

COUNTY OF SAN MATEO
FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT

1st Floor, Miller Ream Hall
1700 S. El Camino Real
San Mateo, CA 94402

Board of Directors

Supervisors:

District 3 Don Horsley
At-Large: Dave Pine - **Chair**

City Representatives:

North: Donna Colson
Central: Diane Papan
South: Lisa Gauthier
Coast: Debbie Ruddock – **Vice Chair**
At-Large Maryann Moise Derwin

AGENDA

February 24, 2020

4:00 PM

1. Roll Call

2. Public Comment

This item is reserved for persons wishing to address the Committee on any Committee-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called.

3. Action to Set the Agenda

4. Approval of Consent Agenda

- 4.1 Approval of Minutes of the February 10, 2020 District Board Meeting (ACTION)
- 4.2 Approve Amendment No. 2 to the Agreement with Erika Powell (ACTION)

5. Regular Agenda

- 5.1 Approve Employment Agreement for Chief Executive Officer (ACTION)
- 5.2 Review Initial Employee Benefit Recommendations (INFORMATION)*

- 5.3 Adopt a Resolution establishing the FY 2019-20 Salary Schedule (ACTION)
- 5.4 Approve Resolution Certifying Bayfront Canal Initial Study and Mitigated Negative Declaration (ACTION)
- 5.5 Amend Agreement with Paychex for Employee Medical and Pension Benefits (ACTION)

6. Chair’s Report*

7. Interim CEO Report*

8. Flood Zones Report*

9. Board Member Reports*

10. Items for Future Agenda*

11. Adjournment

* Indicates that reports are verbal only.

Meeting Rules and Procedures

Signing up to speak to the Board of Directors and Time Limits:

For the orderly recognition of members of the public who wish to speak before the Board, speakers are asked to fill out a speaker request form and give it to the Clerk of the Board with the item they wish to speak on. However, speakers may elect to not identify themselves by name. The form is available in the entryway area for the meeting room. Public comment is generally limited to two (2) minutes per speaker, although the Board Chair may modify this time limit. Prearranged presentations are limited to 10 minutes.

Accommodations for people with disabilities:

Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact Christine Boland, Clerk to the Board, cboland@OneShoreline.org, at least two working days before the meeting. Notification in advance of the meeting will enable the Board to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it. Attendees of this meeting are reminded that other attendees may be sensitive to various chemical-based products.

Communicating with Board Members:

If you wish for your written communication or materials to be distributed to all Board Members, please email such communication or materials to Christine Boland, Clerk to the Board, at cboland@OneShoreline.org or mail them to the address listed on the first page of the agenda, for receipt at least two business days prior to the Board meeting.

Visual Presentations/Materials: For PowerPoint presentations, you need to provide the Clerk of the Board a USB flash drive 30 minutes prior to the start of the meeting or via email by 5:00 p.m. the day prior to the meeting. Electronic formats must be PC compatible.

Public Records: Public records that relate to any item on the open session agenda for a regular Flood and Sea Level Rise Resiliency District meeting are available for public inspection. Those public records that are distributed less than 72 hours prior to the meeting will be made available for inspection at the same time they are distributed to all members, or a majority of the members of the Board. Such public records will be available for inspection at the San Mateo County Flood and Sea Level Rise Resiliency District office, 1700 El Camino Real, Suite 502, San Mateo, CA 94402 and at www.oneshoreline.org. Should you wish to have such documents sent to you by email, please contact Christine Boland, Clerk of the Board, cboland@OneShoreline.org, 650-623-5931.

SAN MATEO COUNTY
FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT
1700 S. El Camino Real, Miller Ream Hall
San Mateo, CA
February 10, 2020
MINUTES

1. Roll Call

Chair Pine called the meeting to order at 4:02 p.m. Interim Clerk Boland took the roll call and confirmed a quorum was present.

Directors Present:

Dave Pine, Representing Board of Supervisors, At Large (Chair)
Debbie Ruddock, Representing Coastside (Vice Chair)
Donna Colson, Representing Northern San Mateo County cities
Maryann Moise Derwin, Representing San Mateo County cities at-large
Lisa Gauthier, Representing Southern San Mateo County cities
Don Horsley, Representing Board of Supervisors, District 3
Diane Papan, Representing Central San Mateo County cities

Staff Present:

Larry Patterson, Interim Chief Executive Officer
Brian Kulich, Esq., County Counsel
Jim Porter, County of San Mateo Director of Public Works
Rochelle Kiner, Interim Director, Revenue Services
Erika Powell, Flood Resiliency Program Manager
Danielle Lee, Deputy Director, Office of Sustainability
Colin Martorana, Associate Engineer
Christine Boland, Interim Clerk of the Board

2. Public Comment

Michael Barber, Supervisor Pine's Office, announced that a water summit would be held on March 31, 2020 entitled "Shore to Shore."

3. Action to Set the Agenda

Motion/Second: Horsley/Ruddock moved to set the agenda as posted.
Ayes: Colson, Derwin, Gauthier, Horsley, Papan, Ruddock, Pine
Noes: None
Absent/Abstain: None
Vote: 7-0-0

4. Approval of Consent Agenda

Motion/Second: Ruddock/Derwin moved to approve the Consent Calendar, as amended to item 4.2, below.

Ayes: Colson, Derwin, Gauthier, Horsley, Papan, Ruddock, Pine
Noes: None
Absent/Abstain: None
Vote: 7-0-0

- 4.1 Approved Minutes of January 27, 2020 District Board Meeting
- 4.2 Approved Minutes of January 22, 2020 (Amended, Page 1, to show Director Diane Papan as “Present”); and Approved Special Meeting Minutes of January 28, 2020
- 4.3 Adopted Resolution No. 2020-2. Approving the Board Member Guidelines
- 4.4 Approved Amendment No. 3 to the Contract with Larry A. Patterson d.b.a Coast Consulting

5. **Regular Agenda**

- 5.1 Adopt Ordinance Establishing Rules, Regulations, Standards, And Procedures for Appointment, Suspension and Termination of Employment of District Employees

Interim CEO Patterson recalled that the Ordinance was introduced at the Board’s last meeting. He recommended adoption and noted that the effective date would be 30 days following adoption, or March 11, 2020.

Motion/Second: Pine/Gauthier moved to adopt Ordinance #1, Establishing Rules, Regulations, Standards, and Procedures for Appointment, Suspension and Termination of Employment of District Employees.

Ayes: Colson, Derwin, Gauthier, Horlsey, Papan, Ruddock, Pine
Noes: None
Absent/Abstain: None
Vote: 7-0-0

- 5.2 Approve Administrative Memorandum 2: Travel and Expense Reimbursement Policy

Interim CEO Patterson stated the proposed policy was borrowed from the County of San Mateo and were originally separate policies for travel and expense reimbursement. They have subsequently been combined into one policy for travel and expense reimbursement.

Motion/Second: Ruddock/Colson moved approval of Administrative Memorandum 2: Travel and Expense Reimbursement Policy.

Ayes: Colson, Derwin, Gauthier, Horlsey, Papan, Ruddock, Pine
Noes: None
Absent/Abstain: None
Vote: 7-0-0

- 5.3 Approve Administrative Memorandum 3: Appropriation Authority

Rochelle Kiner, Interim Director, Revenue Services, presented the report for Administrative Memorandum 3: Appropriation Authority. She requested an amendment to the proposed policy which would provide the CEO with the authority to move funds within the budget units in order to balance the budget. The action would allow for a smoother and faster closing of the books at year’s end.

Motion/Second: Ruddock/Gauthier moved approval of Administrative Memorandum 3: Appropriation Authority, as amended.

Ayes: Colson, Derwin, Gauthier, Horlsey, Papan, Ruddock, Pine
Noes: None
Absent/Abstain: None
Vote: 7-0-0

6. **Chair's Report**

Chair Pine reported on several issues:

- Attended a Sea Level Rise meeting held in Foster City led by Professor Christina Hill on the topic of groundwater and expediting the permitting process;
- Announced that a resiliency bond would be on the Nov. 2020 ballot;
- Distributed a one-page informational sheet on the funding needs of the Flood District;
- Discussed Congresswoman's Speier's restoration legislation that passed recently;
- Announced that the Flood District would be receiving the "Mayor's Award" from the San Mateo Chamber of Commerce on Thursday, February 13.

7. **Interim CEO Report**

Mr. Patterson provided several brief reports:

- The framework of the new District that is still being formed with the next Board actions to include adoption of a document retention policy and Conflict of Interest Code. Following the effective date of the Ordinance, the District would begin the process of hiring employees;
- Grant applicants are starting to ask for Flood District endorsement of their applications for grant support in a highly competitive atmosphere;
- The Senior Accountant position would be filled soon, with the top candidate possessing a CPA degree.

8. **Advisory Committee Reports**

- 8.1 Ad Hoc CEO Recruitment Subcommittee Report
- 8.2 Colma Creek Advisory Committee

9. **Board Member Reports**

Director Colson reported out on a meeting she attended recently on climate, resiliency and affordable housing where fire risk mitigation was discussed.

Mr. Patterson reminded Board members to file their Form 700's, assuming office, for the Flood District.

10. **Items for Future Agenda**

11. **Closed Session:**

The Board convened a Closed Session at 4:46 p.m. to discuss the following:

- Closed Session: Public Employment Appointment: Chief Executive Officer, pursuant to Government Code Section 54957
- Confidential Labor Negotiation: Agency Designated Representative: Larry Patterson, Chief Executive Officer Negotiator

12. **Adjournment**

The meeting reconvened at 5:20 p.m. and adjourned.

San Mateo County Flood and Sea Level Rise Resiliency District Agenda Report

Date: February 24, 2020

To: San Mateo County Flood and Sea Level Rise Resiliency District Board of Directors

From: Larry Patterson, Interim CEO

Subject: Amendment No. 2 to the Agreement with Erika Powell to increase the Amount from \$99,500 to \$120,904

RECOMMENDATION:

That the Flood and Sea Level Rise Resiliency District (the “District”) Board of Directors (the “Board”) approve Amendment No. 2 to the Agreement with Erika Powell to increase the amount not-to-exceed amount by \$21,404 from \$99,500 to \$120,904.

