

# SAN BRUNO MOUNTAIN HABITAT CONSERVATION PLAN TRUST

## Trustees

Mike Callagy, County Executive – County of San Mateo  
Clay Holstine, City Manager – City of Brisbane  
Shawwna Maltbie, City Manager – City of Daly City  
Mike Futrell, City Manager – City of South San Francisco

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Date: Thursday, June 23, 2022

Time: 1:00 pm to 2:00 pm

Location:

In-person attendance: 455 County Center 4<sup>th</sup> Floor, Redwood City, CA  
Parks Redwood Conference Room

Videoconference attendance: Zoom Online Conference Call  
<https://smcgov.zoom.us/j/97030205125>

\*\*\*HYBRID MEETING - IN-PERSON AND BY VIDEOCONFERENCE\*\*\* This meeting of the San Bruno Mountain Habitat Conservation Plan Board of Trustees will be held in person and by teleconference pursuant to Government Code Section 54953(e). Members of the public will be able to participate in the meeting remotely via the Zoom platform or in person in the Redwood Conference Room at the address above. For information regarding how to participate in the meeting, either in person or remotely, please refer to the instructions at the end of the agenda.

Public Participation: The June 23, 2022 Board of Trustees meeting may be accessed through Zoom online at <https://smcgov.zoom.us/j/97030205125>. The webinar ID is: 980 6705 8992. The June 23, 2022 Board of Supervisors meeting may also be accessed via telephone by dialing +1 669 900 6833 (Local). Enter the webinar ID: Webinar ID: 970 3020 5125, then press #. Members of the public can also attend this meeting physically in the Redwood Conference Room at 455 County Center, 4<sup>th</sup> Floor, Redwood City.

\*Written public comments may be emailed to [parksandrecreation@smcgov.org](mailto:parksandrecreation@smcgov.org), and such written comments should indicate the specific agenda item on which you are commenting. \*Spoken public comments will be accepted during the meeting in person or remotely through Zoom at the option of the speaker. Public comments via Zoom will be taken first, followed by speakers in person.

## **Meeting Agenda**

**Pledge of Allegiance**

**Roll Call**

**Public Comment**

**Action to Set the Agenda and Approve the Consent Agenda Items**

**Regular Agenda**

1. Report Backs
  - a. Dedication Status Updates
  - b. Discussions with USFWS regarding need for HCP Amendment
  - c. Updates on Grant-funded Project Activities
  
2. Approve the San Bruno Mountain HCP Budget
  - a. Review and Update Planned Expenditures for Habitat Conservation Activities within the San Bruno Mountain Habitat Conservation Plan area for FY 2022-23
  
3. Review of 2020-21 Annual Activities Highlights \*\*
  
4. Upcoming & Recent Meetings
  - a. Grazing Technical Advisory Committee
  - b. Natural Resource Coordination – Quarterly
  - c. Trustees Meeting – May 2023

**Consent Agenda**

1. Approve the June 7, 2021 Meeting Minutes
  
2. Approve the San Bruno Mountain Habitat Conservation Plan Trust Fund's Annual Audit for FY 2020-21

\*\*PowerPoint presentation

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\*Instructions for Public Comment During Hybrid Meetings

During hybrid meetings of the Board of Supervisors, members of the public may address the Members of the Board of Trustees as follows:

\*Written Comments:

Written public comments may be emailed in advance of the meeting. Please read the following instructions carefully:

1. Your written comment should be emailed to [parksandrecreation@smcgov.org](mailto:parksandrecreation@smcgov.org).
2. Your email should include the specific agenda item on which you are commenting or note that your comment concerns an item that is not on the agenda or is on the consent agenda.
3. Members of the public are limited to one comment per agenda item.
4. The length of the emailed comment should be commensurate with the two minutes customarily allowed for verbal comments, which is approximately 250 300 words.
5. If your e-mailed comment is received by 5:00 p.m. on the day before the meeting, it will be provided to the Members of the Board of Trustees and made publicly available on the agenda website under the specific item to which your comment pertains. If e mailed comments are received after 5:00p.m. on the day before the meeting, we will make every effort to either (i) provide such e-mailed comments to the Board of Trustees and make such e mails publicly available on the agenda website prior to the meeting, or (ii) read such emails during the meeting. Whether such emailed comments are forwarded and posted, or are read during the meeting, they will still be included in the administrative record.



## COUNTY OF SAN MATEO

Parks Department

**DATE:** June 17, 2022

**TO:** San Bruno Mountain Habitat Conservation Plan Trustees

**FROM:** Hannah Ormshaw, Assistant Director

**SUBJECT:** **Update on the Status of Pending Conserved Habitat Dedications**

In accordance with the conditions of approval for the Toll Brothers development in the City of Brisbane and Foxhall Investment Ltd. lands within the City of Daly City, four parcels were to be dedicated to the San Bruno Mountain Habitat Conservation Plan (SBMHCP) area as conserved habitat. To date, the developments associated with these parcels have been completed, yet title to the properties have not yet been transferred to a SBMHCP signatory as conserved habitat.

“Toll CA XIX, LP (“Toll Brothers”), the developer of the real property known as the Northeast Ridge #2, has now offered two parcels for dedication to the County in accordance with the terms of the HCP. A Dedication and Transfer Agreement has been developed to clarify the next steps in the dedication process for these parcels to be added to the San Bruno Mountain State and County Park. The property for dedication and transfer to the County at this time consists of two parcels, “Parcel B” and “Parcel C” (totaling 78.27 acres), that make up the prime butterfly habitat that was conserved by HCP Amendment 5, as approved in 2010. Parcel F located between Parcels B and C will be dedicated to the City of Brisbane as an emergency vehicle access lane from the Northeast Ridge #2 residential subdivision to the Guadalupe Canyon Parkway. Attached is a survey of these described properties.

As Plan Manager of the HCP, the Department is developing a pilot program that will explore grazing as a tool in conserving some of the last remaining Mission Blue and Callippe Silverspot butterfly habitat. Over a three-year trial period, this area will be thoroughly monitored and analyzed to determine the viability of grazing as a habitat conservation solution for other areas of the mountain. The pilot program has the added benefit of reducing fire fuel in a dry area prone to wildfires. To date, a Northeast Ridge Vegetation Management Report has been completed, and Toll Brothers will be conveying \$127,500 as a contribution to this grazing pilot project for habitat restoration located on Parcel B.

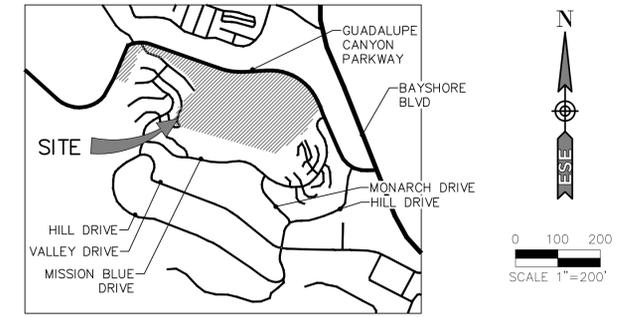
The status of the Foxhall Parcel dedications was reported in the 2019 trustees meeting, and there are currently no additional updates to provide.

# BOUNDARY RETRACEMENT SURVEY

## OF

### TOLL, CA - APN: 005-510-99

#### NAD27 US CA ZONE III



VICINITY MAP  
NOT TO SCALE

#### TITLE COMMITMENT NOTE

THIS SURVEY DOES NOT CONSTITUTE A TITLE SEARCH BY ESE CONSULTANTS AND/OR EMPLOYEES OF ESE CONSULTANTS TO DETERMINE OWNERSHIP OR EASEMENTS OF RECORD. FOR ALL INFORMATION REGARDING EASEMENTS, RIGHTS-OF-WAY AND TITLE OF RECORD, ESE CONSULTANTS RELIED UPON THE PRELIMINARY TITLE REPORT PREPARED BY FIRST AMERICAN TITLE COMPANY, ORDER NO. 0131-624859616, DATED REV. 11/06.

#### LEGAL DESCRIPTION

PARCELS B AND C, AS SHOWN ON THE MAP ENTITLED, "NORTHEAST RIDGE LANDMARK AT THE RIDGE UNIT II - NEIGHBORHOOD 2", FILED FOR RECORD ON DECEMBER 29, 2011 IN MAP BOOK 138 OF MAPS AT PAGES 7 THROUGH 22, INCLUSIVE, SAN MATEO COUNTY RECORDS.

