

## Independent Accountants' Agreed-Upon Procedures Report

The Board of Directors of San Francisquito Creek Joint Powers Authority

We have performed the procedures enumerated below related to the accompanying Summary of SAFER Bay Project Funding and invoice tracking spreadsheet prepared by San Francisquito Creek Joint Powers Authority. The San Francisquito Creek Joint Powers Authority is responsible for the invoice tracking spreadsheet and summary of SAFER BAY Project Funding.

San Francisquito Creek Joint Powers Authority have agreed to and acknowledged that the procedures performed by Grant Smith, LLC are sufficient and appropriate to meet the intended purpose of assisting users in evaluating the reconciliation of revenue and expenditures in regard to the SAFER Bay project since inception. This report may not be suitable for any other purpose. Additionally, the San Francisquito Creek Joint Powers Authority has agreed to and acknowledged that the procedures performed are sufficient and appropriate for its purposes. No other parties have agreed to or acknowledged the appropriateness of these procedures for the intended purpose or any other purpose.

The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. We make no representation regarding the appropriateness of the procedures either for the intended purpose or for any other purpose.

The procedures and the associated findings are as follows:

1. Obtained supporting documentation for expenditures charged to the Safer Bay project and verified the service provided was in alignment with the scope of the project and charged to the correct project.

Finding: No exceptions were noted as a result of our procedure

2. Obtained each grant contract/agreement and assessed whether there is a grant matching requirement. For the contracts (grants) that have a matching requirement we determined the Authority has a tracking mechanism in place to track matching contributions to verify that the matching amount and matching source were in agreement with the contract.

Finding: No exceptions were noted as a result of our procedure

3. Obtained a sample of grant agreements to determine revenue sources were recorded correctly in accounting system. We verified the amounts reported on the invoice tracking spreadsheet to the accounting software QuickBooks.

Finding: No exceptions were noted as a result of our procedure

4. Obtained a sample of deposits. We verified that the deposits were deposited in a separate bank account, specific to the SAFER Bay project.

Finding: No exceptions were noted as a result of our procedure

We were engaged by San Francisquito Creek Joint Powers Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, which involves us performing the specific procedures agreed to and acknowledged above and reporting on findings based on performing those procedures. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying SAFER Bay Project description and Table 1 (summary of SAFER Bay Project Funding ). Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of San Francisquito Creek Joint Powers Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

Oakland, California  
March XX, 2026

*SAFER Bay Project* – The Strategy to Advance Flood protection, Ecosystem restoration and Recreation along San Francisco Bay Project, or SAFER Bay Project, will provide tidal flood risk reduction and sea level rise resiliency to residents and critical infrastructure in East Palo Alto and Menlo Park.

A feasibility study for Menlo Park and East Palo Alto was completed in 2016 using grant funding from DWR (Agreement No. 4600009955). This project and associated grant were completed and closed in January 2017.

The City of Palo Alto funded a feasibility study for the Palo Alto shoreline via an agreement in 2014 between the SFCJPA and the City of Palo Alto for \$500,000. The feasibility study for Palo Alto was completed in 2019. In 2020, the City of Palo Alto moved forward with shoreline protection as part of the South Bay Shoreline Project, with Santa Clara Valley Water District (Valley Water) and US Army Corps of Engineers (USACE).

The SFCJPA received a second grant from DWR (Grant Agreement #4600009954) for the design and permitting for certain project components in East Palo Alto and Menlo Park in 2013, with work initiating in 2017, and grant reporting continuing through. There have been three amendments to this grant:

1. Amendment #1 extended the schedule and was executed in February 2018
2. Amendment #2 was a no-cost amendment to update scope and schedule, and this amendment was executed on March 9, 2021. The SFCJPA used this grant to issue a Notice of Preparation for an Environmental Impact Report in April 2022.
3. Amendment #3 was a no-cost amendment to update scope and schedule and was executed in August 2024. This amendment realigned the scope to focus on permitting and extended the schedule to December 31, 2028. This amendment relies on deliverables from East Palo Alto to complete the work scope.

The City of East Palo Alto, with support from SFCJPA, applied for grant funding to advance the project in East Palo Alto through a California Office of Emergency Response Hazard Mitigation Grant Program (CalOES HMGP) in 2019. The grant was executed between the City and CalOES on September 1, 2022, for Phase 1 funding in the amount of \$3,486,930, with an additional grant of \$156,323 for management costs. The \$5.5M of required match was supplied by the City of East Palo Alto. In August 2025, the City of East Palo Alto executed a contract using Phase 1 HMGP funding to move engineering designs forward from the 30% deliverable to 60%, 90%, and 100% design.