BACKGROUND:

On September 6, 2019, the County of San Mateo (the “County”) and Erika Powell (“Ms. Powell”) (together, the “Parties”) entered into Agreement No. 46000-20-D001 (the “Agreement”). Under the Agreement, Ms. Powell agreed to provide professional services related to Flood Resiliency projects, regional stormwater projects and other activities supportive of the formation of the District. The term of the original Agreement was for one year, ending December 31, 2019. Payment for the work was based on a weekly rate of \$4,139.20 for the period of September 6 to December 14, 2019; and a weekly rate of \$4,280.80 for the period of December 15 to December 31, 2019. Total cost for the work was not to exceed \$70,500.

On December 12, 2019, the County approved Amendment No. 1 to the Agreement. This amendment extended the term of the Agreement to March 31, 2020 and increased the not-to-exceed amount by \$29,000 to \$99,500. The purpose of the amended Agreement was to ensure that Ms. Powell’s work for the District was funded until such time that staff could be hired directly by the District. The amended Agreement was assigned to the District effective January 1, 2020.

On February 10, 2020, the Board adopted an ordinance setting forth rules, regulations, standards, and procedures for appointment, suspension, and termination of employment of District employees. The District can hire employees once the ordinance takes effect 30 days following its adoption, which is March 12, 2020.

DISCUSSION:

An offer of employment will be extended to Ms. Powell with a requested start date of March 22, 2020, the first day of a payroll period. Since funding within the existing Agreement is only provided through February 17, 2020, additional funding will be required to extend Ms. Powell's work through March 21, 2020. At her current weekly rate of \$4,280.80, an additional five (5) weeks would be \$21,280.80.

Therefore, staff recommends that the not-to-exceed amount of the Agreement again be increased, this time by \$21,404 from \$99,500 to \$120,904 so Ms. Powell can continue to provide services for the District until she is hired as an employee.

FISCAL IMPACT:

Approval of this amendment will increase the not-to-exceed amount of the Agreement by an additional \$21,404 from \$99,500 to \$120,904, with no change to the term. There is sufficient funding for this amendment within the FY 2019-20 Adopted Budget.

ATTACHMENTS:

Amendment No. 2 to the Agreement with Erika Powell

**AMENDMENT NO. 2
TO AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND ERIKA
POWELL**

THIS AMENDMENT TO THE AGREEMENT is entered into effective February 18, 2020, by and between the SAN MATEO COUNTY FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT (the “District”) and Erika Powell (“Contractor”) (together, the “Parties”):

WITNESSETH:

WHEREAS, on September 6, 2019, the County of San Mateo (the “County”) entered into an Agreement for Erika Powell to provide technical services for the Flood Resiliency Projects and Regional Stormwater Projects and to provide assistance for the formation and initial operations of the District while the District was still a dependent district of the County governed by the Board of Supervisors (the “Agreement”); and

WHEREAS, the initial term of the Agreement was from September 6, 2019 to December 31, 2019 and the amount was \$70,500; and

WHEREAS, on December 12, 2019, the Agreement was amended to extend the term to March 31, 2020 and the not-to-exceed amount was increased by \$29,000 from \$70,500 to \$99,500 to provide continuity of services during the early startup of the District; and

WHEREAS, effective January 1, 2020, pursuant to Assembly Bill 825, the District became an independent district governed by the Board of Directors; and

WHEREAS, effective January 1, 2020, the County assigned the Agreement to the District; and

WHEREAS, the District has adopted an ordinance permitting it to hire employees once the ordinance takes effect on March 12, 2020; and

WHEREAS, the District continues to require the services of Contractor to support the Flood Resiliency and Regional Stormwater Projects; and

WHEREAS, the Parties wish to further amend the Agreement to increase the not-to-exceed amount by \$21,404 from \$99,500 to \$120,904 for continuity of services to the District.

THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, THE PARTIES AGREE TO THIS AMENDMENT NO. 3 AS FOLLOWS:

1. Section 3 of the Agreement entitled “Payments” is amended to read as follows:

In consideration of the services provided by Contractor in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit A, the District shall make payment to Contractor based on the rate of \$4280.80 per week and in the manner specified in Exhibit B. The District reserves the right to

withhold payment if the District determines that the quantity or quality of the work performed is unacceptable. In no event shall the District's total fiscal obligation under this Agreement exceed One Hundred Twenty Thousand Nine Hundred and Four Dollars and Zero Cents (\$120,904.00). In the event that the District makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the District at the time of contract termination or expiration. Contractor is not entitled to payment for work not performed as required by this Agreement.

2. All other terms and conditions of the Agreement shall remain in full force and effect.

In witness of and in agreement with this Amendment No. 2 terms, the Parties, by their duly authorized representatives, affix their respective signatures:

For Contractor: ERIKA POWELL

Contractor Signature

On behalf of the DISTRICT:

Larry Patterson, Interim CEO

San Mateo County Flood and Sea Level Rise Resiliency District Agenda Report

Date: February 24, 2020
To: San Mateo County Flood and Sea Level Rise Resiliency District Board of Directors
From: Larry Patterson, Interim CEO
Subject: Employment Agreement for Chief Executive Officer

RECOMMENDATION:

That the San Mateo County Flood and Sea Level Rise Resiliency District (the “District”) Board of Directors (the “Board”) approve the attached employment agreement with Len Materman to serve as the Chief Executive Officer (CEO) of the District (the “Agreement”).

BACKGROUND:

Staff initiated recruitment of a Chief Executive Officer for the District in the fall of 2019. Avery Associates, an executive search firm, was hired to lead the recruitment effort. The San Mateo County Flood and Sea Level Rise Resiliency Advisory Committee formed an Ad Hoc Committee to oversee the recruitment process.

Ultimately, four outstanding candidates were selected for interviews with the full District Board. Based on the Board interviews, Len Materman was selected as the preferred candidate. Upon successful completion of the negotiations with Mr. Materman, District Counsel was directed to prepare an Agreement, a copy of which is attached to this report.

DISCUSSION:

The Agreement outlines the general duties of the CEO and is for a term of 50 months beginning May 1, 2020, and can be extended upon mutual agreement by the parties. The Agreement may be terminated by the either party without cause upon written notice. The CEO’s salary will be \$235,000 annually with any future adjustments being made in conjunction with the CEO’s annual performance review by the Board.

The CEO is eligible for health, vision, and dental benefits in the same manner and at similar cost as other District employees. A plan will be offered under which the District pays approximately 75% of such costs while employees pay approximately 25% of costs.

The CEO is also eligible for retirement benefits in the same manner as other District employees. Specifically, the District will offer two defined contribution plans.

First, the District will offer a 401(a) retirement plan. The District will contribute to the plan in an amount equal 6% of an employee's annual salary. The District will also contribute up to an additional 9% of salary into the 401(a) retirement plan if matched by employee contributions in the District's 457(b) deferred compensation plan, described below. The matching contribution from the District will vest in equal amounts over a three-year period beginning with the employee's date of employment (i.e., one-third after the first year of employment, two-thirds after the second year of employment, and 100 percent (100%) after the third year of employment). If the District were to dissolve before an employee's vesting period ends, the employee will be deemed to have fully vested as of the date of the District's dissolution.

Second, all District employees may voluntarily contribute to a 457(b) deferred compensation plan. Contributions to the 457(b) plan are considered for the additional 9% District match to the 401(a) plan, as described above. The 457(b) plan will also include "catch up" provisions authorized by the Internal Revenue Code allowing additional pre-taxed contributions for District employees aged 50 years or older or for those employees who did not contribute the maximum allowable amount in prior years of participation. These catch up provisions cannot be used simultaneously.

All contributions to the 401(a) plan and 457(b) plan are subject to annual Internal Revenue Code contribution limits and requirements.

The CEO will be provided four weeks of annual vacation along with an additional 40 hours of annual management leave.

The Agreement specifically provides that the CEO is not entitled to a severance if the Agreement is terminated for any reason by either the District or the CEO.

FISCAL IMPACT:

Funding for the Agreement is included in the FY 2019-20 Adopted Budget, which is sufficient to fund the proposed CEO salary and benefits.

ATTACHMENTS:

Agreement Between the San Mateo County Flood and Sea Level Rise Resiliency District and Len Materman for Service as Chief Executive Officer

**AGREEMENT BETWEEN THE SAN MATEO COUNTY FLOOD
AND SEA LEVEL RISE RESILIENCY DISTRICT AND LEN
MATERMAN FOR SERVICE AS CHIEF EXECUTIVE OFFICER**

THIS AGREEMENT is entered by and between the SAN MATEO COUNTY FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT (the “District”), and LEN MATERMAN (“CEO”) (together, the “Parties”).

WITNESSETH

WHEREAS, the District previously conducted a thorough recruitment for the role of Chief Executive Officer and have selected a CEO; and

WHEREAS, it is necessary and desirable that the Parties enter into this Agreement setting forth CEO’s terms of employment with the District; and

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions as hereinafter set forth, the Parties agree as follows:

1. Term of Agreement. CEO is hereby employed as the District’s Chief Executive Officer pursuant to this Agreement. The term of this Agreement is four (4) years and two (2) months (or 50 months), commencing May 1, 2020 and ending June 30, 2024, but may be extended by mutual agreement of the parties. The specification of a term indicates only the maximum length of this Agreement and is not a guarantee of employment for any period of time.

2. At Will Employee. CEO is an at-will employee and shall serve at the pleasure of the District Board of Directors (“Board”). The District may terminate this Agreement, without cause, at any time for any reason effective within fourteen (14) days upon written notice. The District may terminate this Agreement, with cause, at any time effective immediately upon

written notice. CEO may terminate this Agreement, without cause, at any time for any reason upon 30 days written notice. If notice of non-renewal is not given by the Board to the CEO three (3) months prior to the termination date, this Agreement shall renew for successive one-year terms, from July 1 to June 30 of succeeding years.

3. CEO Duties. CEO shall be responsible for the proper and efficient administration of the District under the direction of the Board. The Chief Executive Officer shall:

- (a) Coordinate the work of all other District officers or employees;
- (b) Hire, appoint, promote, discipline, suspend, or terminate all District officers or employees, consistent with District policies and procedures;
- (c) Formulate and present to the Board plans to implement policies and accomplish goals established by the Board;
- (d) Take reasonable actions necessary to implement capital projects in support of District goals;
- (e) Recommend an annual District budget;
- (f) Have responsibility for the administration of the budget after its adoption by the Board;
- (g) Provide an in-depth analysis and review of all District programs on a regular basis in such a manner that the Board may make informed policy decisions;
- (h) Provide and implement systems of adequate checks and balances and controls to safeguard District money and property; and
- (i) Work with all other government entities, federal, state, regional, and local, and represent the District with the general public, interested stakeholders, and external audiences, in the best interests of the District.