#### NOTES

1. TOTAL PROJECT AREA AS SHOWN
2. THE SURVEYOR MAKES NO GUARANTEE THAT ALL OF THE ABOVE/UNDERGROUND UTILITIES SHOWN COMPRISE ALL IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHERMORE DOES NOT WARRANT THAT THE ABOVE/UNDERGROUND UTILITIES SHOWN ARE IN THE LOCATION INDICATED. THE SURVEYOR HAS NOT PHYSICALLY LOCATED ABOVE/UNDERGROUND UTILITIES.
3. THIS SURVEY IS BASED ON RECORDS OF SURVEY PROVIDED BY FIRST AMERICAN TITLE COMPANY.
4. THE SURVEYOR IS NOT AWARE OF ANY CHANGES IN STREET RIGHT OF WAY LINES EITHER COMPLETED OR PROPOSED.
5. THIS MAP OR EXHIBIT HAS BEEN CREATED FOR THE REPRESENTATION OF RECORD INFORMATION PROVIDED BY SAID TITLE COMPANY AS SHOWN HEREON. THE INTENT OF THIS SURVEY IS NOT TO CREATE OR ABANDON ANY EASEMENTS OR BOUNDARIES OF LAND.

#### REFERENCE

- R1 RECORD OF SURVEY OF "GUADALUPE CANYON PARKWAY SAN MATEO COUNTY ROAD NO. 69 BETWEEN THE CITY OF DALY CITY AND BAYSHORE BLVD." RECORDED AS VOLUME 8, PAGE 23, SAN MATEO COUNTY RECORDS.
- R2 THAT CERTAIN MAP TITLED "NORTHEAST RIDGE UNIT NO. 1" FILED FOR RECORD IN VOLUME 125 OF RECORDED SUBDIVISION MAPS PAGE 29, SAN MATEO COUNTY RECORDS.

**THIS EXHIBIT IS CREATED FOR REFERENCE ONLY**



#### LEGEND

- SECTION LINE
- PROPERTY BOUNDARY
- PARCEL LINE
- RIGHT OF WAY LINE
- EASEMENT LINE
- SURVEY TIE

- SMC SAN MATEO COUNTY RECORD OF SURVEY
- ROS RECORD OF SURVEY
- TM TRACT MAP
- ESMT EASEMENT
- PUE PUBLIC UTILITY EASEMENT
- R/W RIGHT-OF-WAY
- FND FOUND
- CL CENTERLINE
- FOUND MONUMENT
- FOUND REBAR AND CAP MARKED LS7179
- FOUND IRON PIPE
- ⊗ FOUND "X" IN CONCRETE

**BOUNDARY RETRACEMENT SURVEY**  
**TOLL, CA - APN: 005-510-99**

PARCELS B AND C, AS SHOWN ON  
"NORTHEAST RIDGE LANDMARK AT THE RIDGE UNIT II -  
NEIGHBORHOOD 2"  
BOOK 138 OF MAPS PAGE 7-22,  
SAN MATEO COUNTY RECORDS

SAN MATEO COUNTY CALIFORNIA

**ESE CONSULTANTS**  
ENGINEERING • PLANNING • SURVEYING • ENVIRONMENTAL

6800 K&B Center Parkway | Suite 320  
Pleasanton, CA 94566  
925-244-6065

|  |             |                  |                                    |
|--|-------------|------------------|------------------------------------|
| DRAWN: DB  | CHECKED: DB | DATE: 11.11.2021 | ORDER NUMBER: EXHIBIT PURPOSE ONLY |
| FILE NAME: BRSSBANE - EXHIBIT RETRACEMENT SURVEY NAD27 US CA | SHEET NO. 1 |                  | TOTAL SHEETS 1                     |





## Ecological Concerns Inc.

Ecological Landscapes  
Habitat Restoration  
California Native Plants

Office (831) 459-0656  
Fax (831) 457-1606  
CCL #778397

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8/6/2020

Hannah Ormshaw, Natural Resource Specialist II  
San Mateo County Parks Department

Re: TO#8: Scope and Estimate for San Bruno Mountain Northeast Ridge Vegetation Management Treatment Recommendations

Dear Hannah,

Ecological Concerns Incorporated (ECI) is pleased to present our budgetary estimate for habitat enhancement activities at the Northeast Ridge area of San Bruno Mountain in order to assist in the land transfer process for its acquisition and incorporation into the San Bruno Mountain Habitat Conservation Plan. The recommended scope and corresponding estimate are based upon the site visit, field discussion, our internal expertise, and the priority area map provided by San Mateo County Parks.

Please note that the budgetary estimate below represents a time and materials breakdown of our best estimates for the predicted vegetation management efforts for performing the vegetation management necessary for adequate habitat enhancement. The costs are based upon rates used for similar work that ECI has performed on San Bruno Mountain under previous HCP contracts. If selected for the work, ECI will make every effort to accomplish the priorities in each area within the costs provided.

Sincerely,

Garrick J. Hansen  
Ecological Concerns Incorporated  
Project Manager | Vegetation Management Specialist  
831.247.9660 - direct  
[ghansen@ecologicalconcerns.com](mailto:ghansen@ecologicalconcerns.com)

Enclosures:

Budgetary Numbers and Scope Proposal



**San Bruno Mountain Northeast Ridge Vegetation Management**  
**Budgetary Numbers and Scope Proposal**

| No                     | Task                 | QTY | UNIT | PRICE        | EXTENSION            |
|------------------------|----------------------|-----|------|--------------|----------------------|
| 1                      | PRIORITY 1           | 1   | LS   | \$ 30,310.83 | \$ 30,310.83         |
| 4                      | PRIORITY 1 FOLLOW UP | 1   | LS   | \$ 12,680.81 | \$ 12,680.81         |
| 2                      | PRIORITY 2           | 1   | LS   | \$ 19,693.25 | \$ 19,693.25         |
| 5                      | PRIORITY 2 FOLLOW UP | 1   | LS   | \$ 10,684.04 | \$ 10,684.04         |
| 3                      | PRIORITY 3           | 1   | LS   | \$ 36,007.58 | \$ 36,007.58         |
| 6                      | PRIORITY 3 FOLLOW UP | 1   | LS   | \$ 18,127.54 | \$ 18,127.54         |
| <b>GRAND TOTAL BID</b> |                      |     |      |              | <b>\$ 127,504.06</b> |

**Scope:**

The scope of work for **Priorities 1, 2, and 3** includes control of non-native and native shrubs, as well as invasive or exotic plant species in each priority area. Isolated patches of dense scrub will be left intact. Existing high quality and marginal grassland habitats will be enhanced by treating and removing scattered individuals. A variety of control methods will be implemented in order to select the most effective and environmentally sensitive treatment. Selection will be based upon the varying weather conditions, the species being treated, and the proximity of desirable native and butterfly host species.

The species to be controlled include, but is not necessarily limited to, fennel (*Foeniculum vulgare*), coyote brush (*Baccharis pilularis*), toyon (*Heteromeles arbutifolia*), Portuguese broom (*Cytisus striatus*), and French Broom (*Genista monspessulana*). The primary method of treatment would be a chemical cut stump technique of the larger shrubs and brooms, foliar treatment of fennel and smaller French broom, and selective manual removal of smaller scrub, and larger Portuguese and French brooms. Fennel will be treated with a foliar herbicide application. Larger fennel may be selected to be initially cut or sheared and allowed to regrow before applying a foliar treatment to the fresh growth at a later point in order to prevent drift onto desirable native and butterfly host species.

All chemical applications would follow formulations and concentrations called out in Pest Control Recommendations (PCRs) provided by the San Mateo County Parks Department. All work would be mapped using the ArcGIS Collector app under the San Mateo County Parks account.

**Priority 1:** Management of scrub, broom, and fennel on Arnold Slope, broom and fennel on Callippe Hill, and scrub and broom on Remainder Lands within the Northeast Ridge Parcel as outlined on the San Bruno Mountain: Northeast Ridge Vegetation Management Priorities map. The estimate for this work includes 51 person days, or a team of 3 restoration technicians for 17 days.



**Priority 1 Follow Up:** Management of scrub, broom, and fennel on Arnold Slope, broom and fennel on Callippe Hill, and scrub and broom on Remainder Lands within the Northeast Ridge Parcel as outlined on the San Bruno Mountain: Northeast Ridge Vegetation Management Priorities map. This work includes 2 years of follow up treatment in order to provide the most cost effective chance to achieve a state of minimal maintenance for the future management of the priority area. The estimate for this work includes 20 person days, or a team of 2 restoration technicians for 10 days.

**Priority 2:** Management of scrub on Callippe Hill and scrub, broom, and fennel on Remainder Lands within the Northeast Ridge Parcel as outlined on the San Bruno Mountain: Northeast Ridge Vegetation Management Priorities map. The estimate for this work includes 30 person days, or a team of 3 restoration technicians for 10 days.

