

May 20, 2021

TO: San Joaquin Area Flood Control Agency

FROM: Chris Elias, Executive Director

SUBJECT: **PUBLIC HEARING TO APPROVE THE ANNUAL ENGINEER'S REPORT FOR THE OPERATIONS AND MAINTENANCE (O&M) FOR THE FLOOD PROTECTION RESTORATION ASSESSMENT DISTRICT, AND ORDER THE LEVY AND COLLECTION OF O&M ASSESSMENTS WITHIN THE DISTRICT FOR FISCAL YEAR 2021/2022**

RECOMMENDATION

It is recommended the Board of Directors of the San Joaquin Area Flood Control Agency (SJAFCA) conduct a public hearing and adopt a resolution to approve the Annual Engineer's Report for the operations and maintenance for the Flood Protection Restoration Assessment District and order the levy and collection of operations and maintenance assessments within the Flood Protection Restoration Assessment District for fiscal year 2021/2022.

DISCUSSION

Background

By approving the formation of the Flood Protection Restoration Assessment District 96-1 (AD 96-1) on February 28, 1996, the Board also approved the levying of annual Operations and Maintenance (O&M) assessments to provide for the maintenance of levee improvements and detention basins constructed by SJAFCA. Each year, the Board must approve the O&M budget for the upcoming fiscal year (FY) and approve the levying of assessments as provided for in the Annual Engineer's Report for AD 96-1/Reassessment and Refunding of 2002. The annual O&M budget report was filed and available for public review on May 10, 2021. A notice of the public hearing was published in The Stockton Record on May 10, 2021.

The maintenance of SJAFCA levee improvements is performed by the San Joaquin County Flood Control and Water Conservation District (District) under the O&M agreement approved by the SJAFCA Board on April 1, 1998, and the San Joaquin County Board of Supervisors on April 14, 1998. The Aquatic Weed Control Program (AWCP) in Five Mile Slough, a component of the O&M activities, has been contracted to a private company since its implementation except for fiscal years 16/17 and 17/18 when the District performed this work.

The AWCP in Five Mile Slough was implemented in 2002 to remove water hyacinth blooms (invasive species) from the slough because the blooms impede full inspection of the levees making it difficult, or nearly impossible in some cases, to identify burrowing holes and eroded areas. When the AWCP was first adopted, an aquatic spray program was implemented which requires regulatory and continuous monitoring and reporting activities to satisfy the permit conditions of regulatory agencies. The Agency ceased its spray program prior to 2006 and after several recent years of costly mechanical removal, the Agency re-started an aquatic spray program in Fall of 2019. The implementation of aquatic spray is a relatively cost-effective method to remove invasive water hyacinth in the five mile slough.

PUBLIC HEARING TO APPROVE THE ANNUAL ENGINEER'S REPORT FOR THE OPERATIONS AND MAINTENANCE (O&M) FOR THE FLOOD PROTECTION RESTORATION ASSESSMENT DISTRICT, AND ORDER THE LEVY AND COLLECTION OF O&M ASSESSMENTS WITHIN THE DISTRICT FOR FISCAL YEAR 2021/22 (Page 2)

Last year on March 19, 2020, staff reported to the Board that because of the timing in obtaining regulatory approvals for the use of aquatic spray to control hyacinth blooms in the slough, dense conditions returned, and it was necessary to mechanically harvest the nuisance growth. The removal of aquatic vegetation has since been completed and was done so under the approved budget request. Continued spraying has been put in place to curb regrowth of the invasive plants.

The proposed O&M budget covers expected costs for materials, equipment, consultants, contractors, personnel, and administration. These costs include:

- Channel maintenance such as levee inspection
- Erosion repair
- Weed and rodent control
- Herbicide spraying
- Graffiti removal from floodwalls and other structures
- Maintenance of detention basin no. 1 pumps
- Maintenance of levee patrol and access roads
- Five Mile Slough AWCP
- Annual administration
- Consultant charges to prepare the Engineer's and Annual Levy reports
- Charges by the San Joaquin County Auditor for including the assessment on the annual tax roll.

The budget also includes annual allowances for items that are expected to occur over the life of the improvements, but not every year (i.e., floodwall replacement, bridge flood proofing repair, repair levee improvements damaged by floods, etc.).

O&M proceeds are set aside annually as follows:

- i) Floodwall replacement fund: This fund accumulates the proceeds for the future replacement of floodwalls. As of April 30, 2021, the amount accumulated in this fund is \$950,000.
- ii) O&M reserve fund: This fund is primarily used to replace and repair levee improvements damaged by flooding and to provide patrols during high water events. With the exception of funds set aside for floodwall replacement, all unexpended funds in the O&M budget are accumulated in the reserve fund. As of April 30, 2021, the amount accumulated in the reserve fund is approximately \$4.1 million.

To apportion the costs of the O&M activities to those parcels which benefit, a method of assigning Maintenance Benefit Unit(s) (MBU) was developed. MBU are assigned to each parcel based upon the relative benefits the property receives from the SJAFCA project. For example, a typical single-family residence is rated at 1.25 MBU, while a grocery store on one acre is rated at 12.30 MBU. The cost per MBU is established each year by dividing the annual O&M budget by the total number of MBU in the SJAFCA assessment district.

The annual assessment rate approved each year may not exceed the adjusted theoretical maximum assessment of \$3.59 per MBU adjusted for annual inflation equal to the National Consumer Price Index. This base rate of \$3.59 was established by dividing the original O&M budget of \$450,000 by the total number of MBU in fiscal year 1996 (125,474 MBU).

PUBLIC HEARING TO APPROVE THE ANNUAL ENGINEER'S REPORT FOR THE OPERATIONS AND MAINTENANCE (O&M) FOR THE FLOOD PROTECTION RESTORATION ASSESSMENT DISTRICT, AND ORDER THE LEVY AND COLLECTION OF O&M ASSESSMENTS WITHIN THE DISTRICT FOR FISCAL YEAR 2021/22 (Page 3)

Present Situation

The District submitted their proposed O&M budget to SJAFCA for FY 21 /22 (Attachment 1). This proposal does not include aquatic weed removal costs because this work is contracted to a local aquatic and ecosystem restoration company. The District's request of \$985,000 reflects the absolute minimum amount of requested resources to adequately maintain the flood protection facilities. The District's expenditures for the past few years have been less than budgeted and this is mainly due to dry conditions which has allowed the District to reduce costs associated with high water events. It should also be mentioned that major repair costs which occurred in 2017 were paid for by the Army Corps of Engineers under PL-84-99.

Like prior years, budgeted maintenance costs continue to exceed revenue from the annual O&M assessments. The District and Agency staff plan to continue to work together towards a solution to remedy the shortfall of resources to adequately maintain facilities.

The proposed O&M budget for FY 21/22 is \$1,225,000 and covers all the anticipated materials, equipment, consultants, contractors, personnel, and administration (see detail in the attached Engineer's Report, pages 8 and 9, Attachment 2). The FY 21/22 budget does not include funds for floodwall replacement. Previous amounts set aside for the floodwall replacement fund averaged \$44,000 annually. This capital outlay is omitted to reduce the amount appropriated from surplus to cover annual maintenance expenses.

The proposed budget utilizes the maximum assessment rate allowed for FY 21/22. The maximum assessment rate allowed has been used for the last several years. The maximum assessment rate for FY 21/22 is equal to the base rate of \$6.16 adjusted for annual inflation equal to the National Consumer Price Index (CPI). The CPI for FY 21/22 is 2.5%, therefore, the maximum assessment rate is \$6.25.

Applying the maximum assessment rate of \$6.25 to the estimated 153,579 MBU, will yield \$959,092 in O&M revenue. This revenue falls short of meeting the operating costs in the proposed \$1,225,000 O&M budget. Therefore, an appropriation in the amount of \$265,907 (\$1,225,000 - \$959,092) from the O&M surplus fund is needed to cover the proposed expenses in the FY 21/22 budget.

It is also requested that the Board approve a \$100,000 appropriation from the O&M reserve fund to authorize the Executive Director to use these funds (up to \$100,000) to promptly deal with emergencies, or to authorize additional work needed, but not included in the O&M budget. Any unused portion of appropriations are returned to the O&M reserve fund at the end of each fiscal year.

In summary, the FY 21/22 O&M budget includes two appropriation requests:

- 1) A one-time \$265,907 appropriation from the O&M reserve fund to cover operating costs in the proposed budget;
- 2) A \$100,000 appropriation from the O&M surplus fund authorizing the Executive Director to use these funds (up to \$100,000) to promptly deal with emergencies, or to authorize additional work needed, but not included in the O&M budget.

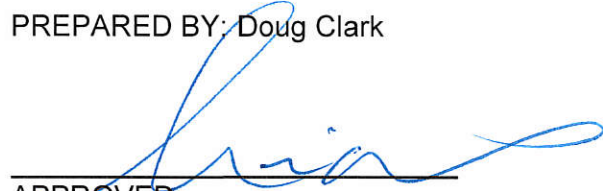
PUBLIC HEARING TO APPROVE THE ANNUAL ENGINEER’S REPORT FOR THE OPERATIONS AND MAINTENANCE (O&M) FOR THE FLOOD PROTECTION RESTORATION ASSESSMENT DISTRICT, AND ORDER THE LEVY AND COLLECTION OF O&M ASSESSMENTS WITHIN THE DISTRICT FOR FISCAL YEAR 2021/22 (Page 4)

These appropriations will not affect the proposed FY 21/22 assessment rate. There are sufficient funds in the O&M reserve to cover these appropriations (as of April 30, 2021 there is approximately \$4.1 million in reserve). The following table displays a partial history of the annual assessment rates (theoretical maximum rate allowed and actual assessed) and some typical annual O&M assessments:

HISTORY OF THE ANNUAL SJAFCA O&M ASSESSMENTS										
PROPERTY TYPE	FISCAL YEARS									
	1996/97	2000/01	2004/05	2008/09	2012/13	2017/18	2018/19	2019/20	2020/21	2021/22
Theoretical Maximum Base Rate allowed	\$3.59	\$3.99	\$4.42	\$5.03	\$5.40	\$5.79	\$5.92	\$6.01	\$6.16	\$6.25
Actual Base Rate assessed	\$3.59	\$3.54	\$3.95	\$5.03	\$5.40	\$5.79	\$5.92	\$6.01	\$6.16	\$6.25
Single Family Home between 1000 and 2000 sf (1.25 MBU)	\$4.49	\$4.43	\$4.94	\$6.29	\$6.75	\$7.24	\$7.40	\$7.51	\$7.70	\$7.81
Grocery Store on 1 acre parcel (12.30 MBU)	\$44.16	\$43.54	\$48.59	\$61.87	\$66.42	\$71.22	\$72.82	\$73.92	\$75.77	\$76.88
Office Building on 2 acre parcel (18.375 MBU)	\$65.97	\$65.05	\$72.58	\$92.43	\$99.23	\$106.39	\$108.78	\$110.43	\$113.19	\$114.84

By adopting the proposed resolution at the conclusion of the public hearing, the Board will approve the Annual Report for the Flood Protection Restoration Assessment District and order the levy and collection of annual O&M assessments for FY 21/22.

PREPARED BY: Doug Clark



APPROVED:
CHRIS ELIAS
EXECUTIVE DIRECTOR

CE:DC:lr

Attachments:

1. The San Joaquin County Public Works Department Proposed O&M budget for FY 21 /22.
2. 2021/2022 Engineer’s Annual Report – Prepared by Willdan Financial Services.



SAN JOAQUIN
— COUNTY —
Greatness grows here.



Department of Public Works

Kris Balaji, Director of Public Works

Fritz Buchman, Deputy Director/Development

Jim Stone, Deputy Director/Operations

Najee Zarif, Interim Deputy Director/Engineering

Kristi Rhea, Business Administrator

March 23, 2021

Mr. Chris Elias, Executive Director
San Joaquin Area Flood Control Agency
22 East Weber Avenue, Suite 301
Stockton, California 95202-2317

SUBJECT: SAN JOAQUIN AREA FLOOD CONTROL AGENCY 2021-22
PROPOSED OPERATIONS AND MAINTENANCE BUDGET

Dear Mr. Elias:

The San Joaquin County Department of Public Works (County) is pleased to submit the attached Fiscal Year 2021-22 budget proposal for your consideration. For the third consecutive year, the proposed 2021-22 Operations and Maintenance (O&M) Budget for cost-shared flood protection facilities reflects no change in the total budget request.

Total expenditures for the past several years have been significantly less than our budget request because we have avoided having to pay for significant repairs caused by high water. The weather has generally been dry, and the major repair costs from the 2017 storms were paid for by the U.S. Army Corps of Engineers under PL 84-99. The County is aware that budgeted maintenance costs continue to exceed the O&M revenue available from annual assessments. While some of the cost categories in the budget request have changed to better align with our accounting, the County's request for FY 2021-22 does not even include normal increases in actual labor and equipment operating costs,

This is the absolute minimum amount of resources that allows us to adequately maintain the facilities. Public Works staff looks forward to continuing cooperation with your staff to coordinate our efforts to undertake a Proposition 218 process to increase maintenance assessment revenue.

Please feel free to call me at 468-3031 if you have any questions about this request.

Sincerely,

JIM STONE
Deputy Director/Operations

C: Kris Balaji, Director of Public Works
Matt Zidar, Engineering Services Manager – Flood Management
Eric Ambriz, Channel Maintenance Superintendent

COUNTY OF SAN JOAQUIN 2021-2022 PROPOSED BUDGET
Assessment District No. 96-1 Flood Protection System

Fund - 21116

Department - 2910000000

		APPR BUDGET 2019-20	ACTUAL 2019-20	RCMND BUDGET 2021-22
Expenditures				
6201005600	GENERAL OFFICE SUPPLIES	0	0	100
6206000300	COMMUNICATIONS CELL PHONE	0	0	1,250
6211000000	MAINTENANCE EQUIPMENT	0	0	10,000
6214000000	RENTS & LEASES -EQUIPMENT	0	0	0
6214000200	EQUIPMENT RENTAL-COUNTY OWNED	260,500	112,094	130,000
6220001000	AUDITOR'S PAYROLL & A/P CHARGES	0	140	750
6221004000	PROFESSIONAL SVS-COUNTY	10,000	2,035	0
6221020000	ALLOCATED SERVICE DEPT COSTS	0	0	150,000
6226001600	LICENSES & PERMITS	0	0	250
6226003000	MATERIALS	28,500	22,655	20,000
6226003100	LABOR	686,000	722,011	664,150
6226101800	SPECIAL DEPARTMENT EXPENSE-SAFETY	0	0	1,000
6240000000	CLOTHING & PERSONAL SUPPLIES	0	0	2,500
6269000000	SMALL TOOLS & INSTRUMENTS	0	0	5,000
SERVICES AND SUPPLIES		985,000	858,935	985,000
6451000000	EQUIPMENT	0	0	0
CAPITAL EXPENDITURES		0	0	0
TOTAL EXPENDITURES		985,000	858,935	985,000



San Joaquin Area Flood Control Agency

FLOOD PROTECTION RESTORATION
ASSESSMENT DISTRICT
(REASSESSMENT AND REFUNDING OF 2002)

2021/2022 ENGINEER'S ANNUAL REPORT
FOR THE OPERATION AND MAINTENANCE

27368 Via Industria
Suite 200
Temecula, CA 92590
T 951.587.3500 | 800.755.6864
F 951.587.3510

www.willdan.com



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I. OVERVIEW

A. INTRODUCTION

The San Joaquin Area Flood Control Agency (“Agency”) is authorized to annually levy and collect special assessments in order to provide and maintain the facilities, improvements and services within Flood Protection Restoration Assessment District (Reassessment and Refunding of 2002) (“District”). The District was formed in 1996 and the Agency annually levies and collects assessments to maintain the improvements installed and constructed within the District pursuant to the Municipal Improvement Act of 1913, Division 12 of the California Streets and Highways Code §10000 (the “1913 Act”).

This Engineer’s Annual Report (“Report”) describes the District, any changes to the District, the method of apportionment established at the time of formation, and the proposed assessments for Fiscal Year 2021/2022. The proposed assessments are based on the estimated cost to maintain the improvements that provide a special benefit to properties assessed within the District. Each parcel within the District is assessed proportionately for the special benefits provided to the parcel from the improvements.

The word “parcel” for the purposes of this Report refers to an individual property assigned its own Assessment Number by the San Joaquin County Assessor’s Office. The San Joaquin County Auditor/Controller uses Assessment Numbers and specific Fund Numbers to identify on the tax roll properties assessed for special district benefit assessments.

Following consideration of all public comments and written protests at an annual noticed public hearing, and review of the Engineer’s Annual Report, the Board of Directors for the Agency may order amendments to the Report or confirm the Report as submitted. Following final approval of the Report, and confirmation of the assessments, the Board will order the levy and collection of assessments for Fiscal Year 2021/2022. In such case, the assessment information will be submitted to the San Joaquin County Auditor/Controller, and included on the property tax roll for each parcel in Fiscal Year 2021/2022.

B. COMPLIANCE WITH CURRENT LEGISLATION

The Agency has reviewed the provisions of the California Constitutional Article XIID (established by the passage of Proposition 218 in November 1996) and has made the following findings and determinations:

Pursuant to Article XIID Section 5 of the California Constitution, certain property related assessments existing on July 1, 1997 (“the effective date”) are exempt from the substantive and procedural requirements of Article XIID Section 4 and property owner balloting for the assessments is not required until such time that the assessments are increased. Specifically, Section 5 of Article XIID reads:

“...the following assessments existing on the effective date of this article shall be exempt from the procedures and approval process set forth in Section 4:

(a) Any assessment imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems or

vector control. Subsequent increases in such assessments shall be subject to the procedures and approval process set forth in Section 4.”

