



County of San Mateo

Inter-Departmental Correspondence

Department: PUBLIC WORKS

File #: 19-1183

Board Meeting Date: 12/10/2019

Special Notice / Hearing: None
Vote Required: 4/5

To: Honorable Board of Supervisors

From: James C. Porter, Director of Public Works

Subject: Transition of the Enhanced Flood Program to the San Mateo County Flood and Sea Level Rise Resiliency District

RECOMMENDATION:

Adopt resolutions authorizing:

- A) The assignment of all vendor contracts, Memoranda of Understanding, and grants currently in the name of the County of San Mateo related to the Enhanced Flood Program and flood-related projects and programs to the San Mateo County Flood and Sea Level Rise Resiliency District on or after January 1, 2020; and
- B) The Department of Public Works to transfer the County's General Fund contribution of \$750,000 per fiscal year for three years, to the San Mateo County Flood and Sea Level Rise Resiliency District, beginning on January 1, 2020, with the second year starting on July 1, 2020, and the third year on July 1, 2021, for a total contribution of \$2,250,000; and
- C) The Department of Public Works to transfer \$500,000 in district-discretionary **Measure K** funds to the San Mateo County Flood and Sea Level Rise Resiliency District, on or after January 1, 2020; and
- D) The Director of Public Works to execute a Master Agreement with the San Mateo County Flood and Sea Level Rise Resiliency District to provide engineering, administrative, and fiscal services for the continuation of District operations and maintenance, and the expansion of flood-related projects and programs, for a term of January 1, 2020 to June 30, 2022, in an amount up to \$2,721,200 per year for a total, not-to-exceed amount of \$6,803,000, with an option to extend through June 30, 2023 at the same annual rate, upon mutual consent; and

- E) A new subunit and an Appropriation Transfer Request (ATR) in the amount of \$1,949,000 to fund the ongoing fiscal, administrative, and engineering services provided to and reimbursed by the San Mateo County Flood and Sea Level Rise Resiliency District to support ongoing operations of the District.

BACKGROUND:

On September 12, 2019, Governor Newsom signed into law Assembly Bill 825 (“AB 825”), which renamed the San Mateo County Flood Control District as the San Mateo County Flood and Sea Level Rise Resiliency District (the “District”), changed the governing structure to an independent Board of Directors, and expanded its powers to specifically include “addressing and protecting against the impacts of sea level rise”. AB 825 takes effect January 1, 2020 (Attachment A). All assets, liabilities, obligations, and benefits held by the County of San Mateo for the benefit of flood-related projects and programs performed by the Department of Public Works will be assumed by the District as of this date. This includes, but is not limited to, Memoranda of Understanding (MOUs), vendor contracts, and grants.

The County of San Mateo’s Flood Program includes the San Mateo County Flood Control District funded by property tax revenues, which are restricted, and the Enhanced Flood Program, which is supported by the General Fund. Both programs will be assumed by the District on or after January 1, 2020.

This memorandum and the accompanying resolution are necessary as its flood-related programs are transitioned to an independent District. A separate memorandum and resolution are being submitted to the Governing Board of the San Mateo County Flood Control District for the transition of its assets, liabilities, and obligations held in the name of the San Mateo County Flood Control District.

DISCUSSION:

To facilitate the continuation of flood-related projects and programs and to support the District’s transition to an independent Board of Directors, your Board must take certain administrative actions.

First, the County of San Mateo (the “County”) currently holds vendor contracts, MOUs, and grants which are in the name of the County for flood-related projects and programs identified in Attachment B. Staff recommends that your Board authorize the assignment of these vendor contracts, MOUs, and grants to the District, effective on or after January 1, 2020. Over the next two weeks, the County will be sending letters to existing vendors and contractors informing them that their contracts will be assigned to the District, effective January 1, 2020.

Second, on or after January 1, 2020, the County will transfer \$750,000 in General Fund and \$500,000 in district-discretionary **Measure K** funds to the District to support start-up costs of the new District, as previously approved by your Board in Resolutions 076379 and 076708 respectively. An additional County contribution of \$750,000 will be provided to the District on July 1, 2020, with the final contribution of \$750,000 on July 1, 2021.

Third, the District, during its three-year start-up period, will require assistance with both its day-to-day operations and long-term project implementation. Thus, staff recommends that the County of San Mateo (“County”) enter into a Master Agreement with the District to leverage the County’s staffing resources, vendor contracts, and subject-area expertise (Attachment C). As set forth in Attachment C, services provided under the Master Agreement will be on a time and materials basis and include engineering services for the management and operations of the sub-zones and flood-related projects,

administrative support, community outreach efforts, and accounting services. The County departments providing services under the Master Agreement are the Department of Public Works, the Office of Sustainability, and the Controller's Office. The specific services provided by each department, along with the applicable terms such services will be provided, are set forth in the exhibits included in Attachment C. The Master Agreement includes a mutual indemnity/hold harmless provision covering the services performed by the County.

Fourth, the Department of Public Works will continue to process payments for services provided to the District through December 31, 2019 with existing Enhanced Flood Program funds, while services provided after January 1, 2020, must be paid for by the District.

Fifth, the County will work with the District to transition County employees within the Department of Public Works who work on flood-related projects and programs to the District. In January 2020, the new Board of Directors will be asked to take formal action to accept the transfer of employees. The District will reimburse the County for all associated costs of the employees incurred between January 1, 2020 and such time as the employees can transition to the new District.

On November 12, 2019, the District Advisory Committee approved the assignment of vendor contracts, MOUs, and grants in the name of the County, the Master Agreement (in concept), and the transfer of employees. A final draft of the Master Agreement will be presented to the District Advisory Committee for approval at their meeting on December 9, 2019. The resolution has been reviewed and approved by County Counsel.

FISCAL IMPACT:

On or after January 1, 2020, the County will transfer \$750,000 in General Funds and \$500,000 in district-discretionary, **Measure K** funds to the San Mateo County Flood and Sea Level Rise Resiliency District. On July 1, 2020, the County's second payment of \$750,000 will be transferred to the District, and the third payment of \$750,000 will be on July 1, 2021. Funding in support of the District totals \$2,750,000 over a period of three-years.

This resolution also authorizes a Master Agreement between the County of San Mateo and the San Mateo County Flood and Sea Level Rise Resiliency District, in an amount up to \$6,803,000, for the period of January 1, 2020 to June 30, 2022, with an option to extend to June 30, 2023 at the same annual rate upon mutual consent. Services provided under this agreement are to be reimbursed by the District.

In addition, the Department of Public Works is requesting \$1,949,000 in appropriations to provide engineering, administrative, and fiscal services to the District through June 30, 2019, which will be reimbursed by the District. The District will also reimburse the County for all associated costs of County employees incurred between January 1, 2020 and such time as the employees can transition to the new District.

Attachments: A: Adopted Assembly Bill 825
 B. List of Contracts, Grants, MOUs Assigned to the District
 C. Master Agreement Between the County of San Mateo and the Flood and Sea Level Rise Resiliency District (Draft)