

Board of Directors Meeting

San Mateo County Flood and Sea Level Rise Resiliency District

AGENDA

December 16, 2024

4:00 PM

- 1. Roll Call**
- 2. Public Comment** Persons wishing to address the Board on District-related matters not on this Agenda, as well as items listed under Action to Approve the Consent Agenda, may speak for up to two minutes; comments on Agenda items shall be heard during that item for up to two minutes.
- 3. Action to Set the Agenda and Approve the Consent Agenda ***
 - A. Approve the Minutes of the September 23, 2024 and October 28, 2024 District Board meetings
- 4. Regular Business**
 - A. Accept the District's Audited Financial Statements for July 1, 2023–June 30, 2024 and authorize the Chief Executive Officer, or Designee, to transmit the Audit to appropriate government agencies
 - B. Approve the 2025 schedule of Regular meetings of the Board of Directors
 - C. Approve a revised OneShoreline Procurement and Contracting Policy
 - D. Adopt Resolution 2024-12-16 recognizing the years of outstanding service of outgoing Board Chair Dave Pine
- 5. Chair's Report ***
- 6. CEO's Report *** BCDC's Regional Shoreline Adaptation Plan, introduce OneShoreline Director of Project Management Summer Bundy and farewell to outgoing Project Manager Makena Wong
- 7. Board Member Reports and Items for a Future Agenda ***
- 8. Adjournment**

Agenda Item 4A

Accept, and authorize the CEO to transmit, OneShoreline's FY2023-24 Audited Financial Statements