Since, the improvements and the annual assessment for maintaining the District improvements are exclusively for flood control purposes, the method of assessment and maximum assessment rate formula, as established by the Agency prior to the effective of the article (July 1, 1997), are exempt from the procedural requirements of Article XIID Section 4 of the California Constitution.

The proposed assessment for Fiscal Year 2021/2022 may be less than or equal to the maximum assessment rate previously approved and adopted by the Agency. Future assessments that exceed the previously approved schedule of adjustments, including the clearly defined formula for inflation adjustment that was adopted by the Agency prior to November 6, 1996, will be subject to the substantive and procedural requirements of the California Constitution Article XIID Section 4.

II. ANNUAL ASSESSMENT

When the District was formed, pursuant to Section 10100.8 of the Streets and Highways Code, the Board approved the levy of assessments to pay in whole or in part: a.) The costs and expenses of constructing or acquiring the Improvements; b.) The estimated annual costs and expenditures required during the ensuing years for the operation and maintenance of those improvements. The assessments so approved are collected through special assessment levied on the County tax rolls upon all lots, parcels and subdivisions of land within the District that benefit from the improvements.

Since the improvements are to be funded by the levying of assessments, the law requires and the statutes provide that assessments levied pursuant to the “1913 Act”, must be based on the special benefit that the properties receive from the works of improvement. However, the statute does not specify the method or formula that should be used in any special assessment district proceedings. The responsibility for apportioning the costs to properties which special benefit from the improvements rests with the Assessment Engineer, who is appointed to make an analysis of the facts and to determine the apportionment of the assessment obligation to properties proportionate to the special benefit which each will receive from the improvements.

To apportion the assessment to each parcel in direct proportion to the special benefit it will receive from the improvements, an analysis was made to initially identify the special benefit that the public improvements would render to the properties within the boundaries of the District. In making the analysis to levy an assessment on a specific parcel, it is necessary that the parcel receive a special benefit distinguished from a benefit to the general public.

A. DEFINITION OF OPERATION AND MAINTENANCE

The costs and expenses for “Operation and Maintenance” include all applicable operation, maintenance and repair costs incurred annually, or that may not be reasonably collected in a single annual assessment to maintain the level of benefit to the assessed parcels in the District. Operation and Maintenance, as determined by the Board of the San Joaquin Area Flood Control Agency, may include, but is not limited to:

- Personnel costs;
- Utilities (water, electric and other);

- Maintenance equipment (purchase and repair);
- Weed abatement (herbicide spraying, mowing, debris burning);
- Rodent control;
- Road maintenance (Access Roads);
- Stream bed and detention basin clearing;
- Sedimentation removal;
- Erosion control;
- Patrolling and inspecting improvements and facilities;
- Pump station operation (including maintenance and repair);
- Flood wall repairs;
- Graffiti removal;
- Administration expenses; and
- Providing for an “Emergency Repair/Replacement Fund”.

B. OPERATION AND MAINTENANCE BENEFIT

The District assessments were established to provide funding and financing for the design construction, maintenance and operation of flood control facilities (improvements) that benefit parcels within the District. Properties within the District have been designated within the 100-year flood plain by the Federal Emergency Management Agency (FEMA)—according to the preliminary revised Flood Insurance Rate Maps (FIRM’s), dated February 28, 1995. The District’s flood control facilities restore flood protection to properties that are subject to flooding during a storm of 100-year intensity and thereby preserve the ability to use and develop the properties within the District without the requirements placed on parcels located within Special Flood Hazard Areas. Therefore, the improvements and the maintenance and operation of those improvements are a special benefit to the properties within the District.

The following outlines the special benefits properties within the District receive from the construction and maintenance of the flood protection improvements:

- Reduction in the risk of loss that would occur if a flood were to damage the improvements on the property: i.e., structural damage and/or damages affecting the revenue-producing environment.
- Removal of the flood plain disclosure required during the sale of a property.
- Removal of the requirement for properties that are removed from Special Flood Hazard Areas (as designated by FEMA) to adhere to the building and design “flood plain management” criteria required by FEMA for communities participating in the Flood Insurance Program (FIP). These criteria apply to new construction, as well as renovations and additions in most circumstances, and increase the costs of development.
- Removal of the mortgage/lender requirement to purchase flood insurance if a property is within a designated Special Flood Hazard Area shown on the preliminary revised FIRM’s, or providing the ability to purchase flood insurance at a reduced cost.
- Protection of public improvements required to provide access and service to properties.

- Enhanced ability to develop property to its “highest and best use” in accordance with existing zoning and land use regulations.

C. CALCULATION OF ANNUAL MAINTENANCE AND OPERATION ASSESSMENT

The benefit formula used for calculating the annual operation and maintenance benefit to each property within the District is based on the Benefit Units (BU's) used to calculate the original benefits and assessments each parcel received from the construction of the District improvements and facilities. However, when the development or land use of a property changes the special benefits the parcel receives from the operation and maintenance of the District improvements also changes. The Maintenance Benefit Units (MBU's) for each parcel is recalculated each year utilizing the same methodology and formula established in the District's original Engineers Report and outlined in Part III of this report (Method of Apportionment) to accurately reflect each parcel's current special benefit from the improvements. Therefore, if the development status or land use of a particular parcel has changed since the previous year, the MBU's and the resulting operation and maintenance portion of the parcel's assessment will likely change.

The assessment rate per MBU is calculated by dividing the total annual Operation and Maintenance Budget by the total number of MBU's in the District each year. The number of MBU's will vary year to year based upon development and land use changes in the District.

In the year the District was formed (Fiscal Year 1996-97), the maximum annual assessment rate (“maximum rate”) for Operation and Maintenance was established at \$3.59 per MBU, plus an annual inflation escalator equal to the National Consumer Price Index (CPI). This maximum rate of \$3.59 was established using an estimated annual operation and maintenance cost of \$450,000 for the first full year of maintenance, and the total number of Maintenance Benefit Units in Fiscal Year 1996-97 (125,474.396 MBU's).

The first assessments for Operation and Maintenance were collected in Fiscal Year 1996-97 pursuant to resolution of the Agency Board approved after a duly noticed public hearing, as provided in the Act. Annual assessments for Operation and Maintenance are anticipated to be levied and collected each fiscal year and shall be approved by resolution at an annual public hearing on the matter. The annual assessment approved each year may not exceed the CPI adjusted maximum assessment (\$3.59 plus the annual inflation escalator) approved, without approval of the property owners subject to the assessment through a property owner protest ballot procedure pursuant to the California Constitution Article XIID.

Based on the initial Annual Assessment Rate of \$3.59 per MBU and the annual CPI inflation factor, the following table summarizes the application of the annual inflation escalator allowed to the assessment rate for the operation and maintenance assessments since Fiscal Year 1996-97. The “Maximum Assessment Rate” reflects the assessment rate per MBU that may be applied for the respective fiscal year without constituting an increased assessment or once again obtaining property owner approval in accordance with the provisions of the California Constitution Article XIID. The “CPI” applied each year is the National Consumer Price Index (CPI) from January 1st of the previous year to January 1st of the current year (or similar period). (Example—the CPI applied for Fiscal Year 1997-98 is based on the CPI calculated from January 1, 1996 to January 1, 1997 to the first decimal place 0.0).

Fiscal Year	Base Year Rate	Calendar Year CPI	CPI Adjustment	Maximum Assessment Rate	Assessment Rate Applied
1996-97	N/A	N/A	N/A	\$3.5900	\$3.59
1997-98	\$3.5900	3.30%	\$0.1185	\$3.7085	\$3.59
1998-99	\$3.7085	1.70%	\$0.0630	\$3.7715	\$3.60
1999-00	\$3.7715	2.95%	\$0.1113	\$3.8828	\$3.56
2000-01	\$3.8826	2.70%	\$0.1048	\$3.9874	\$3.54
2001-02	\$3.9874	3.90%	\$0.1555	\$4.1429	\$3.53
2002-03	\$4.1429	3.50%	\$0.1450	\$4.2879	\$3.51
2003-04	\$4.2879	1.10%	\$0.0472	\$4.3351	\$3.49
2004-05	\$4.3351	1.90%	\$0.0824	\$4.4174	\$3.95
2005-06	\$4.4174	3.00%	\$0.1325	\$4.5500	\$3.95
2006-07	\$4.5500	4.00%	\$0.1820	\$4.7320	\$4.25
2007-08	\$4.7320	2.10%	\$0.0994	\$4.8314	\$4.36
2008-09	\$4.8314	4.30%	\$0.2078	\$5.0392	\$5.03
2009-10	\$5.0392	0.00%	\$0.0000	\$5.0392	\$5.03
2010-11	\$5.0392	2.60%	\$0.1310	\$5.1702	\$5.17
2011-12	\$5.1702	1.60%	\$0.0827	\$5.2529	\$5.25
2012-13	\$5.2529	2.90%	\$0.1523	\$5.4052	\$5.40
2013-14	\$5.4052	1.60%	\$0.0865	\$5.4917	\$5.49
2014-15	\$5.4917	1.60%	\$0.0879	\$5.5796	\$5.57
2015-16	\$5.5796	0.00%	\$0.0000	\$5.5796	\$5.57
2016-17	\$5.5796	1.40%	\$0.0781	\$5.6577	\$5.65
2017-18	\$5.6577	2.50%	\$0.1414	\$5.7991	\$5.79
2018-19	\$5.7991	2.10%	\$0.1218	\$5.9209	\$5.92
2019-20	\$5.9209	1.60%	\$0.0947	\$6.0156	\$6.01
2020-21	\$6.0156	2.50%	\$0.1504	\$6.1660	\$6.16
2021-22	\$6.1660	1.40%	\$0.0863	\$6.2523	\$6.25

The Fiscal Year 2021/2022 Maximum Assessment Rate allowed is \$6.2523.

The Fiscal Year 2021/2022 Assessment Rate proposed is \$6.25.

The "Base Rate" equals the prior year's "Maximum Assessment Rate" allowed.

The "Maximum Assessment Rate" is calculated to four decimal places, however, the actual assessment applied to each parcel is rounded down to the nearest even penny when applied to the tax rolls.

D. PROPOSED BUDGET FOR FISCAL YEAR 2021/2022

Item Descriptions		
San Joaquin County Operation and Maintenance Budget:		
Rents & Leases – Equipment Use of San Joaquin County Flood Control and Water Conservation District equipment to perform operation and maintenance activities and provide emergency services, if needed Equipment Rental County Owned	\$130,000	\$130,000
Professional Services – County Services provided for bridge parapet wall accident repair	\$0	\$0
Materials Includes expenses for vegetation management materials, rodent control materials, and materials and supplies unique to operation and maintenance activities	\$190,850	\$190,850
Labor Costs Services provided by San Joaquin County Flood Control and Water Conservation District for operation and maintenance activities and to provide emergency activities, if needed Operation and Maintenance	\$664,150	\$664,150
Miscellaneous Expense -	\$0	\$0
Fixed Asset Funds needed to acquire additional equipment for the Agency	\$0	\$0
SUB-TOTAL SAN JOAQUIN COUNTY OPERATION AND MAINTENANCE BUDGET		\$985,000

<p>Aquatic Weed Control Program – Five Mile Slough This program is conducted in an approximate 5,100 ft lineal section of Five Mile Slough and is managed by SJAFCA; work during FY 21-22 will be carried out by a professional contractor.</p> <p>Contractor – herbicide application; compliance and monitoring and reporting</p>	\$55,000	\$55,000
<p>SUB-TOTAL SJAFCA OPERATION AND MAINTENANCE BUDGET</p>		\$55,000
<p><u>SJAFCA Administration Budget:</u></p>		
<p>Contribution To Capital Outlay Reserve (future floodwall replacement)</p> <p>Property Tax Administration Charges Charges by the County Tax Collector for the collection of property assessments.</p> <p>Administration Costs Annual General and Administration and Engineer's Report</p> <p style="text-align: right;">SUB-TOTAL SJAFCA ADMINISTRATION BUDGET</p>	<p>\$0</p> <p>\$10,000</p> <p>\$175,000</p>	<p></p> <p></p> <p>\$185,000</p>
<p>TOTAL OPERATION AND MAINTENANCE BUDGET FY 2021/2022</p>		<p><u>\$1,225,000</u></p>
<p>For FY 2021/2022, there are \$1,210,000 of appropriations available to the district as follows:</p>		
<p>- - FY 2021-2022 Assessment to be levied</p> <p>FY 2021-2022 Agency Reserve Appropriation for FY 2021/22 Budget</p> <p>FY 2021-2022 Agency Reserve Appropriation for Emergencies or Additional Work</p>		<p>-</p> <p>\$959,093</p> <p>\$265,907</p> <p>\$100,000</p>
<p>TOTAL FY 2021/2022 APPROPRIATION</p>		<p><u>\$1,325,000</u></p>

- (1) Assessment to be levied may be slightly different from total amount on preliminary roll due to the rounding of assessment to even pennies as required by San Joaquin County.
- (2) The surplus appropriation of \$265,907 is needed to cover the difference between the amount collected by the O&M assessments and the additional amount requested by the District in the proposed FY 2021/2022 budget.
- (3) The surplus appropriation of \$100,000 will allow the Executive Director, without additional Board Authorization, to promptly deal with emergencies, or to authorize additional work not included in the budget.

The appropriations in the budget are funded from the unexpended balance in the O&M reserve, carried forward from previous year's O&M assessments. No increase in the current annual assessment charge is either required or made. The result of this request to the Engineer's Report will not affect the proposed FY 2021/2022 assessment rate of \$6.25 per Maintenance Benefit Unit.

E. CALCULATION OF ASSESSMENT RATE FOR FISCAL YEAR 2021/2022

The assessment rate per MBU is calculated by dividing the total amount to be funded "O&M Budget" by the total "MBU's" estimated for the District.

O&M Budget-Surplus Appropriations/Maintenance Benefit Units (MBU's) = Assessment Rate

- The Total Maintenance Benefit Units (MBU's) that are estimated for the District in Fiscal Year 2021/2022 are 153,579.45 **MBU's**.
- Based on the estimated budget and the surplus appropriation for Fiscal Year 2021/2022, the assessment rate for Fiscal Year 2021/2022 is approximately \$6.25 per Maintenance Benefit Unit.

III. METHOD AND FORMULA OF ASSESSMENT SPREAD

A. CALCULATION OF BENEFIT UNITS

To apportion the costs of the improvements to parcels that benefit, a method of assigning Benefit Units to each parcel was developed and approved when the District was formed. Benefit Units (BUs) were assigned to each parcel based upon the benefits to real property that the District improvements (levee system and other flood control improvements) provided to each parcel in proportion to the estimated benefit the parcel receives relative to the other parcels in the District from the flood protection facilities.

The specific number of Benefit Units assigned to each parcel was calculated based upon the formula shown below:

Improvement BUs + Land BUs = Total BUs

The single-family residence (SFR) was used as a basis of comparison since it represented approximately 70 percent of the assessable parcels of land in the District. BUs assigned to other parcels and land uses were based upon the relative benefit they receive as compared to a single-family residence. The total number of BU's for all assessable parcels in the District were then divided into the total cost to fund the District to determine the assessment rate per Benefit Unit.

The BUs assigned or calculated for each parcel for construction and installation of the improvements was based on the land use for the parcel as shown on the records of the San Joaquin County Assessor's office at the time of formation. Recognizing that under the 1913 Act, the assessment on each parcel may not be increased once it has been levied without further public hearings and property owner approval, the District was formed and the assessments approved provided for annual adjustments to the assessments for operation maintenance of the improvements. The annual operation and maintenance assessment rate was established at \$3.59 per Maintenance Benefit Unit (MBU) plus an annual escalator equal to the National Consumer Price Index (CPI). However, the assessment formula approved also established that the operation and maintenance assessment applied to each parcel would be recalculated annually based on the current development status or land use of each parcel. Therefore, if the development status or land use of a particular parcel changed from the previous year, the MBU's and the resulting assessment would change to more accurately reflect the parcel's current proportional benefit from the District improvements.

The methodology used to calculate the original BUs for the construction and installation of the improvements as well as the Maintenance Benefit Units calculated for future operation and maintenance of the improvements are assigned to each parcel based on land use. The method of apportionment for each land use is described in the following sections, with sample calculations provided in Appendix A.

B. IMPROVEMENT BENEFIT

Since the primary benefit to parcels from the construction, operation and maintenance of the flood control improvements is to remove them from the proposed new Special Flood Hazard Areas (new areas of the 100-year flood plain as identified by FEMA), the risk of loss or damage to improvements installed or constructed on developed parcels of land is significantly reduced.

The construction, operation and maintenance of the flood control improvements within the District significantly reduce the risk of damage and loss of real property, particularly to developed parcels of land. The improvements also facilitate the removal of properties from the proposed new Special Flood Hazard Areas (new areas of the 100-year flood plain as identified by FEMA). As a result, the special benefits to be enjoyed by property owners include:

- elimination of the requirements to purchase flood insurance in order to obtain financing;
- ability to purchase flood insurance at a reduced cost in comparison to parcels which are located within a Special Flood Hazard Area as designated by FEMA; and
- reduction of a flood event occurring and the probability of loss or damage to the property and improvements on the property.

The degree to which each developed property will benefit in relationship to any other property is based upon the intensity of development on the parcel (i.e., the percentage of the total parcel area which has or is allowed to have improvements constructed thereon) and the relative risk

of loss of those improvements in relation to other land uses. The following describes the benefit relationship rational established in the original Engineer’s Report.