**Priority 2 Follow Up:** Management of scrub on Callippe Hill and scrub, broom, and fennel on Remainder Lands within the Northeast Ridge Parcel as outlined on the San Bruno Mountain: Northeast Ridge Vegetation Management Priorities map. This work includes 2 years of follow up treatment in order to provide the most cost effective chance to achieve a state of minimal maintenance for the future management of the priority area. The estimate for this work includes 17 person days, or a team of 2 restoration technicians for approximately 8 days.

**Priority 3:** Management of scrub, broom, and fennel Callippe Hill and fennel on Remainder Lands within the Northeast Ridge Parcel as outlined on the San Bruno Mountain: Northeast Ridge Vegetation Management Priorities map. The estimate for this work includes 55 person days, or a team of 3 restoration technicians for 18 days.

**Priority 3 Follow Up:** Management of scrub, broom, and fennel Callippe Hill and fennel on Remainder Lands within the Northeast Ridge Parcel as outlined on the San Bruno Mountain: Northeast Ridge Vegetation Management Priorities map. This work includes 2 years of follow up treatment in order to provide the most cost effective chance to achieve a state of minimal maintenance for the future management of the priority area. The estimate for this work includes 29 person days, or a team of 2 restoration technicians for approximately 14 days.

### **Assumptions**

1. Site access will be available through the Ridge Crest Trail Gate
2. The use of herbicide is acceptable
3. Stockpiling the removed vegetation on site is acceptable

# San Bruno Mountain: Northeast Ridge Vegetation Management Priorities



**San Bruno Mountain  
Habitat Conservation Plan**

Hide

|  |       | Budget              | Actuals thru 6/30/21 | Budget              | Actuals thru 3/31/22 | Budget              | Change             |
|--|-------|---------------------|----------------------|---------------------|----------------------|---------------------|--------------------|
|  |       | 2020-21             | 2020-21              | 2021-22             | 2021-22              | 2022-23             |                    |
| <b>Interest</b>  |       |                     |                      |                     |                      |                     |                    |
| HCP Fund Interest  |       | \$ 12,000           | \$ 7,811             | \$ 9,000            | \$ 3,376             | \$ 8,000            | \$ (1,000)         |
| Endowment Fund Interest  |       | \$ 42,858           |                      | \$ 43,525           |                      | \$ 39,826           | \$ (3,699)         |
| <b>Total Interest Revenue</b>  |       | <b>\$ 54,858</b>    | <b>\$ 7,811</b>      | <b>\$ 52,525</b>    | <b>\$ 3,376</b>      | <b>\$ 47,826</b>    | <b>\$ (4,699)</b>  |
| <b>Revenue From HCP Fees</b>   |       |                     |                      |                     |                      |                     |                    |
|  |       | \$ 234,696          | \$ 303,701           | \$ 246,940          | \$ 90,036            | \$ 257,287          | \$ 10,347          |
| <b>Toll Brothers Northeast Ridge Restoration</b>                                   |       |                     |                      |                     |                      |                     |                    |
|  |       |                     |                      | \$ 127,500          |                      | \$ 127,500          | \$ -               |
| USFWS Grant  |       |                     |                      | \$ 20,000           |                      | \$ 20,000           | \$ -               |
| PCA MTC Grant  |       |                     |                      | \$ 137,900          |                      | \$ 137,900          | \$ -               |
| <b>Total Revenue</b>   |       | <b>\$ 289,554</b>   | <b>\$ 311,512</b>    | <b>\$ 584,865</b>   | <b>\$ 93,412</b>     | <b>\$ 590,513</b>   | <b>\$ 5,648</b>    |
| <b>Fund Balance</b>  |       | <b>\$ 977,513</b>   | <b>\$ 890,013</b>    | <b>\$ 952,655</b>   | <b>\$ 952,655</b>    | <b>\$ 907,765</b>   | <b>\$ (44,890)</b> |
| <b>TOTAL AVAILABLE FUNDS</b>   |       | <b>\$ 1,267,067</b> | <b>\$ 1,201,525</b>  | <b>\$ 1,537,520</b> | <b>\$ 1,046,067</b>  | <b>\$ 1,498,278</b> | <b>\$ (39,242)</b> |
| <b>EXPENDITURES</b>  |       |                     |                      |                     |                      |                     |                    |
| HCP Biological Monitoring Contracts  | HCPBM | \$ 15,000           | \$ 10,800            | \$ 15,000           | \$ 1,231             | \$ 15,000           | \$ -               |
| Grazing Management HCP Trust Funds   | HCPGC | \$ 20,000           | \$ 22,357            | \$ 128,000          | \$ 9,532             | \$ 118,469          | \$ (9,532)         |
| HCP Vegetation Management Contracts  | HCPVC | \$ 150,000          | \$ 136,842           | \$ 150,000          | \$ 49,889            | \$ 150,000          | \$ -               |
| Emergency Response Funds   | HCPEC | \$ 15,000           |                      | \$ 15,000           | \$ 9,500             | \$ 15,000           | \$ -               |
| Fuel Reduction   | HCPFR |                     |                      | \$ 80,000           | \$ 10,489            | \$ 69,511           | \$ (10,489)        |
| Other Contracts  |       |                     | \$ 4,000             | \$ 4,000            |                      | \$ 4,000            | \$ -               |
| Callippe Hill Dedication Environmental Assessment                                  |       |                     |                      | \$ 2,000            |                      | \$ 2,000            | \$ -               |
| <b>Total HCP Contracts</b>   |       | <b>\$ 200,000</b>   | <b>\$ 173,999</b>    | <b>\$ 394,000</b>   | <b>\$ 80,641</b>     | <b>\$ 373,979</b>   | <b>\$ (20,021)</b> |
| <b>Grant/Restricted</b>  |       |                     |                      |                     |                      |                     |                    |
| McKesson Property Restoration  | HCPMR | \$ 100,000          | \$ 4,485             | \$ 100,000          | \$ 16,689            | \$ 100,000          | \$ -               |
| PG&E Battery Road 59 Restoration   | HCPPR | \$ 3,550            |                      | \$ 3,550            |                      | \$ 3,550            | \$ 0               |
| USFWS SF Lessingia Restoration Grant   |       |                     |                      | \$ 20,000           |                      | \$ 20,000           | \$ -               |
| Grazing Management PCA MTC Grant Funds   |       |                     |                      | \$ 65,000           |                      | \$ 65,000           | \$ -               |
| Funds for Management of parcels 1,2 & 6  | HCPPM | \$ 48,186           |                      |                     | \$ 15,999            | \$ 8,217            | \$ 8,217           |
| Toll Brothers Northeast Ridge Restoration  |       |                     |                      | \$ 127,500          |                      | \$ 127,500          | \$ -               |
| <b>Total Grant/Restricted</b>  |       | <b>\$ 151,736</b>   | <b>\$ 4,485</b>      | <b>\$ 316,050</b>   | <b>\$ 32,688</b>     | <b>\$ 324,267</b>   | <b>\$ 8,217</b>    |
| <b>County Support</b>  |       |                     |                      |                     |                      |                     |                    |
| County Staff HCP Administration  |       | \$ 20,000           | \$ 20,000            | \$ 20,000           |                      | \$ 20,000           | \$ -               |
| County Staff Contract Management   |       | \$ 15,000           | \$ 15,000            | \$ 15,000           |                      | \$ 15,000           | \$ -               |
| County Staff (Administrative Support)  |       | \$ 7,500            | \$ 7,500             | \$ 7,500            |                      | \$ 7,500            | \$ -               |
| NRM Intern   |       | \$ 53,918           | \$ 12,308            | \$ 23,000           |                      | \$ 30,347           | \$ 7,347           |
| <b>Total County Support</b>  |       | <b>\$ 96,418</b>    | <b>\$ 54,808</b>     | <b>\$ 65,500</b>    | <b>\$ -</b>          | <b>\$ 72,847</b>    | <b>\$ 7,347</b>    |
| <b>Other Charges</b>   |       |                     |                      |                     |                      |                     |                    |
| Auditing Contract  |       | \$ 1,600            | \$ 1,700             | \$ 1,800            | \$ 1,800             | \$ 1,900            | \$ 100             |
| Property Tax   |       | \$ 1,000            | \$ 13,878            | \$ 21,000           | \$ 23,173            | \$ 25,000           | \$ 4,000           |
| <b>Total Other Charges</b>   |       | <b>\$ 2,600</b>     | <b>\$ 15,578</b>     | <b>\$ 22,800</b>    | <b>\$ 24,973</b>     | <b>\$ 26,900</b>    | <b>\$ 4,100</b>    |
| <b>Total Expenditures</b>  |       | <b>\$ 450,754</b>   | <b>\$ 248,870</b>    | <b>\$ 798,350</b>   | <b>\$ 138,302</b>    | <b>\$ 797,993</b>   | <b>\$ (356)</b>    |
| <b>Year-End Fund Balance for HCP Funds</b>   |       | <b>\$ 491,979</b>   | <b>\$ 475,975</b>    | <b>\$ 317,356</b>   | <b>\$ 463,773</b>    | <b>\$ 295,159</b>   | <b>\$ (22,197)</b> |
| PCA MTC Grant  |       |                     |                      | \$ 72,900           | \$ -                 | \$ 72,900           | \$ -               |
| <b>Year-End Fund Balance for Management of Parcels 1,2 &amp; 3</b>                 |       | <b>\$ -</b>         | <b>\$ 24,216</b>     | <b>\$ -</b>         | <b>\$ 8,217</b>      | <b>\$ -</b>         | <b>\$ -</b>        |
| <b>Year-End Fund Balance for PG&amp;E Battery Road 59 Restoration</b>              |       | <b>\$ 3,550</b>     | <b>\$ 7,445</b>      | <b>\$ 3,895</b>     | <b>\$ 7,445</b>      | <b>\$ 3,895</b>     | <b>\$ (0)</b>      |
| <b>Year-End Fund Balance for McKesson Property Improvements (Starting FY17/18)</b> |       | <b>\$ 320,784</b>   | <b>\$ 445,019</b>    | <b>\$ 345,019</b>   | <b>\$ 428,330</b>    | <b>\$ 328,330</b>   | <b>\$ (16,689)</b> |
| <b>Total Year-End Fund Balance</b>   |       | <b>\$ 816,313</b>   | <b>\$ 952,655</b>    | <b>\$ 739,170</b>   | <b>\$ 907,765</b>    | <b>\$ 700,284</b>   | <b>\$ (38,886)</b> |