In addition, CEO shall have such other powers and shall perform such other duties as are necessary for the efficient operation and overall success of the District which are not inconsistent with the District's Ordinance Setting Forth Rules, Regulations, Standards, and Procedures for Appointment, Suspension, and Termination of Employment.

CEO shall devote his full-time efforts to the performance of the duties of CEO of the District.

4. CEO Salary. CEO shall receive an annual salary of TWO HUNDRED THIRTY FIVE THOUSAND DOLLARS AND ZERO CENTS (\$235,000.00) paid in bi-monthly installments. This salary will remain in effect for the term of CEO's employment with the District, subject to any salary increase(s). Any salary increase(s) will be made in conjunction with CEO's annual performance reviews, which will take place on or about June 30th of each succeeding year, with the first review to occur on or about June 30, 2021. The determination of whether any salary adjustments are merited and the amount of the adjustments are within the sole discretion of the Board, whose decision shall be final.

5. Defined Contribution Plan(s). The District shall provide CEO with the following Defined Contribution Plans:

(a) 401(a) Plan: District will provide a contribution of an amount equal to 6% of annual salary in a 401(a) retirement plan. District also will provide up to an additional 9% of salary into the 401(a) retirement plan if matched by employee contributions in the District's 457(b) deferred compensation plan, subject to annual IRS contribution limits, as set forth below.

(b) 457(b) Plan: CEO can voluntarily contribute to a 457(b) deferred compensation plan, subject to annual IRS contribution limits. Contributions to the 457(b) plan are considered for the additional 9% District match to the 401(a) plan, as described above.

(c) Vesting: The above matching contribution from the District will vest in accordance with the vesting terms established for other District employees set forth in the Plan(s), but in no event shall the vesting period exceed three (3) years from commencement of employment. If the District dissolves before CEO's vesting period ends, CEO will be deemed to have fully vested as of the date of dissolution.

6. Management Leave. CEO shall receive 40 hours of management leave at the beginning of each calendar year, which must either be used or cashed out by December 31 each year (in other words, no portion of CEO's management leave may be carried over to the following year). If CEO is employed by the District for a portion of a calendar year, the 40 hours of management leave shall be prorated for that calendar year.

7. Health, Vision, Dental Benefits. CEO is eligible for health, vision, dental and other benefits in the same manner and at similar cost as other District employees. For medical, dental, and vision benefits, a plan will be offered under which the District pays approximately 75% of costs while employees pay approximately 25%.

8. Vacation. CEO shall accrue four (4) weeks of vacation each calendar year, accrued at a rate of 13.33 hours per month, but such accrual may not exceed 180 hours in total.

9. Other Employee Benefits. CEO shall be provided with paid holidays, sick leave, and any other employee benefits established for other District employees on the same terms extended to the Districts' employees.

10. Reimbursement of Travel Expenses. During the employment term, the District shall reimburse CEO for budgeted and reasonable out-of-pocket expenses incurred in connection with the District's business, including reasonable expenses for mileage, travel, conferences, and membership dues in professional organizations that are appropriate to the District's goals in accordance with the District's Travel and Expense Reimbursement Policy.

11. No Severance. The District shall pay CEO for all services through the effective date of termination. CEO shall have no right to any additional compensation or payment, except for any accrued and vested benefits. If either District or CEO terminates this Agreement (thereby terminating CEO's employment) for any reason, CEO shall not be entitled to any severance. Any other term of this Agreement notwithstanding, the maximum severance that CEO may receive under this Agreement shall not exceed the limitations provided in Government Code Sections 53260 – 53264, or other applicable law. Further, in the event CEO is convicted of a crime involving an abuse of office or position, CEO shall reimburse the District for any paid leave or cash settlement (including severance), as provided by Government Code Sections 53243 – 53243.4.

12. Miscellaneous.

(a) This Agreement represents the entire agreement between the Parties with respect to the subject matter addressed herein, and any previous agreements between the Parties, whether written or oral, with respect to the subject matter of this Agreement are of no further force and effect.

(b) All subsequent modifications of this Agreement shall not be effective unless set forth in writing and executed by CEO and authorized by resolution of the Board.

(c) This Agreement is entered into by the Parties in the State of California and shall be construed and interpreted in accordance with its laws.

(d) This Agreement has been fully negotiated between the Parties, who have been given an opportunity to consult with their respective attorneys. The Agreement and each of its provisions will be interpreted fairly and simply, and not strictly for or against either of the Parties.

(e) In the event that, at any time subsequent to the execution of this Agreement, any portion or provision of it is found to be illegal, invalid, unenforceable, non-binding, or otherwise without legal force or effect, the remaining portion(s) will remain in force and be fully binding between the Parties.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year written below.

Dated _____

SAN MATEO COUNTY FLOOD AND SEA
LEVEL RISE RESILIENCY DISTRICT

By _____
Dave Pine
Chair, District Board of Directors

Dated _____

By _____
Len Materman

San Mateo County Flood and Sea Level Rise Resiliency District Agenda Report

Date: February 24, 2020

To: San Mateo County Flood and Sea Level Rise Resiliency District Board of Directors

From: Larry Patterson, Interim CEO

Subject: Resolution Establishing Salary Schedule

RECOMMENDATION:

That the Flood and Sea Level Rise Resiliency District (the “District”) Board of Directors (the “Board”) adopt a resolution establishing the salaries for authorized staff positions with the District.

BACKGROUND:

On September 29, 2019, Governor Newsom signed into law Assembly Bill 825 (“AB 825”), which amended the San Mateo County Flood Control District Act, effective January 1, 2020, to expand the scope of the District, to address and protect against the impacts of sea level rise, and to change the governance of the District from the San Mateo County Board of Supervisors sitting as the District’s governing board to an independent board of directors.

AB 825 provides that the Board “may in its discretion appoint an executive officer, a clerk, and any other officers and employees for the [B]oard or [D]istrict as in its judgment may be deemed necessary, prescribe their duties, and fix their compensation. The employment of those officers and employees shall be governed in accordance with an ordinance setting forth rules, regulations, standards, and procedures for appointment, suspension, and termination of employment.”

Thus, on February 10, 2020, the Board adopted an ordinance setting forth rules, regulations, standards, and procedures for appointment, suspension, and termination of employment (the “Ordinance”). The Ordinance becomes effective March 12, 2020, which is 30 days after adoption.

Regarding District employee salaries, the Ordinance provides that, “[e]ach fiscal year, the Chief Executive Officer shall prepare an annual schedule of salaries, including benefits, for District employees. Upon review and approval of said schedule of salaries by the Board, either as

proposed by the Chief Executive Officer or as amended by the Board, the Board by resolution shall adopt same. The resolution shall be regularly reviewed by the Chief Executive Officer, who shall recommend any such amendments to the Board as may be appropriate.”

Since the District commenced operations on January 1, 2020, some of the work of the District has been performed by County employees or contractors hired by the County. The cost of these services will be reimbursed under the Master Agreement with the County approved by the Board at the December 9, 2019 District meeting. This item was returned to the Board on January 13, 2020 to confirm Board action and acknowledge approval of the Master Agreement.

DISCUSSION:

Staff recommends that the Board adopt a resolution approving District salaries and benefits, other than retirement/deferred compensation benefits which will be presented to the Board in a separate resolution, for those positions approved by the Board and currently filled by County employees under the Master Agreement or contractors. This will permit offers of employment to be issued to these employees with anticipated start dates of March 22, 2020.

Salary Schedule

The recommended salary range for each classification is provided as follows:

Job Classification	Position Count	Salary Range	
		Low	High
Chief Executive Officer (CEO)	1		\$235,000.00
Associate Engineer	1	\$94,702.40	\$118,352.00
Assistant Clerk to the Board of Directors	1	\$83,844.80	\$104,811.20
Principal Engineer	1	\$143,062.40	\$178,838.40
Senior Accountant	1	\$90,417.60	\$113,048.00

The Ordinance further authorizes the Chief Executive Officer (“CEO”) to approve annual merit increases, equity adjustments, and cost of living adjustments without prior Board approval so long as the annual increases for each employee (in aggregate) do not exceed five percent (5%) of the employee’s annual salary without prior approval of the Board. Any adjustments to the CEO’s salary, however, must be approved by the Board.

Vacation

The Ordinance provides that the CEO shall accrue four (4) weeks (160 hours) of vacation each calendar year, but in no event shall the vacation accrual exceed 180 hours in total. In addition, the CEO shall also receive 40 hours of management leave at the beginning of each calendar year, which must either be used or cashed out by December 31 each year (in other words, no

portion of CEO's management leave may be carried over to the following year). If CEO is employed by the District for a portion of a calendar year, the 40 hours of management leave shall be prorated for that calendar year.

All other employees shall, for the first five (5) years of employment with the District, accrue two (2) weeks (80 hours) of vacation each calendar year, and then after five (5) years accrue an additional two (2) weeks (80 hours) for a total of four (4) weeks (160 hours) of vacation each calendar year, but such accrual may not exceed 180 hours in total.

Travel and Expense Reimbursement

The Ordinance also provides that all employees shall be reimbursed for budgeted and reasonable out-of-pocket expenses incurred in connection with the District's business, including reasonable expenses for mileage, travel, conferences, and membership dues in professional organizations that are appropriate to the District's goals, in accordance with the District's Travel and Expense Reimbursement Policy.

Health, Vision, and Dental Benefits

Finally, the Ordinance provides that all employees shall be eligible for health, vision, and dental benefits, and that a plan will be offered under which the District pays approximately 75% of the costs of such benefits while employees pay approximately 25% of the costs of such benefits.

FISCAL IMPACT:

Funding for this action is included in the FY 2019-20 Adopted Budget, which is sufficient to fund proposed staffing of the District.