Intensity of Development — Based upon an average parcel size of 1/6 acre for single-family development and a typical building footprint of about 1,600 sq. ft., the intensity of development on single-family residential parcels is approximately 20 percent. By comparison, a review of land use data within the Agency’s sphere of influence showed that on retail/service commercial parcels of one acre or less, the average intensity of development is approximately 40 percent of the parcel area. This means that for each acre of land used for single-family residential, on average approximately 20 percent of the area (or about 9600 square feet per acre) is covered by improvements; whereas, on each acre of land used for retail/service commercial, over 40 percent is covered by improvements (or about 19,500 square feet per acre). Since an acre of land developed for retail/service commercial use has a higher intensity of development than an acre of land used for single-family residential, it receives a greater benefit because there is more that would be damaged should a flood occur. Based upon a review of parcel area and intensity of development by land use for over 2,500 parcels, the following represents the average intensity of development per acre relative to single-family residential development within the District. The average intensity of development, by land use category (retail/service commercial, office/professional, personal care/recreational, manufacturing/industrial, institutional), was calculated by computing the average building coverage on the parcels analyzed after excluding those parcels that were significantly underdeveloped. Underdeveloped parcels were defined as those parcels within each land use category, which had the lowest 20th percentile current improvement density.

Unlike non-residential parcels, SFR parcels do not have a strong correlation between parcel size and the area which can be covered by improvements; therefore, they are assessed according to the size of the building footprint based on adjusting the improvement density factor for single-family residential as a function of the area of the structure footprint. A review of the available data showed that approximately 25 percent of the homes have a building footprint that would be 1,000 square feet or less, approximately 50 percent of the homes would fall in the 1-2,000 square foot range and the remainder would be over 2,000 square feet. Considering the number of houses in each category and the relative amount of replacement necessary should flooding occur, the improvement density factor reflects a 20% differentiation in replacement costs for the three categories of SFR, as shown in the table below.

Land Use	Improvement Density Factor
Single-Family Residential	
Less than 1,000 SF	0.8
1,000 to 2,000 SF	1.0
More than 2,000 SF	1.2
Multi-Family Residential	1.0
Retail/Service Commercial	2.0
Office/Professional	2.0
Personal Care/Recreational	2.0
Manufacturing/Industrial	2.0
Institutional	1.5

Risk of Loss — In determining the benefit that a parcel receives, it was also necessary to look at the relative replacement costs of the improvements constructed on the parcel relative to other

land uses since the relative risk of loss in the event of a flood is directly proportional to the relative cost of the improvements at risk. For example, a review of published building construction cost data showed that the average cost range per square foot for single-family residential improvements was \$45-60/square foot while the average cost range per square foot for industrial improvements was \$25-45/square foot. Therefore, each developed single-family residential parcel receives a greater benefit than developed manufacturing/industrial parcels per unit of improvement since the loss or damage would be significantly higher should a flood occur. Also, since the cost of flood insurance is based on the value of improvements to be insured, it would cost the single-family property owner more to purchase flood insurance per 100 square feet of single-family residential improvements in comparison to 100 square feet of manufacturing/industrial improvements; therefore, the single-family residential property would receive a greater benefit.

Based upon an analysis of the average cost per square foot for structures allowed under existing land use regulations for each land use, the table below shows the relative benefit per unit (i.e., square foot) for improvements by land use relative to single-family residential development within the District:

Land Use	Risk Factor
Single-family Residential	1.0
Multi-Family Residential	0.9
Retail/Service Commercial	0.9
Office/Professional	1.1
Personal Care/Recreational	1.2
Manufacturing/Industrial	0.7
Institutional	1.1

Therefore, it was determined that developed properties benefit differently from the flood protection facilities depending on the type of land use on the property and the average intensity of development; the potential damage to the structure, its contents, and/or the financial loss in revenues in the event of a flood would be different for the different types of land use based upon the relative cost per unit of improvement within the different land use categories.

In order to allocate benefit fairly between the land uses, an Equivalent Dwelling Unit (EDU) methodology was established that equated different residential and non-residential land uses to each other, thereby allowing a uniform method of assessment.

Therefore, the improvement benefit formula is summarized as:

$$(\text{EDU's}) \times (\text{Improvement Density Factor}) \times (\text{Risk Factor}) = \text{Improvement Benefit Units}$$

C. EQUIVALENT DWELLING UNITS

Land use as shown on the San Joaquin County Assessor's records is used to assign Equivalent Dwelling Units (EDU's) to each improved parcel based on the following methodology.

- **Single-family Residential** — Since the single-family residential (SFR) parcel is the most common land use and represents over 70 percent of the assessable parcels within the

District, it is used as the standard and is assigned one (1) EDU. Other improved land uses are converted to EDU's by comparing them to the SFR. Included in the SFR category are condominiums, mobile homes not in mobile home parks and agricultural-residential parcels.

- Multi-Family Residential** — Multi-family residential improved land uses are equated to the SFR land use based upon the number of dwelling units per parcel. Studies have consistently shown that the average apartment unit's relative size and population density compared to the typical size and impacts of single-family units is approximately 80 percent as much as a single-family residence. By virtue of their reduced size, each multi-family residential unit receives a lesser benefit or enhancement per unit to property values and therefore benefits less per unit than a single-family residence. Also, a review of parcel data finds that flood protection benefits do not increase proportionately as the number of units increase on a Multi-Family Residential (MFR) parcel, due to the nature of the building layouts and the fact that the value per unit generally decreases as the number of unit's increases.

EDU's for Multi-Family Residential parcels are calculated based upon the actual number of dwelling units as shown below:

Number of Dwelling Units	Equivalent Dwelling Unit Formula
Four (4) Units or less	0.8 EDU/DU for the first 4 DU's
More than four (4) but less than or equal to twenty (20)	0.6 EDU/DU for each DU over 4 and up to 20
More than twenty (20)	0.4 EDU/DU for each DU over 20

- Non-Residential** — All Non-Residential improved land uses are equated to the SFR based upon parcel size. A review of the County land use records showed that the average SFR parcel size in the City of Stockton is 1/6 acre. Therefore, the factor of 6 EDU's per acre is used as the basis of comparison, and each Non-Residential parcel will be assigned 6 EDU's per acre or fraction thereof.

To more accurately reflect the benefit that some parcels receive from the flood control improvements, an additional adjustment in the EDU's assigned to the parcel is required. The data used to develop the density factors for each land use indicated that, on the larger parcels of land, the average density of development was significantly lower than on parcels that were less than one (1) acre in size. Even if it is assumed that the owner of land will ultimately develop that land to receive the maximum economic return from the land based upon allowed intensities of development and other land use regulations, there are a number of factors that limit the density of development on larger parcels of land. These include requirements based upon the specific land use which may include the need to provide large areas for the storage of materials or goods, to provide internal circulation roadways, to provide open areas or extensive buffer zones, to provide increased areas for employee/customer parking and other similar requirements.

Therefore, based upon an analysis of data relating the development intensity and parcel size for different types of land uses the number of EDU's assigned to non-residential parcels is adjusted on parcels which are larger than one (1) acre as shown below:

Parcel Size	Equivalent Dwelling Unit Formula
One (1) Acre or less	6.0 EDU/Acre
More than one (1) acre but less than or equal to four (4) acres	1.5 EDU/Acre for each acre over one (1) acre up to four (4) acres
More than four (4) acres	0.5 EDU/Acre for each acre over four (4) acres

Parcel area for non-residential condominiums will be calculated based on the individual parcel size and a proportional share of the common area attributed to the condominium complex.

- **Vacant** — Vacant properties have no improvements constructed on them; therefore, vacant properties are assigned zero (0) Improvement Benefit Units per parcel.
- **Vacant-like Developed Property** — This includes those parcels with land uses that closely resemble vacant property in that they have large land areas comprised of mostly park-like open space or vacant land and only a few buildings. These properties have very low land utilization and almost no potential for additional development; therefore, these land uses are assigned 1.0 BU per parcel for the ancillary structures on the property. These land uses include radio and television transmission facilities or towers, mineral processing, parcels with only parking lots, airports, mobile home parks, cemeteries, golf courses and other miscellaneous recreational uses.

A list of Land Use Classifications used in this report, with the corresponding County Assessor’s use codes, is provided in Appendix B.

D. LAND BENEFIT

In addition to benefits that improvements on a property will receive, parcels within the District are assigned Land Benefit Units in proportion to the benefits that they receive by virtue of:

- Having the ability to economically use or fully develop a property consistent with zoning and land use regulations.
- Not having to adhere to the “Flood Plain Management” requirements for building and design of new construction, as well as renovations and additions, required for parcels in Special Flood Hazard Areas; and
- Not having to disclose during the sale of a property that it is located in a Special Flood Hazard Area of the 100-year flood plain.

Based on the benefits previously described, the benefit to the land is preserved whether it is improved or not, and the benefit to each parcel is directly related to the size of the land. In addition, if the land were to remain in the flood plain, the cost of elevating the building pad area by filling the land would be proportional to the size of the parcel and the intensity of development allowed upon it based upon current land use and development standards. Therefore, the benefit received by the parcel varies as land varies in size.

For the City of Stockton, the San Joaquin County Assessor’s Roll indicates that over 70 percent of the parcels of land are single-family residences (SFR’s) and that the average land value for an average SFR located on 1/6 acre is between 20 and 30 percent of the total value of property. Therefore, 0.25 BU is assigned to each single-family residential parcel of land. Since the development potential of a SFR parcel is restricted to one house, no matter how big the parcel, the Benefit Units assigned to the land will not vary as parcel size increases for single-family residential parcels of land.

Benefit Units for all other land uses are based upon the size of the parcel at the rate of 0.25 BU for each 1/6 acre (1.5 BU/acre) to estimate the benefit to the land, since the amount of development which could occur is directly related to the size of the parcel. Each parcel of land, both developed and undeveloped and having no development restrictions on it, will be assigned Benefit Units at the rate of 1.5 BU/Acre to reflect the benefit that the land receives. Since the level of development or the potential for development would be similar for developed parcels of a similar size, the BU’s assigned to the land for parcels larger than one (1) acre in size will be reduced in the same manner as the EDU’s are reduced for the improvements on developed non-residential parcels as shown below:

Parcel Size	Land Benefit Unit
One (1) Acre or less	1.5 per Acre
More than one (1) acre but less than or equal to four (4) acres	0.375 per Acre
More than four (4) acres	0.125 per Acre

Parcel area for non-residential condominiums will be calculated based on the individual parcel size and a proportional share of the common area attributed to the condominium complex.

E. EXEMPT

Several land uses have been determined to be exempt because they would not benefit from the proposed flood control facilities, or they have a supporting use to a land use already being charged. Examples of exempt land uses are as follows:

- Common areas associated with residential condominiums, open spaces and green belts.
- Parcels with total property values of less than one dollar per the San Joaquin County Assessor’s Roll.
- Properties owned by public agencies, such as cities, the County, the State or the Federal government, are exempt except when such property is not devoted to a public use.
- Rights-of-way owned by utilities and railroads.
- Agricultural parcels under the Williamson Act or within a General Plan area designated, as “Agricultural” has no potential for immediate development. By contrast, the Williamson Act parcels remain agricultural to take advantage of special tax treatments. The Williamson Act agricultural parcels and the General Plan Agricultural parcels are not assigned any benefit. If these parcels develop in the future, then the appropriate benefit will be collected under the “Flood Control Facilities Fee” mechanism. (Agricultural parcels that are not within the

General Plan designated areas and which do not have Williamson Act contracts are assessed as Vacant.)

- Parcels which are designated as Special Flood Hazard Areas on the Preliminary Revised FIRM's, dated February 28, 1995, and which were previously designated as Special Flood Hazard Areas on the previous FIRM's; these parcels are considered to have no benefit and will not be assessed.

F. ASSESSMENT DISTRICT BOUNDARY FACTOR

Parcels that are bisected by the flood line, as delineated on the preliminary Revised FIRM's, would have the total BUs for the property reduced by the percentage of the parcel within the proposed flood plain since they would receive a reduced benefit. The BUs for the parcel are reduced based on the following:

- If a parcel has less than 1/3 its area in the flood plain, the BU's for that parcel would be multiplied by 0.17.
- If a parcel has more than 1/3 but less than 2/3 its area in the flood plain, the BU's for that parcel would be multiplied by 0.50.
- If a parcel has more than 2/3 its area in the flood plain, the BU's for that parcel would be multiplied by 83.

IV. DESCRIPTION OF WORKS OF IMPROVEMENTS

Section 10102 of the Act provides for the legislative body of any agency authorized under the Act to finance certain capital facilities and services. The following is a list of improvements as allowed under the Act to be constructed, installed, maintained, repaired or improved under the provisions of the Act. The facilities diagram, on file in the Office of the Secretary, shows the general location of the improvements. Copies are also on file at the Office of the Clerk of the Board of Supervisors of the County of San Joaquin and at the Office of the City Clerk of the City of Stockton.

The improvements consist of, but are not limited to:

- A. Flood protection improvements including the construction, strengthening and/or raising the height of levees, flood walls and wing levees; construction and/or improvements to detention basins and reservoirs; improvements to bridges, roadways and access ways; channel improvements; and related improvements along, but not limited to, the following waterways:
 - Bear Creek - confluence with Disappointment Slough to Tully Road.
 - Paddy Creek - confluence with Bear Creek to approximately Jack Tone Road.
 - Bear Creek - approximately 700 downstream of Interstate 5 to confluence with Paddy Creek.
 - Paddy Creek - confluence with Bear Creek to confluence with South Paddy Creek.
 - South Paddy Creek - confluence with Paddy Creek to approximately Jack Tone Road.

- Mosher Creek & Mosher Creek Diversion - confluence with Bear Creek to approximately 6300 feet upstream of Highway 88.
 - Mosher Slough - 2,000 feet upstream of Interstate 5 to approximately 150 feet upstream of Thornton Road.
 - Calaveras River - confluence with the San Joaquin River to approximately Solari Ranch Road.
 - Stockton Diverting Canal - confluence with the Calaveras River to Mormon Slough.
 - Mormon Slough - confluence Stockton Diverting Canal to approximately 500 upstream of confluence with Potter Creek.
 - Potter Creek A - confluence with Mormon Slough to approximately Jack Tone Road.
 - Potter Creek B - confluence with Mormon Slough to 1,500 feet east of Fine Avenue.
 - Mosher Slough Detention Basins No.1 & 2.
 - Little Bear Creek - confluence with Mosher Slough to Davis Road.
 - Pixley Slough - confluence with Bear Creek to Lower Sacramento Road.
 - Five Mile Slough – confluence with Fourteen Mile Slough to the north/south land levee at the east boundary line of Shima Tract.
- B. The acquisition of all interest in real property necessary or useful for the above described improvements or other improvements constructed by the District; and,
- C. The acquisition and/or construction of any other work, auxiliary to any of the above and necessary or useful to complete the same and to reduce the risk of flooding within the District.

Appendix A — SAMPLE BENEFIT UNIT CALCULATIONS

Land – Use	Land Benefit	Improvement Benefit (EDU) x (Imp. Density Factor) x (Risk Factor)	Total MBU's
Single-family Res. ftprint < 1000sf	All parcels = .25 BU	(1DU x 1EDU/DU) x .8 x 1 = 0.8 BU	1.05
Single-family Res. 1000 > ftprint > 2000	All parcels = .25 BU	(1DU x 1EDU/DU) x 1 x 1 = 1.0 BU	1.25
Single-family Res. ftprint > 2000 sf	All parcels = .25 BU	(1DU x 1EDU/DU) x 1.2 x 1 = 1.2 BU	1.45
Agricultural Res.	All parcels = .25 BU	(1DU x 1EDU/DU) x 1 x 1 = 1.0 BU	1.25
3-Unit Apartment 1/2 acre parcel	.5ac x 1.5BU/ac = .75 BU	(3DU x .8EDU/DU) x 1 x .9 = 2.16 BU	2.91
11 Unit Apt. 3/4 acre parcel	.75ac x 1.5BU/ac = 1.125BU	[(4DU x .8EDU/DU) + (7DU x .6EDU/DU)] x 1 x .9 = 6.66 BU	7.785
41 Unit Apt. 3 acre parcel	3ac x 1.5BU/ac = 4.5 BU	[(4DU x .8EDU/DU) + (16DU x .6EDU/DU) + (21DU x .4EDU/DU)] x 1 x .9 = 19.8 BU	23.58
Grocery Store 1 acre parcel	1ac x 1.5BU/ac = 1.5 BU	(1ac x 6EDU/ac) x 2 x .9 = 10.8 BU	12.3
Regional Shopping 5 acre parcel	1ac x 1.5BU/ac + 3ac x .375BU/ac + 1ac x .125BU/ac = 2.75BU	[(1ac x 6EDU/ac) + (3ac x 1.5EDU/ac) + (1ac x 0.5EDU/ac)] x 2 x .9 = 19.8 BU	22.55
Service Station 1/4 acre parcel	.25ac x 1.5BU/ac = .375BU	(1/4ac x 6EDU/ac) x 2 x .9 = 2.7 BU	3.075
Office Building 2 acre parcel	1ac x 1.5BU/ac + 1ac x .375BU/ac = 1.875BU	[(1ac x 6EDU/ac) + (1ac x 1.5EDU/ac)] x 2 x 1.1 = 16.5 BU	18.375
Church 2 acre parcel	1ac x 1.5BU/ac + 1ac x .375BU/ac = 1.875BU	[(1ac x 6EDU/ac) + (1ac x 1.5EDU/ac)] x 1.5 x 1.1 = 12.375BU	14.25
Industrial Building 10 acre parcel	1ac x 1.5BU/ac + 3ac x .375BU/ac + 6ac x .125BU/ac = 3.375BU	[(1ac x 6EDU/ac) + (3ac x 1.5EDU/ac) + (6ac x 0.5EDU/ac)] x 2 x .7 = 18.9 BU	22.275
Vacant SFR	All parcels = .25 BU	No imp. benefit = 0 BU	0.25
Vacant 1 acre parcel	1ac x 1.5BU/ac = 1.5 BU	No imp. benefit = 0 BU	1.5
Mobile Home Park 2 acre parcel	1ac x 1.5BU/ac + 1ac x .375BU/ac = 1.875BU	All parcels = 1 BU	2.875
Golf Course 20 acre parcel	1ac x 1.5BU/ac + 3ac x .375BU/ac + 16ac x .125BU/ac = 4.625 BU	All parcels = 1 BU	5.625
Vacant 40 acre parcel	1ac x 1.5BU/ac + 3ac x .375BU/ac + 36ac x .125BU/ac = 7.125 BU	No imp. benefit = 0 BU	7.125
Agricultural (Williamson Act or General Plan)	Not assessed	Not assessed	0.0

Note: For those properties that are bisected by the flood line, the Total BU's are multiplied by the appropriate Boundary Factor.