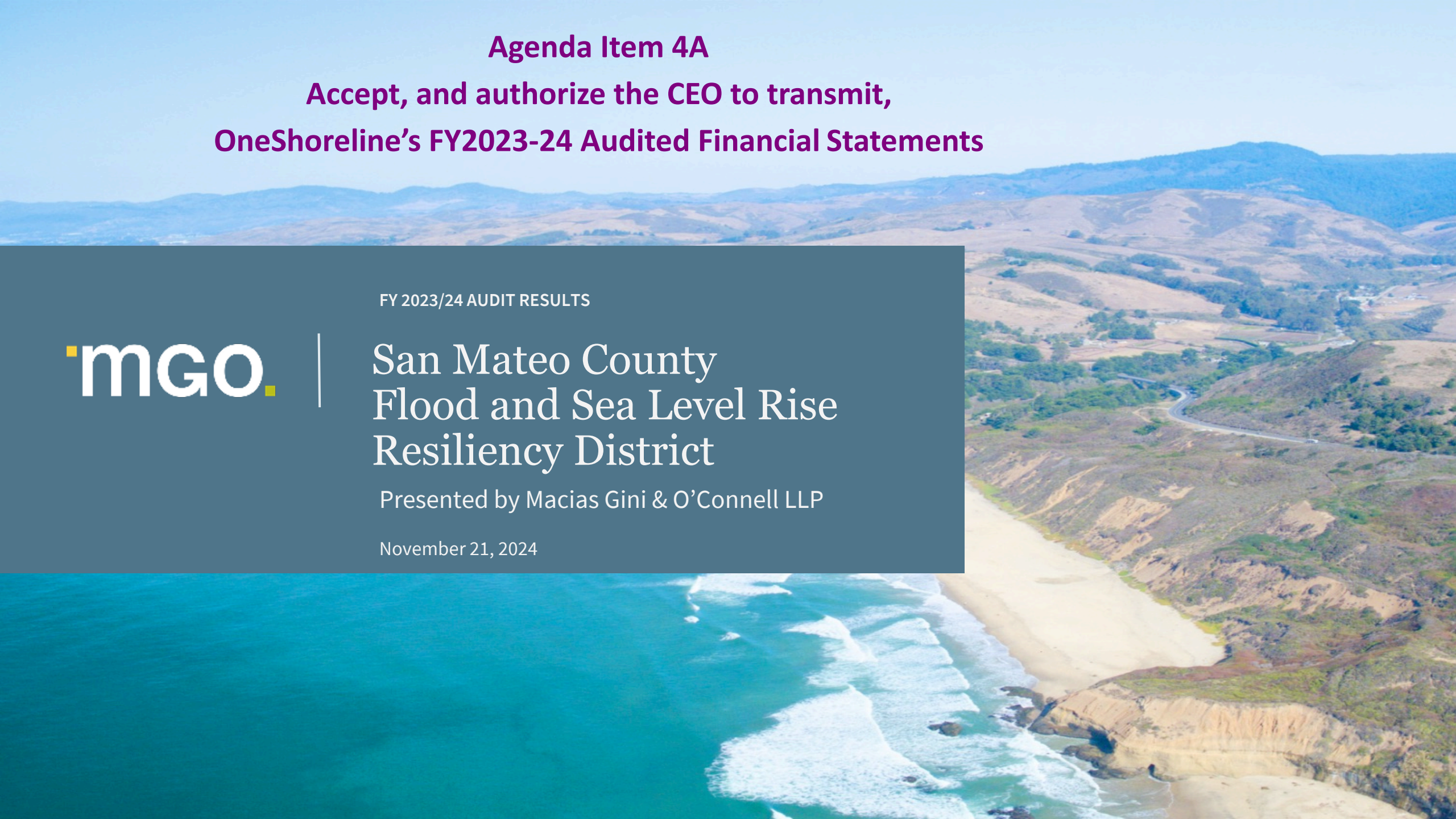
FY 2023/24 AUDIT RESULTS

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San Mateo County Flood and Sea Level Rise Resiliency District

Presented by Macias Gini & O'Connell LLP

November 21, 2024

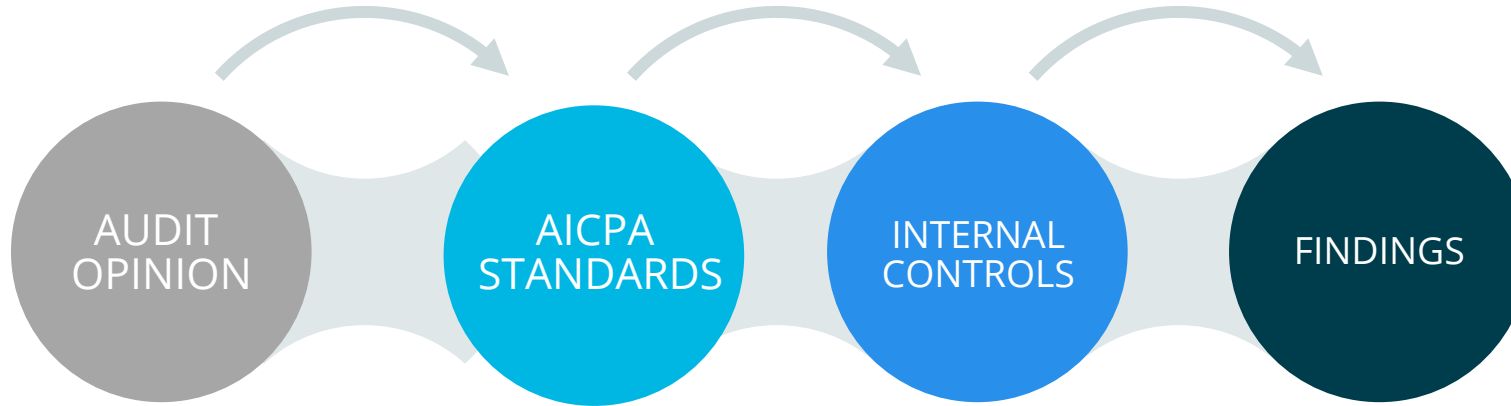


Scope of Audits

1. Basic Financial Statements
2. Single Audit
 - Not applicable in FY 2023/24

Auditor Responsibility

Our responsibility under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*.



