPERATING REVENUES (EXPENSES):			
Interest	858	1,500	(642)
Grants		77,000	(77,000)
Federal Contribution to Corps Project			
Local Agencies Contribution to Corps Project	532,057		532,057
JPA Projects	93,371		93,371
Consultant Services/Project	(629,559)		(629,559)
Total Non-Operating Revenues(Expenses)	<u>(3,273)</u>	<u>78,500</u>	<u>(81,773)</u>
CHANGES IN NET POSITION	(17,791)	1,483	(19,274)
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	236,917		236,917
ADOPTION OF GASB 68 (NOTE 4)	(203,347)		
NET POSITION, BEGINNING OF YEAR, AS RESTATED	<u>33,570</u>		
NET POSITION, END OF YEAR	<u>\$ 15,779</u>	<u>\$ 1,483</u>	<u>\$ 217,643</u>

See accompanying notes.

**SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Member Entities	\$ 590,000
Cash Paid to Employees for Services	(468,934)
Cash Paid for all Expenses Other Than Employees	<u>(132,582)</u>
Cash (Used) by Operating Activities	(11,516)

CASH FLOWS FROM INVESTING ACTIVITY

Interest Received	858
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CASH FLOWS FROM CAPITAL FINANCING ACTIVITY

Cash Received from Grantors	<u>(308,740)</u>
Decrease in Cash	(319,398)

CASH & INVESTMENTS, BEGINNING OF YEAR

1,011,775

CASH & INVESTMENTS, END OF YEAR

\$ 692,377

NON-CASH NON-CAPITAL FINANCING ACTIVITY

Project Costs Paid by U.S. Army Corps of Engineers	<u><u>\$</u></u>
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**RECONCILIATION OF CASHFLOWS FROM OPERATING ACTIVITIES
TO OPERATING LOSS:**

Cash Provided(Used) by Operating Activities	\$ (11,516)
Decrease in Other Government Receivables	(28,458)
Increase in Prepaid Expenses	(67)
Decrease in Accounts Payable	24,938
Increase in Accrued Salaries and Benefits	585
Operating Profit(Loss)	<u><u>\$ (14,518)</u></u>

See Accompanying Notes.

**SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 1 – NATURE OF OPERATIONS

The San Francisquito Creek Joint Powers Authority (the “Authority”) was created in May 1999 as a joint powers authority by the City of Menlo Park, the City of Palo Alto, the City of East Palo Alto, the Santa Clara Valley Water District and the San Mateo Flood Control District (the “Member Entities”). The Authority was formed to manage the joint contribution of services and to provide policy direction on issues of mutual concern related to the San Francisquito Creek, including bank stabilization, channel clearing and other creek maintenance, planning of flood control measures, preserving and enhancing environmental values and instream uses, and emergency response coordination.

The Authority is governed by a five-member board, comprised of one director appointed by each Member Entity. The Authority is legally separate and fiscally independent from each of the Member Entities, which means it can incur debt, set and modify its own budgets and fees, enter into contracts, and sue or be sued in its own name. The accompanying financial statements reflect the financial activity of the Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the related liability is incurred, regardless of the timing of the related cash flows.

The accounts of the Authority are organized on the basis of an enterprise fund. Enterprise funds account for activities: (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; (ii) that are required by laws or regulations that the activity’s cost of providing services, including capital costs (such as depreciation or debt service) be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with an enterprise fund’s principal ongoing operations. The principal operating revenues of the Authority are contributions from the Member Entities to cover operating costs of the Authority. Operating expenses include administrative salaries and consultant services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Revenue and costs related to the Corps Project (see Note 5) are classified as non-operating revenues and expenses.

**SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

The Authority follows Governmental Accounting Standards Board pronouncements.

Budget

The Board of Directors each year adopts an operating budget consistent with generally accepted accounting principles. This budget is not effective until approved by the governing body of each Member Entity. There were no significant revisions to the budget during the year.

Member Entity Contributions

Under terms of the joint powers agreement, the Authority's Board annually estimates the operating costs of the Authority for the coming fiscal year and proposes a formula for allocating the costs to the Member Entities. The Member Entities then make contributions representing their share of the needed operating costs to the Authority. Each Member Entity contributed \$118,000 during the year ended June 30, 2015, to cover Authority operating costs for the year.

Accumulated Vacation and Sick Leave

By Authority policy, employees earn 96 hours per year of personal leave as well as 112 to 160 hours of vacation, depending on years of service. Up to 180 hours of personal leave and up to 280 hours of vacation can be carried over from year to year until used. The Authority has accrued \$35,636 for this liability at June 30, 2015. Sick leave benefits do not vest and have not been accrued; they are recorded as expense in the period the sick leave is taken. More than 40 hours and up to 120 hours of any combination of accrued vacation leave and accrued administrative leave may be converted to cash, payable to an employee once during each fiscal year at a time requested by the employee.

Grants Received

Grants are reported as non-operating revenue as soon as all eligibility requirements have been met.

Estimates

Management has made estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual values could differ from these estimates.

SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Authority does not report any deferred outflows.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. See note 6.