Appendix B — LAND USE CLASSIFICATIONS

Assessor's Use Codes	San Joaquin County Assessor's Use Descriptions
10-17, 51, 56, 94, 96, 401, 421, 451, 461, 463, 471, 481, 501, 511, 521	Single-Family Residential SFR, condominium, Agricultural Residential, Mobile home not in mobile home park
21, 22, 31-32, 34-35, 41-48, 52	Multi-Family Residential Duplex, triplex, four-plex Apartments
110-114, 120-121, 130-132, 140-144, 150-155, 201-203, 210-214, 250-252, 255-256, 260-263, 270-272, 280-285, 290-291, 771	Retail and Service Commercial Stores & store combos, Department stores & super markets, Community & regional shopping centers, Restaurants, Service shops & service stations, Equipment sales and service, Misc. commercial
170-173, 190-197, 240	Office/Professional Professional & office buildings, Medical and dental offices, Banks, savings and loans
55, 59-65, 68, 70-71, 78, 180-184, 189, 204, 230, 231, 610-615, 620, 630-632, 640, 650, 651, 740-742, 750-752, 760	Care/ Personal Recreational Hospitals & nursing homes, Rooming houses, Homes for the aged, Day care facility, Hotels/motels, Theaters & bowling alleys & skating rinks, Clubs, lodge halls
253-254, 310-314, 320-324, 330-332, 340-342, 350-355, 360-363, 370-371, 381-382, 391, 392, 811, 812	Manufacturing/Industrial Manufacturing outlets, Misc. industrial, Warehousing, Distribution and Storage, Lumber yards, Truck Terminal, Bulk Plants, Winery
710-711, 720-722, 730	Institutional Institutional & Churches, Private schools & colleges
90-93, 380, 393, 660-664, 670, 681, 690, 691, 772, 810, 813, 814, 820, 830, 890-892	Vacant-Like Developed Golf Courses & Driving Ranges, Parking Lots, Drive-in Theaters, Swimming Pools, Airports, Mineral Processing, Mobile Home Park, Cemeteries, Radio/TV Transmission Sites, Privately Owned Race Track, Privately Own Camps
1-7, 20, 30, 40, 50, 53-54	Vacant Residential Vacant Residential Lots
100-102, 107, 300-302, 307	Vacant Vacant Lots
80-82, 95, 156, 200, 390, 400, 420, 450, 460, 462, 470, 480, 490, 500, 510, 520, 530, 550, 551, 590, 591, 770, 780, 815, 821-824, 840-841, 850-851, 860-862, 900-951	Exempt Common Areas, Right of Ways, Agricultural Parcels, Public Agency Properties

Appendix C – DIAGRAM OF ASSESSMENT DISTRICT

Full-sized copies of the Assessment Diagram are on file in the Office of the Secretary, of the San Joaquin Area Flood Control Agency. Copies are also on file at the Office of the Clerk of the Board of Supervisors of the County of San Joaquin and at the Office of the City Clerk of the City of Stockton.

As required by the Act, the Assessment Diagram shows the exterior boundaries of the Assessment District and the assessment number assigned to each parcel of land corresponding to its number as it appears in the Assessment Roll contained in Appendix D. (The assessment number for each parcel is the San Joaquin County Assessor's Parcel Number.)

The lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions shown on the maps of the Assessor of the County of San Joaquin for the year in when this Report is prepared. The Assessor's maps and records are incorporated by reference herein and made part of this report.

Appendix D — 2021/2022 COLLECTION ROLL

Parcel identification, for each lot or parcel within the District, shall be the parcel as shown on the San Joaquin County Assessor's map for the year in which this Report is prepared.

The Assessments have been levied in proportion to the estimated benefit that each parcel receives from the improvements in accordance with the method and formula of assessment as presented and approved upon formation of the District.

A listing of parcels of land, and the proposed assessment amount to each parcel for the Operation and Maintenance of the improvements is provided under a separate cover and by reference is made part of this report. For current ownership of each parcel of land, reference is made to the most recent equalized tax roll for the County of San Joaquin, which is by reference also made part of this report. The assessment amount for each parcel pursuant to approval of this report shall be submitted to the San Joaquin County Tax Collector for collection on the property tax bill for Fiscal Year 2021/2022.

RESOLUTION NO. SJAFCA 21-05

**SAN JOAQUIN AREA
FLOOD CONTROL AGENCY**

=====

**RESOLUTION TO APPROVE THE ANNUAL ENGINEER'S REPORT FOR THE
OPERATIONS AND MAINTENANCE (O&M) FOR THE FLOOD PROTECTION
RESTORATION ASSESSMENT DISTRICT, AND ORDER THE LEVY AND
COLLECTION OF OPERATIONS AND MAINTENANCE ASSESSMENTS WITHIN
THE FLOOD PROTECTION RESTORATION ASSESSMENT DISTRICT
FOR FISCAL YEAR 2021-2022**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN JOAQUIN AREA
FLOOD CONTROL AGENCY, AS FOLLOWS:

1. That the Annual Engineer's Report (Report) as presented, is hereby approved, and is ordered to be filed in the Office of the Secretary of the Board as a permanent record and to remain open to public inspection.

2. That the following notice duly given, the Board of Directors has held a full and fair public hearing regarding the San Joaquin Area Flood Control Agency's Assessment District (District), the levy and collection of assessments, the Report prepared in connection therewith, and considered all oral and written statements, protests and communications made or filed by interested persons regarding these matters.

3. That based upon its review of the Report, a copy of which has been presented to the Board of Directors and which has been filed with the Secretary of the Board, the Board of Directors hereby finds and determines that:

- i. The land within the District will be benefited by the operation, maintenance and servicing of the improvements located within the boundaries of the District;
- ii. The District includes all of the lands so benefited; and,
- iii. The net amount to be assessed upon the lands within the District for the fiscal year commencing July 1, 2021, and ending June 30, 2022, is apportioned by a formula and method which fairly distributes the net amount among all eligible parcels in proportion to the benefits to be received by each parcel from the improvements and services.

4. That the maintenance and operation of the improvements shall be performed pursuant to the *Municipal Improvement Act of 1913, being Part 2 Division 12, of the Streets and Highways Code of the State of California, beginning with Section 10000 (Act)* and shall include costs for personnel, utilities (water, electric, and other), purchase of maintenance equipment, weed abatement (herbicide spraying, mowing, and debris burning), rodent control, Aquatic Weed Control

Program on Five Mile Slough, maintenance of levee patrol and access roads, sedimentation removal, erosion control, patrolling and inspecting of facilities, maintenance of detention basin No. 1 pumps, pump station operation and maintenance, flood wall repairs, graffiti removal, providing an "emergency repair fund" and other applicable operation, maintenance and repair costs to be incurred annually as determined by the Board of the San Joaquin Area Flood Control Agency to maintain the level of benefit to the assessed parcels in the District.

5. That the County of San Joaquin Auditor-Controller shall enter on the County Assessment Roll, opposite each eligible parcel of land, the amount of levy so apportioned by the formula and method outlined in the Report, and such levies shall be collected at the same time and in the same manner as the County taxes are collected, pursuant to *Chapter 2, Section 10100.8* of the Act.

6. That the County of San Joaquin Auditor-Controller shall deposit all money representing assessments collected by the County for the District to the credit of a fund for the District and such money shall be expended only for the maintenance, operation and servicing of the improvements described in Section 4.

7. That the adoption of this Resolution constitutes the District levy for the fiscal year commencing July 1, 2021 and ending June 30, 2022.

8. That the Secretary of the Board, or their designate, is hereby authorized and directed to file the levy with the County of San Joaquin Auditor-Controller upon adoption of this Resolution.

9. That the adoption of this Resolution approves the following appropriations:

- a. A one-time \$265,907 transfer from the O&M reserve fund to cover the additional funding requested by the District in the proposed FY 2021-2022 budget.
- b. A \$100,000 appropriation from the O&M reserve fund authorizing the Executive Director to use these funds (up to \$100,000) to promptly deal with emergencies, or to authorize additional work needed, but not included in the O&M budget.

These appropriations will not affect the proposed fiscal year 2021-2022 assessment rate and will be funded from the unexpended balance in the O&M reserve fund carried forward from the previous years' O&M assessments.

PASSED, APPROVED AND ADOPTED this 20TH day of May, 2021.



CHUCK WINN, Chair
of the San Joaquin Area
Flood Control Agency

ATTEST:



CHRIS ELIAS, Secretary
of the San Joaquin Area
Flood Control Agency

APPROVED AS TO FORM:



SCOTT L. SHAPIRO, Legal Counsel
for the San Joaquin Area
Flood Control Agency

June 17, 2021

TO: San Joaquin Area Flood Control Agency

FROM: Chris Elias, Executive Director

SUBJECT: **RESOLUTION TO APPROVE THE PROPOSED FISCAL YEAR 2021/22 OPERATING, LOWER SAN JOAQUIN RIVER, MOSSDALE, AND REGIONAL FLOOD PLANNING PROGRAM BUDGETS FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY**

RECOMMENDATION

It is recommended the Board of Directors of the San Joaquin Area Flood Control Agency (SJAFCA or the Agency) receive information and adopt an omnibus resolution approving the following proposed fiscal year (FY) 2021/22 budgets for SJAFCA for the following:

1. Agency Operations (Fund #55601)
2. Lower San Joaquin River Federal Project (Fund #55653)
3. Mossdale Tract Area Program (Funds #55679/55680)
4. Regional Flood Management Planning Program (Fund #55667)

DISCUSSION

This year, SJAFCA staff is presenting to the Board a combined budget report that presents the proposed budgets supporting Agency Operations and the following three capital project programs:

- Lower San Joaquin River Federal Project;
- Mossdale Tract Area Program; and,
- Regional Flood Management Planning Program.

The Agency has two additional programs that are funded with special benefit assessments and these programs include:

- Flood Protection Restoration Project (FPRP) O&M Program
- Smith Canal Gate Project

The budgets for these later two programs are handled separately as part of the annual approval of the levy of assessments. The FPRP O&M program budget was considered and approved by the Board on May 20, 2021. The Smith Canal Gate Project Budget will be considered by the Board later on this Agenda as part of a separate action calling for the annual levy of the Smith Canal Area Assessment District assessments.

Each of four budgets for consideration by the Board at this time are addressed in a separate section of this report. A comprehensive view of the Agency's budget will be presented by staff.

RESOLUTION TO APPROVE THE PROPOSED FISCAL YEAR 2021/22 BUDGETS FOR AGENCY OPERATIONS, THE LOWER SAN JOAQUIN RIVER PROJECT, THE MOSSDALE TRACT AREA PROGRAM AND REGIONAL FLOOD MANAGEMENT PLANNING FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

1. Agency Operations

On June 18, 2020, the Board adopted SJAFCA Resolution No. 20-19 approving the Agency's proposed budget for FY 20/21 (Exhibit A & summarized in Table 1). Also, shown in Exhibit A is the updated final budget for the fiscal year.

As of April 30, 2021, with approximately 83 percent of the FY lapsed, the Agency has spent about 73% of the operating budget (Table 1). Overall operating costs are expected to come in under budget and this is mainly due to vacant positions in SJAFCA.

TABLE 1 – SUMMARY OF FISCAL YEAR 2020/21 BUDGET & ACTUALS

FY 2020/21 SJAFCA Operating Budget	FY 20/21 Budget	20/21 Expenses As of 4/30/21	Year-End Estimated Operating Expenses
SJAFCA/CITY Employee Services	\$1,024,028	\$503,227 49%	\$598,077 58%
Other Services	455,000	463,300 102%	499,044 110%
Materials & Supplies	3,100	99,349 3205%	116,550 3760%
Other Expenses	117,500	101,272 86%	106,835 91%
Approved Operating Budget:	\$1,599,628	\$1,167,148 73%	\$1,320,506 83%

The proposed FY 21/22 budget is also presented in Exhibit A and is summarized in Table 2 below. Exhibit A presents the Agency's anticipated expenditures for general administration, operations, and support costs for existing capital improvement projects. The proposed FY 21/22 expenditure budget is effectively the same as the total approved prior year budget.

**TABLE 2 - FISCAL YEAR 21/22 SJAFCA
PROPOSED OPERATING EXPENDITURE BUDGET
SUMMARY**

	FY 21/22 Proposed Budget
SJAFCA/CITY Employee Services	\$ 1,023,150
Other Services	350,000
Materials & Supplies	121,350
Other Expenses	105,500
Proposed Operating Budget:	\$1,600,000

RESOLUTION TO APPROVE THE PROPOSED FISCAL YEAR 2021/22 BUDGETS FOR AGENCY OPERATIONS, THE LOWER SAN JOAQUIN RIVER PROJECT, THE MOSSDALE TRACT AREA PROGRAM AND REGIONAL FLOOD MANAGEMENT PLANNING FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

Funding for the Proposed FY 21/22 Budget

The Agency's Operating budget is supported through the allocation of costs to the Agency's project related funds. Because SJAFCA's mission of reducing and managing the region's flood risk is achieved through the advancement of projects, as was the case with last year's budget, staff has incorporated an allocation of its operating budget to these programs. The attached Exhibit B shows the allocation that, with the approval of the Operating Budget by the Board, would be implemented by staff. The allocation of costs remains the same as last year's approved allocation. The allocation of the operating budget to SJAFCA's projects and programs with reference to their primary funds is summarized in Table 3:

TABLE 3 – OPERATING FUND COST ALLOCATION SUMMARY

Fund	No.	Allocation %
Operating Fund	55601	10%
O&M	55694	10%
Smith Canal	55666	40%
Mossdale	55679	30%
Fed Project	55653	10%
RFMP	55667	5%

Operating Fund Cost Allocations:

SJAFCA Operating Fund (Fund 55601). The SJAFCA Operating Fund balances are made up of assets that were derived from the Flood Protection Restoration Project (FPRP) completed in 1998, the unexpended bond proceeds for that project, fees collected by both the City of Stockton and County of San Joaquin for the Agency's former equalization fee program, and reimbursement received from the U.S. Army Corps of Engineers (USACE) for the original flood control improvements. In addition to earned interest, some funding from in-County local agencies was received to help pay the local share of costs for the Lower San Joaquin River Feasibility Study. Revenues received from local agencies and through Funding Agreements reimbursed the Agency for some of the costs it incurred to support these projects.

Over the last several years, the Reserve Fund balances have been used to pay for the Agency's operating costs as well as work that supported some of the Agency's capital improvement projects. These include the Lower San Joaquin River Feasibility Study (LSJRFS), the recertification of the Bear Creek and Calaveras River levee reaches, and advance funds for the Smith Canal Gate project before the Smith Canal Area Assessment District was established. However, with the FY 2020/21 budget and continuing again with FY 2021/22 budget, as described above, the Agency is allocating its operating costs (the General & Administrative expenses) to minimize the amount of reserves used to fund operating expenses. While operating costs cannot

RESOLUTION TO APPROVE THE PROPOSED FISCAL YEAR 2021/22 BUDGETS FOR AGENCY OPERATIONS, THE LOWER SAN JOAQUIN RIVER PROJECT, THE MOSSDALE TRACT AREA PROGRAM AND REGIONAL FLOOD MANAGEMENT PLANNING FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

be fully funded through this offset alone (not all of the programs where the costs are allocated have sufficient resources to bear the full brunt of the allocation), it is anticipated that the Agency will continue to use its limited reserves to fund increasing share of its annual operations.

Operations and Maintenance (O&M) Fund (Fund 55694). The O&M Fund accounts for money collected annually through the Agency's O&M assessment. The levy of this assessment provides resources for ongoing maintenance of the Agency's FPRP improvements. Each year, the Board reviews the Annual Engineer's Report and establishes the O&M assessments. The O&M budget for FY 21/22 was presented to and approved by the Board separately on May 20, 2021 (Agenda Item 4.1) as part of the annual hearing process to approve the Assessment. The allocation approach discussed above and shown in Exhibit B allocates up to \$160,000 of G&A expenses to the O&M fund. This allocation was included in the O&M Budget and approved by the Board with the authorization provided on May 20, 2021.

Smith Canal Area Assessment District Fund (Fund 55666/55654). These funds account for money collected annually through the Smith Canal Area Assessment District and grant revenues from State Department of Water Resources (DWR) to fund the Smith Canal Gate project. Assessment collection began in FY 14/15. The levy assesses approximately 8,100 benefited parcels and will generate approximately \$1.70 million during FY 21/22 that will be used to fund the local share of the project. The FY 21/22 Technical Memorandum for the Smith Canal Area Assessment District will be presented to the Board at this meeting (Agenda Item 4.2). The allocation approach discussed above and shown in Exhibit B would allocate up to \$640,000 of G&A expenses to the Smith Canal Project fund. The budget included within the proposed Smith Canal Area Assessment District authorization, to be considered later in this meeting, includes this amount.

