



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** PUBLIC WORKS

**File #:** 20-865

Board Meeting Date: 11/10/2020

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** James C. Porter, Director of Public Works

**Subject:** Bayfront Canal and Atherton Channel Flood Protection and Ecosystem Restoration Project Memorandum of Understanding

**RECOMMENDATION:**

Adopt a resolution authorizing:

- A) The President of the Board of Supervisors to execute a Memorandum of Understanding among the San Mateo County Flood and Sea Level Rise Resiliency District, City of Redwood City, City of Menlo Park, Town of Atherton, and County of San Mateo to Prepare for Construction, and Operate the Bayfront Canal and Atherton Channel Flood Protection and Ecosystem Restoration Project for up to \$7,455,000; and
- B) The County Manager, or County Manager's designee, to execute the Memorandum of Understanding among the San Mateo County Flood and Sea Level Rise Resiliency District, City of Redwood City, City of Menlo Park, Town of Atherton, and County of San Mateo to Prepare for Construction, and Operate the Bayfront Canal and Atherton Channel Flood Protection and Ecosystem Restoration Project with any additions, clarifications and other changes as the County Manager, or County Manager's designee, deems necessary or advisable after consultation with County Counsel.

On February 23, 2016, this Board accepted the report entitled "Improving Flood Control in San Mateo County's Areas of Responsibilities" (report) and approved Resolution No. 074363 for an Appropriation Transfer Request to fund implementation of the report recommendations by the County. The Bayfront Canal and Atherton Channel Flood Management and Restoration Project, now referred to as the Bayfront Canal and Atherton Channel Flood Protection and Ecosystem Restoration Project (Project), was described as an anticipated project related to flood protection that would be evaluated, studied, permitted, and designed by the County's Enhanced Flood Control Program.

On December 5, 2017, this Board executed Resolution No. 075517, which authorized the

Memorandum of Understanding among the City of Redwood City, City of Menlo Park, Town of Atherton, and County of San Mateo (Bayfront Canal and Atherton Channel Flood Management and Restoration Project) (Design MOU). The Design MOU had a not-to-exceed value of \$1,000,000, which was anticipated to fund the planning, design, and environmental permitting for the Project.

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 (District), changed the governing structure to an independent Board of Directors, and expanded its project areas of work and powers to include addressing and protecting against the impacts of sea level rise. AB 825 took effect on January 1, 2020 and the District became the agency responsible for the Project.

### **DISCUSSION:**

The Bayfront Canal (Canal) is located north of Highway 101 (Hwy 101) and is generally parallel to Hwy 101 in the City of Redwood City between Woodside Road and Marsh Road. The Canal is bounded to the north by Cargill's salt ponds and to the south by residential and industrial properties. The Canal receives the majority of its runoff from the areas south of Hwy 101, including areas in Redwood City, Menlo Park, Atherton and the County unincorporated area of North Fair Oaks. The Atherton Channel (Channel) joins the Canal near Marsh Road before the Canal drains into Flood Slough and the Bay adjacent to Bayfront Bedwell Park. The Atherton Channel receives runoff from the Cities of Redwood City and Menlo Park, the Towns of Woodside and Atherton, and the County unincorporated areas.

The combined flow from the Channel and the Canal is from a 9.5 square mile area. The flow from each jurisdiction that discharges to the Canal has been calculated to be: Town of Atherton (38%), the City of Redwood City (26%), County of San Mateo (22%), City of Menlo Park (10.5%), and the Town of Woodside (3.5%).

The South Bay Salt Pond Restoration Project will be restoring two ponds adjacent to the Bayfront Bedwell Park (Ponds S5 and R5). The proposed design for the Project allows water that currently discharges to Flood Slough to flow into these ponds. This connectivity will provide water to compliment the restoration of these ponds and contribute to the creation of wetlands and freshwater habitats for the South Bay Salt Pond Restoration Project.

The Design MOU was anticipated to fund the planning, design, and environmental permitting for the Project. However, certain Project tasks identified in the Design MOU were not completed, namely the final environmental compliance, construction permitting, land acquisition, and final design and construction documents. The MOU being considered includes the remaining tasks from the Design MOU, as well as construction of the Project, operations and maintenance of the Project for five years post-construction, and mitigation activities in compliance with regulatory permits. The estimated cost of the Project is \$8,590,000.

Representatives from the cities of Redwood City and Menlo Park, the Town of Atherton, the County, and the District have collaborated on the content and obligations of the MOU. Key elements of the MOU include the following:

- The Term is for five years post-construction.
- The District will serve as the Lead Agency under California Environmental Quality Act (CEQA) and for the construction contract.

- The easements necessary for the Project will be held by the District, cities of Redwood City and Menlo Park, and the County.
- The District will be the owner of the Project improvements.
- The Project will be maintained by the City of Redwood City for the first five years post-construction with the cost of maintenance shared by the all parties to the MOU.
- The District will be responsible for the first five years post-construction mitigation activities, including implementation, maintenance, monitoring, and reporting.
- Should the MOU funding be inadequate for operations, maintenance, and mitigation activities after the first five (5) years post-construction, the MOU partners will meet and confer on funding these on-going costs. Should the MOU partners not reach agreement, Redwood City, Menlo Park, the District, and County agree to be responsible for an equal (one-fourth) share of the cost. The District will only be responsible for their share if they have secured a long-term funding source. As discussed below, Atherton's maximum contribution in connection with the Project is capped at \$1,350,000.
- Atherton has capped their maximum contribution at \$1,350,000 and the partners have agreed to absorb any balance owed for construction based on the negotiated percentages set forth in the MOU. Costs related to operations, maintenance and mitigation activities will be apportioned evenly among remaining Parties.
- The District will be responsible for invoicing the MOU participants based on the following maximum contribution amounts and percentages:
  - Town of Atherton - \$1,350,000 (18.11%)
  - City of Menlo Park - \$1,153,000 (15.47%)
  - City of Redwood City - \$2,658,000 (35.65%)
  - County of San Mateo - \$2,294,000 (30.77%)
- The District will invoice the partners fifteen percent (15%) of their contribution amount upon the effective date of the MOU and then quarterly; however, the Town of Atherton will be invoiced upon completion of construction of the Project estimated to be by December 31, 2021.
- The City of Redwood City received a \$1,135,000 grant from the California Department of Water Resources, which will be used to fund a portion of the construction of the Project.

The Project will reduce some of the flooding experienced north of Hwy 101 during small rain events but will not result in a significant reduction in flooding during larger storm events. This Project coupled with several future projects (pump stations, floodwalls, and larger culverts) are necessary to appreciably reduce flooding north of Hwy 101.

The District cannot proceed with construction of the Project without the funding contributions described in the MOU. Staff is recommending that this Board authorize execution of the MOU and also authorize the County Manager or County Manager's designee to execute the MOU should modifications as deemed necessary or advisable be required after consultation with County Counsel.

County Counsel has reviewed and approved the Resolution and Memorandum of Understanding as to form.

**FISCAL IMPACT:**

Funding for this Project has been budgeted through the Capital Improvement Program. The maximum contributions from the MOU parties is \$7,455,000 and the County's share is \$2,294,000 (30.77%).

There is no additional impact to the General Fund.