ATTACHMENTS:

Resolution Adopting District Salary Schedule

RESOLUTION NO. -----

**BOARD OF DIRECTORS OF THE SAN MATEO COUNTY FLOOD AND SEA LEVEL
RISE RESILIENCY DISTRICT**

* * * * *

**RESOLUTION ADOPTING THE SAN MATEO COUNTY FLOOD AND SEA LEVEL
RISE RESILIENCY DISTRICT SALARY SCHEDULE**

RESOLVED, by the Board of Directors (the “Board”) of the San Mateo County Flood and Sea Level Resiliency District (the “District”), that:

WHEREAS, Assembly Bill No. 825, (“AB 825”) amended, added, and repealed certain sections of the San Mateo County Flood Control District Act (Chapter 2108 of the Statutes of 1959), relating to the District; and

WHEREAS, pursuant to AB 825, the District is now governed by an independent Board of Directors (the “Board”), effective January 1, 2020; and

WHEREAS, pursuant to AB 825 the District “may in its discretion appoint an executive officer, a clerk, and any other officers and employees for the Board or District as in its judgement may be deemed necessary, prescribe their duties, and fix their compensation. The employment of those officers and employees shall be governed in accordance with an ordinance setting forth rules, regulations, standards, and procedures for appointment, suspension, and termination of employment”; and

WHEREAS, on February 10, 2020, the Board adopted an ordinance setting forth rules, regulations, standards, and procedures for appointment, suspension, and termination of employment (the “Ordinance”); and

WHEREAS, the Ordinance becomes effective on March 12, 2020; and

WHEREAS, the Ordinance provides that, “[e]ach fiscal year, the Chief Executive Officer shall prepare an annual schedule of salaries, including benefits, for District

employees. Upon review and approval of said schedule of salaries by the Board, either as proposed by the Chief Executive Officer or as amended by the Board, the Board by resolution shall adopt same. The resolution shall be regularly reviewed by the Chief Executive Officer, who shall recommend any such amendments to the Board as may be appropriate.”

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the following shall constitute the classifications and number of positions, as well as compensation and benefits other than retirement/deferred compensation benefits, for District employees for the fiscal year 2019-2020:

SECTION 1. SCHEDULE OF SALARIES

Job Classification	Position Count	Salary Range	
		Low	High
CEO	1		\$235,000.00
Associate Engineer	1	\$ 94,702.40	\$118,352.00
Assistant Clerk to the Board of Directors	1	\$ 83,844.80	\$104,811.20
Principal Engineer	1	\$143,062.40	\$178,838.40
Senior Accountant	1	\$ 90,417.60	\$113,048.00

SECTION 2. ANNUAL SALARY ADJUSTMENTS

The District authorizes the Chief Executive Officer (“CEO”) to approve without prior Board approval annual merit increases, equity adjustments, and cost of living adjustments so long as the annual increases for each employee (in aggregate) do not

exceed five percent (5%) of the employee's annual salary without prior approval of the Board. Any adjustments to the CEO's salary, however, must be approved by the Board.

SECTION 3. VACATION

(a) **CEO Vacation and Management Leave.** The CEO shall accrue four (4) weeks (160 hours) of vacation each calendar year, which shall accrue at 13.33 hours each month, but in no event shall the CEO's vacation accrual exceed 180 hours in total. In addition, the CEO shall also receive 40 hours of management leave at the beginning of each calendar year, which must either be used or cashed out by December 31 each year (in other words, no portion of CEO's management leave may be carried over to the following year). If CEO is employed by the District for a portion of a calendar year, the 40 hours of management leave shall be prorated for that calendar year.

(b) **All Other Employee Vacation.** All other District employees shall, for the first five (5) years of employment with the District, accrue two (2) weeks of vacation (80 hours) each calendar year, accrued at 6.66 hours each month, and then after five (5) years of employment with the District accrue an additional two (2) weeks, for a total of four (4) weeks (160 hours) of vacation each calendar year, which shall accrue at 13.33 hours each month, but in no event shall an employee's vacation accrual exceed 180 hours in total.

SECTION 4. TRAVEL AND EXPENSE REIMBURSEMENT

Employees shall be reimbursed for budgeted and reasonable out-of-pocket expenses incurred in connection with the District's business, including reasonable expenses for mileage, travel, conferences, and membership dues in professional

organizations that are appropriate to the District's goals, in accordance with the District's Travel and Expense Reimbursement Policy.

SECTION 5. HEALTH, VISION, DENTAL BENEFITS

All employees shall be eligible for health, vision, and dental benefits. A plan will be offered under which the District pays approximately 75% of the costs of such benefits while employees pay approximately 25% of the costs of such benefits.

SECTION 6. SEVERABILITY

If any portion of this resolution is for any reason held to be unconstitutional or invalid, such unconstitutionality or invalidity shall not affect the constitutionality or validity of the remaining portions of this resolution.

* * * * *

Regularly passed and adopted this 24th Day of February 2020 by the following vote:

AYES:

NOES:

ABSENT:

Chair of the San Mateo County Flood
and Sea Level Rise Resiliency District

ATTEST:

Clerk of the San Mateo County Flood and
Sea Level Rise Resiliency District Board of Directors

San Mateo County Flood and Sea Level Rise Resiliency District Agenda Report

Date: February 24, 2020

To: San Mateo County Flood and Sea Level Rise Resiliency District Board of Directors

From: Larry Patterson, Interim CEO

Subject: Adoption of Initial Study/Mitigated Negative Declaration for Bayfront Canal and Atherton Channel Flood Management and Restoration Project

RECOMMENDATION:

That the Flood and Sea Level Rise Resiliency District (the “District”) Board of Directors (the “Board”) adopt a Resolution adopting the Initial Study/Mitigated Negative Declaration, dated July 29, 2019, for the Bayfront Canal and Atherton Channel Flood Management and Restoration Project.

BACKGROUND:

The objective of the Bayfront Canal and Atherton Channel Flood Management and Restoration Project (“Project”) is to provide adequate flood conveyance capacity and effectiveness during times of peak flood flow to protect residences and businesses in the communities south and southwest of the Bayfront Canal, reducing damage to property and potential risks to public health and safety. The County of San Mateo, cities of Menlo Park and Redwood City, and Town of Atherton (collectively, the “Collaborative”) are proposing the Project as the first step to address existing chronic and widespread flooding of streets, residences, and businesses in the multi-jurisdictional watershed of Bayfront and Atherton Channels.

During larger rain events that coincide with higher tide elevations in Flood Slough, the tide gates at the terminus of the Bayfront Canal were designed to prevent the tide from flowing upstream into the Canal. However, the Bayfront Canal does not have enough capacity to store the storm runoff when the tide gates are closed, causing the canal to back up and flood adjoining properties and streets. Significant flooding occurs at multiple locations in the Bayfront Canal watershed.

The Project involves the construction of two parallel underground box culverts and associated drainage connections to route a portion of peak flood flows from Bayfront Canal into managed

ponds that are part of the Ravenswood Pond Complex portion of the South Bay Salt Pond (Restoration Project).

DISCUSSION:

The Initial Study/Mitigated Negative Declaration (IS/MND), prepared by Horizon Water and Environment, identified potential adverse effects during construction. (A copy of the IS/MND is attached to this Report and incorporated by this reference.) Those effects will be reduced to less-than-significant levels through the implementation of specific mitigation measures pursuant to Section 21081.6 of the California Public Resources Code as identified in the Mitigation Monitoring and Reporting Program (“MMRP”), which appears in Appendix G of the IS/MND.

A 30-day public review period from July 29, 2019 to August 27, 2019 was completed in compliance with the provisions of the California Environmental Quality Act (“CEQA”). Comments were received from Michael McHenry with Caltrans District 4 and from Dave Halsing, Executive Director with the SBSP Restoration Project, copies of which are attached. No revisions to the IS/MND were required in response to comments received.

On September 1, 2019, after the 30-day public review period, the Governor signed into law Assembly Bill 825, the Governor signed into law Assembly Bill 825 (“AB 825”), which renamed the District, expanded its scope to address and protect against the impacts of sea level rise, and, commencing January 1, 2020, changed the governance of the District from the San Mateo County Board of Supervisors sitting as the governing board to an independent board of directors. Therefore, the District has assumed the role of Lead Agency and authority to adopt the IS/MND.

Notice of intent to adopt the IS/MND was provided and posted on February 13, 2020, which is more than 10 days in advance of the Board meeting. A copy of the notice is attached.

FISCAL IMPACT:

There is no fiscal impact associated with adoption of the resolution adopting the IS/MND for the Project.

ATTACHMENTS:

- Notice of Intent to Adopt IS/MND
- Public Comments to IS/MND and Responses
- Resolution

San Mateo County
FLOOD AND SEA LEVEL RISE
Resiliency District

FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT
1700 S. El Camino Real, Suite 502
San Mateo, CA 94402

Notice of Intent to Adopt a Mitigated Negative Declaration

1. **Project Title:** Bayfront Canal and Atherton Channel Flood Protection and Habitat Restoration Project
2. **Lead Agency:** Flood and Sea Level Rise Resiliency District
3. **Contact Person:** Erika Powell, P.E., District Program Manager; epowell@oneshoreline.org
4. **Project Location and APN:** Various APNs
5. **General Plan designation:** Open Space -- Preservation; Non-Urban Marsh
6. **Zoning:** Tidal Plain (TP); Flood Plain (FP)
7. **Project Description:** The project is located just north of Highway 101 in the Cities of Redwood City and Menlo Park at the San Francisco Bay margin. The objective of the project is to provide adequate flood conveyance capacity and effectiveness during times of peak flood flow to protect residences and businesses in the communities south and southwest of the Bayfront Canal, reducing damage to property and potential risks to public health and safety. This Project is proposed as the first step to address existing chronic and widespread flooding of streets, residences, and businesses in the multi-jurisdictional watershed of Bayfront Canal. The Project involves the construction of two parallel underground box culverts and associated drainage connections to route a portion of peak flood flows from Bayfront Canal into managed ponds that are part of the Ravenswood Pond Complex portion of the South Bay Salt Pond Restoration Project.
8. The project site is not located on the lists enumerated under Section 65962.5 of the Government Code, including, but not limited to lists of hazardous waste facilities.
9. **Public Review Period:** The IS/MND was circulated for a 30-day public review period, which began on July 29, 2019 and ended on August 27, 2019.
11. **Document Availability:** Copies of the IS/MND may be obtained at the Flood and Sea Level Rise Resiliency District office at 1700 S. El Camino Real, Suite 502, San Mateo, CA 94402. An electronic copy of the IS/MND is also available to review on the County's website:
<https://resilientsanmateo.org/resources>
12. **Scheduled Public Meeting:** The San Mateo County Flood and Sea Level Rise Resiliency District Board of Directors will consider the project and this IS/MND at a regularly scheduled Board of Directors meeting.