To express our opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. This does not relieve you or management of your responsibilities.

To perform an audit in accordance with generally accepted auditing standards issued by the AICPA and *Government Auditing Standards*, and to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.

To obtain an understanding of the District and its environment, including internal controls over financial reporting and compliance, as a basis for designing our audit procedures, but not for the purpose of expressing an opinion on its effectiveness.

To communicate findings that, in our judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Management Responsibilities

Management responsibilities – Financial statements	<ul style="list-style-type: none">• Fairly presenting the financial statements, including disclosures in conformity with U.S. GAAP• Adjusting the financial statements to correct material misstatements and affirming in the representation letter that the effects of any uncorrected misstatements aggregated by the auditor are immaterial, both individually and in the aggregate, to the financial statements taken as a whole
Management responsibilities – ICFR	<ul style="list-style-type: none">• Design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
Management responsibilities – Other	<ul style="list-style-type: none">• To provide the auditor with:<ol style="list-style-type: none">1. access to all information of which management is aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;2. additional information that the auditor may request from management for the purpose of the audit; and3. unrestricted access to persons within the entity from whom the auditor determines it necessary to obtain audit evidence• Identifying and ensuring that the entity complies with laws and regulations applicable to its activities, and for informing the auditor of any known material violations of such laws and regulations• Providing the auditor with a letter confirming certain representations made during the audit, that includes but is not limited to management's:<ol style="list-style-type: none">1. disclosure of all significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the entity's financial reporting2. acknowledgement of their responsibility for the design, implementation, and maintenance of internal controls to prevent and detect fraud
Audit Committee responsibilities	<ul style="list-style-type: none">• Oversight of the financial reporting process and internal control over financial reporting (ICFR)• Oversight of the establishment and maintenance by management of programs and controls designed to prevent, deter, and detect fraud
Management and the Audit Committee responsibilities	<ul style="list-style-type: none">• Setting the proper tone and creating and maintaining a culture of honesty and high ethical standards• Ensuring that the entity's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in the entity's financial statements.

Audit Results and Required Communications

Auditor's Report	Unmodified opinion
Deficiencies in internal controls	No matters to report
Significant accounting policies and practices	Discussed in note 2 to the basic financial statements. No new accounting standards for this year impacting financial reporting.
Significant accounting estimates	Fair value of investments, depreciation for capital assets, accruals for vacation and leave. No exceptions noted.
Financial presentation and disclosure omissions	No matters to report
Corrected and uncorrected audit misstatements	No matters to report
Difficulties encountered in performing the audit	No matters to report
Disagreements with management	No matters to report
Management consultations with other independent accountants	No matters to report

Condensed Government-wide Financial Statements

As of and for the year ended June 30, 2024			
Assets:			
Current and other assets	\$	52,274,472	
Capital assets		35,747,790	
Total assets		<u>88,022,262</u>	
Liabilities:			
Long-term liabilities		14,664,899	
Other liabilities		1,946,073	
Total liabilities		<u>16,610,972</u>	
Deferred inflows of resources		<u>28,973</u>	
Net position:			
Net investment in capital assets		20,961,453	
Restricted		80	
Unrestricted		50,420,784	
Total net position	\$	<u><u>71,382,317</u></u>	
Program expenses:			
Public protection	\$	3,243,637	
Depreciation expense		990,176	
Interest on long-term liabilities		513,444	
Total program expenses		<u>4,747,257</u>	
Program revenues:			
Operating grants and contributions		1,482,148	
Capital grants and contributions		535,992	
Total program revenues		<u>2,018,140</u>	
General revenues:			
Property tax		7,942,868	
Interest and investment income		2,051,294	
Other		25,676	
Total general revenues		<u>10,019,838</u>	
Changes in net position		7,290,721	
Net position - beginning:		64,091,596	
Net position - ending	\$	<u><u>71,382,317</u></u>	

Accounting Updates

Effective for fiscal year 2024

Statement No. 99, *Omnibus 2022* – para. 4-10 related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53

Statement No. 100, *Accounting Changes and Error Corrections*

Effective for fiscal year 2025

Statement No. 101, *Compensated Absences*

Statement No. 102, *Certain Risk Disclosures*

Statement No. 103, *Financial Reporting Model Improvements*




Statement No. 104, *Disclosure of Certain Capital Assets*

Questions?