# San Bruno Mountain Habitat Conservation Plan Trust

## Meeting Minutes

### June 7, 2021

The meeting convened at 4:00 p.m. via Zoom Online Conference Call.

**TRUSTEES PRESENT:** Mike Callagy (County of San Mateo), Clay Holstine (City of Brisbane), Mike Futrell (City of South San Francisco)

**STAFF PRESENT:** Hannah Ormshaw (SMCP NRM, HCP Habitat Manager), Stephen Stolte (City of Daly City), Nicholas Calderon (SMCP), Brett Jones (fiscal auditor), Sean Correa (SMCP NRM), Evan Cole (SMCP NRM), Rolando Jorquera (SMCP), Austin Lam (SMCP)

#### 1) Public Comments

One written public comment was submitted in advance of the meeting from Craig Carlton Dremann, addressing the following topics:

- “Agenda Item 1B HCP Maintenance Work: Since 1982, how many acres of grassland have been restored back to 95% native cover and also contain HCP-required butterfly food and nectar plants like Lupines, Violets, and Stonecrop plants?”
- “Agenda Item 1C Grant Award from the State Coastal Conservancy: For restoration of San Francisco Lessengia plants, how is this grant award going to be awarded? Would it be to the company that has the largest number of restored Lessengia plants in California over the last decade? If the grant award is for the most plants, then my company, The Reveg Edge in Redwood City, probably holds the world record for restoring Lessengia plants so far. On Fortune Acres in Woodside across from 144 Alta Mesa, six years ago I started with 100 plants and last year they were increased to 300,000 plants, and today there are more than one million plants getting ready to flower.”
- “Agenda Item 4A Grazing Technical Advisory Committee: Who is on that committee, and how do you contact them, and have they posted any data from the permanent transects with the measurement of the before grazing weeds and native plant cover percentages? Has the county filed any CEQA documents regarding this proposed grazing project? How is this project exempt from full CEQA review when exotic animal is a known destroyer of 99.99% of the entire California native grassland ecosystem? Is the county legally required under CEQA to look into any alternatives that can achieve the grassland restoration goals with zero environmental damages, whereas cattle grazing has been the number one guaranteed destroyer of 99.99% of California grasslands since the arrival of the Europeans? For example, consider the alternative of the special line methods I invented that produces 95% or better native cover within 4-5 years,

that you can see at [www.ecoseeds.com](http://www.ecoseeds.com). Has the committee set up permanent transects, and will they be annually running the percentage cover of the weeds and native plants before and after to determine if grazing is actually benefiting of the native plants or could be increasing the weeds? Will that annual percentage cover data be available online somewhere? Has the county posted a bond or put together a huge CEQA mitigation damages contingency fund in case the grazing project damages the native plant resources to pay for the hundreds of thousands of dollars that might be needed to restore the grasslands to their pre-graze conditions? Will this grazing project be testing soil annually to look for changes before and after grazing in soil nutrients and organic matter, and will those annual soil tests be posted somewhere?"

No oral public comments were made during this meeting.

## **2) Action to Set the Agenda and Approve the Consent Agenda Items**

Action: Motion/Second Callagy/Futrell to set the agenda and approve the consented agenda items.

Motion carried 3-0.

## **3) Report Backs\***

### **a) Dedication Status Updates**

- Ms. Ormshaw provided a memo outlining updates on the Toll Brothers property dedication of Parcel 107 (located on the Northeast Ridge) to the City of Brisbane, in conjunction with the development described in the 2008 HCP amendment.
- Communication facilitated by the City of Brisbane has occurred since the prior meeting, leading to a finalized agreement that satisfies the standards for Acceptance of Any Dedicated Lands by the County of San Mateo (in accordance with the SBMHCP).
- Main outstanding issue in the path to dedication was that the site restoration requirements hadn't been met. As a result, Toll Brothers agreed to provide funding to the County in the amount of \$127,500 to complete the remaining necessary habitat restoration work and to address neglected management during the 5 years the dedication process was pending. This restoration work will be overseen by the County of San Mateo Parks Department.
- Both parties have agreed that such work satisfies the requirement for the site, thus meeting the conditions of minimal maintenance necessitated by the standards for accepting dedications.
- The City of Brisbane and the County of San Mateo are currently working with Toll Brothers to obtain a title report for the parcels.

No action required for this item.

**b) Status of Expenditures for Maintenance Work for Parcels 1, 2 & 6 – South San Francisco**

- \$24,216 is the current balance remaining for habitat maintenance work for parcels 1, 2, and 6 (located within the boundaries of the City of South San Francisco). These funds have primarily been used for fennel control, as this invasive plant species is prevalent throughout the three parcels and negatively impacts butterfly habitat and grasslands located within them.
- Contractors procured by County Parks to perform fennel control in the spring of 2020 were unable to complete their work due to weather conditions (specifically high winds) which prevented safe and effective chemical treatment of fennel.
- Goal is to have contractors out spring 2021 to treat fennel in these parcels, but this is again weather dependent.

No action required for this item.

**c) Updates on Grant Awards from the State Coastal Conservancy & Metropolitan Transportation Commission, and the United States Fish and Wildlife Service**

- County Parks is currently coordinating with the Metropolitan Transportation Commission to finalize a supplement agreement to the current Master Funding Agreement between the two entities, which runs through FY 2029-2030. This supplemental agreement would outline the \$137,900 grant award given for the SBMHCP Grazing Pilot Program. Once finalized, it will be sent to County Manager Mike Callagy for execution under the existing Master Funding Agreement.
- In 2020, the U.S. Fish and Wildlife Service also awarded a \$20,000 grant for restoration of the federally-endangered San Francisco Lessingia. Work is underway for the project in coordination with San Bruno Mountain Watch, and it is anticipated the majority of the project work will occur through FY 2021-2022.

No action required for this item.

**4) Review and Approval of San Bruno Mountain HCP Budget**

**a) Review and Update of Planned Expenditures for Habitat Conservation Activities within the San Bruno Mountain Habitat Conservation Plan area for FY 2021-22\***

- Ms. Ormshaw discussed the proposed changes to the budget for FY 2021-22.
  - A larger portion of funds will be dedicated to grazing management to support the Grazing Pilot Program project, which will be allocated from the Unrestricted Fund balance and provide matching funds to the grant

received from the California State Coastal Conservancy and the Metropolitan Transportation Commission.