San Mateo County

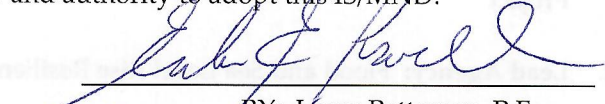
FLOOD AND SEA LEVEL RISE

Resiliency District

13. This NOI is being re-issued after passage of Assembly Bill 825 on September 1, 2019, which renamed the San Mateo County Flood Control District the San Mateo County Flood and Sea Level Rise Resiliency District, expanded the scope of the District to address and protect against the impacts of sea level rise, and, commencing January 1, 2020, changed the governance of the District from the San Mateo County Board of Supervisors sitting as the governing board to an independent board of directors. The Legislature made clear, however, that the District is not a new agency and, therefore, the District has assumed the role of Lead Agency and authority to adopt this IS/MND.

2/13/2020

Date


BY: Larry Patterson, P.E.

for -

Memorandum

**Subject: Bayfront and Atherton Channel Flood Management and Restoration Project
Initial Study/Mitigated Negative Declaration, SCH No. 2019079111
Consideration of Comments Received during the Public Review Period**

Date: September 19, 2019

To: Erika Powell, County of San Mateo Department of Public Works

From: Jeff Thomas, Horizon Water and Environment

INTRODUCTION

This memorandum has been prepared to summarize the comments received by the County of San Mateo (County) on the Initial Study/Mitigated Negative Declaration (IS/MND) for the Bayfront and Atherton Channel Flood Management and Restoration Project (proposed Project or Project). An IS/MND is an informational document prepared by a Lead Agency, in this case, the County, that provides environmental analysis for public review. The IS/MND analyzed the impacts resulting from the Project and where applicable, identified mitigation measures to minimize the impacts to less-than-significant levels.

This memorandum first summarizes the public review process undertaken for the IS/MND and identifies the next steps in the CEQA process, and then summarizes the comments received and provides responses to those comments.

CEQA PROCESS

In accordance with Section 15073 of the California Environmental Quality Act (CEQA) Guidelines, the County submitted the IS/MND to the State Clearinghouse for a 30-day public review period starting July 29, 2019. In addition, the County circulated a Notice of Intent to Adopt the IS/MND to interested agencies and individuals, including the San Mateo County Clerk. According to the State Clearinghouse CEQANet database, the public review period ended on August 27, 2019. During this review period, one comment letter was received from California Department of Transportation (Caltrans) and one comment letter was received from the South Bay Salt Pond Restoration Project (SBSRP).

In accordance with CEQA Guidelines Section 15074(b), the County must consider the IS/MND together with comments received during the public review process prior to adopting the IS/MND. The CEQA Guidelines do not require the preparation of a response to comments for negative declarations; however, this memorandum has been prepared to document that the comments received do not affect the IS/MND's conclusions that the Project would not have any significant effects on the environment.

At the time of approval of the IS/MND, the County will also adopt a Mitigation Monitoring and Reporting Program (MMRP) for those mitigation measures identified in the IS/MND. The MMRP was included in the IS/MND as Appendix G. Within five days following IS/MND approval, the County must file a Notice of Determination (NOD) with the State Clearinghouse. A resolution approving the IS/MND and adopting

the MMRP, and NOD, will be prepared for the County's use in this process. This resolution will identify that the County's Board of Supervisors has received and reviewed the IS/MND pursuant to the provisions of the CEQA and makes the following findings:

1. Prior to taking action on the IS/MND and MMRP for the Project, the County read and considered the IS/MND.
2. The IS/MND and MMRP are based on independent judgment exercised by the County.
3. The IS/MND and MMRP was prepared and considered in accordance with the requirements of the CEQA.
4. Considering the record as whole, there is no substantial evidence that the Project will have a significant effect on the environment.
5. The County Department of Public Works is the custodian of the records of the proceedings on which this decision is based. Records are located at the County offices located at 555 County Center, Fifth Floor, Redwood City, CA 94063.

The resolution will identify that based on the above findings, the County Board of Supervisors approves the IS/MND, adopts the MMRP, and directs staff to file the NOD.

COMMENTS RECEIVED ON THE IS/MND

During the public review period, the County received three comment letters on the IS/MND: one from Scott Morgan at the State Clearinghouse; one from Michael McHenry at Caltrans; and one from Dave Helsing at SBSPRP. These letters are included with this memorandum as Attachment A.

The State Clearinghouse letter was dated August 28, 2019, and acknowledges that the County complied with the State Clearinghouse review requirements pursuant to CEQA. Response to the State Clearinghouse letter is not required.

The Caltrans letter was dated August 27, 2019, and included the following two comments: (1) restricting Project-generated truck trips along State Route (SR) 84 and U.S. 101 to occur outside of a.m. and p.m. commute hours to reduce traffic-related impacts; and (2) guidance that an encroachment permit will be necessary for any work or traffic control activities that encroach on the State right-of-way. The section below describes the comments received from Caltrans and how the County will consider and address these comments.

The SBSPRP letter was dated August 28, 2019, and included 17 comments related to the SBSPRP and the Project. The section below describes the comments received from SBSPRP and how the County will consider and address these comments.

CONSIDERATION OF COMMENTS

A. Caltrans Comments

Comments from the Caltrans letter dated August 27, 2019 are described below with responses:

Comment A-1: Caltrans requests that Project-generated truck trips along SR 84 and U.S. 101 should avoid a.m. and p.m. peak commute hours to avoid traffic-related impacts during construction.

Response to Comment A-1: As described in Section 3.17 - *Transportation* of the Draft IS/MND construction would generally occur between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday. Construction activities would generate less than 150 vehicle trips per day, including project-generated truck trips, which would be minimal compared to the thousands of vehicles that travel along SR 84 and U.S. 101 each day. In addition, project-generated truck trips, such as materials delivery or off-hauling, would occur during specific phases of the construction and throughout the course of the day. Most project-generated truck trips would not occur during morning and evening commute periods. As stated in the IS/MND, Project-related trips would not be expected to measurably affect traffic levels along SR 84 or the intersection of US 101 and SR 84, and phasing of construction activities would further reduce any potential traffic impacts. Thus, because the comment does not affect the environmental analysis in the IS/MND, no changes have been made.

Comment A-2: The comment identifies that any work or traffic control that encroaches onto the State right-of-way requires an encroachment permit that is issued by Caltrans. The comment also lists the necessary requirements to obtain an encroachment permit.

Response to Comment A-2: Table 2-7 (pages 2-43 and 2-44 of the IS/MND Project Description) lists the potential need for an encroachment permit from Caltrans. The County will apply for an encroachment permit to access work areas that traverse Caltrans right-of-way prior to construction.

B. SBSRP Comments

Comments from the SBSRP letter dated August 28, 2019 are described below with responses:

Comment B-1: This comment describes that the alternative analyzed in the SBSP Restoration Phase 2 Final Environmental Impact Statement/ Environmental Impact Report (EIS/EIR) also included Ponds R5 and S5 in addition to the Pond S5 forebay.

Response to Comment B-1: Comment noted.

Comment B-2: This comment identifies that the placement of the outlet structure and related Project elements on U.S. Fish and Wildlife Service's Don Edwards San Francisco Bay National Wildlife Refuge (Refuge) land will need to be included in the Right-of-Way permit and be formalized by the Refuge.

Response to Comment B-2: Comment noted.

Comment B-3: This comment identifies that the County will need environmental permits from regulatory agencies.

Response to Comment B-3: Comment noted. This County has submitted separate permit applications to the regulatory agencies for this Project, and is not relying on any permits issued to the Refuge.

Comment B-4: This comment notes that the Pond S5 Forebay is owned by the Refuge.

Response to Comment B-4: Comment acknowledged. The County understands that the Refuge is the owner of the Pond S5 Forebay. The Pond S5 Forebay was referenced in relationship to the South Bay Salt Ponds Restoration Project (SBSRP) in the IS/MND because of the original context of the Project as part of one of the SBSRP alternatives.

Comment B-5: This comment requests that temporary materials stored in Pond S5 Forebay requires coordination with Refuge management.

Response to Comment B-5: Comment noted. The County has met with Refuge management and SBSPRP staff on the topic of temporary materials storage and will continue to coordinate closely with Refuge management on this and other Project construction details.

Comment B-6: This comment identifies that any dewatering of the forebay will need to be discussed with Refuge management as well as included in the Project's permits.

Response to Comment B-6: Comment noted. The County will continue to coordinate with Refuge management on Project construction details. The County is obtaining separate environmental permits for the Project.

Comment B-7: This comment notes that there will need to be ongoing coordination on the Project construction schedules between the Refuge, the SBSPRP, the Ducks Unlimited construction manager for the SBSPRP, and the County for the proposed Project.

Response to Comment B-7: Comment acknowledged. The County will continue to coordinate with the Refuge, SBSPRP, and the Ducks Unlimited construction manager to coordinate SBSPRP's and Project's construction schedules.

Comment B-8: This comment identifies that there may be other possible management scenarios for operation and maintenance of water levels in the combined Ponds R5, S5, and the S5 Forebay than as described in Section 2.6.1 of Chapter 2 of the IS/MND.

Response to Comment B-8: The County discussed the operational approach to managing water levels in the ponds with Refuge management and SBSPRP staff on multiple occasions during the development of the IS/MND project description, and the operational approach as written reflects feedback received during those discussions. The County appreciates the Refuge's additional concern regarding operational flexibility and will continue to work with Refuge management to define an operational approach that supports both water quality and wildlife management as well as flood management. The County does not believe that these goals are mutually exclusive. Revisions to the IS/MND are not required.

Comment B-9: This comment questions how the box culverts will be drained of standing water and notes that Refuge staff would not be responsible for this activity.