The SFCJPA applied for a grant for planning and preliminary design of the SAFER Bay Project in East Palo Alto and Menlo Park with the San Francisco Bay Restoration Authority (SFBRA) in

2021. The project was selected for award in early 2022, with execution of the grant agreement on September 15, 2022 (SFB0041-RA035). On March 3, 2023, the Governing Board of the SFBRA approved a supplemental award of up to \$3,980,000, and the grant agreement was amended on August 31, 2023, for a total of \$4,980,000. Work under this agreement includes the technical studies needed for CEQA with a programmatic and project level Environmental Impact Report for all reaches of the SAFER Bay Project in East Palo Alto and Menlo Park, San Mateo County.

The SFBRA grant was used to move the conceptual designs in the 2016 public draft feasibility study forward for CEQA analysis. This included 30% design deliverables for the PG&E Ravenswood Substation in Menlo Park, and the South of Bay Road Reach in East Palo Alto. In addition, the restoration components required significant changes since originally envisioned, and the restoration components were also moved forward to a 30-35% design in the “Restoration Basis of Design” Document.

The City of Menlo Park, with assistance from the SFCJPA, applied for a FEMA Building Resilient Infrastructure and Communities (BRIC) grant in 2020, with \$17.8M in match funding from PG&E (\$10M) and Meta (\$7.8M). Phase 1 design funding of \$3,759,474.00 was awarded in May 2023. In April 2025, the BRIC program was canceled, meaning that the Phase 2 construction funding would not be available.

The SFCJPA applied for additional funding from the SFBRA Round 8 in October 2024 and was informed in February 2025 that \$3,850,000 was recommended by staff to fund the restoration design and the additional funding needed for permitting. This funding is pending until CEQA is completed and the SFBRA Board considers the staff recommendation for approval.

Table 1 summarizes grant funding for the project.

Table 1 Summary of SAFER Bay Project Funding as of December 2025

Grant Agency	Grantee	Number	Grant Amount	Match	Match Source	SAFER Reach Included	Summary Scope for Included Reaches
CA Department of Water Resources	San Francisquito Creek Joint Powers Authority	DWR Grant No. 4600009954	\$1,045,625	\$448,125	Cities of East Palo Alto and Menlo Park	South of Bay Road, Restoration of Ponds R1/R2	Contract from 2013. Planning and Design. Scope includes CEQA and permits, 60%, 90% and 100% Designs for South of Bay Road reach and Restoration of Ponds R1/R2. Mod 3 moved funding for restoration permitting. <i>Cities will provide deliverables for this grant for 60%, 90% and 100% designs.</i>
San Francisco Bay Restoration Authority (Measure AA Parcel Tax 9-County Bay Area) Active	San Francisquito Creek Joint Powers Authority	SFB0041-RA035	\$4,980,000	None	N/A	Planning grant for all reaches in Menlo Park and East Palo Alto	CEQA – Project level for South of Bay Road and Restoration of Ponds R1/R2. Programmatic level all other reaches. 30% Design South of Bay Road 30% Design Ponds R1/R2 10-30% North of

Grant Agency	Grantee	Number	Grant Amount	Match	Match Source	SAFER Reach Included	Summary Scope for Included Reaches
							Bay Road 10% for all other reaches
San Francisco Bay Restoration Authority (Measure AA Parcel Tax 9-County Bay Area) (Pending)	San Francisquito Creek Joint Powers Authority	PENDING – goes to SFBRA Board June 6, 2026	\$3,850,000	None	N/A	Planning grant for design of unfunded restoration components and Pond SF2 engineered levee	Advance 30% designs for restoration and Pond SF2 levee to 60%-90% design
California Office of Emergency Response Hazard Mitigation Program (CalOES HMGP) Phase 1 Funding (active)	City of East Palo Alto	DR-4344-541-93R	\$3,643,253	\$1,162,310	City of East Palo Alto	South of Bay Road, Restoration of Ponds R1/R2	100% Design, NEPA, and permitting South of Bay Road