- A separate line in the budget sheet has been created for the grazing management grant funds, which come out to the amount of \$92,000, and this will cover the anticipated expenditures for the project for FY 2021-22.
  - Total project budget for the Grazing Pilot Program is upwards of over \$400,00.
  - There is a listed addition of \$80,000 for fuel reduction, allocated from the Unrestricted Fund balance and approved in the November 2020 meeting, which is to be used for activities under the County Park's Wildfire Fuel Management Program priority project list for fuel reduction at San Bruno Mountain within the HCP area.
  - There is a \$6,000 addition to the budget to be used for other contracts, one being ongoing expenditures for a project with Creekside Science to complete statistical analysis of butterfly monitoring data. The project is still ongoing, and remainder is yet to be invoiced.
  - There is a \$20,000 addition to the budget coming from the grant awarded by the U.S. Fish and Wildlife Service for San Francisco Lessingia restoration, to be used for a project with San Bruno Mountain Watch that will conduct restoration on Daly City dunes for this rare plant species.
  - There is a carryover of funding to be used for the management of Parcels 1, 2, and 6.
- Mr. Futrell had two questions after Ms. Ormshaw concluded her discussion of the changes in budget for FY 2021-22.
- The first question was regarding where the Grazing Pilot Program will occur in relation to South San Francisco. Ms. Ormshaw explained the location as being in the very southeast corner of the park and noted that a map will be presented later in the meeting depicting this location. She also stated that thorough public outreach will be performed in advance of the program's implementation to ensure that those in the area are aware of what's happening.
  - Mr. Futrell's second question addressed the location of Parcels 1, 2, and 6 and their adjacency to South San Francisco, which Ms. Ormshaw confirmed.
- Mr. Holstine asked about the timeline on the McKesson and the Toll Brothers' restoration projects.
- Ms. Ormshaw responded that the McKesson restoration is ongoing; a five-year plan had been drafted, which was first implemented in 2018, and there is still a fair amount of funding remaining for the project. The project's restoration plan recommends eucalyptus removals in the McKesson parcels, which will take up a fair proportion of the remaining funds and occur this year. Ms. Ormshaw does not expect to expend all of the remaining McKesson funds this year, as the plan is to phase it

annually and re-treat areas or perform follow up as necessary. In total, she anticipates expenditures of up to \$100,000 to be used for the McKesson parcels in FY 2021-22.

- The Toll Brothers restoration will depend on the progress and timing of the site's dedication, as well as when the funds are received from Toll Brothers, but the intention is to spend the entirety of those funds this year to restore the site in advance of the Grazing Pilot Program project.
- Ms. Ormshaw clarified that the McKesson parcels are currently part of the County Parks system, whereas the Toll Brothers parcel is in the process of being acquired.
- Mr. Callagy asked about the location of the additional fuel reduction projects that will be performed, to which Ms. Ormshaw said she will share a map depicting this later in the meeting.

Action: Motion/Second Futrell/Holstine to approve the budget.

Motion carried 3-0.

#### **5) Review of 2020-2021 Annual Activities Highlights\*\***

- The annual activities report for the SBMHCP has been posted to the San Mateo County Parks website, which contains more thorough information on annual butterfly monitoring results and other habitat management activities.
- A map is presented that shows the habitat enhancement and vegetation management performed for 2019-2020. Management units that saw high levels of management include Serbian Ravine, Olivet Ravine, Southeast Ridge, Hillside, and Buckeye Canyon, and the total treatment area was 485 acres. Work mostly focused on native scrub removal where scrub is encroaching into high-quality butterfly habitat and grassland areas, as well as removal of invasive species such as jubata grass, fennel, broom, radish, gorse, poison hemlock, eucalyptus, and English ivy. Most work was performed by contractors, with some of it also being performed by County Parks staff.
- After February 2020 fire burned a large patch of gorse, County Parks maintenance staff used bulldozers to crush down burned gorse skeletons to flatten them and make it easier for contractors and other crew to come perform an invasive species control follow up and prevent regrowth using herbicides. Maintenance crew also used masticator on an additional patch of gorse adjacent to burned area to perform a full removal of the stand, yielding a total removal area of 12 acres.
- Butterfly monitoring surveys focused on Callippe Silverspot and San Bruno Elfin occurred in 2020; across the mountain, there was an average of 30 Callippe sightings per hour, and throughout all surveys, a total of 1,191 San Bruno Elfin

larvae were found. Data has not yet been analyzed for the 2021 Mission Blue butterfly surveys, as the surveys were completed last week.

- As mentioned in budget, Creekside Science is working on statistical analysis of historic butterfly data. Goal with this is to better inform management decisions and see trends in relation to recovery status.
- San Francisco Lessingia restoration project is being led by San Bruno Mountain Watch, who have stewarded the site for a while. The grant being awarded for the project will be instrumental in identifying effective propagation and seeding methods for the species.
- A Residual Dry Matter and Grassland Productivity Study and a Baseline Biological Resources Assessment have both been completed for the Cattle Grazing Pilot project, and they will be posted to County Parks website soon. A displayed map depicts the two pilot areas, one at Northeast Ridge and one at Southeast Slope. Tasks for this year will involve working on long-term monitoring and reporting plan, grazing management plan, and infrastructure planning.
- Mission Blue translocations are ongoing; this year the San Francisco Parks and Recreation Department have been collecting Mission Blue butterflies and translocating them to Twin Peaks, moving 40 females and 20 males so far.
- Bay checkerspot reintroduction is ongoing this spring. Creekside Science introduced larvae to the Northeast Ridge, which has a high non-native host plant presence and thus strong potential for successful reintroduction of the species.
- Volunteer stewardship and restoration efforts have been restarted recently. Events include weeding around Ranch Road trail area and pulling broom at Northeast Ridge, with plans to continue hosting events in the future.
- Following no questions, Ms. Ormshaw presented a map of the San Bruno Mountain fuel reduction projects. Qualifying areas are ones with invasive species concerns or dense eucalyptus stands in close proximity to other properties or neighborhoods. Fuel breaks will be created near Franciscan Park Community, Crocker Street Entrance, and Alta Vista Avenue. Work will also continue this year with removing gorse along Saddle Loop Trail.

No action required for this update.

## **6) Upcoming & Recent Meetings**

### **a) Grazing TAC**

- Last meeting was in June 2021. TAC meetings will continue be held throughout the year on a quarterly basis.

### **b) Natural Resource Coordination – Quarterly**

- Had spring meeting in May, and next meeting will take place in August.

### **c) Trustees Meeting – May 2022**

- The timing of a May meeting works well for fiscal staff to prepare the budget information and to be able to present budget information to trustees in advance of a new fiscal year.

### **7) Window for Public Comment.**

There were none.

Action: Motion/Second Callagy/Futrell to adjourn the meeting.

Motion carried 3-0.

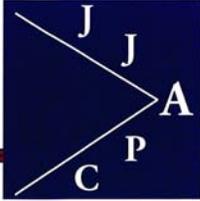
\*Oral Report

\*\*PowerPoint presentation

**SAN BRUNO MOUNTAIN HABITAT CONSERVATION PLAN TRUST FUND**

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AND  
COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS**

**JUNE 30, 2021**



**JJACPA, Inc.**

A Professional Accounting Services Corp.

---

February 28, 2022

To the Trustees of the  
San Bruno Mountain Habitat Conservation Plan Trust Fund

We have audited the basic financial statements of the San Bruno Mountain Habitat Conservation Plan Trust Fund (Trust Fund) as of and for the year ended June 30, 2021 and have issued our report thereon dated February 28, 2022. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility under Generally Accepted Auditing Standards and *Government Auditing Standards***

As communicated in our engagement letter dated August 4, 2021, our responsibility, as described by professional standards, is to plan and perform our audit to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Trust Fund solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, 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.

**Other Information in Documents Containing Audited Financial Statements**

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the Trust Fund's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

## **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Trust Fund is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended June 30, 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Trust Fund's financial statements relate to contingencies and subsequent events.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

## **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Trust Fund's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

## **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated February 28, 2022.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Findings or Issues**

In the normal course of our professional association with the Trust Fund, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Trust Fund's auditors.

### **Communication of Internal Control Related Matters**

In planning and performing our audit of the financial statements of the Trust Fund as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Trust Fund's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust Fund's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report is intended solely for the information and use of the Trustees and management of the Trust Fund and is not intended to be and should not be used by anyone other than these specified parties.

February 28, 2022

*JJACPA, Inc.*

**JJACPA, Inc.**

**Dublin, CA**

February 28, 2022

JJACPA, Inc.  
7080 Donlon Way, Suite 204  
Dublin, CA 94568

Dear Mr. Arch:

This representation letter is provided in connection with your audit of the basic financial statements of the San Bruno Mountain Habitat Conservation Plan Trust Fund ("Trust Fund"), as of and for the year ended June 30, 2021 and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the Trust Fund in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of February 28, 2022:

#### **Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated August 4, 2021, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes for all years.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GASB Statement No. 62 (GASB-62), Codification of Accounting and Financial Reporting Guidance Contained in

Pre-November 30, 1989 FASB and AICPA Pronouncements (FASB Accounting Standards Codification (ASC) 450, Contingencies), and we have not consulted a lawyer concerning litigation, claims, or assessments.

- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available is appropriately disclosed and net position is properly recognized under the policy.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- Regarding investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable, and they appropriately reflect management’s intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

### **Information Provided**

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity’s financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity’s related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The Trust Fund has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the Trust Fund is contingently liable.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially

within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- The Trust Fund has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

To the best of our knowledge and belief, no events have occurred subsequent to the balance sheet dates and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

*Rolando Jorquera* 2/28/2022

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Rolando Jorquera, Financial Services Manager II

*Austin Lam*

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Austin Lam, Management Analyst

**SAN BRUNO MOUNTAIN HABITAT**  
**CONSERVATION PLAN TRUST FUND**

**BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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**San Bruno Mountain Habitat Conservation Plan Trust Fund**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

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**San Bruno Mountain Habitat Conservation Plan Trust Fund**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**Appointed Officials**

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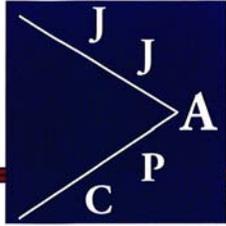
**TRUSTEES**

Mike Futrell

Clay Holstine

Shawna Maltbie

Michael Callagy



**JJACPA, Inc.**

A Professional Accounting Services Corp.

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## **INDEPENDENT AUDITORS' REPORT**

To the Trustees of the  
San Bruno Mountain Habitat Conservation Plan Trust Fund

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the major fund, and the budgetary comparison information of the San Bruno Mountain Habitat Conservation Plant Trust Fund (Trust Fund), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Trust Fund's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the budgetary comparison information of the Trust Fund, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Management has omitted Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, though not a part of the basic financial statements, is required by the Governmental Accounting Standard Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2022 on our consideration of the Trust Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Trust Fund's internal control over financial reporting and compliance.

February 28, 2022

*JJACPA, Inc.*  
**JJACPA, Inc**  
**Dublin, CA**

## **BASIC FINANCIAL STATEMENTS**

# San Bruno Mountain Habitat Conservation Plan Trust Fund

## Statement of Net Position

June 30, 2021

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|   | <u>2021</u>              |
|---|--------------------------|
| <b>ASSETS</b>                             |                          |
| <b>Current assets:</b>                    |                          |
| Cash and investments                      | \$ 717,039               |
| Accounts receivable:                      |                          |
| Accounts                                  | 244,869                  |
| Interest                                  | 1,639                    |
| <b>Total assets</b>                       | <u><u>\$ 963,547</u></u> |
| <b>LIABILITIES</b>                        |                          |
| <b>Current liabilities:</b>               |                          |
| Accounts payable and accrued liabilities  | \$ 10,892                |
| <b>Total liabilities</b>                  | <u>10,892</u>            |
| <b>NET POSITION</b>                       |                          |
| Restricted for:                           |                          |
| McKesson property                         | 445,019                  |
| Battery road restoration                  | 7,445                    |
| Parcel maintenance                        | 24,216                   |
| Unrestricted                              | 475,975                  |
| <b>Total net position</b>                 | <u>952,655</u>           |
| <b>Total liabilities and net position</b> | <u><u>\$ 963,547</u></u> |

The accompanying notes are an integral part of these basic financial statements.

# San Bruno Mountain Habitat Conservation Plan Trust Fund

## Statement of Activities

For the year ended June 30, 2021

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|   | <u>2021</u>       |
|---|-------------------|
| <b>OPERATING REVENUES:</b>                    |                   |
| Other charges                                 | \$ 303,701        |
| <b>Total operating revenues</b>               | <u>303,701</u>    |
| <b>OPERATING EXPENSES</b>                     |                   |
| Professional fees                             | 180,184           |
| Special contract services                     | <u>54,808</u>     |
| <b>Total operating expenses</b>               | <u>234,992</u>    |
| <b>Operating income</b>                       | <u>68,709</u>     |
| <b>NONOPERATING REVENUES (EXPENSES):</b>      |                   |
| Interest revenue                              | 7,811             |
| Taxes and assessments                         | <u>(13,878)</u>   |
| <b>Total nonoperating revenues (expenses)</b> | <u>(6,067)</u>    |
| <b>Change in net position</b>                 | 62,642            |
| <b>NET POSITION (DEFICIT):</b>                |                   |
| Beginning of year                             | 890,013           |
| End of year                                   | <u>\$ 952,655</u> |

The accompanying notes are an integral part of these basic financial statements.

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**FUND FINANCIAL STATEMENTS**

# San Bruno Mountain Habitat Conservation Plan Trust Fund

## Balance Sheet

June 30, 2021

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|   | <u>2021</u>       |
|---|-------------------|
| <b>ASSETS</b>   |                   |
| <b>Current assets:</b>  |                   |
| Cash and investments  | \$ 717,039        |
| Accounts receivable:  |                   |
| Accounts  | 244,869           |
| Interest  | 1,639             |
| <b>Total current assets</b>   | <u>963,547</u>    |
| <b>Total assets</b>   | <u>\$ 963,547</u> |
| <b>LIABILITIES<br/>AND FUND BALANCES</b>  |                   |
| <b>Current liabilities:</b>   |                   |
| Accounts payable and accrued liabilities  | \$ 10,892         |
| <b>Total current liabilities</b>  | <u>10,892</u>     |
| <b>FUND BALANCE</b>   |                   |
| Restricted  | 476,680           |
| Unassigned  | 475,975           |
| <b>Total fund balance</b>   | <u>952,655</u>    |
| <b>Total liabilities and fund balance</b>   | <u>\$ 963,547</u> |
| <br>  |                   |
| <b>Reconciliation of the Governmental Funds Balance Sheet<br/>to the Statement of Net Position</b>  |                   |
| <b>Total fund balances - total governmental funds</b>   | \$ 952,655        |
| <br>  |                   |
| Amounts reported for governmental activities in the Statement of Net Position are different because:  |                   |
| <br>  |                   |
| Deferred inflows are reported in governmental funds on the modified accrual basis and are recognized as revenue on the accrual basis in the government-wide statements. | <u>-</u>          |
| <b>Net position of governmental activities</b>  | <u>\$ 952,655</u> |

The accompanying notes are an integral part of these basic financial statements.

**San Bruno Mountain Habitat Conservation Plan Trust Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For the year ended June 30, 2021**

|  | <u>2021</u>       |
|--|-------------------|
| <b>REVENUES:</b>   |                   |
| Other charges  | \$ 303,701        |
| Interest revenue   | 7,811             |
| Gifts and donations  | -                 |
| <b>Total revenues</b>  | <u>311,512</u>    |
| <b>EXPENDITURES</b>  |                   |
| Professional fees  | 180,184           |
| Special contract services  | 54,808            |
| Taxes and assessments  | 13,878            |
| <b>Total expenditures</b>  | <u>248,870</u>    |
| <b>Excess (Deficiency) of Revenues Over Expenditures</b>   | <u>62,642</u>     |
| <b>Net Change in fund balance</b>  | 62,642            |
| <b>FUND BALANCE (DEFICIT):</b>   |                   |
| Beginning of year  | 890,013           |
| End of year  | <u>\$ 952,655</u> |
| <br><b>Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities</b>  |                   |
| <b>Net change in fund balances - total governmental funds</b>  | \$ 62,642         |
| Amounts reported for governmental activities in the Statement of Activities are different because:   |                   |
| Some receivables are deferred in the governmental funds because the amounts do not represent current financial resources that are recognized under the accrual basis in the Statement of Activities. |                   |
| <b>Change in net position of governmental activities</b>   | <u>\$ 62,642</u>  |

The accompanying notes are an integral part of these basic financial statements.