Response to Comment B-9: The County would be responsible for draining standing water within the Bayfront Canal box culverts. As stated in Section 2.4.1 of the Project Description, "The diversion structure would also include a two-horsepower manually-operated sump pump connected to a 4-inch drain line that would outlet into Flood Slough through the existing tide gates concrete headwall. The sump pump and drain line would be used to remove any standing water in the box culverts during the dry season and when otherwise necessary for inspection or maintenance of the culverts."

Comment B-10: This comment mentions that western snowy plover occasionally nest in Pond R5 and Pond S5 and could potentially nest in the Pond S5 Forebay; however, it would be unlikely during construction of the Project.

Response to Comment B-10: Comment noted. In addition to adhering to BMP Measure BIO-6, the Project will adhere to any specific conditions determined through the Endangered Species Act Section 7 consultation process.

Comment B-11: This comment describes Pond S5 Forebay as a seasonal pond instead of open water habitat.

Response to Comment B-11: The County acknowledges that Pond S5 Forebay could also be characterized as a seasonal pond. This comment does not affect the conclusions of the environmental analysis. Thus, no changes to the IS/MND have been made.

Comment B-12: This comment questions whether or not should be added to Table 3.10-1 in Section 3.10, Hydrology and Water Quality of the IS/MND.

Response to Comment B-12: Flood Slough was not included in Table 3.10-1 because no beneficial uses for the slough were identified in the San Francisco Bay Basin (Region 2) Water Quality Control Plan (Basin Plan). However, Flood Slough flows into Westpoint Slough north of Bedwell Bayfront Park. Beneficial uses for Westpoint Slough were identified in the Basin Plan and are included in Table 3.10-1.

Comment B-13: This comment acknowledges the statement in the IS/MND that water temperatures of the salt ponds are significantly warmer than in the Bay, and further notes that the Ravenswood Ponds are dry much of the year and have no hydraulic connection with the Bay or sloughs.

Response to Comment B-13: Comment noted.

Comment B-14: This comment identifies that the Ravenswood Ponds R3, R4, R5, and S5 are all seasonal ponds that collect only rainwater and have not been converted to managed ponds. As such, the water within these ponds tends to be substantially more saline than the Bay.

Response to Comment B-14: Comment noted. This comment does not affect the conclusions of the environmental analysis. Thus, no changes to the IS/MND have been made.

Comment B-15: This comment notes that the IS/MND does not identify if San Mateo County or partner cities or Refuge staff would be responsible for opening and closing the three water control structures between the Pond S5 Forebay and Flood Slough, between Ponds R5 and R4, or between Ponds S5 and R3.

Response to Comment B-15: The water control structures identified in the comment would all be owned and under the jurisdiction of the Refuge. See also Response to Comment B-8.

Comment B-16: This comment describes that in the post-Phase 2 condition, accretion of sediment may occur in Ponds R5, S5 and S5 Forebay, which could reduce the effectiveness of the Project over time if the Pond S5 Forebay fills up with sediment. This comment suggests that the Project could bring more sediment from upstream sources in a large fluvial event than would accumulate through the open water control structures from tidal flows. This comment asks if periodic removal of sediment from the Pond S5 forebay would be necessary.

Response to Comment B-16: The commenter has incorrectly characterized sediment flow from upstream sources in the Bayfront Canal. There currently is not a substantial amount sediment that enters the Bayfront Canal as most of the upstream channels are either hardened or vegetated; therefore, substantial erosion of channel banks following storm events does not occur. What sediment does occur moves through the Bayfront Canal eventually into Flood Slough. This condition would not change with the proposed Project. The weir structure that would be constructed to divert higher

stormwater flows into the box culverts would preclude sediments from entering the box culverts. The water control structures between Flood Slough and the Pond S5 Forebay that the Refuge is constructing as part of the SBSPRP could over time transport sediments from Flood Slough into the Forebay. The rate of such sedimentation is not known. The treatment of such sedimentation would be responsibility of the Refuge.

Comment B-17: This comment notes that in Section 3.10, Hydrology and Water Quality item iv, an “x” was not included in any of the impact boxes.

Response to Comment B-17: This was an oversight and there should have been an “x” added in the “less than significant impact” box. The analysis under 3.10c(iv) does correctly conclude that impacts would be less than significant.

CONCLUSIONS

The comments received do not affect the IS/MND’s conclusions that the Project would not have any significant effects on the environment. With the clarifications provided above, no changes to, or recirculation of, the IS/MND are necessary.

Attachment A

Comments Received on the IS/MND



Gavin Newsom
Governor

STATE OF CALIFORNIA
Governor's Office of Planning and Research
State Clearinghouse and Planning Unit



Kate Gordon
Director

August 28, 2019

Erika Powell
San Mateo County
555 County Center, 5th Floor
Redwood City, CA 94063-1665

Subject: Bayfront Canal and Atherton Channel Flood Management and Restoration Project
SCH#: 2019079111

Dear Erika Powell:

The State Clearinghouse submitted the above named MND to selected state agencies for review. The review period closed on 8/27/2019, and the comments from the responding agency (ies) is (are) available on the CEQA database for your retrieval and use. If this comment package is not in order, please notify the State Clearinghouse immediately. Please refer to the project's ten-digit State Clearinghouse number in future correspondence so that we may respond promptly.

Please note that Section 21104(c) of the California Public Resources Code states that:

"A responsible or other public agency shall only make substantive comments regarding those activities involved in a project which are within an area of expertise of the agency or which are required to be carried out or approved by the agency. Those comments shall be supported by specific documentation."

Check the CEQA database for submitted comments for use in preparing your final environmental document: <https://ceqanet.opr.ca.gov/2019079111/2> . Should you need more information or clarification of the comments, we recommend that you contact the commenting agency directly.

This letter acknowledges that you have complied with the State Clearinghouse review requirements for draft environmental documents, pursuant to the California Environmental Quality Act. Please contact the State Clearinghouse at (916) 445-0613 if you have any questions regarding the environmental review process.

Sincerely,

Scott Morgan
Director, State Clearinghouse

cc: Resources Agency

From: [Erika Powell](#)
To: [Jeff Thomas](#)
Cc: [Ann Stillman](#); [Colin Martorana](#); [Sravan Paladagu \(spaladugu@bkf.com\)](#)
Subject: FW: Caltrans Comments - Bayfront Canal and Atherton Channel Flood Management and Restoration Project - Mitigated Negative Declaration (MND) - SCH: 2019079111
Date: Tuesday, August 27, 2019 9:39:23 PM
Attachments: [image001.png](#)

Jeff,

Please see attached comments.

Thank you,

Erika Powell, P.E.

Flood Resilience Program Manager
Department of Public Works
555 County Center, 5th floor | Redwood City, CA 94063
P 650-599-1488 | C 650-380-6629
epowell@smcgov.org



From: Mchenry, Michael@DOT <Michael.Mchenry@dot.ca.gov>
Sent: Tuesday, August 27, 2019 4:08 PM
To: Erika Powell <epowell@smcgov.org>
Cc: OPR State Clearinghouse <State.Clearinghouse@opr.ca.gov>
Subject: Caltrans Comments - Bayfront Canal and Atherton Channel Flood Management and Restoration Project - Mitigated Negative Declaration (MND) - SCH: 2019079111

CAUTION: This email originated from outside of San Mateo County. Unless you recognize the sender's email address and know the content is safe, do not click links, open attachments or reply.

Dear Erika Powell:

Traffic Operations

To avoid impacts on SR 84 and US 101, during the morning and evening commute periods, the project-generated truck trips along SR 84 and US 101 should occur outside of AM and PM peak hours.

Encroachment Permit

Please be advised that any work or traffic control that encroaches onto the State right-of-way (ROW) requires an encroachment permit that is issued by Caltrans. To obtain an encroachment permit, a completed encroachment permit application,

environmental documentation, and six (6) sets of plans clearly indicating the State ROW, and six (6) copies of signed and stamped traffic control plans must be submitted to: Office of Encroachment Permits, California DOT, District 4, P.O. Box 23660, Oakland, CA 94623-0660. To download the permit application and obtain more information, visit <https://dot.ca.gov/programs/traffic-operations/ep/applications/>

Thank you for including Caltrans in the environmental review process. Should you have any questions regarding these comments or require any additional information, please feel free to contact me at (510) 286-5562 or Michael.McHenry@dot.ca.gov.

Best regards,

Michael McHenry
Associate Transportation Planner
Local Development- Intergovernmental Review
Caltrans District 4
(510) 286-5562
Michael.Mchenry@dot.ca.gov



August 28, 2019

Erika Powell
County of San Mateo
555 County Center, Fifth Floor
Redwood City, CA 94063

RE: Comment on the Draft IS/MND for the Bayfront Canal and Atherton Channel Flood Management and Restoration Project

Dear Ms. Powell,

Thank you for the opportunity to review and comment on this draft Initial Study/Mitigated Negative Declaration (IS/MND) regarding the Bayfront Canal and Atherton Channel Flood Management and Restoration Project (BCAC Project).

The collaborating entities behind the South Bay Salt Pond Restoration Project (SBSPRP) – most notably the U.S. Fish and Wildlife Service’s Don Edwards San Francisco Bay National Wildlife Refuge (Refuge), which is the landowner of the Ravenswood pond complex portion of the SBSPRP – are supportive of the County of San Mateo’s plan for the BCAC Project. Further, we found no major flaws with the level of detail in the IS/MND regarding the adequacy and accuracy of the document’s description of the project or the analysis of potential environmental impacts.

However, there are several details in the IS/MND’s description of the Refuge’s operational plans for those portions of the Refuge that would be connected to the BCAC Project’s elements that are incorrect and/or places where the roles and responsibilities of the SBSPRP or the Refuge warrant clarification in the Final IS/MND. As the IS/MND notes, there is a need to formalize the easements or other agreements regarding the construction or operation of the elements of the BCAC Project that would be built on Refuge land and/or that would require coordinated management, operation, and maintenance of aspects of the flood control, water management, and habitat aspects of the two projects.

This letter identifies some of those details from the SBSP Restoration Project’s perspective. The Refuge management is expected to submit a separate letter from its perspective as the owner and operator of the lands onto which the BCAC Project would direct certain peak fluvial flows and from its position as the permittee for the Phase 2 actions under the SBSPRP.

