

San Francisquito Creek Joint Powers Authority
September 24, 2009 Board Meeting
Agenda Item 6
Executive Director's Report

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

a) 2007-08 Audit follow up: Resolution to Invest JPA funds in the Local Agency Investment Fund

At the June 25, 2009 JPA Board meeting, the Board accepted the JPA auditor's Management Letter for the Fiscal Year ending June 30, 2008. At that Board meeting three months ago, I indicated that we would make progress on each of the recommended items within the Management Letter, and would report back to the Board on our progress at approximately every third Board meeting until the recommendations are implemented.

One of the five Management Letter recommendations was for the JPA to invest a portion of its cash to receive a higher rate of return through the Local Agency Investment Fund (LAIF). At the January 31, 2008 meeting, the JPA Board voted to accept the FY 2006-07 Audit with the recommendation from the Finance Committee to create a JPA LAIF account.

Created by California statute, the Local Agency Investment Fund is an investment alternative for California's local governments and special districts, offering agencies the opportunity to participate in a major portfolio using the expertise of the State Treasurer's Office investment staff. Since it began in 1977, the LAIF has grown from 293 participants and \$468 million to 2,767 participants and \$23.5 billion at the end of August 2009.

Under California law, "moneys placed with the Treasurer for deposit in the LAIF by cities, counties, special districts, nonprofit corporations, or qualified quasi-governmental agencies shall not be subject to either of the following: (a) transfer or loan or (b) impoundment or seizure by any state official or state agency." Recently, the Legislature added the following sentence to LAIF's enabling legislation: "the right of a city, county, city and county, special district, nonprofit corporation, or qualified quasi-governmental agency to withdraw its deposited moneys from the LAIF, upon demand, may not be altered, impaired, or denied in any way, by any state official or state agency based upon the state's failure to adopt a State Budget by August 1 of each new fiscal year."

Currently, the JPA has two bank accounts at Wells Fargo, a savings and a checking account. Over the last several months, the savings account has received a rate of return of 0.30%. The LAIF accounts paid 3-4 times that amount during this period, after 0.5% administrative costs were deducted. The minimum LAIF account size is \$5,000, and all funds can be withdrawn at any time. Fifteen transactions between the JPA's LAIF and checking accounts would be allowed per month.

To join the LAIF, the State requires governing board passage of the enclosed resolution and my transmittal of the JPA's banking information. Following that, deposits into and withdrawals from the JPA's LAIF account are done by phone using a PIN number.

The enclosed resolution is based upon a template provided by the State Treasurer's Office, and it has been reviewed and approved by JPA General Counsel Greg Stepanicich.

Proposed Board Action: Approve enclosed resolution 09-09-24 authorizing the investment of JPA monies into the Local Agency Investment Fund.

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b) Capital Project Update

At the August 22, 2009 JPA Board meeting, staff updated the Board on the schedule for entering in to contracts to conduct Design Services and Environmental Planning for the JPA's initial Capital Project to provide 100-year flood protection between Highway 101 and San Francisco Bay. At that time, interested consultant firms had submitted Statements of Qualifications, and JPA had issued formal Requests for Proposals to the top candidate consultant teams.

Since the August update to the Board, JPA staff has hosted a pre-proposal workshop and site tour with the candidate consultant teams to familiarize consultant team members with the work previously done on project planning, orient them with the physical surroundings of the project site, and answer any questions they may have about the proposal and hiring process.

The candidate consultants' full proposals were submitted on September 15, and disseminated to a panel of representatives from East Palo Alto, Palo Alto, Santa Clara Valley Water District (Water District), and Stanford University who will review the proposals and participate in the interviews of the candidate consultant teams. Interviews for the Design Services contract will take place on September 22, and interviews for Environmental Planning contract will take place on the following day. JPA staff will give a verbal report on the interviews process at the September 24, 2009 Board Meeting.