Grant Agency	Grantee	Number	Grant Amount	Match	Match Source	SAFER Reach Included	Summary Scope for Included Reaches
CalOES HMGP East Palo Alto Phase 2 Funding (pending)	City of East Palo Alto	DR-4344-541-93R	\$18,454,137	\$4,337,690	City of East Palo Alto	South of Bay Road, North of Bay Road to Tara in grant application Restoration of Ponds R1/R2	Construction of South of Bay Road
FEMA BRIC Phase 1 awarded May 31, 2023 (active)	City of Menlo Park	CalOES #081-46870-00 FIPS #081-46870	\$ 3,759,474	\$1,330,526	PG&E (\$10M) and Meta (\$7.8M)	Bedwell Bayfront Park, Bayfront Expressway, Tech Campus, Substation, Engineered protection and 10:1 ecotone levee, enhancements for Western Snowy Plover in Pond R3	90% Design, NEPA, and permitting of Menlo Park reaches except Dumbarton and Marsh Road

Subtotals      \$35,732,489      \$7,278,651

**TOTAL      \$43,011,140**

**Notes:** Phase 2 Funding is pending based on successful completion of Phase 1 and re-evaluated Benefit Cost Ratio greater than 1.  
 SFBRA Round 8 pending approval from SFBRA Governing Board June 2026.  
 FEMA BRIC program was canceled April 2025, but Phase 1 funding remains since it was contracted.

<b>Grant Agency</b>	<b>Grantee</b>	<b>Number</b>	<b>Grant Amount</b>	<b>Match</b>	<b>Match Source</b>	<b>SAFER Reach Included</b>	<b>Summary Scope for Included Reaches</b>
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North of Bay Road, Dumbarton Approach, and Marsh Road reaches have limited funding – only for 10% design and not construction.

The SFCJPA has been working with the HDR Team, composed of HDR Engineering, ESA and H.T. Harvey for the SAFER Bay Project. A Request for Proposals was issued by the SFCJPA in 2013, and the responsive proposals were reviewed and scored, with the two top scoring proposal teams interviewed by the SFCJPA and member agencies. The HDR Team had the highest scoring proposal and was awarded the project. On October 24, 2013, the SFCJPA and HDR entered into a Master Services Agreement (MSA) for the SAFER Bay Project by which the Consultant agreed to perform services in accordance with Task Orders issued by the Authority. To date, four Task Orders have been issued under the MSA; Task Orders 1 and 2 were closed by 2019, and Task Order 3 was closed as of January 26, 2023. Task Order 1 was used to complete the 2016 public draft feasibility study for East Palo Alto and Menlo Park. Task Order 2 was used to complete the 2019 public draft feasibility study for Palo Alto. Task Order 3 was intended for the East Palo Alto HMGP and DWR grants, but the SFCJPA realized the scope was not a good match since the HMGP grant was not yet awarded, and requested a revised scope in May 2021. It was determined that it would be easier to close Task Order 3 and open a new Task Order that was aligned with grant scope. Task Order 4 executed on January 26, 2023, for work funded by SFBRA Grant SFB0041-RA035 and remaining funding in DWR Agreement No. 4600009954 for planning and design of SAFER Bay Project. The SFCJPA has issued two amendments to the task order for additional work under the grant.

Other subcontractors working for the SFCJPA on the SAFER Bay project are Climate Resilient Communities, Nuestra Casa, Grassroots Ecology for outreach and educational purposes, and the Association of Ramaytush Ohlone for tribal consulting.

### **San Francisco Bay Joint Venture (SFBJV) Project Adoption**

The SFCJPA applied for the SAFER Bay Project to be adopted by the San Francisco Bay Joint Venture (SFBJV) in early 2020. This program is not a requirement but is recommended for the SFBRA grant program. Adopted projects have increased visibility and are eligible for benefits and services from the SFBJV, including letters of support, funding support, access to SFBJV programs and resources such as their Design Review program, SediMatch, Conservation Delivery Committee meetings, other networking opportunities, and project tours for decision-makers.

The 2020 application included the City of Palo Alto, as it was unclear at the time how the City of Palo Alto would move forward following the 2019 Feasibility Study that they funded through a contract with the SFCJPA.

The SFBJV Board conditionally approved SAFER Bay Project for adoption in May 2020, which is functionally equivalent to full project adoption, except that the project would need to return to the SFBJV Board for final project adoption when designs have advanced. The SFCJPA applied for full project adoption in July 2024. The SFCJPA asked the City of Palo Alto if they would like to continue to be part of the SAFER Bay SFBJV, and as there were no downsides to doing so, the

City of Palo Alto said yes to continue to be part of the SFBJV SAFER Bay Project Adoption. In October 2024, the SFBJV Board adopted the SAFER Bay Project as a full SFBJV project.