Net Position

The difference between assets, liabilities and deferred inflow of resources is reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position classified as net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding principal of related debt. Restricted net position is the net position that has external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions, or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

New Accounting Pronouncements Implemented

Governmental Accounting Standards Board Statement No. 68

In June 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27. The primary objective of the Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension

**SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Accounting Standards Board Statement No. 68(Continued)

Disclosures, as they relate to pensions that are provided through pensions plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The requirements of this Statement are effective for the Authority's fiscal year ending June 30, 2015.

New Accounting Pronouncements Not Yet Adopted

Governmental Accounting Standards Board Statement No. 72

In June 2015, GASB issued Statement No. 72, Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for the Authority's fiscal year ending June 30, 2016.

Governmental Accounting Standards Board Statement No. 75

In June 2015, GASB issued Statement No. 75, Accounting and Financial Reporting for Post Employment Benefits Other Than Benefits. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement are effective for the Authority's fiscal year ending June 30, 2018.

Governmental Accounting Standards Board Statement No. 76

The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles

**SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2015**

Governmental Accounting Standards Board Statement No. 76 (Continued)

(GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The requirements of this Statement are effective for the Authority’s fiscal year ending June 30, 2016.

NOTE 3 - CASH AND INVESTMENTS

The cash and investments balance as of June 30, 2015 consisted of:

LAIF		\$	92,799
Wells Fargo Bank			599,344
Petty Cash			234
Total			\$ 692,377

During the year ended June 30, 2015, \$599,344 the Authority’s cash was maintained in bank accounts. California law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for all municipal deposits. This collateral remains with the institution, but is held in the Authority’s name and places the Authority ahead of general creditors of the institution.

Investments authorized by the California Government Code for Authority purchase include:

- Securities of the United States Government
- Securities of United States Government Agencies
- Bankers Acceptances
- Commercial Paper
- Certificates of Deposit
- Negotiable Certificates of Deposit
- California Local Agency Investment Fund
- Securities of California Local Agencies
- Repurchase Agreements
- Medium Term Corporate Notes
- Money Market Mutual Funds
- Savings Account
- Securities of the State of California

\$92,799 was maintained in the State Treasurer's investment pool (Local Agency Investment Fund). Oversight of LAIF is provided by the Pooled Money Investment Board consisting of the Treasurer, Controller and Director of Finance for the State of California. The Agency's position in the pool is equal to the value of the pool shares. The income from the pooled investments is allocated between the participants based on the daily cash balance maintained.

**SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

NOTE 4 - EMPLOYEE RETIREMENT PLAN

General information about the Pension Plan

The Authority provides retirement benefits to its three employees through the California Public Employees Retirement System ("CalPERS"), a cost-sharing multiple-employer defined benefit pension plan. This plan acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. The Authority's employees participate in the Miscellaneous Plan. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 55	
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	7%	
Required employer contribution rates	13.36%	

There were no employees at June 30, 2015 that qualified for the after-January 1, 2013 benefits.

**SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

NOTE 4 - EMPLOYEE RETIREMENT PLAN (CONTINUED)

Contribution Description

Section 20814 (c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined annually as of June 30 through the CalPERS' annual actuarial valuation process. The plans actuarially determined rate is based on the estimated amount necessary to pay the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015 the contributions recognized as part of pension expense were as follows:

Contributions – Employer	\$ 40,307
Contributions - Employee (Paid by Employer)	\$ 10,890
Contributions – Employee (Paid by Employee)	\$ 10,890

Actuarial Assumptions

The total pension liability in the June 30, 2013 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age & Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses: includes Inflation
Mortality Rate Table	Derived using CalPERS Membership Data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.75% thereafter

**SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

NOTE 4 - EMPLOYEE RETIREMENT PLAN (CONTINUED)

All actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The experience study t can be obtained at the CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan. However, employers may determine the impact at the plan level for their own financial reporting purposes. Refer to page 9 of this report, which provides information on the sensitivity of the net pension liability to changes in the discount rate.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as it has changed its methodology.

The long-term expected rate of return on pension plan investments was determined using a building- block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

**SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

NOTE 4 - EMPLOYEE RETIREMENT PLAN (CONTINUED)

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10(a)	Real Return Years 11+(b)
Global Equity	47%	5.25%	5.71%
Global Fixed Income	19%	.99%	2.43%
Inflation Sensitive	6%	.45%	3.36%
Private Equity	12%	6.83%	6.95%
Real Estate	11%	4.5%	5.13%
Infrastructure and Forestland	3%	4.5%	5.09%
Liquidity	2%	(0.55)%	(1.05)%

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

Pension Plan Fiduciary Net Position

Detailed information about the plan fiduciary net position is available in the separately issued CalPERS Financial reports.

**SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

NOTE 4 - EMPLOYEE RETIREMENT PLAN (CONTINUED)

Sensitivity of the Net Proportionate Share of Pension Liability to Changes in Discount Rate

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.50 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

	Discount Rate -1% (6.50%)	Current Discount Rate (7.50%)	Discount Rate +1% (8.50%)
Plan's Net Pension Liability	\$ 239,915	\$ 164,311	\$ 101,566

Pension Expense and Deferred Inflows/Outflows

At the start of the measurement period (July 1, 2013), the net pension liability/(asset) for the plan is \$190,110 (The net pension liability of the Miscellaneous Risk Pool as of June 30, 2013 is \$3,276,668,431).