Staff from Menlo Park and San Mateo Flood Control District and public members of the JPA Technical Advisory Committee will be engaged in the selection process as well, which will culminate in the selection of a consultant for each contract, and contract negotiations led by JPA staff. The scope of work for each contract will be consistent with standards used by the Water District for similar projects, and Water District staff will be involved in the negotiations. Following contract negotiations, at the October 22 Board meeting I will request authorization to execute a contract for Design Services and a separate contract for Environmental Planning.

Also, Kevin Murray and I are working with staff representatives of the San Mateo County Flood Control District and the Santa Clara Valley Water District to finalize a Funding Agreement to pay for this phase of the project. This Funding Agreement will be brought to the JPA Board for approval at the October 22, 2009 meeting, and to the San Mateo County Board of Supervisors and the Santa Clara Valley Water District Board of Directors around that time.

The Santa Clara Valley Water District is also developing a separate Letter of Understanding, which would define the roles and responsibilities of staff from the JPA and the Santa Clara Valley Water District relative to the work of the consultants, and be signed by the Water District CEO and myself.

Finally, Congress has begun work to reauthorize the Water Resources Development Act (WRDA) in 2010. I intend to request that our capital project be authorized within WRDA to make possible our receipt of federal appropriations or stimulus funds for construction. Enclosed is a draft letter from the entire Board to Congresswoman Eshoo supporting this request, which is due October 1st.

Proposed Board Action: Provide comment on the enclosed letter to Congresswoman Eshoo, and support the inclusion of each Board member's name on it.

Submitted by:


Len Materman
Executive Director



SAN FRANCISQUITO CREEK

Joint Powers Authority

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East Palo Alto, Menlo Park, Palo Alto, San Mateo County Flood Control District, and the Santa Clara Valley Water District

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September 25, 2009

The Honorable Anna G. Eshoo
U.S. House of Representatives
205 Cannon House Office Building
Washington, DC 20515

Re: Water Resources Development Act of 2010 – San Francisquito Flood Control Project Request

Dear Congresswoman Eshoo:

As members of the San Francisquito Creek Joint Powers Authority (JPA) Board of Directors, which includes the mayors of the cities of East Palo Alto, Menlo Park, and Palo Alto, and elected leaders from the counties of San Mateo and Santa Clara, we unanimously write to thank you for your consistent efforts to protect local residents in the eleven years since the last major flood in our watershed.

We also write to ask that you once again champion this cause and that you seek to include a JPA led capital project in the *Water Resources Development Act of 2010*. Enclosed with this letter is a completed “2010 Water Resources Development Act Project Questionnaire” with additional information on our project.

As you know, with \$1.4 million in local funding, the JPA is now designing and conducting an environmental analysis of a large-scale capital project that will provide 100-year flood protection for East Palo Alto residents living in homes that are behind – and with rooflines below – an uncertified levee; a post office, regional airport and golf course in Palo Alto; and businesses in both communities. This project, which is located between U.S. Highway 101 and the San Francisco Bay and is well known to the Corps of Engineers San Francisco District, will also provide environmental and recreational benefits. We request that Congress authorize this project in the upcoming WRDA legislation so that federal funds can match local funds for construction beginning in 2011.

By including our project in the 2010 WRDA and then securing federal support for it, some of the local funding slated for construction would be made available to plan and design a follow-up project that could bring 100-year flood protection to the 2,000 properties between U.S. 101 Highway and Middlefield Road that pay flood insurance. We know that you share our strong desire to move forward with these efforts in advance of the Corps’ implementation of our Feasibility Study – now estimated by them to occur about 20 years after the 1998 flood.

Again, thank you for your leadership in meeting the flood control needs of our citizens. We stand ready to assist you in demonstrating the importance of this project to your colleagues as Congress considers the *Water Resources Development Act of 2010*. If you need additional information, please contact JPA Executive Director Len Materman at 650-561-4580 or via email at len@sfcjpa.org.

Sincerely,

Ruben Abrica
Mayor of East Palo Alto

Peter Drekmeier
Mayor of Palo Alto

Heyward Robinson
Mayor of Menlo Park

Rich Gordon
Supervisor, San Mateo County

Patrick Kwok
Director, Santa Clara Valley Water District