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Agenda item 4A District's Net Position Comparison: FY2023-24 vs. FY2022-23

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Difference (\$)</u>	<u>Difference (%)</u>
Assets:				
Current and other assets	\$ 52,274,475	\$ 44,801,803	\$ 7,472,672	16.68%
Capital assets, net	35,747,788	36,705,025	(957,237)	-2.61%
Total assets	<u>88,022,264</u>	<u>81,506,828</u>	<u>6,515,436</u>	 7.99%
Liabilities:				
Long-term liabilities	13,635,607	15,634,194	(1,998,587)	-12.78%
Other liabilities	2,975,372	1,749,451	1,225,921	70.07%
Total liabilities	<u>16,610,979</u>	<u>17,383,645</u>	<u>(772,666)</u>	 -4.44%
Deferred inflows of resources	<u>28,973</u>	<u>31,587</u>	<u>(2,614)</u>	-8.28%
Net position:				
Net investment in capital assets	20,961,452	20,290,349	671,103	3.31%
Restricted	80	77	3	3.90%
Unrestricted	50,420,780	43,801,170	6,619,610	15.11%
Total net position	<u>\$ 71,382,312</u>	<u>\$ 64,091,596</u>	<u>\$ 7,290,716</u>	 11.38%

Agenda item 4A District's Net Position Comparison: FY2023-24 vs. FY2019-20

	<u>June 30, 2024</u>	<u>June 30, 2020</u>	<u>Difference (\$)</u>	<u>Difference (%)</u>
Assets:				
Current and other assets	\$ 52,274,475	\$ 33,801,526	\$ 18,472,949	54.65%
Capital assets, net	35,747,788	28,310,114	7,437,674	26.27%
Total assets	<u>88,022,264</u>	<u>62,111,640</u>	<u>25,910,624</u>	 41.72%
Liabilities:				
Long-term liabilities	13,635,607	18,262,942	(4,627,335)	-25.34%
Other liabilities	2,975,372	628,750	2,346,622	373.22%
Total liabilities	<u>16,610,979</u>	<u>18,891,692</u>	<u>(2,280,713)</u>	 -12.07%
Deferred inflows of resources	<u>28,973</u>	<u>39,429</u>	<u>(10,456)</u>	-26.52%
Net position:				
Net investment in capital assets	20,961,452	9,887,211	11,074,241	112.01%
Restricted	80	1,126,103	(1,126,023)	-99.99%
Unrestricted	<u>50,420,780</u>	<u>32,167,205</u>	<u>18,253,575</u>	56.75%
Total net position	<u><u>\$ 71,382,312</u></u>	<u><u>\$ 43,180,519</u></u>	<u><u>\$ 28,201,793</u></u>	 65.31%

Agenda item 4B

Approve the 2025 schedule of Regular meetings of the Board of Directors

Proposed 2025 Board meeting schedule:

January 27

February 24

March 24

April 28

May 19

June 23

July 28

August 25

September 22

October 27

November 17

December 15

All meetings are on Monday and scheduled to begin at 4:00 p.m.

All meetings are proposed for the 4th Monday of the month, except for the meetings in May, November, and December, which are proposed for the 3rd Monday of those months.

All meetings are to be hybrid (remote by video/phone and in-person at 1700 S. El Camino Real in San Mateo); any update to this arrangement will be provided in the meeting agenda.

The 2025 schedule approved today will be sent via Outlook calendar invites to Board members tomorrow.

Agenda item 4C Approve a revised Procurement and Contracting Policy

The Board first adopted policies and procedures surrounding procurement, solicitation, and contracting in January 2020, and revised those in a new Procurement and Contracting Policy in August 2021.