For the measurement period ended June 30, 2014 (the measurement date), the San Francisquito Creek Joint Powers Authority incurred a pension expense of \$24,205 for the Plan (the pension expense for the risk pool for the measurement period is \$239,824,465).

As of June 30, 2014, the San Francisquito Creek Joint Powers Authority reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions		
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		(27,859)
Adjustment due to Differences in Proportions		(11,177)
Total	\$ 0	\$ (39,036)

**SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

NOTE 4 - EMPLOYEE RETIREMENT PLAN (CONTINUED)

The amounts above are net of outflows and inflows recognized in the 2013-14 measurement period expense.

Amounts reported as deferred outflows and deferred inflows of resources related to pensions, other than the employer-specific item, will be recognized in future pension expense as follows:

<i>Year Ending June 30,</i>	<i>Deferred Inflows of Resources</i>
2015	\$ (10,957)
2016	(10,957)
2017	(10,158)
2018	(6,964)

NOTE 5 – U. S. ARMY CORPS OF ENGINEERS PROJECT

In November 2005, the Authority entered into an agreement with the U.S. Army Corps of Engineers (the “Corps”) to share in the cost of a study (the “Corps Project”) to determine project alternatives for flood damage reduction and ecosystem restoration for the San Francisquito Creek. Phase I of the Corps Project, a reconnaissance investigation, concluded in 2006 with a determination of federal interest in advancing the Corps Project to Phase II.

The Authority is currently party to a Feasibility Cost Share Agreement (FCSA) with the U.S. Army Corps of Engineers, for Phase I (Feasibility Phase) of a multi-year flood protection and ecosystem restoration federal study (Study). The FCSA estimates total Study costs to be \$7.5 million, of which the Authority, acting as the local sponsor on behalf of its member agencies, is responsible for 50% local matching funds, including \$518,225 in-kind contributions.

Funding agreements by and between the Authority and its member agencies provide for the Authority’s share of project costs with \$1.5 million contributions each from the Santa Clara Valley Water District and the San Mateo County Flood Control District, \$32,500 from the City of Menlo Park, \$33,000 from the City of East Palo Alto, \$74,100 from the Santa Clara Valley Water District for Tidal flooding and approximately \$592,800 of in-kind contributions from Authority staff and \$25,425 of in-kind contributions from the Santa Clara Valley Water District. At the beginning of each year, the Santa Clara Valley Water District and the San Mateo County Flood Control District have made cash deposits into an escrow account maintained by the Corps in the amount estimated by the Corps to be needed during that year. The Authority reports all Corps Project costs as non-operating consultant services/studies expenses and the Corps share of such costs as Federal contribution.

**SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

NOTE 6 – DEFERRED INFLOWS

Deferred inflow of resources – funds from funders received in this fiscal year and the previous fiscal year but have not been spent.

The amount of deferred inflow for year ended June 30, 2015 is \$581,042 - funders included:

The Department of Water Resource Grant is an advance for costs associated with the design, California Environmental Quality Act documentation and construction of the S.F. Bay to Highway 101 Flood Protection, Ecosystem Restoration, and Recreation Project on San Francisquito Creek.

Funding from Facebook, Peninsula Open Trust, City of East Palo Alto and City of Palo Alto is to be used for the Strategy to Advance Flood-Protection Eco-System & Recreation along the Bay Project Adjacent to Facebook Headquarters.

NOTE 7 – SUBSEQUENT EVENTS

The Authority has evaluated the results of operations for the period of time from its year end June 30, 2015 through April 17, 2017, the date the financial statements were available to be issued and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

**SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE
SHARE OF THE NET PENSION
FOR THE YEAR ENDED JUNE 30, 2015
LAST 10 YEARS***

Proportion of the net pension liability	0.00264%
Proportionate share of the net pension liability	\$164,311
Covered- employee payroll	\$260,616
Proportionate Share of the net pension liability as percentage of covered-employee payroll	63.05%
Plan's fiduciary net position	71.17%
Plan fiduciary net position as a percentage of the total pension liability	\$10,968

Notes to Schedule:

Benefit changes: the figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013

Changes in assumptions: There were no changes in assumptions

*- Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

GASB 68 Required Schedule

**SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2015
LAST 10 YEARS**

Contractually required contribution (actuarially determined)	37,657
Contributions in relation to the actuarially determined contributions	<u>(37,657)</u>
Contribution Deficiency (excess)	0
Covered-employee payroll	\$260,616
Contributions as a percentage of covered-employee payroll	14.45%

Notes to Schedule

Valuation date: 6/30/2013

Methods and assumptions used to determine contribution rates:

Cost-sharing multiple-employer Entry age

Inflation 2.75%

Salary increases Varies by entry age and service

Investment rate of return 7.5%, net of pension plan investment and administrative expense, including inflation

Mortality Derived using CalPERS' membership data for all funds

GASB 68 required schedule