Mossdale Tract Fund (Fund 55679/55680). These funds were created as part of a Board-approved action on February 26, 2018 (SJAFCA Resolution 18-06), to address flood protection for the Mossdale Tract Area. The local sources of funding include previously funded forgivable loans from member agencies: City of Stockton, San Joaquin County, City of Lathrop and City of Manteca as well as a Regional Development impact fee program adopted by SJAFCA (Resolution No. 18-21) effective January 8, 2019. In addition, a grant from DWR provides funding for the Urban Flood Risk Reduction feasibility study. These funds are used to pay for activities to advance the Mossdale Tract Program. As a multi-year capital project, unexpended prior year funding authorized by the Board under this program rolls over forward. For FY 21/22 additional budget is requested and is presented separately later in this report. However, the allocation approach discussed above and shown in Exhibit B would allocate up to \$480,000 of G&A expenses to the Mossdale fund. The additional funding requested under this item, discussed later in this report, reflects this G&A allocation.

RESOLUTION TO APPROVE THE PROPOSED FISCAL YEAR 2021/22 BUDGETS FOR AGENCY OPERATIONS, THE LOWER SAN JOAQUIN RIVER PROJECT, THE MOSSDALE TRACT AREA PROGRAM AND REGIONAL FLOOD MANAGEMENT PLANNING FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

Regional Flood Management Plan (Fund 55667). With the execution of the RFMP grant during FY 20/21 staff established Fund 55667 to track and account for the RFMP Program. The program funded by DWR is expected to be a three-year program. The budget request last year reflected an initial allocation of G&A expenses for FY 20/21. The budget request for FY 21/22, which reflected later in this report, includes a second year of G&A expenses of up to \$80,000 consistent with the proposed allocation noted in Exhibit B.

Lower San Joaquin River Federal Project (Fund 55653). As further discussed below, staff of the Agency is currently working with the USACE, DWR and CVFPB to advance the Lower San Joaquin River Project toward the construction of the first increment. With this effort, and consistent with the approach described above, like last year, staff proposes to incorporate an allocation of G&A costs to the Lower San Joaquin River Project. The allocation would be approximately \$80,000. Funding for this allocation would come from fund balances in Lower San Joaquin River Federal Project Fund as this is currently the only funding source available for SJAFCA's share of the Federal Project.

Operating Budget. The Agency's Operating Budget as summarized above in Table 1 and presented in Exhibit A for FY 21/22 totals \$1,600,000. This is the same total budget as FY 20/21, however, the allocation to the following categories has changed. The Operating Budget categories are described further below:

- **SJAFCA/CITY Employee Services.** This category includes salary and benefits for 7 SJAFCA positions: Executive Director, Executive Project Manager, Senior Civil Engineer, Associate Civil Engineer, Finance and Administrative Services Manager and administrative support staff (2). One position is a City of Stockton position and the balance are Agency positions. City of Stockton costs include an allocation of salary and benefits for administration and city payroll services. The total allocation of resources to support these staffing costs is **\$1,023,150**.
- **Other Services.** These expenses include professional services such as legal counsel, federal and State advocacy efforts, technical consultants, and annual auditing services as well as temporary staffing costs. The total allocation for Other Services is **\$350,000**.
- **Materials and Supplies.** This category includes expenses for general office supplies, computer software, the maintenance of the Agency's office scanner/copier equipment. This category also includes equipment rental, computer technology support, postage, mailing, duplicating services, file storage and vehicle costs. Rent for building space from the City of Stockton is also included. The anticipated cost for Materials and Supplies is **\$121,350**.

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- **Other Expenses.** This category includes costs for travel, parking, training and staff development, professional memberships, permits/certifications, website development and maintenance. This category also includes the Agency’s general liability insurance premiums and association memberships. The total anticipated cost for Other Expenses is **\$105,500**.

The Operating Budget illustrated in Exhibits A and B (summarized in Tables 2 and 3) includes the full costs for the proposed positions and the allocations to the Projects and Programs supporting the Agency’s mission. The Agency’s Annual Operating Budget and G&A allocation policy are reviewed annually and adjustments are made as part of the Budget Approval process for the following year.

Capital Improvement Program (CIP) Budget

As further described above, the Agency has 3 capital programs that support flood protection projects. The matrix below describes the current and planned sources of funding for those programs:

	Smith Canal	Mossdale Tract	Lwr. San Joaquin River Project	Regional Planning
Funding Sources	<ul style="list-style-type: none"> - Assessments - EIP Grant - UFRR Grant - Allocation of Reserves - Bond Revenues 	<ul style="list-style-type: none"> - Local Funding Agreements - UFRR Feasibility Grant - The Mossdale Regional Levee Impact Fee - Assessments* - EIFD* - Climate Resiliency Challenge Grant 	<ul style="list-style-type: none"> - SJAFCA Fund Reserves - Local Funding Agreements - Federal Reimbursement - Assessments 	<ul style="list-style-type: none"> - RFMP Grant (DWR)

**Asterisk denotes funding mechanisms to support the programs but have not yet taken place.*

An updated CIP Budget request included as part of the approval of the annual assessment levy for the Smith Canal Gate Program is included as part of Agenda Item 4.2. The remaining three programs are described further below.

2. Mossdale Tract Program

To date, the Mossdale Tract Program has been supported by the following funding sources:

- Advanced funding from Member Agencies;
- A Regional Development Impact Fee program;

RESOLUTION TO APPROVE THE PROPOSED FISCAL YEAR 2021/22 BUDGETS FOR AGENCY OPERATIONS, THE LOWER SAN JOAQUIN RIVER PROJECT, THE MOSSDALE TRACT AREA PROGRAM AND REGIONAL FLOOD MANAGEMENT PLANNING FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

- A grant from DWR under its Urban Flood Risk Reduction Program to advance a Feasibility Study, Preliminary Design and Environmental review; and,
- A grant from the Bay Area Council to support Climate Resiliency.

To further accomplish the goal of achieving an Urban Level of Flood Protection for the Mossdale Tract Area, additional local funding mechanisms, including an Overlay Assessment District and Enhanced Infrastructure Financing District, are being advanced to support project costs.

On June 18, 2020 the SJAFCA Board approved a budget augmentation to the previously approved CIP budget to fund the Mossdale Tract Program through FY 2020/21. The following discussion describes the work covered in the proposed augmentation to cover activities through FY 2021/22 and the status of current efforts.

Prior board approvals of budget for the Mossdale Tract Program involved a series of actions to create the financial infrastructure to allow SJAFCA to continue the efforts to advance 200-Year flood protection for the Mossdale Tract area started by the Cities of Lathrop & Manteca. These actions included appropriating funding to:

- 1) Transition the Urban Flood Risk Reduction (UFRR) Program Feasibility Study, Design and Permitting Agreement with DWR from Lathrop to SJAFCA; and
- 2) Advance efforts to achieve an Urban Level of Flood Protection including Adequate Progress Annual Reporting, Technical Support, and Local Funding Program Implementation for the Mossdale Tract Basin as well as series of other actions in support of these goals.

These efforts continue and are well underway as further described below.

The final UFRR Study report is scheduled to be delivered to DWR in June 2021. The next step and most urgent need in the process will be to assemble the required CEQA documentation and conduct environmental analyses on a subset of the UFRR study alternatives. This process will serve to further develop the multi-objective features identified in the UFRR study and will form the foundation for federal investment in the Mossdale project. In anticipation of the acceptance and approval of the final UFRR Feasibility Study Report, SJAFCA has requested DWR to consider releasing the remaining UFRR study funds (approximately \$3.8M) for this purpose. Implementation of the Preferred Plan will require a number of important preconstruction activities, including engaging in a USACE study to determine federal interest, pursuit of federal and State funding, advancement of local financing initiatives, right of way acquisition, environmental permitting, and engineering field investigations. Completion of the CEQA documentation will help to further define the Preferred Plan and ensure compliance with all relevant State and federal laws and policies. Advancing the UFRR study alternatives through the CEQA process has several advantages including serving as a foundation for federal investment decisions and as a catalyst for advancing the many other critical project phases that depend on CEQA compliance. This

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effort will support the ability of Local Agencies maintenance of adequate progress and allow SJAFCA to advance 200-Year levee protection in the Mossdale Tract Area.

In addition, to further support ULOP efforts, SJAFCA entered into a consultant agreement with Wood Rogers, Inc. in 2020 to determine the appropriate alignment for extension of the Manteca Dry Land Levee that carefully considers technical issues, community impacts, and stakeholder input. The consulting team was given direction to build from work that has been previously completed and further define a preferred alternative to deliver 200-year protection beyond the existing dry land levee. The consulting team of Wood Rodgers/MBK/Kleinfelder has completed the foundational geotechnical and hydraulic studies, and has used that information to develop an array of alternatives extending the existing RD17 dryland levee further to the east to prevent flanking of floodwaters into the urbanized areas of Lathrop, Manteca, Stockton, and San Joaquin County. It is critical for all elements of the Preferred Plan, including the newly proposed dryland levee extension, to be evaluated as part of the CEQA project description and alternatives to avoid project segmentation issues. Analyzing the impacts of the dryland levee extension will be an essential piece of the CEQA process.

As it relates to the implementation of the Local Funding Program for the Mossdale Tract Area, the Agency has implemented a Regional Levee Impact Fee Program and has been collecting development impact fee funds for approximately 2 ½ years. In addition, the Board approved consulting contracts to support the formation of Overlay Assessment District and Enhanced Infrastructure Financing Districts including a contract for supporting Public Outreach efforts. These efforts are targeting supporting formal actions toward the end of 2021 and early 2022.

Finally, SJAFCA executed an agreement with the Bay Area Council for a \$200,000 Climate Resiliency Challenge grant. Funds from this grant are being utilized by SJAFCA to advance the Climate Adaptation Policies and related goals of the Agency. Since the signing of the grant agreement in June 2020, SJAFCA retained the services of, and contracted with, a consultant firm (PBI) to assist with the Project. An interim progress report has been submitted summarizing the problem that the region is facing and serving as a basis for brainstorming potential flood risk reduction alternatives that would provide climate resiliency to our region. The next step of the study, following distribution of the background report, will be to engage with regional stakeholders and gather input on solutions that would provide climate resilience to the Lower San Joaquin River and Delta South Basin. Alternatives will be developed to a basic, conceptual level of detail and will be screened for reasonableness. A final report will be developed to outline the proposed flood risk reduction alternatives and identify the necessary actions that will need to be taken in a future study to refine and evaluate the array of alternatives and select a preferred alternative. The grant agreement schedule identifies a September 2022 completion date for the final study report.

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The recommended budget augmentation for Fiscal Year 2021/22 (Exhibit C) summarized in Table 4 below for the proposed Mossdale Tract Fund addresses the following categories of costs:

UFRR Feasibility Study

- Work by Peterson Brustad, Inc.

Program Management

- Staff Support & Allocated Overhead
- Consulting Support
- Legal Support
- Strategic Planning and Implementation
- Public Outreach

ULOP Adequate Progress & Local Funding Implementation

- Funding Implementation including EIFD and Assessment District formations
- ULOP Adequate Progress Reporting
- Budget Support and funding Administration Services
- Federal Program Consultation Phase 2 Feasibility Study Coordination

Project Implementation

- Preliminary Design and Environmental Review
- Manteca Dryland Levee extension evaluation
- Climate Resiliency Scope of Work

In summary, the budgeted costs for the Mossdale Tract fund shown in Exhibit C are summarized in Table 4 as follows:

TABLE 4 – MOSSDALE TRACT FY 2021/22 CIP BUDGET SUMMARY

FY 2021/22 Mossdale Tract Program CIP Budget	Approved Budget Through 20/21	Expended through 4/30/2021	Budget Balance through 4/30/2021	Proposed Budget Augmentation	Proposed Budget Through 21/22
UFRR Feasibility Study	\$268,777	\$194,208	\$74,569	\$0	\$268,777
Program Management	\$1,532,054	\$1,083,110	\$448,944	\$730,000	\$2,262,054
Local Funding Implementation	\$983,200	\$595,870	\$387,330	\$720,000	\$1,703,200
Project Implementation	\$3,000,000	\$177,292	\$2,822,708	\$0	\$3,000,000
Climate Resiliency	\$200,000	\$34,696	\$165,304	\$0	\$200,000
TOTAL EXPENDITURES	\$5,984,031	\$2,085,176	\$3,898,855	\$1,450,000	\$7,434,031

The above expenses would represent to total cumulative Capital Improvement Program (CIP)

RESOLUTION TO APPROVE THE PROPOSED FISCAL YEAR 2021/22 BUDGETS FOR AGENCY OPERATIONS, THE LOWER SAN JOAQUIN RIVER PROJECT, THE MOSSDALE TRACT AREA PROGRAM AND REGIONAL FLOOD MANAGEMENT PLANNING FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

budget for the Mossdale Tract Program through FY 21/22. Further, as is the case with all CIP budgets, if the above budget is not expended through FY 2021/22, the budget would roll over to the next fiscal year.

The revenues supporting this funding would come from multiple sources. The first source of funding would be the UFRR funding agreement with State of California that has been assigned from the City of Lathrop to SJAFCA. This funding would support, on a 50/50 cost share basis, the UFRR Feasibility Study, Environmental Review and Preliminary Engineering Design / Implementation efforts. It should be noted that a bank of local credit exists as a result of prior local investment by the Cities of Lathrop and Manteca that would offset a portion of the Local Cost share for the effort. As a result, the 50% cost share would not need to be funded by SJAFCA. The second source of funding would be SJAFCA's funding agreements with its members structured in the form of loans. This funding was received in FY 17/18 and is available to fund all project efforts. These loans would be repaid once the future local funding mechanisms are in place and able to provide sufficient cash flow to cover future project expenses. Finally, as previously mentioned, an additional \$200,000 of funding would come from the Bay Area Climate Resiliency Grant. The estimated revenues covering the budgeted expenses are also shown in the attached Exhibit C.

The requested budget augmentation of \$1.45 million focuses on additional efforts to implement the proposed funding mechanisms. More specifically, it is expected that SJAFCA will issue a contract with an Assessment Engineer in the coming year to advance formation of the proposed Overlay Assessment District. A feasibility level evaluation is ongoing and this effort is expected to transition to assessment district formation in the Fall of 2021.

The recommended Board Action includes approval of additional funding for the Mossdale Tract Funds and for the activities needed to continue to advance the Mossdale Tract Program. Funding would come from various agreements with the State of California, SJAFCA members and Development Impact Fee revenues already received. The budget is fully funded.

3. Lower San Joaquin River Project

The overall estimated cost for the Lower San Joaquin River Project (LSJRP) is approximately \$1.3 billion. This project is expected to be implemented in several increments over a decade or more timeframe. The first increment of the LSJRP is currently under design and the non-Federal share of the first design increment is \$2.221 million (total cost \$6.346 million). This non-Federal cost is split between SJAFCA and the State (70/30) and brings SJAFCA's local cost share for the design to \$666,300, which was fully paid in SJAFCA's fiscal year 2020/2021.

To generate funding for the Local Share of the Design efforts back in September 2018, the Board authorized the Executive Director to execute cost share agreements for the LSJRP with the local stakeholder agencies impacted by the Feasibility Study. This was the same approach taken to fund the local share of the Feasibility Study. However, at the same time,

RESOLUTION TO APPROVE THE PROPOSED FISCAL YEAR 2021/22 BUDGETS FOR AGENCY OPERATIONS, THE LOWER SAN JOAQUIN RIVER PROJECT, THE MOSSDALE TRACT AREA PROGRAM AND REGIONAL FLOOD MANAGEMENT PLANNING FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

SJAFCA had been working to receive a \$10.06 million reimbursement for completed work on the prior Federal project. This money was received in July 2019. Around that time, staff met with the local agencies to discuss cost share agreements, and at the same time the Board had been discussing the identification of a local funding mechanism to set up full local share of entire authorized LSJRP. In lieu of executing cost share agreements, SJAFCA authorized the use of a portion (up to \$3.14 million) of the \$10.06 million in funds (now part of SJAFCA's reserves) to match the Federal FY 2020 Funding allocated for the Project. The remaining funding, after an allocation to the Smith Canal Project, was to be focused on developing the long-term funding needed to generate the remaining local share of the overall LSJRP.

In February 2020 as part of the Federal fiscal year 2020 budget, the USACE approved Civil Works work plan funding in the amount of \$22.8 million and awarded a New Start Construction designation for the construction of the first increment. USACE subsequently received an additional \$20.0 million associated with the Federal fiscal year 2021 budget. Another \$15 million was allocated in the Federal fiscal year 2022 President's budget, but is subject to change as it has not yet been approved by congress.

Of the \$42.8 million in Federal funding (FY 20 & 21), SJAFCA's matching cost share obligation totals \$6.91 million; that can come in the form of credit for in-kind work, credit for land easements, rights-of-way, relocations and disposal areas (LERRD), and cash. SJAFCA's approach is to fully leverage Smith Canal credit and in-kind work credit to minimize cash outlays. For the fiscal year 2021/2022 planning, only a portion of SJAFCA's obligations are necessary to support the project's progress – this is primarily attributed to the planned delivery of the first increment of construction at Ten Mile Slough in the Brookside Stockton neighborhood, in area known as TS_30_L. Therefore, the fiscal year 2021/2022 budget to support the LSJRP is \$1.745 million.

The planning for the long-term funding approach has been ongoing and has been the subject of several past Board meetings. In the coming months, staff will present the status and preliminary results of those planning, including cash flows, long-term funding needs, summary results of the assessment district feasibility assessment, and next steps.

Staff recommends that the Board re-align the LSJRP CIP Budget for FY 2021/2022 by \$(455,484) such that, when taking into consideration prior year authorization, the net remaining authorized CIP budget is \$1.745 million. This estimate takes into consideration expenses previously expended in FY 20/21 and the requirements needed to support the Lower San Joaquin Federal Project and efforts to implement a long-term funding approach for future ULOP of North & Central Stockton. A detailed budget is included in the attached Exhibit D and is summarized in Table 5 below.