Please note that none of these identifications are intended as opposition to the BCAC Project or a challenge to the IS/MND as an adequate CEQA document. Rather, they are intended to inform the next

Comments

1. Section 2.3.1 of the IS/MND describes the BCAC Project's relationship with the SBSPRP. This description is largely accurate. However, in the alternative in the EIS/R for Phase 2 of the SBSPRP that included the BCAC Project, the excavation considered to provide storm water diversion and storage would have included Ponds R5 and S5 and not only the small S5 forebay, which is now the limit of excavation for the BCAC Project.
2. Sections 2.4.3 and 2.4.4 of the IS/MND describes placement of the outlet structure and related elements onto Refuge land and the excavation of the S5 Forebay. The details of these elements' design, placement, and construction methods will need to be included in the Right of Way permit that the proponents of the BCAC Project will need to formalize with the Refuge.
3. In addition, some of the elements of the BCAC Project described in Sections 2.4.3 and 2.4.4 will need environmental permits from regulatory agencies. Be advised that those elements are not included or 'covered' in the permits issued to the Refuge for Phase 2 of the SBSPRP.
4. Section 2.4.4 describes the S5 Forebay as being "the SBSP Pond S5 Forebay." While that forebay is included in Phase 2 of the SBSPRP, the forebay belongs to the Refuge, and it would be clearer to reference it that way.
5. Section 2.5.3 describes using the Pond S5 Forebay for temporary materials storage. Depending on the nature and quantity of the materials, the timing of the stockpiling there, and other details of how the material would be placed and removed, this may or may not be acceptable to the Refuge. These details should be worked out with the Refuge management as soon as possible.
6. Figure 2-7 includes a note saying that portions of the forebay may be used for dewatering sediment basin and for temporary materials and spoils staging. As in the preceding comment, these details need to be worked out with the Refuge management. Also, note that the Refuge's permits for Phase 2 of the SBSPRP do not include these uses of the forebay and may need to be included in the BCAC Project's own permits.
7. Table 2-5 presents a proposed construction timetable. Phase 4 and Phase 5 of that table's proposed construction schedule include actions that need to be carefully interwoven with the construction plans for Phase 2 of the SBSPRP at the Ravenswood Ponds. The proposed schedule for these items may work well with our construction actions (and the SBSPRP and Refuge are most eager to coordinate all of these project construction schedules), but our schedule is somewhat dependent on material availability from offsite excavation projects. Thus, our schedule is necessarily uncertain, which may have undesirable effects on the timing of the BCAC Project's construction. This will need ongoing coordination between the Refuge, the SBSPRP, and our construction manager (Ducks Unlimited).
8. The introductory paragraph and the bullet list in Section 2.6.1 describes seasonal operation of Ponds R5, S5, and the S5 forebay using the water control structure(s) that would be installed as part of Phase 2 of the SBSPRP. These operational actions are possible, and the water control structures might be typically operated as described in this part of the IS/MND. However, there are other possible management scenarios that could change from what is described. The SBSPRP's Adaptive Management Plan and the Refuge's permits and other standard practices regarding water quality and wildlife management are intended to provide management flexibility rather than committing to a set schedule of open or closed water control structures. The placement of the water control structures included in Phase 2 of the SBSPRP was developed to provide added control over water levels, water quality, etc. We recommend that the text be clarified to acknowledge this uncertainty and describe more flexible operation than the current text conveys.
9. Section 2.6.1's bullet on summer and fall configuration says that "the Bayfront Canal box culverts would be drained of any standing water." How would this be done? Who would perform that task? It should be clear that the Refuge staff is not expected to perform that task.

10. BMP Measure BIO-6 in Table 2-6 addresses protection of western snowy plover. It should be noted that western snowy plover do occasionally nest in the dry salt panne portions of Pond R5 and Pond S5, and they could potentially nest in the similar portion of the S5 forebay. Given the general sensitivity of this bird species to disturbance, it is unlikely that individuals or nests would be present in the S5 forebay or in Ponds R5 or S5 during construction of the BCAC Project, but it is possible.
11. Section 3.4 – Biological Resources. In the “Open Water” section of the content on Aquatic and Wetland Habitats, the Pond S5 Forebay is described as being part of the larger Ravenswood pond complex that provides for waterbird habitat. If the text is meant to describe their *current* condition, it would be more accurate to characterize these ponds “seasonal ponds”. They are only filled by rainwater and they have no hydraulic connectivity to the Bay or to sloughs. They are not very deep even after a winter of heavy rains, and they dry out fairly quickly once rains stop. Seasonal ponds could be discussed in the IS/MND as a habitat type separate from the actual open water areas in the BCAC Project area.
12. In Section 3.10, Table 3.10-1 lists various surface water in the vicinity of the BCAC Project. Should Flood Slough also be included in this table?
13. In Section 3.10, the bottom half of page 3-46 says that “Water temperature of the salt ponds also varies but is significantly warmer than water in the Bay.” This is true, but the Ravenswood Ponds are dry much of the year and have no hydraulic connections with the Bay or sloughs.
14. In Section 3.10, the bottom half of page 3-46 says “...because these ponds have recently been managed, salinity levels are more similar to that of the Bay.” While this is true for those ponds that *have* been converted from seasonal ponds (that collect only rainwater) to managed ponds, the ponds that are relevant to the BCAC Project are Ravenswood Ponds R3, R4, R5, and S5. These are all seasonal ponds. They have not been converted to managed ponds. They collect rainwater (temporarily reducing salinity) which then evaporates or seeps into groundwater, leaving water only in borrow ditches or historic slough traces. This water tends to be substantially more saline than the Bay.
15. The text does not identify who (i.e., which entity – San Mateo County, one of its partner cities, or Refuge staff) would be responsible for opening or closing any of the three relevant water control structures (between the S5 forebay and Flood Slough or between R5 and R4 or between S5 and R3) as needed to provide this degree of management control. Those details will need to be addressed in the previously mentioned agreements.
16. On page 3-51, under the section on Operation, the text says that the amount of sediment would be similar to the existing condition and settle to the bottom of the forebay. This sentence is a little unclear. In the "existing condition", there is no incoming sediment from adjacent waterways. However, in the post-Phase 2 condition, it is possible that the water control structures would be open often enough that there could be some accretion of sediment in Pond R5, Pond S5, and the S5 Forebay. However, the text does not describe whether any analysis was done to assess the sediment delivery expected from the BCAC Project. It's possible that the BCAC Project could bring more sediment from upstream sources in a large fluvial event than would accumulate through the open water control structures from tidal flows. If fluvial sediment delivery were to be substantial, it could reduce the effectiveness of the BCAC Project over time, if the forebay fills with sediment. Would periodic removal of sediment from the S5 forebay be necessary?
17. On the top of page 3-52, item iv does not include an “x” in any of the boxes. We agree with the logic and the conclusion in the text: the beneficial redirection of flood flows is the *intent* of the project, not an adverse impact of it.

Again, we support the Bayfront Canal and Atherton Channel Flood Management and Restoration Project and are looking forward to the next steps in collaborating to address these items.

Please feel free to contact me at dave.halsing@scc.ca.gov or 650-814-0588.

Most sincerely,

A handwritten signature in black ink, appearing to read "Dave Halsing". The signature is fluid and cursive, with a large initial "D" and "H".

Dave Halsing
Executive Project Manager
South Bay Salt Pond Restoration Project

California State Coastal Conservancy
1515 Clay St., 10th Floor
Oakland, CA, 94612

**RESOLUTION NO.
BOARD OF DIRECTORS, ACTING AS THE GOVERNING BOARD OF THE SAN MATEO
COUNTY FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT**

* * * * *

**RESOLUTION ADOPTING THE INITIAL STUDY/MITIGATED NEGATIVE
DECLARATION, DATED JULY 29, 2019, FOR THE BAYFRONT CANAL AND
ATHERTON CHANNEL FLOOD MANAGEMENT AND RESTORATION PROJECT**

RESOLVED, by the Board of Directors (the “Board”) of the San Mateo County Flood and Sea Level Rise Resiliency District (“District”), that

WHEREAS, the objective of the Bayfront Canal and Atherton Channel Flood Management and Restoration Project (“Project”) is to provide adequate flood conveyance capacity and effectiveness during times of peak flood flow to protect residences and businesses in the communities south and southwest of the Bayfront Canal, reducing damage to property and potential risks to public health and safety; and

WHEREAS, the Project is the first step to address existing chronic and widespread flooding of streets, residences, and businesses in the multi-jurisdictional watershed of Bayfront ; and

WHEREAS, the Project is the best engineering alternative to reduce flooding at this time, which involves the construction of two parallel underground box culverts and associated drainage connections to route a portion of peak flood flows from Bayfront Canal into managed ponds that are part of the Ravenswood Pond Complex portion of the South Bay Salt Pond Restoration Project; and

WHEREAS, Horizon Water and Environment (“Horizon”) was selected to provide consulting services in connection with the preparation of an Initial Study/Mitigated Negative Declaration (“IS/MND”), dated July 29, 2019; and

WHEREAS, in compliance with Section 21081.6 of the California Public Resources Code, Horizon prepared a Mitigation Monitoring and Reporting Program (“MMRP”) pursuant to the IS/MND having identified potential adverse effects that will be reduced to less-than-significant levels through the implementation of mitigation measures during construction; and

WHEREAS, a 30-day public review of the IS/MND was conducted between July 29, 2019 and August 27, 2019 in compliance with the provisions of the California Environmental Quality Act (“CEQA”), comments were received during the 30-day public review of the IS/MND, no further revisions to the IS/MND are required, and adoption of the IS/MND completes the CEQA process for the Project; and

WHEREAS, on September 1, 2019, after the 30-day review period, the Governor signed into law Assembly Bill 825 (“AB 825”), which renamed the District, expanded its scope to address and protect against the impacts of sea level rise, and, commencing January 1, 2020, changed

the governance of the District from the San Mateo County Board of Supervisors sitting as the governing board to an independent board of directors; and

WHEREAS, as a result of AB 825, the District has assumed the role of Lead Agency and authority to adopt the IS/MND; and

WHEREAS, this Board has considered and agrees with the recommendations of the Director of Public Works.