# San Bruno Mountain Habitat Conservation Plan Trust Fund

## Statement of Revenues, Expenditures, and Changes in Fund Balance

### Budget and Actual

For the year ended June 30, 2021

|  | Original<br>Budget | Final<br>Budget   | 2021<br>Actual    | Variance<br>Positive<br>(Negative) |
|--|--------------------|-------------------|-------------------|------------------------------------|
| <b>REVENUES:</b>   |                    |                   |                   |                                    |
| Other charges  | \$ 234,696         | \$ 234,696        | \$ 303,701        | \$ 69,005                          |
| Interest revenue   | 54,858             | 54,858            | 7,811             | (47,047)                           |
| Total Revenues   | <u>289,554</u>     | <u>289,554</u>    | <u>311,512</u>    | <u>21,958</u>                      |
| <b>EXPENDITURES:</b>   |                    |                   |                   |                                    |
| Professional fees  | 200,000            | 200,000           | 180,184           | 19,816                             |
| Special contract services  | 96,418             | 96,418            | 54,808            | 41,610                             |
| Taxes and assessments  | 2,600              | 2,600             | 13,878            | (11,278)                           |
| Total Expenditures   | <u>299,018</u>     | <u>299,018</u>    | <u>248,870</u>    | <u>50,148</u>                      |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>                                | (9,464)            | (9,464)           | 62,642            | (72,106)                           |
| <b>REVENUES OVER (UNDER) EXPENDITURES<br/>AND OTHER FINANCING (USES)</b> | <u>\$ (9,464)</u>  | <u>\$ (9,464)</u> | 62,642            | <u>\$ (72,106)</u>                 |
| <b>FUND BALANCES (DEFICIT):</b>  |                    |                   |                   |                                    |
| Beginning of year  |                    |                   | 890,013           |                                    |
| End of year  |                    |                   | <u>\$ 952,655</u> |                                    |

The accompanying notes are an integral part of these basic financial statements.

**San Bruno Mountain Habitat Conservation Plan Trust Fund**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**Notes to Basic Financial Statements**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The San Bruno Mountain Habitat Conservation Trust Fund (Trust Fund) was created to carry out the purpose and provisions of the San Bruno Mountain Habitat Conservation Plan (the HCP), which attempts to resolve the endangered species and development conflict. The HCP allows limited development of endangered species habitat in exchange for implementation of a long-term program, funded by development, to protect and enhance the remaining portions of the San Bruno Mountain as habitat for the Mission Blue Butterfly, Callippe Silverspot Butterfly, San Bruno Elfin, Bay Checkered Butterfly, and the San Francisco Garter Snake.

The HCP was adopted in 1983 and covers the entire area of San Bruno Mountain. The permit necessary to administer the HCP was issued by the U.S. Fish and Wildlife Service in 1983 and is in effect for thirty years. In 1983 the Trust Fund was also established by an agreement among the U.S. Fish and Wildlife Service (USFWS), the California Department of Fish and Game, the California Department of Parks and Recreation, the County of San Mateo, the City of South San Francisco, the City of Brisbane, the City of Daly City and certain land developers. The members of the Board of Trustees are the County Manager of the County of San Mateo and the City Managers of the cities of Brisbane, Daly City and South San Francisco.

In 2013 the County of San Mateo (County), as Plan Operator, extended the Section 10(a) ("Incidental Take") Permit with the USFWS for the existing HCP including all five approved amendments for another 30 years.

The Trust Fund is an entity separate from each participating entity and the Board of Trustees controls the operations of the Trust Fund. Funding is provided by developers during construction and permanent and ongoing funding is provided by the homeowners living within in the plan area since the adoption of the plan, and continue to pay throughout the term of the plan. The Trust Fund is administered by the San Mateo County Parks Department.

The Trust Fund's financial transactions are accounted for in a Special Revenue Fund, as monies received by it are legally restricted to specific use. Trust Fund monies can only be expended for purposes authorized by the HCP agreement. Revenues received and expenditures incurred pertaining to the HCP amendment are accounted for in a separate fund maintained by the County.

**San Bruno Mountain Habitat Conservation Plan Trust Fund**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**Notes to Basic Financial Statements**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Government-Wide and Fund Financial Statements**

Government-wide financial statements (i.e. the statement of net position and the statement of activities) and fund financial statements are presented for the Special Revenue Fund, a governmental fund, which accounts for all transactions of the Trust Fund. Under the current financial reporting model, governments are required to present government-wide and fund financial statements along with reconciliations between the two. See 'Measurement Focus, Basis of Accounting and Financial Statement Presentation' below.

The statement of activities presents a comparison between direct expenses and program revenues of the Trust Fund. *Direct expenses* are those that are specifically associated with the Trust Fund. *Program revenues* refer to grants, contributions and other revenues that meet the operational or capital requirements of the program. Any revenues not classified as program revenues represent *general revenues*.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Trust Fund considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

Fee assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Trust Fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

When both restricted and unrestricted resources are available for use, it is the Trust Fund's policy to use restricted resources first, then unrestricted resources as they are needed.

*Cash and Cash Equivalents:* Cash is pooled with other funds of the County to earn a higher rate of return than could be earned by investing the funds individually. The Trust Fund considers its equity in the County's investment pool to be cash equivalents.

**San Bruno Mountain Habitat Conservation Plan Trust Fund**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**Notes to Basic Financial Statements**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Receivables: All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Revenues: Amounts reported as *program revenues* include 1) fees assessed to homeowners and developers for services provided, 2) operating contributions, and 3) capital grants and contributions, if applicable.

**Use of Estimates**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results based on subsequent events could differ from those estimates.

**Budgetary Information**

The Board of Trustees approves and adopts an annual operating budget, which can be amended by the Board throughout the year. The basis used to prepare the budget is the same as used to reflect actual revenues and expenditures. No supplemental appropriations were adopted for the year.

**2. CASH AND CASH EQUIVALENTS**

**Cash and Cash Equivalents**

Cash is pooled with other funds in the San Mateo County Investment Pool (County Pool), which is a governmental investment pool managed and directed by the elected San Mateo County Treasurer. The County Pool is not registered with the Securities and Exchange Commission. An oversight committee comprised of local government officials and various participants provide oversight to the management of the fund. The Trust Fund is a voluntary participant in the County Pool.

Cash and cash equivalents in the County Pool are reported at fair value, as required by GASB 31. The change in fair value for the year is recorded as unrealized gain or loss and reported as part of investment earnings. Fair value is based on information provided by the County Treasurer.

**Authorized Investments of the County Pool**

The County Pool's Investment Policy and the California Government Code allow the County Pool to invest in the following, provided the credit ratings of the issuers are acceptable to the County Pool. The following also identifies certain requirements of the County Pool and California Government Code that address interest rate risk, credit risk, and concentrations of credit risk:

**San Bruno Mountain Habitat Conservation Plan Trust Fund**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**Notes to Basic Financial Statements**

**2. CASH AND CASH EQUIVALENTS, Continued**

| Authorized Investment Type                                       | Maximum Maturity | Minimum Credit Quality | Maximum % Allowed in Portfolio | Maximum % Investment in One Issuer |
|--|------------------|------------------------|--------------------------------|------------------------------------|
| U.S. Treasury Obligations  | 7 years          | -                      | 100                            | 100                                |
| Obligations of U.S. Agencies or government sponsored enterprises | 7 years          | -                      | 100                            | 40                                 |
| Bankers' Acceptances   | 180 days         | A1/P1                  | 15                             | 5                                  |
| Collateralized time deposits within the state of California      | 1 year           | -                      | 15                             | 5                                  |
| Negotiable certificates of deposit                               | 5 years          | -                      | 30                             | 5                                  |
| Commercial paper/Floating rate notes                             | 270 days or less | A1/P1                  | 40                             | 5                                  |
| Repurchase agreements  | 92 days          | -                      | 100                            | 25                                 |
| Corporate bonds and medium term notes                            | 5 years          | A                      | 30                             | 5                                  |
|  |                  |                        | Up to the current state        |                                    |
| Local Agency Investment Fund (LAIF)                              | -                | -                      | limit                          | -                                  |
| Shares of beneficial interest                                    | -                | -                      | 10                             | 5                                  |
| Mortgage backed securities                                       | 5 years          | A                      | 20                             | 5                                  |

**County Pool: Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law and the San Mateo County's Investment Policy limit the County Pool investments in commercial paper to the rating of "A1" or better by Standards & Poor or "P1" or better by Moody's Investors Service. State law and the San Mateo County's Investment Policy also limit County Pool investments in corporate bonds to the rating of "A" or higher by both Standards & Poor's and Moody's Investors Service. No limits are placed on the U.S. government agency securities and U.S. Treasuries.