RESOLUTION TO APPROVE THE PROPOSED FISCAL YEAR 2021/22 BUDGETS FOR AGENCY OPERATIONS, THE LOWER SAN JOAQUIN RIVER PROJECT, THE MOSSDALE TRACT AREA PROGRAM AND REGIONAL FLOOD MANAGEMENT PLANNING FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

**TABLE 5 – LOWER SAN JOAQUIN RIVER PROJECT
FY 2021/22 CIP BUDGET SUMMARY**

FY 2021/22 Lower San Joaquin River Project CIP Budget	
Prior Year Authorizations	\$3,140,281
Actual Costs	(\$939,797)
Remaining Budget	\$2,200,484
Net Budget Realignment [1]	(\$455,484)
Updated 2020/21 Budget	\$1,745,000

[1] Reference Exhibit D

4. Regional Flood Management Planning

Historically, money received from the State for Regional Flood Management Planning (RFMP) has reimbursed the Agency for its efforts to provide critical information about local flood management needs and priorities as part of the 2017 Central Valley Flood Protection Plan (CVFPP) update. As an extension of RFMP efforts, last year in 2020/21 DWR advanced a third phase of regional planning to support the 2022 CVFPP update. Staff worked with the State to put this grant in place and support the Agency’s projects. Staff finalized a scope of work and budget with DWR for the Phase 3 RFMP Grant and the grant was approved for \$850,000 for approximately 3-Years of work. Staff is currently working with DWR to augment the budget by \$150,000 for the same duration. As such, staff has prepared a budget modification that re-aligns a total \$1,000,000 of budget to the tasks and scope of work negotiated with DWR. The attached Exhibit E (summarized in Table 6 below) presents the original budget, the expenses incurred to date and the updated budget based on the modifications currently being coordinated with DWR. The budget includes funding for allocated agency General and Administrative Services as described further above. The proposed FY 2021/22 budget modification reflected in Exhibit E is summarized in Table 6:

RESOLUTION TO APPROVE THE PROPOSED FISCAL YEAR 2021/22 BUDGETS FOR AGENCY OPERATIONS, THE LOWER SAN JOAQUIN RIVER PROJECT, THE MOSSDALE TRACT AREA PROGRAM AND REGIONAL FLOOD MANAGEMENT PLANNING FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

TABLE 6 – RFMP FY 2021/22 CIP BUDGET SUMMARY

FY 2021/22

REGIONAL FLOOD MANAGEMENT PLANNING CIP BUDGET

Original Budget	\$850,000
Expenses through 6/30/21	-\$274,651
Remaining Budget	\$575,349
Budget Augmentation	+\$150,000
Adjusted Remaining Budget	\$725,349
Prior expenses	\$274,651
plus Adjusted Remaining Budget	+\$725,349
Final Total Budget	\$1,000,000

Reference Exhibit E

FISCAL IMPACT

Discussion

With exception of the Mossdale Tract Program, some or all of the local share of CIP costs have been funded from the Agency's reserves with some reimbursement coming from local cost share partners. Apart from funds received for the various CIP programs, there continues to be no sustained long-term funding in place to support Agency operations.

The Agency's shrinking reserves and lack of revenue stream has been communicated to the Board over the last few years. Staff is again re-stating the previous financial analyses prepared by Kjeldsen Sinnock Neudeck, Inc. (KSN), during FY 14/15, which forecasted that the Agency would exhaust its reserves and would not be able to support operations beyond 2020.

As a result of the KSN report, SJAFCA and the San Joaquin County Flood Control and Water Conservation District (District) executed a cost-share agreement, approved by the Board in 2015, to evaluate funding alternatives and implement a plan to secure future funding for both the District and the Agency for the services it provides. The District, as the lead agency for this effort, worked to finalize an assessment methodology and implement a new Assessment District called the Flood Conveyance and Levee Maintenance Assessment District. In July 2019, the District presented the work effort to the SJAFCA Board as an informational item. The schedule at the time would have had District staff sending out ballots to property owners in the Fall of 2019. However, due to opposition of the effort from local stakeholders the effort was delayed until early Spring 2020. Just prior to the Board of Supervisor's further consideration of the District, the COVID-19 Pandemic took place and steps related to formation of new assessment district were suspended. As a result, the formation of a district that could support Agency operations was further delayed.

RESOLUTION TO APPROVE THE PROPOSED FISCAL YEAR 2021/22 BUDGETS FOR AGENCY OPERATIONS, THE LOWER SAN JOAQUIN RIVER PROJECT, THE MOSSDALE TRACT AREA PROGRAM AND REGIONAL FLOOD MANAGEMENT PLANNING FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

Without other sources of financing, the Agency has relied on program resources to support more of its operational costs. This approach was documented within the budget report for FY 2020/21 and the approach has continued with the proposed budget for FY 2021/22 and the proposed Operational Budget allocation methodology described above.

Summary


The estimated Agency combined carry over Fund balance (agency reserves) at the beginning of FY 21/22 is expected to be approximately \$2.3 million. The proposed FY 21/22 budget anticipates total operating costs to be \$1,600,000 with a portion of these costs allocated to SJAFCA's projects. Total operating costs will be trued-up at fiscal year-end to account for direct expenses allocated against other sources of funding based on the level of effort for those specific programs.

By approving the attached Omnibus Budget Resolution (Exhibit F) attached to this staff report, the Board will adopt and approve the Agency's proposed FY 21/22 operating budget and associated allocation approach to capital programs and the supporting capital budgets for the Lower San Joaquin River Project, Mossdale Tract Area Program and Regional Flood Management Planning Programs.

STRATEGIC PLAN CONSISTENCY ANALYSIS

Consideration of the FY 2021/22 budget process is consistent with the Mission and Goals of the Board-adopted Strategic Plan. Specifically, it is consistent with the Goal #1, "to Plan for and Implement System Resilience", and to Goal #3, "Facilitate Funding Structures that are most Beneficial to Local Interests."

PREPARED BY: Seth Wurzel



APPROVED:
CHRIS ELIAS
EXECUTIVE DIRECTOR

CE:smw

Attachments

- Exhibit A – FY 21/22 General and Admin Budget
- Exhibit B – FY 21/22 Operating Budget and Proposed Allocation to Programs
- Exhibit C – FY 21/22 Mossdale Tract Area Program CIP Budget
- Exhibit D – FY 21/22 Lower San Joaquin River Project CIP Budget

RESOLUTION TO APPROVE THE PROPOSED FISCAL YEAR 2021/22 BUDGETS FOR AGENCY OPERATIONS, THE LOWER SAN JOAQUIN RIVER PROJECT, THE MOSSDALE TRACT AREA PROGRAM AND REGIONAL FLOOD MANAGEMENT PLANNING FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

Exhibit E – FY 21/22 Regional Flood Management Planning Program CIP Budget
Exhibit F – FY 21/22 Budget Resolution

SAN JOAQUIN AREA FLOOD CONTROL AGENCY
General and Admin Budget (FY 20/21 and Proposed FY 21/22)

EXHIBIT A

	FY 20/21 APPROVED BUDGET	FY 20/21 thru 4/30/2021	FY 20/21 PROJECTED	FY 21/22 PROPOSED BUDGET
Expense				
700 · AGENCY MANAGEMENT - G&A				
7-30400 · ADMINISTRATIVE CHARGES				
7-30401 · SALARIES & WAGES	\$ 424,678.15	\$ 403,920.12	\$ 482,861.00	\$ 832,150.00
7-30402 · BENEFITS	\$ 29,064.20	\$ 87,638.87	\$ 100,291.00	\$ 166,500.00
7-30403 · PAYROLL TAX EXPENSE	\$ 4,103.07	\$ 4,237.45	\$ 6,000.00	\$ 12,000.00
7-30404 · WORKER'S COMP. INSURANCE	\$ 4,082.53	\$ 5,819.44	\$ 7,000.00	\$ 10,000.00
7-30405 · PAYROLL PROCESSING EXPENSE	\$ 2,100.00	\$ 1,612.03	\$ 1,925.00	\$ 2,000.00
7-30400 · ADMINISTRATIVE CHARGES - Other	\$ 560,000.00	\$ -	\$ -	\$ 500.00
Subtotal SJACFA/CITY Employee Services	\$ 1,024,027.95	\$ 503,227.91	\$ 598,077.00	\$ 1,023,150.00
7-30600 · AUDIT EXPENSE	\$ 55,000.00	\$ 40,338.06	\$ 53,784.00	\$ 55,000.00
7-40600 · OUTSIDE STAFFING SERVICES	\$ 150,000.00	\$ 145,259.41	\$ 145,260.00	\$ 10,000.00
7-50100 · PROFESSIONAL SERVICES - AGENCY	\$ 250,000.00	\$ 277,702.20	\$ 300,000.00	\$ 285,000.00
Subtotal Other Services	\$ 455,000.00	\$ 463,299.67	\$ 499,044.00	\$ 350,000.00
7-30700 · BANK OF WEST - SJAFCA VISA	\$ 100.00	\$ -	\$ -	\$ 150.00
7-40100 · GENERAL OFFICE EXPENSES	\$ 1,500.00	\$ 98,188.87	\$ 115,000.00	\$ 120,000.00
7-40500 · MISCELLANEOUS	\$ 1,500.00	\$ 1,159.63	\$ 1,550.00	\$ 1,200.00
Subtotal Materials & Supplies	\$ 3,100.00	\$ 99,348.50	\$ 116,550.00	\$ 121,350.00
7-30500 · ADVERTISING RECRUITMENT EXP.	\$ 10,000.00	\$ 3,005.52	\$ 4,500.00	\$ 5,000.00
7-30800 · COMMUNICATIONS	\$ 4,500.00	\$ 5,911.94	\$ 6,000.00	\$ 6,000.00
7-40200 · INSURANCE BOND & MALPRACTICE	\$ 72,000.00	\$ 65,057.78	\$ 67,000.00	\$ 68,000.00
7-40400 · MEMBERSHIPS & LICENSE RENEWALS	\$ 15,000.00	\$ 13,860.00	\$ 14,110.00	\$ 15,000.00
7-40700 · PERMITS & CERTIFICATIONS	\$ 5,000.00	\$ 3,450.52	\$ 5,000.00	\$ 3,000.00
7-60200 · TRANSPORTATION & TRAVEL	\$ 5,000.00	\$ 1,474.18	\$ 1,700.00	\$ 5,000.00
7-60300 · WEBSITE HOSTING	\$ 6,000.00	\$ 8,512.10	\$ 8,525.00	\$ 3,500.00
Subtotal Other Expenses	\$ 117,500.00	\$ 101,272.04	\$ 106,835.00	\$ 105,500.00
Total 700 · AGENCY MANAGEMENT - G&A	\$ 1,599,627.95	\$ 1,167,148.12	\$ 1,320,506.00	\$ 1,600,000.00

SAN JOAQUIN AREA FLOOD CONTROL AGENCY
General and Admin Budget (Proposed FY 21/22 Allocation to Programs)

EXHIBIT B

	FY 21/22 PROPOSED BUDGET	Operating Fund 55601 10%	O&M 55694 10%	Smith Canal 55666 40%	Mossdale 55679 30%	Fed Project 55653 5%	RFMP 55667 5%
Expense							
700 · AGENCY MANAGEMENT - G&A							
7-30400 · ADMINISTRATIVE CHARGES							
7-30401 · SALARIES & WAGES	\$ 832,150.00	\$ 83,215.00	\$ 83,215.00	\$ 332,860.00	\$ 249,645.00	\$ 41,607.50	\$ 41,607.50
7-30402 · BENEFITS	\$ 166,500.00	\$ 16,650.00	\$ 16,650.00	\$ 66,600.00	\$ 49,950.00	\$ 8,325.00	\$ 8,325.00
7-30403 · PAYROLL TAX EXPENSE	\$ 12,000.00	\$ 1,200.00	\$ 1,200.00	\$ 4,800.00	\$ 3,600.00	\$ 600.00	\$ 600.00
7-30404 · WORKER'S COMP. INSURANCE	\$ 10,000.00	\$ 1,000.00	\$ 1,000.00	\$ 4,000.00	\$ 3,000.00	\$ 500.00	\$ 500.00
7-30405 · PAYROLL PROCESSING EXPENSE	\$ 2,000.00	\$ 200.00	\$ 200.00	\$ 800.00	\$ 600.00	\$ 100.00	\$ 100.00
7-30400 · ADMINISTRATIVE CHARGES - Other	\$ 500.00	\$ 50.00	\$ 50.00	\$ 200.00	\$ 150.00	\$ 25.00	\$ 25.00
Subtotal SJACFA/CITY Employee Services	\$ 1,023,150.00	\$ 102,315.00	\$ 102,315.00	\$ 409,260.00	\$ 306,945.00	\$ 51,157.50	\$ 51,157.50
7-30600 · AUDIT EXPENSE							
7-30600 · AUDIT EXPENSE	\$ 55,000.00	\$ 5,500.00	\$ 5,500.00	\$ 22,000.00	\$ 16,500.00	\$ 2,750.00	\$ 2,750.00
7-40600 · OUTSIDE STAFFING SERVICES							
7-40600 · OUTSIDE STAFFING SERVICES	\$ 10,000.00	\$ 1,000.00	\$ 1,000.00	\$ 4,000.00	\$ 3,000.00	\$ 500.00	\$ 500.00
7-50100 · PROFESSIONAL SERVICES - AGENCY							
7-50100 · PROFESSIONAL SERVICES - AGENCY	\$ 285,000.00	\$ 28,500.00	\$ 28,500.00	\$ 114,000.00	\$ 85,500.00	\$ 14,250.00	\$ 14,250.00
Subtotal Other Services	\$ 350,000.00						
7-30700 · BANK OF WEST - SJAFCA VISA							
7-30700 · BANK OF WEST - SJAFCA VISA	\$ 150.00	\$ 15.00	\$ 15.00	\$ 60.00	\$ 45.00	\$ 7.50	\$ 7.50
7-40100 · GENERAL OFFICE EXPENSES							
7-40100 · GENERAL OFFICE EXPENSES	\$ 120,000.00	\$ 12,000.00	\$ 12,000.00	\$ 48,000.00	\$ 36,000.00	\$ 6,000.00	\$ 6,000.00
7-40500 · MISCELLANEOUS							
7-40500 · MISCELLANEOUS	\$ 1,200.00	\$ 120.00	\$ 120.00	\$ 480.00	\$ 360.00	\$ 60.00	\$ 60.00
Subtotal Materials & Supplies	\$ 121,350.00						
7-30500 · ADVERTISING RECRUITMENT EXP.							
7-30500 · ADVERTISING RECRUITMENT EXP.	\$ 5,000.00	\$ 500.00	\$ 500.00	\$ 2,000.00	\$ 1,500.00	\$ 250.00	\$ 250.00
7-30800 · COMMUNICATIONS							
7-30800 · COMMUNICATIONS	\$ 6,000.00	\$ 600.00	\$ 600.00	\$ 2,400.00	\$ 1,800.00	\$ 300.00	\$ 300.00
7-40200 · INSURNACE BOND & MALPRACTICE							
7-40200 · INSURNACE BOND & MALPRACTICE	\$ 68,000.00	\$ 6,800.00	\$ 6,800.00	\$ 27,200.00	\$ 20,400.00	\$ 3,400.00	\$ 3,400.00
7-40400 · MEMBERSHIPS & LICENSE RENEWALS							
7-40400 · MEMBERSHIPS & LICENSE RENEWALS	\$ 15,000.00	\$ 1,500.00	\$ 1,500.00	\$ 6,000.00	\$ 4,500.00	\$ 750.00	\$ 750.00
7-40700 · PERMITS & CERTIFICATIONS							
7-40700 · PERMITS & CERTIFICATIONS	\$ 3,000.00	\$ 300.00	\$ 300.00	\$ 1,200.00	\$ 900.00	\$ 150.00	\$ 150.00
7-60200 · TRANSPORTATION & TRAVEL							
7-60200 · TRANSPORTATION & TRAVEL	\$ 5,000.00	\$ 500.00	\$ 500.00	\$ 2,000.00	\$ 1,500.00	\$ 250.00	\$ 250.00
7-60300 · WEBSITE HOSTING							
7-60300 · WEBSITE HOSTING	\$ 3,500.00	\$ 350.00	\$ 350.00	\$ 1,400.00	\$ 1,050.00	\$ 175.00	\$ 175.00
Subtotal Other Expenses	\$ 105,500.00						
Total 700 · AGENCY MANAGEMENT - G&A	\$ 1,600,000.00	\$ 160,000.00	\$ 160,000.00	\$ 640,000.00	\$ 480,000.00	\$ 80,000.00	\$ 80,000.00