With OneShoreline recently being awarded a federal FEMA grant for a San Bruno project, and receiving FEMA funds through Burlingame, we must revise the Procurement and Contracting Policy to align with the Code of Federal Regulations, including promoting participation by small, women- and minority-owned businesses. We also propose to:

- Increase the CEO's contracting authority from \$75,000 to \$100,000 for all contracts, except for construction contracts
- Raise the requirement for an RFP from \$150,000 to \$200,000, and the threshold for goods or services from \$15,000 to \$20,000 based on a statement of work and without executing a formal contract, unless required by law or a grant.
- Raise the emergency expenditure amount the CEO may authorize without competitive bids or prior Board approval (the CEO must notify the Board at the next Board meeting) from \$75,000 to \$100,000 to align with the first bullet.

Expected Contract Amount	Solicitation Requirement	Contracting Authority
Less than \$100,000	May be informal and non-competitive	CEO
\$100,000-\$200,000	Staff shall attempt to secure at least three responses	Board of Directors
Over \$200,000	Formal solicitation – advertised Request for Proposals (RFP)	Board of Directors

Agenda Item 4D Adopt Resolution 2024-12-16 recognizing the years of outstanding service of outgoing Board Chair Dave Pine

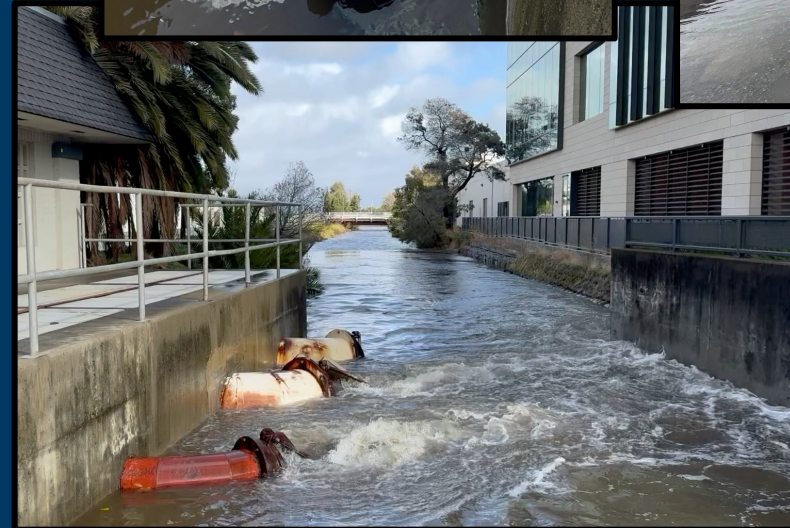
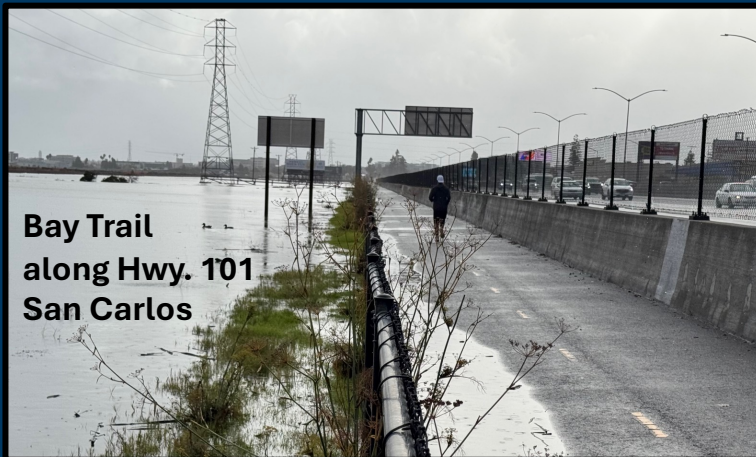
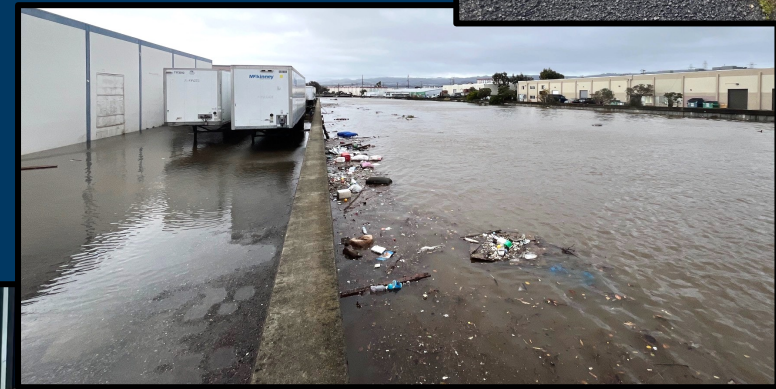
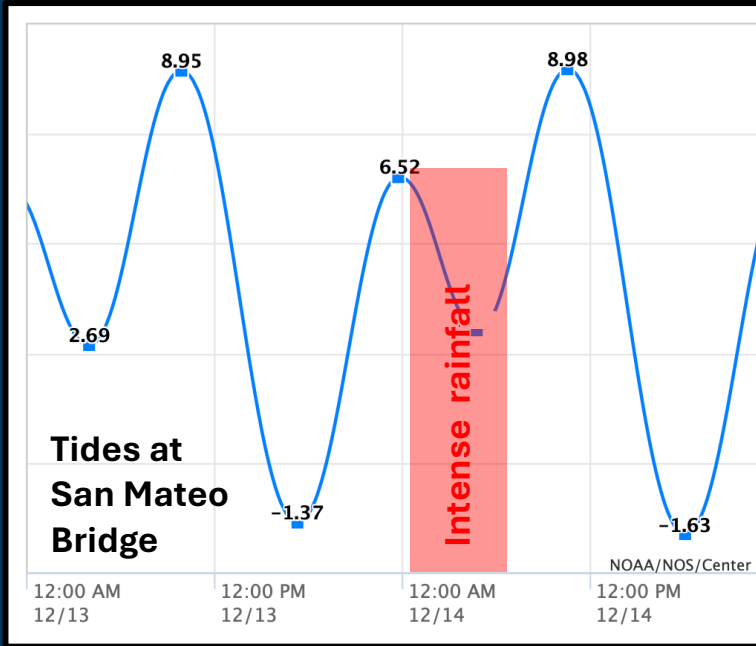


To honor and continue Dave's legacy from the halls of Burlingame's schools to the halls of Congress, and in reducing both the causes and impacts of climate change, OneShoreline will establish the

Dave Pine Climate Resilience Scholarship

to provide financial awards to high school students in San Mateo County who engage in leadership that fosters and builds climate resilience.