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that:

1. That the IS/MND is complete, correct, adequate, and prepared in accordance with the CEQA and the applicable State Guidelines; and
2. This Board has reviewed and considered the IS/MND, and on the basis of the record as a whole, confirms that the IS/MND is adequate for its use by this Board, and on the basis of this review and consideration, there is no substantial evidence that the Project will have a significant effect on the environment if mitigated as set forth in the MMRP and this Board hereby confirms its adoption of the IS/MND; and
3. The IS/MND reflects the independent judgment of the District; and
4. This Board hereby adopts the MMRP attached hereto as Exhibit A and incorporated by reference in this Resolution and commits to all mitigation measures identified in the IS/MND and contained in the MMRP; and
5. The Board hereby adopts the IS/MND and approves the Project.

* * * * *

Regularly passed and adopted this 24th Day of February 2020 by the following vote:

AYES:

NOES:

ABSENT:

Chair of the San Mateo County Flood
and Sea Level Rise Resiliency District

ATTEST:

Clerk of the San Mateo County Flood and
Sea Level Rise Resiliency District Board of Directors

San Mateo County Flood and Sea Level Rise Resiliency District Agenda Report

Date: February 24, 2020

To: San Mateo County Flood and Sea Level Rise Resiliency District

From: Larry Patterson, Interim CEO

Subject: Authorize Agreements for Medical and Retirement Benefits

RECOMMENDATION:

That the Board of Directors (the “Board”) of the San Mateo County Flood and Sea Level Rise Resiliency District (the “District”) adopt a resolution authorizing:

- A. The Chief Executive Officer (CEO) to execute an amendment to the agreement with Paychex to add District employee medical benefits, for a term of two years, increasing the not-to-exceed contract amount by an additional \$311,000, for a total estimated cost not-to-exceed \$331,000; and
- B. The CEO to negotiate and execute an agreement with a contractor to provide and administer a 401(a) retirement and 457(b) deferred compensation plan to District employees, for a term of two years, in an amount not-to-exceed \$253,000; and
- C. The CEO to execute contract amendments which modify the District’s maximum fiscal obligation by no more than \$25,000 (in aggregate) and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

BACKGROUND:

At the December 9, 2019 District meeting, Board members authorized an agreement with Paychex in the amount of \$10,000 per year to provide payroll, human resource services and workers’ compensation insurance for District employees for a term of two years. This contract was procured through a “piggy-back” on Paychex’s existing agreement with Peninsula Clean Energy.

Paychex is a nationwide company providing payroll, human resources, benefits and workers’ compensation insurance to more than 600,000 businesses for more than forty-five years. Paychex also has 60 human resource (HR) analysts in California, with more than 11 HR

professionals serving the greater Bay Area. Paychex also provides a wide-variety of benefits at pooled rates with cost-sharing formulas to meet the needs of the District.

While Paychex specializes in providing payroll, human resources, certain benefits, and workers' compensation insurance, it does not specialize in administering defined contribution plans for governmental entities. Therefore, the District will need to contract with another provider for such services.

DISCUSSION

Medical, Dental, and Vision Benefits

Staff recommends that the District amend the contract with Paychex to expand its services to include medical, dental and vision benefits for employees. Contracting with Paychex for these additional services would integrate them with Paychex's payroll system, providing more transparency to employees and efficiencies to the District. For example, employees will be able to access their payroll information on-line securely to view their wages, deductions, and benefit contributions on their paystub. Similarly, the District will have on-line access to the payroll system, be able to ensure that payroll is processed accurately, answer employee questions, and provide consolidated reporting necessary for budgeting and auditing purposes.

Staff recommends offering District employees Blue Shield medical benefits with several options for PPO and HMO coverage. Staff also recommends offering three levels of vision and dental benefits offering different copay amounts and coverage limits. The employees' cost share for benefits will be 25 percent (25%) for all medical, dental, and vision benefits.

The potential costs of offering such benefits are summarized in the attached spreadsheet entitled Potential Employee Benefit Costs. As set forth in the spreadsheet, the estimated cost to the District for a two-year period, including a contingency rate of 15 percent (15%) to cover administrative costs, set-up fees, and anticipated increases to benefits and workers' compensation insurance, currently totals \$310,793.94. Thus, the contract with Paychex would be increased by an additional \$311,000.

Defined Contribution Plans

Staff recommends offering all District employees two defined contribution plans.

First, the District will offer a 401(a) retirement plan. The District will contribute to the plan in an amount equal to 6 percent (6%) of an employee's annual salary. The District will also contribute up to an additional 9 percent (9%) of salary into the 401(a) retirement plan if matched by employee contributions in the District's 457(b) deferred compensation plan, described below. The matching contribution from the District will vest in equal amounts over a three-year period beginning with the employee's date of employment (i.e., one-third after the first year of employment, two-thirds after the second year of employment, and 100 percent

(100%) after the third year of employment). If the District were to dissolve before an employee's vesting period ends, the employee will be deemed to have fully vested as of the date of the District's dissolution.

Second, all District employees may voluntarily contribute to a 457(b) deferred compensation plans. Contributions to the 457(b) plan are considered for the additional 9 percent (9%) District match to the 401(a) plan, as described above. The 457(b) plan will also include "catch up" provisions authorized by the Internal Revenue Code allowing additional pre-taxed contributions for District employees aged 50 years or older or for those employees who did not contribute the maximum allowable amount in prior years of participation. These catch up provisions cannot be used simultaneously.

All contributions to the 401(a) plan and 457(b) plan are subject to annual Internal Revenue Code contribution limits and requirements.

The potential costs of offering the above defined contribution plans are summarized in the attached spreadsheet entitled Potential Employee Benefit Costs. As set forth in the spreadsheet, the estimated cost to the District for a two-year period, including a contingency rate of 15 percent (15%) to cover administrative costs, set-up fees, and anticipated employee salary increases, is currently \$252,193.90.

Paychex is unable to administer the above defined contribution plans. Therefore, staff recommends that the Board authorize the CEO to negotiate and execute a two-year agreement with another contractor for an amount not to exceed \$253,000.

FISCAL IMPACT:

This amendment would increase the contract with Paychex by \$311,000 to a new, not-to exceed amount of \$331,000 for a term of two years, for the provision of medical, dental and vision benefits. This estimated cost does not include the employees' contribution, which will be deducted from employees' paychecks through the payroll process. This resolution also authorizes the CEO to execute an agreement for defined contribution plan(s) in the amount of \$253,000 for a term of two years.

In addition, this resolution authorizes the CEO to execute contract amendments which modify the District's maximum fiscal obligation by no more than \$25,000, which is a standard service contract provision as provided for under the fiscal guidelines of the San Mateo County Controller's Office.

Funding for the above benefit costs are included in the FY 2019-20 Adopted Budget, which is sufficient to cover the anticipated costs.

ATTACHMENTS:

Potential Employee Benefit Costs Spreadsheet
Resolution

RESOLUTION NO. -----

BOARD OF DIRECTORS OF THE SAN MATEO COUNTY FLOOD AND SEA LEVEL
RISE RESILIENCY DISTRICT

* * * * *

RESOLUTION AUTHORIZING: A) THE CHIEF EXECUTIVE OFFICER TO EXECUTE AN AMENDMENT WITH PAYCHEX TO ADD EMPLOYEE MEDICAL BENEFITS, FOR A TERM OF TWO YEARS, INCREASING THE NOT-TO-EXCEED AMOUNT BY AN ADDITIONAL \$311,000, FOR A TOTAL ESTIMATED COST NOT-TO-EXCEED \$331,000; AND B) THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE AN AGREEMENT TO PROVIDE AND ADMINISTER A 401(A) RETIREMENT PLAN AND 457(B) DEFERRED COMPENSATION PLAN TO EMPLOYEES, FOR A TERM OF TWO YEARS, IN AN AMOUNT NOT-TO-EXCEED \$253,000; AND C) THE CHIEF EXECUTIVE OFFICER TO EXECUTE CONTRACT AMENDMENTS WHICH MODIFY THE DISTRICT'S MAXIMUM FISCAL OBLIGATION BY NO MORE THAN \$25,000 (IN AGGREGATE) AND/OR MODIFY THE CONTRACT TERM AND/OR SERVICE SO LONG AS THE MODIFIED TERM OR SERVICES IS/ARE WITHIN THE CURRENT OR REVISED FISCAL OBLIGATION

RESOLVED, by the Board of Directors (the "Board") of the San Mateo County Flood and Sea Level Resiliency District (the "District"), that:

WHEREAS, Assembly Bill No. 825, ("AB 825") amended, added, and repealed certain sections of the San Mateo County Flood Control District Act (Chapter 2108 of the Statutes of 1959), relating to the District; and

WHEREAS, pursuant to AB 825, the District is now governed by an independent Board of Directors (the "Board"), effective January 1, 2020; and

WHEREAS, on February 10, 2020, the Board adopted an ordinance setting forth rules, regulations, standards, and procedures for appointment, suspension, and termination of employment (the "Ordinance"), which becomes effective March 12, 2020; and

WHEREAS, the Board desires to execute an amendment with Paychex to provide employee medical, dental, and vision benefits which would integrate with Paychex's payroll system, providing more transparency to employees and efficiencies to the District by on-line access and reporting; and

WHEREAS, the Board desires to offer both a 401(a) retirement plan and 457(b) deferred compensation plan to employees, but Paychex is unable to administer such plans.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Chief Executive Officer ("CEO") is authorized to execute an amendment to the agreement with Paychex to add District employee medical benefits, for a term of two years, increasing the contract amount by an additional \$311,000, for a total estimated cost not-to-exceed \$331,000.

IT IS FURTHER DETERMINED AND ORDERED that the CEO is authorized to negotiate and execute an agreement with a contractor to provide and administer a 401(a) retirement plan and 457(b) deferred compensation plan to District employees, for a term of two years, in an amount not-to-exceed \$253,000.

IT IS FURTHER DETERMINED AND ORDERED that the CEO is authorized to execute contract amendments which modify the District's maximum fiscal obligation by no more than \$25,000 (in aggregate) and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

* * * * *

Regularly passed and adopted this 24th Day of February 2020 by the following vote:

AYES:

NOES:

ABSENT:

Chair of the San Mateo County Flood
and Sea Level Rise Resiliency District

ATTEST:

Clerk of the San Mateo County Flood and
Sea Level Rise Resiliency District Board of Directors