SAN JOAQUIN AREA FLOOD CONTROL AGENCY

Mossdale Tract Project Budget

July 1, 2017 thru June 30, 2022

	COMBINED APPROVED BUDGET	ACTUAL THRU 4/30/2021	BUDGET BALANCE THRU 4/30/2021	BUDGET AUGMENTATION THRU 6/30/2022	PROPOSED COMBINED BUDGET THRU 6/30/2022
	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE
P5 - MOSSDALE TRACT PROJECT					
** CLIMATE RESILIENCY CHALLENGE GRANT - BAY AREA	\$ 200,000.00	\$ 200,000.00	\$ -	\$ -	\$ 200,000.00
DWR - UFRR FUNDING	\$ 3,250,000.00	\$ 140,141.66	\$ 3,109,858.34		\$ 3,250,000.00
TOTAL LEVEE IMPACT FEES	\$ 3,215,553.00	\$ 6,407,840.43	\$ (3,192,287.43)	\$ 3,192,287.43	\$ 6,407,840.43
MEMBER AGENCY SEED MONEY	\$ 310,000.00	\$ 310,000.00	\$ -	\$ -	\$ 310,000.00
INVESTMENT INTEREST	\$ 73,225.00	\$ 89,195.00	\$ (15,970.00)	\$ 10,000.00	\$ 83,225.00
P5 - MOSSDALE TRACT PROJECT REVENUE	\$ 7,048,778.00	\$ 7,147,177.09	\$ (98,399.09)	\$ 3,202,287.43	\$ 10,251,065.43
	EXPENSES	ACTUAL EXP	BUDGET BAL	AUGMENTATION	EXPENSES
MD - 1-MOSSDALE TRACT PROJECT / UFRR					
Total MD - 1.1-UFRR FEASIBILITY STUDY	\$ 268,776.77	\$ 194,207.81	\$ 74,568.96	\$ -	\$ 268,776.77
MD - 2.1-PROGRAM MANAGMENT					
MDPM - 2.11 ALLOCATE STAFF SUPP & OHEAD	\$ 682,267.00	\$ 477,356.64	\$ 204,910.36	\$ 480,000.00	\$ 1,162,267.00
MDPM - 2.12 CONSULTING SUPPORT (PBI/WILDAN))	\$ 212,053.00	\$ 163,774.68	\$ 48,278.32	\$ 100,000.00	\$ 312,053.00
MDPM - 2.13 LEGAL SUPPORT (D.B.)	\$ 273,542.00	\$ 209,594.63	\$ 63,947.37	\$ 75,000.00	\$ 348,542.00
MDPM - 2.14 STRATEGIC PLANNING (LWA/PBI)	\$ 175,192.00	\$ 224,804.64	\$ (49,612.64)	\$ 75,000.00	\$ 250,192.00
MDPM - 2.15 PUBLIC OUTREACH (KFC)	\$ 189,000.00	\$ 7,579.85	\$ 181,420.15	\$ -	\$ 189,000.00
Total MD - 2.1-PROGRAM MANAGMENT	\$ 1,532,054.00	\$ 1,083,110.44	\$ 448,943.56	\$ 730,000.00	\$ 2,262,054.00
MD - 3.1-LOCAL FUNDING IMPLEMENTATION					
MDLF - 3.11 ASSESSMENT DISTRICT SUPPORT (LWA-T3)	\$ 56,700.00	\$ 23,673.46	\$ 33,026.54	\$ -	\$ 56,700.00
MDLF - 3.12 DEVELOP FEE TRANS - SJAFCA (LWA-T1)	\$ 67,100.00	\$ 46,753.29	\$ 20,346.71	\$ 25,000.00	\$ 92,100.00
MDLF - 3.13 DEVEL FEE ADVANCED FUND & CRT (LWA-T2)	\$ 40,400.00	\$ 17,804.77	\$ 22,595.23	\$ -	\$ 40,400.00
MDLF - 3.14 EIFD SUPPORT / FORMATION (LWA-T5)	\$ 500,100.00	\$ 301,205.06	\$ 198,894.94	\$ 150,000.00	\$ 650,100.00
MDLF - 3.15 ULOP PROGRESS REPORT (LWA-T4)	\$ 93,100.00	\$ 92,521.49	\$ 578.51	\$ 20,000.00	\$ 113,100.00
MDLF - 3.16 JPA BUDGETING AMEND & SEED (LWA-T6)	\$ 71,200.00	\$ 64,754.30	\$ 6,445.70	\$ 25,000.00	\$ 96,200.00
MDFL - 3.17 FED. PROGRAM CONSULTATION (LWA-T7)	\$ 44,800.00	\$ 47,151.95	\$ (2,351.95)	\$ -	\$ 44,800.00
MDFL - 3.18 FED. FEASIBILITY STUDY MGMT (LWA-T8)	\$ 109,800.00	\$ 2,006.00	\$ 107,794.00	\$ -	\$ 109,800.00
MDLF - 3.1X ASSESSMENT DISTRICT FORMATION (TBD)	\$ -	\$ -	\$ -	\$ 500,000.00	\$ 500,000.00
Total MD - 3.1-LOCAL FUNDING IMPLEMENTATION	\$ 983,200.00	\$ 595,870.32	\$ 387,329.68	\$ 720,000.00	\$ 1,703,200.00
MD - 4.1-PROJECT IMPLEMENTATION					
MDPI - 4.11 PRELIMINARY DESIGN & ENVIRO. REVIEW	\$ 2,700,000.00	\$ -	\$ 2,700,000.00	\$ -	\$ 2,700,000.00
MDPI - 4.111 MANTECA DRYLAND LEVEE	\$ 300,000.00	\$ 177,292.01	\$ 122,707.99	\$ -	\$ 300,000.00
MDPI - 4.111 CEQA	TBD	\$ -		TBD	TBD
MDPI - 4.111 PRELIMINARY DESIGN	TBD	\$ -		TBD	TBD
Sub Total - MDPI - 4.11 PROJECT IMPLEMENTATION	\$ 3,000,000.00	\$ 177,292.01	\$ 2,822,707.99	\$ -	\$ 3,000,000.00
Total - MDPI - 4.12 CLIMATE RESILIENCY GRANT**	\$ 200,000.00	\$ 34,695.63	\$ 165,304.37	\$ -	\$ 200,000.00
Total MD - 4.1-PROJECT IMPLEMENTATION	\$ 3,200,000.00	\$ 211,987.64	\$ 2,988,012.36	\$ -	\$ 3,200,000.00
Total MD - 1-MOSSDALE TRACT / UFRR	\$ 5,984,030.77	\$ 2,085,176.21	\$ 3,898,854.56	\$ 1,450,000.00	\$ 7,434,030.77
Total P5 - MOSSDALE TRACT PROJECT EXPENSE	\$ 5,984,030.77	\$ 2,085,176.21	\$ 3,898,854.56	\$ 1,450,000.00	\$ 7,434,030.77

** Climate Change has its own funding

SAN JOAQUIN AREA FLOOD CONTROL AGENCY
Lower San Joaquin River Project Budget
 thru June 30, 2022

	Prior Year Authorizations	Actuals through 4/30/21	Remaining Authorizations	FY 2021/22 Augmentation/ Re-alignment	Updated LSJR Budget
LSJR - FEDERAL PROJECT PHASE 1					
LSJR - 1 - PROGRAM MANAGEMENT					
LSJRPM - 1-1.1 PROGRAM MANAGEMENT	0.00	200,195.92	-200,195.92	370,195.92	170,000.00
LSJRPM - 1-1.2 STAFF SERVICES	79,981.00	60,638.22	19,342.78	60,657.22	80,000.00
Total LSJR - 1 - PROGRAM MANAGEMENT	79,981.00	260,834.14	-180,853.14	430,853.14	250,000.00
LSJR - 2 - CEQA/NEPA SUPPORT	0.00	12,130.18	-12,130.18	182,130.18	170,000.00
LSJR - 3 - 401 WATER QUALITY CERT. ASSIST		640.00	-640.00	640.00	0.00
LSJR - 4 - PAYMENTS TO USACE & IN-KIND WORK (DDA/PPA)	3,060,300.00	666,192.46	2,394,107.54	-1,544,107.54	850,000.00
LSJR - 5 - ULOP ASSESSMENT	0.00	0.00	0.00	475,000.00	475,000.00
Total LSJR - FEDERAL PROJECT PHASE 1	3,140,281.00	939,796.78	2,200,484.22	-455,484.22	1,745,000.00

SAN JOAQUIN AREA FLOOD CONTROL AGENCY
Regional Flood Management Planning Program
 thru June 30, 2022

	Original Budget	Expenses through 6/30/21	Remaining Budget	Budget Augmentation	Adjusted Remaining Budget	Final Total Budget
RFMP - 1 - PROGRAM MANAGEMENT [1]	\$ 45,000	\$ 70,051	\$ (25,051)	\$ 75,551	\$ 50,500	\$ 120,550
RFMP - 2 - COMMUNICATION AND ENGAGEMENT [1]	\$ 120,000	\$ 33,418	\$ 86,582	\$ 16,718	\$ 103,300	\$ 136,718
RFMP - 3 - RFMP ACT UPDATES CVFPP	\$ 100,000	\$ 71,985	\$ 28,015	\$ (15)	\$ 28,000	\$ 99,985
RFMP - 4 - FINAN. PLANG. & FUNDING SUPPOR	\$ 67,500	\$ 60,144	\$ 7,356	\$ 44	\$ 7,400	\$ 67,544
RFMP - 5 - REGIONAL GOVERNANCE	\$ 40,000	\$ -	\$ 40,000	\$ -	\$ 40,000	\$ 40,000
RFMP - 6 - MULTI BENEFIT OPP. & PARF TRAC	\$ 100,000	\$ 5,686	\$ 94,315	\$ 686	\$ 95,000	\$ 100,686
RFMP - 7 - REGIONAL CLIMATE RESILIENCE	\$ 75,000	\$ 33,367	\$ 41,633	\$ 367	\$ 42,000	\$ 75,367
RFMP - 8 - INSTITUTIONAL BARRIERS & PROCESS IMP.	\$ 200,000	\$ -	\$ 200,000	\$ -	\$ 200,000	\$ 200,000
RFMP - 9 - NFIP RELATED ACTIVITIES	\$ 35,000	\$ -	\$ 35,000	\$ -	\$ 35,000	\$ 35,000
RFMP - 10 - REGION SPECIFIC ACTIVITIES	\$ 67,500	\$ -	\$ 67,500	\$ 56,650	\$ 124,150	\$ 124,150
TOTAL	\$ 850,000	\$ 274,651	\$ 575,349	\$ 150,001	\$ 725,350	\$ 1,000,000

[1] Includes allocated Agency overhead.

RESOLUTION NO. SJAFCA 21-06

SAN JOAQUIN AREA
FLOOD CONTROL AGENCY

=====

RESOLUTION TO APPROVE THE PROPOSED FISCAL 2021/22 OPERATING FUND AND CIP
BUDGET AUGMENTATIONS FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN JOAQUIN AREA
FLOOD CONTROL AGENCY, AS FOLLOWS:

1. That the San Joaquin Area Flood Control Agency's 2021-2022 Proposed Operating Fund Budget, a copy of which is attached as Exhibit "A" and Exhibit "B," is incorporated by this reference and hereby approved and adopted.

2. That the San Joaquin Area Flood Control Agency's 2021-2022 Proposed Capital Improvement Program budget allocations as described in the supporting staff report, copies of which are attached as Exhibits "C", "D" and "E," are incorporated by this reference and hereby approved and adopted.


3. That any new appropriations and/or adjustments to the Agency's 2021-2022 fiscal year budget will be brought back before the Board for consideration and approval.

PASSED, APPROVED AND ADOPTED this 17 day of June, 2021.




CHUCK WINN, Chair
of the San Joaquin Area
Flood Control Agency

ATTEST:



CHRIS ELIAS, Secretary
of the San Joaquin Area
Flood Control Agency

APPROVED AS TO FORM:



SCOTT L. SHAPIRO, Legal Counsel
for the San Joaquin Area
Flood Control Agency

June 17, 2021

TO: San Joaquin Area Flood Control Agency

FROM: Chris Elias, Executive Director

SUBJECT: **PUBLIC HEARING TO APPROVE THE TECHNICAL MEMORANDUM, BUDGET AND ORDER THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE SMITH CANAL AREA ASSESSMENT DISTRICT FOR FISCAL YEAR 2021/22**

RECOMMENDATION

Upon conclusion of the public hearing, it is recommended the Board of Directors of the San Joaquin Area Flood Control Agency adopt a resolution (Exhibit A) to approve the Technical Memorandum for the Smith Canal Area Assessment District (Exhibit B), which includes the Fiscal Year 2021/22 Annual Budget for Smith Canal Gate Project, and order the levy and collection of assessments within the Smith Canal Area Assessment District for fiscal year 2021/22.

DISCUSSION

Background

On July 10, 2013, after the conclusion of a voter approved Proposition 218 election, the Board adopted SJAFCA Resolution No. 13-13 approving the Final Engineer's Report and authorizing the formation of the Smith Canal Area Assessment District (District). The District was created to provide the local cost share for constructing and maintaining improvements to remove the Smith Canal area from a Federal Emergency Management Agency Special Flood Hazard Area. Assessments are levied annually on all parcels within the District, commencing fiscal year (FY) 2014/15, through the submittal of an assessment roll to the San Joaquin County Tax Collector.

The District is based on a financing plan that splits costs between the District and the State of California Department of Water Resources (DWR). When the assessment district was formed, it was assumed the cost share would be split 55% DWR and 45% District based on cost sharing guidelines in effect at that time. Under DWR's updated cost sharing guidelines for urban flood control projects, SJAFCA has an approved cost share of 63%. To date, SJAFCA has secured funding for both the design and construction of the project from DWR totaling more than \$38.283 million.

In compliance with Proposition 218, parcels within the District are assessed for the improvements and services that specially benefit each parcel. The special benefit provided to properties within the District is based on avoidance of flood damage to structures, contents of structures, and land. Project costs are distributed across the properties within the District

PUBLIC HEARING TO APPROVE THE TECHNICAL MEMORANDUM INCLUDING THE ANNUAL BUDGET FOR 2021/22 AND ORDER THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE SMITH CANAL AREA ASSESSMENT DISTRICT FOR FISCAL YEAR 2021/22 (Page 2)

in proportion to the flood protection benefits (flood damages avoided) provided by the improvements. These flood damage reduction benefits are relative to i) depth of flooding; ii) type of land use (residential, commercial, industrial, etc.); iii) parcel acreage; and iv) building square footage. Reference is made to the Fiscal Year 2018/19 Engineer's Report, Addendum 1 to the Fiscal Year 2018/19 Engineer's Report and the attached Technical Memorandum for the benefit calculation and assessment methodology for the District for fiscal year 2021/22. These documents are available for public inspection in the office of the Secretary of the Board and can also be viewed online at www.sjafca.com.

The assessment is made up of two components – a Capital component and an Operations and Maintenance (O&M) component. The average annual assessment for a single-family residence is approximately \$176.

The Capital portion of the assessment will be collected for 30 years from the point in time when bonds are issued in 2020, while the O&M portion of the assessment will be collected in perpetuity so long as the flood protection system and services are in place.

It should be noted that the O&M portion of the assessment includes the annual administrative expenses for the District. Administrative expenses include the annual calculation and preparation of the Technical Memorandum and assessment roll as well as the actual cost of collecting the assessments and responding to inquiries, including the review and processing of property owner appeals, if any. The collection of O&M proceeds for FY 20/21 will be used to fund construction related expenses as well as the administrative costs described above.

The Board has the authority, pursuant to Government Code Section 53739 (b), to levy the assessment within a designated range on an annual basis. The designated range can be from no assessment, up to and including the authorized maximum assessment, adjusted annually based on changes in the Consumer Price Index (CPI). Only the O&M portion of the assessment is subject to an annual adjustment based on CPI. The Board could authorize, in any year, an increase to the authorized maximum assessment which could include cumulative CPI increases that were not implemented in prior years. The CPI escalator during FY 20/21 was 2.55%.

There are 52 parcels within the District that are not included on the County's annual tax roll. These parcels are hand-billed for their assessment. Willdan Financial Services, the Agency's Assessment District Administrator, provides invoicing and monitors the progress of payments for parcels not included on the County's tax roll. Based on previous years' records, approximately 98% of the total hand-billed assessments are received each year.

Present Situation

The FY 21/22 assessment collection will assess 8,084 parcels and will generate \$1,708,464 for the District. This assessment collection includes the current year's CPI escalator of 1.77%

PUBLIC HEARING TO APPROVE THE TECHNICAL MEMORANDUM INCLUDING THE ANNUAL BUDGET FOR 2021/22 AND ORDER THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE SMITH CANAL AREA ASSESSMENT DISTRICT FOR FISCAL YEAR 2021/22 (Page 3)

(based on February to February CPI for Urban Wage Earners for the San Francisco Bay Area). The table below provides an example of the range of annual assessment rates (combined Capital and O&M) over the parcels within the District and the number of parcels in each rate range:

SMITH CANAL AREA ASSESSMENT DISTRICT FY 20/21					
Assessment Range	\$5 - \$100	\$100 - \$200	\$200 - \$300	\$300 - \$400	> \$400
No. of Parcels	2,882	2,169	1,843	680	510

By adopting the proposed resolution at the conclusion of the public hearing, the Board will adopt a resolution to approve the Technical Memorandum for the Smith Canal Area Assessment District and order the levy and collection of assessments within the District for FY 20/21.

PREPARED BY: Seth Wurzel, Financial Consultant

APPROVED:
CHRIS ELIAS
EXECUTIVE DIRECTOR

CE:smw

Attachments

1. Exhibit A - Resolution approving Technical Memorandum, ordering levy and collection of assessments for Fiscal Year
2. Exhibit B - Technical Memorandum re: FY 21/22 Smith Canal Area Assessment District dated June 17, 2021 prepared Willdan Financial Services

RESOLUTION NO. SJAFCA 21-07

**SAN JOAQUIN AREA
FLOOD CONTROL AGENCY**

=====

**RESOLUTION APPROVING THE TECHNICAL MEMORANDUM AND ANNUAL BUDGET
FOR THE SMITH CANAL AREA ASSESSMENT DISTRICT AND ORDERING OF THE LEVY
AND COLLECTION OF ASSESSMENTS WITHIN THE SMITH CANAL AREA
ASSESSMENT DISTRICT FOR FISCAL YEAR 2021-2022**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN JOAQUIN AREA
FLOOD CONTROL AGENCY, AS FOLLOWS:**

1. That the Technical Memorandum ("Memorandum") including the FY 2021/22 Annual Budget as presented in Table 3 within the Memorandum, is hereby approved, and is ordered to be filed in the Office of the Secretary of the Board as a permanent record and to remain open to public inspection.