Agenda Item 6 CEO's Report December 13-15 King Tides and Storm



Agenda Item 6 CEO's Report

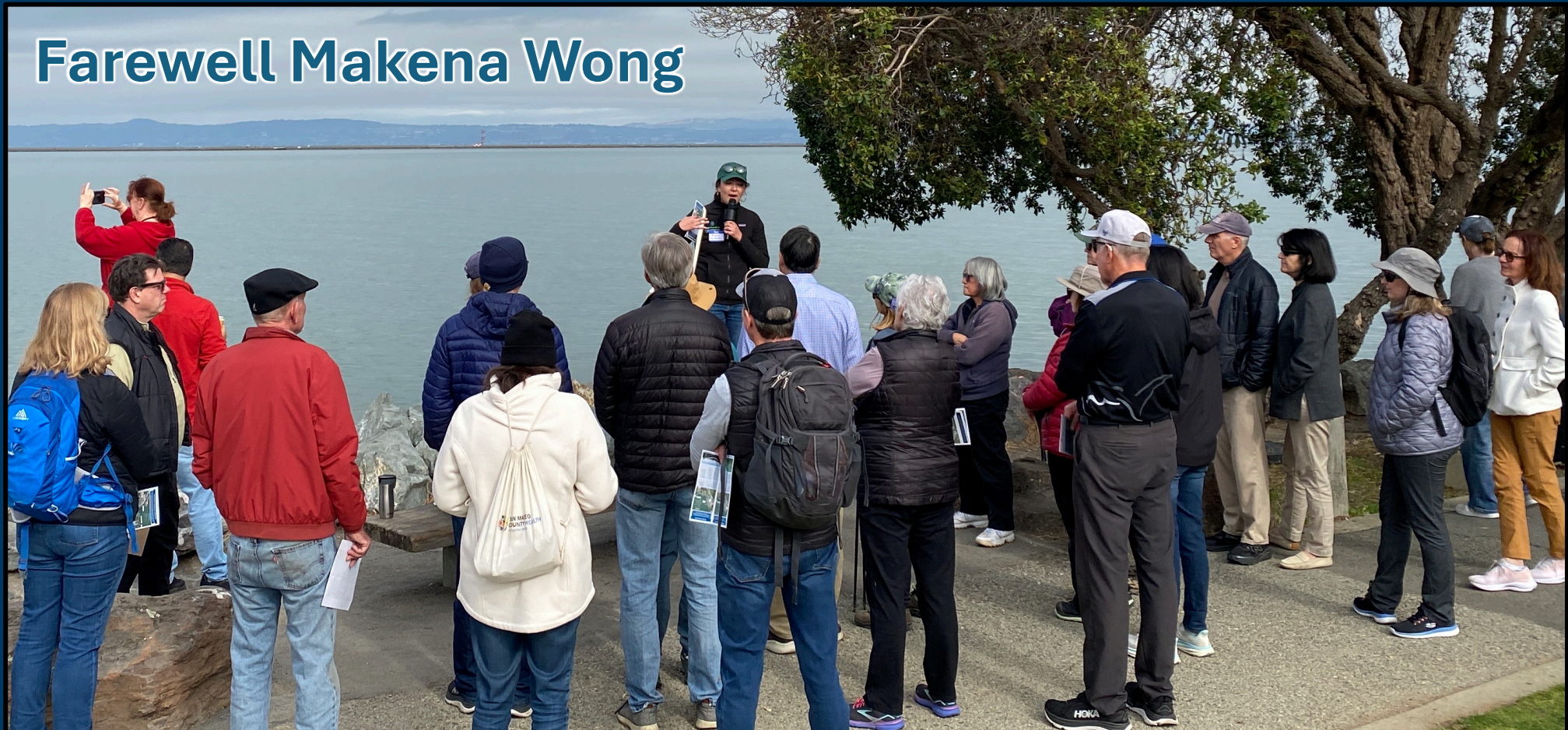
The Bay Conservation and Development Commission (BCDC) Regional Shoreline Adaptation Plan (RSAP)

- SB 272 (2023, Laird) requires cities and counties to develop shoreline adaptation plans that comply with CA guidelines established by BCDC and the CA Coastal Commission (CCC)
- On 11/13/24, the CCC updated its SLR Policy Guidance to incorporate best available science and environmental justice principles, and relate to SB 272.
- On 12/5/24, BCDC approved RSAP guidelines for coordinated, locally-planned SLR adaptation plans and actions that meet regional goals.
- On December 20, 2024 OneShoreline will apply for State funding to lead an RSAP-compliant planning project for the Bay shoreline of Brisbane and a portion of SSF, in coordination with Caltrans, SF, and the San Mateo County Harbor District
- OneShoreline is also talking with southern cities along the county's Bay shoreline about a similar effort



Agenda Item 6 CEO's Report

Welcome Summer Bundy as Director of Project Management





Next proposed Board meeting time

January 27, 2025 at 4:00 PM