**San Bruno Mountain Habitat Conservation Plan Trust Fund**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**Notes to Basic Financial Statements**

**2. CASH AND CASH EQUIVALENTS, Continued**

At June 30, 2021, the County Pool was invested in the following securities:

| Investment Type                            | Standard &<br>Poor's Rating | %of<br>Portfolio |
|--|-----------------------------|------------------|
| Negotiable Certificates of Deposit         |                             |                  |
| Negotiable Certificates of Deposit         | AA-                         | 1.15%            |
| Negotiable Certificates of Deposit         | A1+                         | 0.38%            |
| Negotiable Certificates of Deposit         | A1                          | 0.91%            |
| Negotiable Certificates of Deposit         | A+                          | 1.30%            |
| Negotiable Certificates of Deposit         | A                           | 0.46%            |
| U.S. Government Securities                 |                             |                  |
| U.S. Treasury Securities                   | AA+                         | 47.44%           |
| U.S. Instrumentalities                     | AAA                         | 14.22%           |
| U.S. Government Agency Securities          |                             |                  |
| Federal Home Loan Bank                     | AA+                         | 5.36%            |
| Federal Home Loan Mortgage Corporation     | AA+                         | 1.88%            |
| Federal Home Loan Bank- Floating rate      | AA+                         | 0.15%            |
| Federal Farm Credit Bank                   | AA+                         | 1.93%            |
| Federal Farm Credit Bank- Floating Rate    | AA+                         | 0.75%            |
| Federal National Mortgage Association      | AA+                         | 8.55%            |
| Corporate Bonds                            |                             |                  |
| Corporate Bonds                            | AA+                         | 0.29%            |
| Corporate Bonds                            | AA                          | 0.48%            |
| Corporate Bonds                            | AA-                         | 0.81%            |
| Corporate Bonds                            | A1                          | 0.23%            |
| Corporate Bonds                            | A+                          | 1.76%            |
| Corporate Bonds                            | A                           | 3.08%            |
| Corporate Bonds                            | A-                          | 1.70%            |
| Corporate Bonds                            | BBB+                        | 0.79%            |
| Corporate Bonds - Floating Rate Securities | AA+                         | 0.11%            |
| Corporate Bonds - Floating Rate Securities | A1                          | 0.15%            |
| Corporate Bonds - Floating Rate Securities | A+                          | 0.08%            |
| Corporate Bonds - Floating Rate Securities | A-                          | 0.34%            |
| Asset Backed Securities                    | AAA                         | 1.55%            |
| Municipal Bonds                            | AAA                         | 0.16%            |
| Municipal Bonds                            | AA+                         | 0.17%            |
| Municipal Bonds                            | AA                          | 0.08%            |
| Municipal Bonds                            | AA-                         | 0.12%            |
| Money Market Funds                         | AAA                         | 0.61%            |
| Local Agency Investment Fund               | Not rated                   | 1.13%            |
| California Asset Management Program        | AAA                         | 1.88%            |
| Total                                      |                             | 100.00%          |

**San Bruno Mountain Habitat Conservation Plan Trust Fund**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**Notes to Basic Financial Statements**

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**2. CASH AND CASH EQUIVALENTS, Continued**

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer of securities. State law and the County Investment Policy restrict the County's investments in U.S. Treasury Obligations to 100% of its portfolio (100% per issuer); Obligations of U.S. Agencies or government sponsored enterprises to 100% (40% per issuer); banker's acceptance to 15% (5% per issuer); collateralized time deposits within the State to 15% (5% per issuer), negotiable certificates of deposit, corporate bonds and medium-term notes to 30% (5% per issuer); commercial paper to 40% (5% per issuer); repurchase agreements secured by U.S. Treasury or agency obligation to 100% (100% per issuer for U.S. Treasuries and 40% per issuer for agency obligations); shares of beneficial interest issued by diversified management companies as defined in Government Code section 53601 to 10% (5% per issuer); and mortgage backed securities to 20% (5% per issuer). As of June 30, 2021, the investment pool has more than 5% of its total investments with the following issuer: 22.28% in Federal Home Loan Bank.

**County Pool: Foreign Currency Risk**

Foreign currency risk is the risk that changes in the exchange rates will adversely affect the fair value of an investment or deposit. The County investment policy does not include specific provisions to address foreign currency risk as it does not hold foreign securities.

**County Pool: Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rate will adversely affect the fair value of an investment. The County manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to five years or less in accordance with its investment policy. As of June 30, 2021, the County Pool had a weighted average maturity of 1.83 years and its investment in floating rate securities was \$105.4 million which are tied to the three-month London Interbank Offered Rate (LIBOR) index.

**San Bruno Mountain Habitat Conservation Plan Trust Fund**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**Notes to Basic Financial Statements**

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**3. RECEIVABLES**

**Accounts Receivable**

Accounts receivable represent amounts due from developers and homeowners for fees assessed during the year. For June 30, 2021, accounts receivable is as follows:

|                           |                          |
|---------------------------|--------------------------|
|                           | <u>2021</u>              |
| Accounts Receivable       | <u>\$ 244,869</u>        |
| Total Accounts Receivable | <u><u>\$ 244,869</u></u> |

**Interest Receivable**

The interest receivable balance represents fourth quarter investment earnings due from the County Treasurer for each fiscal year ended.

In addition, the Trust Fund receives interest payments from an endowment held for the benefit of San Bruno Mountain. These payments will be received until the endowment is used for the purpose intended.

**4. ACCOUNTS PAYABLE**

Accounts payable comprises of amounts due for contracted services at fiscal year-end as follows:

|                   |                         |
|-------------------|-------------------------|
|                   | <u>2021</u>             |
| Contract services | <u>\$ 10,892</u>        |
| Accounts Payable  | <u><u>\$ 10,892</u></u> |

**5. REVENUES**

The Trust Fund's major sources of revenue are collections from homeowners, homeowner associations and developers for fees assessed per the HCP agreement. Contributions are deposited monthly, quarterly or annually, based on the agreements signed at the time construction began.

Other sources of revenue include the following: a) interest income received quarterly from the County Treasurer b) funds from developers, which represent reimbursements for costs associated with the HCP and incurred by the Trust Fund and c) additional contributions from individuals developing adjacent to HCP boundaries.

# San Bruno Mountain Habitat Conservation Plan Trust Fund

## Basic Financial Statements

For the year ended June 30, 2021

### Notes to Basic Financial Statements

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#### 6. FUND BALANCES/NET POSITION

Fund Balances consist of the following: Nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance consists of investments that will not convert to cash soon enough to affect the current period. Restricted fund balance consists of resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government. Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action of the Trust Fund's highest level of decision-making authority. Assigned fund balance consists of amounts where intent is expressed by the governing body itself or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Currently, the Trust Fund uses only the restricted and unassigned categories.

|                          | <u>2021</u>       |
|--------------------------|-------------------|
| Restricted for:          |                   |
| McKesson property        | \$ 445,019        |
| Battery Road restoration | 7,445             |
| Parcel maintenance       | 24,216            |
| Unassigned               | <u>475,975</u>    |
| Total Fund Balance       | <u>\$ 952,655</u> |

- *McKesson property*: Represents amounts set aside for the maintenance of McKesson property.
- *Battery Road restoration*: Represents amounts set aside for PG&E Battery Road 59 restoration.
- *Parcel maintenance*: Represents amounts set aside for the maintenance of parcels 1, 2 and 6.

Net position consists of restricted and unrestricted amounts. Restricted amounts reflect balances which cannot be influenced by Governing Board action. Unrestricted amounts reflect balances available for current operations.

|                          | <u>Net Position</u> |
|--------------------------|---------------------|
| Restricted for:          |                     |
| McKesson property        | \$ 445,019          |
| Battery Road restoration | 7,445               |
| Parcel maintenance       | 24,216              |
| Unrestricted             | <u>475,975</u>      |
| <b>Total</b>             | <u>\$ 952,655</u>   |

Restricted balances are for the same purposes as fund balance restrictions because external restriction requirements are the same. See descriptions of the restrictions above.

**San Bruno Mountain Habitat Conservation Plan Trust Fund**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

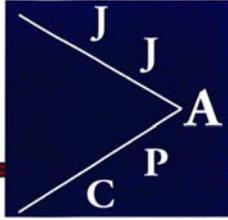
**Notes to Basic Financial Statements**

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**7. RISK MANAGEMENT**

As per the Agreement, the County added the Trust Fund to its excess liability insurance coverage. The existing insurance coverage is current as of the issuance of this report. County Counsel provides legal representation for any claims or litigation of the Trust Fund at no charge.

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JJACPA, Inc.

A Professional Accounting Services Corp.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**Independent Auditor's Report**

To the Trustees of the  
San Bruno Mountain Habitat Conservation Plan Trust Fund

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the budgetary comparison information of the San Bruno Mountain Habitat Conservation Plan Trust Fund (Trust Fund), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Trust Fund's basic financial statements, and have issued our report thereon dated February 28, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Trust Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Trust Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

February 28, 2022

*JJACPA, Inc.*

**JJACPA, Inc.**

**Dublin, CA**