2. That the following notice duly given, the Board of Directors has held a full and fair public hearing regarding the San Joaquin Area Flood Control Agency's Assessment District (District), the levy and collection of assessments, the Report prepared in connection therewith, and considered all oral and written statements, protests and communications made or filed by interested persons regarding these matters.

3. That based upon its review of the Memorandum, a copy of which has been presented to the Board of Directors and which has been filed with the Secretary of the Board, the Board of Directors hereby finds and determines that:

- i. The land within the District is specially benefited by the improvements and operation, maintenance and servicing of the improvements financed by the District;
- ii. The District includes all of the lands so specially benefited; and,
- iii. The net amount to be assessed upon the lands within the District for the fiscal year commencing July 1, 2021, and ending June 30, 2022, is apportioned by a formula and method which fairly distributes the net amount among all eligible parcels in proportion to the special benefits received by each parcel from the improvements and services.

4. That while the project is being designed and constructed, assessment revenue collected will be used to:

- i. Directly fund design and construction expenses on a pay-as-you-go basis; and,

- ii. Fund the administrative costs of the District; and,
- iii. Pay the cost of all debt service (interest and principal) secured by a pledge of the assessment revenues of the District.

5. That the County of San Joaquin Auditor-Controller shall enter on the County Assessment Roll, opposite each eligible parcel of land, the amount of levy so apportioned by the formula and method outlined in the Memorandum, and such levies shall be collected at the same time and in the same manner as the County taxes are collected.

6. That the County of San Joaquin Auditor-Controller shall deposit all money representing assessments collected by the County for the District to the credit of a fund for the District and such money shall be expended only for the items described in Section 4.

7. That the adoption of this Resolution constitutes the District levy for the fiscal year commencing July 1, 2021 and ending June 30, 2022.

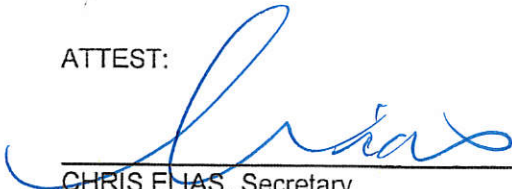
8. That the Secretary of the Board, or their designate, is hereby authorized and directed to file the levy with the County of San Joaquin Auditor-Controller upon adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 17 day of June, 2021.



CHUCK WINN, Chair
of the San Joaquin Area
Flood Control Agency

ATTEST:



CHRIS ELIAS, Secretary
of the San Joaquin Area
Flood Control Agency

APPROVED AS TO FORM:

SCOTT L. SHAPIRO, Legal Counsel
for the San Joaquin Area
Flood Control Agency

Technical Memorandum

To: SJAFCA Board of Directors

From: Willdan Financial Services

Date: June 17, 2021

Re: FY 21/22 Smith Canal Area Assessment District Assessment

Assessment District History

The Smith Canal Area Assessment District (the “District”) was formed in 2013 to levy a special benefit assessment to fund a local cost share for the design and construction as well as for long term operations and maintenance (collectively the “Services”).

Since the formation of the District and the initial levy of assessments beginning in Fiscal Year 2014/2015 up to and including the Fiscal Year 2020/21 levy, assessment revenues (net of any debt service) have been used to directly fund the design, environmental review, permitting and construction expenses on a pay-as-you go basis as well as the administration of District as authorized by the Smith Canal Area Assessment District Final Engineer’s Report dated July 10, 2013, SJAFCA Resolution No. 13-13 and subsequent Annual Engineer’s Reports. Construction of the authorized facility commenced in May 2020.

The first year of collecting assessments was Fiscal Year 2014/15. Assessment Revenue collected while the project is being designed and constructed is used to directly fund design and construction expenses on a pay-as-you-go basis and the administration of the district. Commencing Fiscal Year 2020/21, assessment revenues are first used to fund the administration of the district and then used to pay debt service payments for the bonds issued to finance the authorized facilities. Net assessment revenues after debt service are utilized on a pay-as-you-go basis to fund construction. After the completion of the facilities and the commencement of O&M, assessment revenues will be collected to first pay the administrative costs of the district and O&M up to the revised estimate of Administration and O&M costs prepared by the Agency and documented in Addendum No. 1 to the Fiscal Year 2018/19 Engineer’s Report. The remainder of assessment revenues can and will be used to fund the authorized facilities and services and pay debt service on bonds issued and secured by the assessment revenues. The revised estimate for Administration and O&M documented in Addendum 1 will be subject to and be the new basis for annual escalation.

Improvement and Services

Improvements to be funded by the assessment district will be those improvements that will maintain flood protection services provided by SJAFCA to the Smith Canal Area. A feasible set of improvements has been evaluated by SJAFCA for purposes of processing a CLOMR with FEMA, applying for grant funding from DWR and provisioning for local funding through this proposed assessment district. The feasible improvements include planning, design and constructing a gate structure at the mouth of Smith Canal.

A gate structure at the mouth of Smith Canal would consist of a fixed sheet pile wall structure with an opening gate structure allowing for navigation into and out of the canal. The concept is for the Smith Canal gate structure to be closed during tide events forecasted to approach or exceed the design operating water surface elevation. The Smith Canal gate structure would be operated as needed during these times to prevent water in the Delta from entering Smith Canal. The gate would be closed at the lowest tide prior to the forecasted high tide and remain closed until the high tide begins to recede. The gate would then be opened to allow any interior drainage that accumulated in Smith Canal during the closure period, to flow out.

SJAFCA has had extensive discussions with FEMA on the use of a gate structure to provide flood protection for the Smith Canal area. SJAFCA prepared conceptual engineering design plans and geotechnical evaluation of the gate structure and submitted a request to FEMA for a CLOMR. FEMA completed their review of SJAFCA’s CLOMR request and concurred that the gate structure meets FEMA standards.

The services to be funded by the assessment district will include but are not limited to the routine and annual operation and maintenance of the gate structure to provide flood protection for the Smith Canal Area.

District Budget

Table 1 shows the effective cost share of the project.

Table 2 shows the planned future expenditures and SJAFCA's plan for financing the future stream of costs overtime.

Table 3 shows the budget for the District for FY 2021/22.

Table 1

**SJAFCA Smith Canal Gate Project
Capital Cost Estimate & Cost Share**

Item		Local	State	
		<i>Effective Cost Share for Phase</i>		
Design Phase Costs (Updated per Actuals)		64%	36%	[1]
1. Program Management (Design Phase)	\$1,902,639	\$1,284,698	\$617,941	
2. Engineering Design	\$3,090,438	\$2,097,255	\$993,183	
3. Independent Review	\$143,668	\$49,385	\$94,283	
4. Environmental Review & Permitting	\$1,270,975	\$621,325	\$649,650	
5. Real Estate Planning & Acquisition	\$125,806	\$96,158	\$29,648	
6. Public Outreach	\$81,705	\$53,910	\$27,795	
7. Financing/Funding Costs (Application)	\$57,128	\$57,128	\$0	[2]
Total Design Phase	\$6,672,358	\$4,259,858	\$2,412,500	
		<i>Cost Share by Phase</i>		[3]
Construction Phase Costs		37%	63%	
1. Credit for Design Phase Work	\$0	-\$1,633,697	\$1,633,697	[4]
2. Supplemental Engineering	\$2,851,431	\$1,055,029	\$1,796,402	
3. Program Management	\$2,068,766	\$765,443	\$1,303,323	
4. Construction	\$49,775,308	\$18,416,864	\$31,358,444	
5. Construction Management	\$7,288,088	\$2,696,593	\$4,591,495	
6. Real Estate Acquisition	\$360,000	\$133,200	\$226,800	
7. Real Estate Contingency	\$240,000	\$88,800	\$151,200	
8. Public Outreach	\$50,000	\$18,500	\$31,500	
9. Environmental Mitigation	\$2,735,450	\$1,012,117	\$1,723,334	
A1. Recreational Enhancements	\$487,500	\$487,500	\$0	
Total Construction Phase	\$65,856,543	\$23,040,349	\$42,816,194	
Total Project	\$72,528,901	\$27,300,208	\$45,228,694	
DWR Funding Limit (EIP & UFRR)			\$38,283,428	[5]
Additional Local Funding (reduced State Funding)		\$6,945,266	-\$6,945,266	
Resulting Cost Share Split	\$72,528,901	\$34,245,474	\$38,283,428	

Source: KSN, PBI, LWA & SJAFCA

[1] The Design Phase costs were funded at a 50/50 Cost Share under the EIP Program (DWR Contract No. 4600009799) up to the funding agreement limit of \$2,412,530. The effective cost share is shown based on the agreement limit.

[2] Costs are not eligible for State Cost Sharing. Updated to reflect actual costs incurred.

[3] Construction Phase costs are cost shared at the Recommended Cost Share for the UFRR Program up to the funding agreement limit. State Cost sharing is 50%, plus 5% for one State Facility, plus 1% for Recreation Objective, plus 7% for DAC (63% total).

[4] Includes credit for Design Phase costs at the increment between 53% and 63% of the funded costs, plus all unfunded costs due to the agreement limit. Updated based on revised request.

[5] Based upon the limit of the State funding agreements fully executed and currently effective.

Table 2
SJAFCA Smith Canal Gate Project
Remaining Capital Financing Plan Cash Flow Analysis

Fiscal Year	2021/2022	2021/2022	2021/2022	2021/2022	2022/2023	2022/2023	2022/2023	2022/2023	Total
Quarter	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	(Includes prior years)
REVENUES									
State EIP Funding	0	0	0	0	0	0	0	0	2,412,500
State UFRR Funding	5,756,635	0	1,551,552	0	6,585,174	0	0	1,162,090	35,870,928
Local Assessment Revenue	0	854,232	0	854,232	0	858,613	0	858,613	1,632,977
SJAFCA Internal Funding	0	0	0	0	0	0	0	0	233,260
TOTAL REVENUES	5,756,635	854,232	1,551,552	854,232	6,585,174	858,613	0	2,020,702	40,149,665
EXPENDITURES									
Prior In-Eligible Expenses									
Program Management (Design Phase)	0	0	0	0	0	0	0	0	1,902,639
Engineering Design	0	0	0	0	0	0	0	0	3,090,438
Independent Review	0	0	0	0	0	0	0	0	143,668
Environmental Review & Permitting	0	0	0	0	0	0	0	0	1,270,975
Real Estate Planning	0	0	0	0	0	0	0	0	125,806
Public Outreach (Design Phase)	0	0	0	0	0	0	0	0	81,705
Financing / Funding (Application)	0	0	0	0	0	0	0	0	57,128
Supplemental Engineering (Construction Phase)	38,689	38,689	38,689	38,689	38,689	38,689	0	0	2,851,431
Project Management (Construction Phase)	210,000	210,000	210,000	210,000	150,000	150,000	150,000	0	3,537,728
Construction	4,378,899	5,588,198	5,278,414	5,086,230	6,146,586	2,593,218	174,835	0	49,775,308
Construction Management	363,412	463,773	438,064	422,114	510,115	215,215	14,510	0	7,288,088
Real Estate Acquisition	0	0	0	0	0	0	0	0	360,000
Real Estate Contingency	0	0	0	0	0	0	215,890	0	240,000
Public Outreach	1,653	1,653	1,653	1,653	1,653	1,653	1,653	0	50,000
Environmental Mitigation	0	0	0	0	0	0	0	0	2,735,450
Recreational Enhancements	0	0	0	0	243,750	243,750	0	0	487,500
TOTAL EXPENDITURES	4,992,652	6,302,313	5,966,820	5,758,686	7,090,793	3,242,524	556,888	0	73,997,864
FINANCING									
Net Financing Activities	0	(808,328)	0	(400,328)	0	(820,328)	0	(1,917,938)	
Net Financing Activities	0	(808,328)	0	(400,328)	0	(820,328)	0	(1,917,938)	
Net Change in Fund Balance									
- Increase/(Decrease)	763,983	(6,256,409)	(4,415,268)	(5,304,782)	(505,618)	(3,204,240)	(556,888)	102,765	
Estimated Starting Fund Balance	19,631,484	20,395,467	14,139,058	9,723,791	4,419,009	3,913,390	709,151	152,263	
Projected Ending Balance	20,395,467	14,139,058	9,723,791	4,419,009	3,913,390	709,151	152,263	255,028	

Table 3
SJAFCA Smith Canal Gate Project
Smith Canal Area Assessment District Budget
Fiscal Year 2021/2022

REVENUES

State UFFR Funding	\$	7,308,187
Local Assessment Revenue	\$	1,708,464
TOTAL REVENUES	\$	9,016,651

EXPENDITURES [1]

ADMINISTRATION

Assessment Administration	\$	25,000
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CAPITAL EXPENDITURES

Supplemental Engineering	\$	41,168
Project Management (Construction Phase)	\$	149,234
Allocated Agency Overhead	\$	641,193
Construction	\$	18,011,043
Construction Contingency	\$	-
Construction Management	\$	3,638,231
Real Estate Acquisition	\$	-
Real Estate Contingency	\$	514,601
Public Outreach	\$	-
Environmental Mitigation	\$	-
Recreational Enhancements	\$	-
TOTAL EXPENDITURES	\$	23,020,470

FINANCING

Debt Service	\$	(1,208,656)
Net Financing Activities	\$	(1,208,656)

Net Change in Fund Balance		
- Increase/(Decrease)	\$	(15,212,475)

Estimated Starting Fund Balance	\$	19,631,484
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Projected Ending Balance	\$	4,419,009
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Note: Estimate expenditures total to the forecasted gross expenses from Table 2, but have been re-allocated to the budget categories based on current contract forecasted expenses.

[1] All prior unexpended budgeted expenses for capital projects carries over to the following fiscal year.

Annual Assessment

Assessment Methodology

The special benefit conferred to the property in the proposed assessment district is the combined benefit of flood damage avoidance and/or reduction to (1) structures and their contents, and (2) land. The benefit calculation derived by the engineer considers these two factors independently. The benefit calculation can be summarized as follows:

$\text{Benefits} = \text{Damages Avoided}$ $\text{Damages Avoided} = \text{Structure and Content Damage} + \text{Land Damage}$
--

The damage avoided to structures and their contents is derived by determining the amount of flood depth reduction experienced by each particular parcel in the benefit area as a result of the Smith Canal Area improvements and associated O&M.

Determining the avoided damages to structures and their contents requires considering the following factors:

- Relative Structure and Content Value
- Flood Depth Reduction
- Percentage of Flood Damage Reduction
- Structure Size

Several factors contribute to the flood damage reduction benefit to land, both vacant and improved. These include avoidance of physical damage to the land during a flood, reduced cost of improvements, the ability to secure financing for building projects, reduced cost of flood insurance, changes in highest and best land use for the parcel, preservation of land values, and the ability to maintain access to property.

The factors that impact the land damage calculation include these:

- Relative Land Damage Factor
- Parcel Size

Reference is made to the Fiscal Year 2018/19 Engineer’s Report for the tables depicting structures and content damage factors and land damage factors.

Assessment Rate

The maximum proportional assessment rate for parcels within the District is shown below.

Table 4
SJAFCA Smith Canal Area Assessment District
Assessment Rate Calculation

Item	Amount	Units
Total Initial Annual Assessment District Budget	\$1,708,464	(\$'s)
Total Benefit Amount in SJAFCA Smith Canal Benefit Area	\$435,336,777	Benefit \$'s
Initial Maximum Proportional Assessment Rate	\$0.00392	Assessment \$/ Benefit \$

Assessment Calculation

To determine the maximum proportional assessment rate for an individual parcel, the flood damage reduction benefits for the parcel are calculated as described in the procedures above and then multiplied by the assessment rate shown in Table 4 above. The following example is based on the single-family residential example used previously.

General Formula
 Maximum Proportional Assessment
 = Total Flood Damage Reduction Benefit x Assessment Rate

Example:

Single Story Single-Family Residence
 Parcel Acreage: 0.18 acres
 Building Square Feet: 1,500
 Flood Depth 5 Feet

Total Flood Damage Reduction Benefit = \$73,530 + \$1,350 = \$74,880

Assessment Rate = \$0.00392

Maximum Not-To-Exceed Assessment = \$74,880 x \$0.00392 = \$293.52

In future years, as land use changes occur and the benefits to parcels change, parcels may be reclassified and their assessments modified accordingly.

Summary of Assessments

The average assessment for all parcels in the District by general land use category is shown in table 5 below.

**Table 5
 Summary of Average Rates**

Land Use Type	Number of Parcels	Average Rate	Minimum Rate	Maximum Rate	Share of Total Assessment
Single-Family	7,289	\$176.21	\$5.00	\$1,312.68	75.18%
Multi-Family	336	\$207.61	\$5.00	\$7,848.44	4.08%
Mobile Home	3	\$89.64	\$12.74	\$145.78	0.02%
Commercial	80	\$1,928.13	\$5.00	\$19,001.48	9.03%
Industrial	32	\$2,904.03	\$20.60	\$17,350.08	5.44%
Government and Utilities	61	\$1,655.58	\$5.00	\$29,389.52	5.91%
Vacant	283	\$20.77	\$5.00	\$1,411.68	0.34%
All Parcels	8,084	\$211.34	\$5.00		100.00%

Annual Escalation

The maximum proportional assessment rate, as shown in Table 4 is made up of two distinct components. These components, as described above are the Capital Component and Administration/O&M Component. The Administration/O&M component is comprised primarily of labor costs that are subject to rising costs beyond the control of SJAFCA. In order to ensure that SJAFCA can provide the needed services over time, it is important to increase this component of the assessment overtime subject to the rising costs of labor over time. The engineer has determined that an appropriate escalation factor is a factor that is reflective of labor (not consumption) in the locale the services are provided. The February to February CPI-W for San Francisco-Oakland-San Jose-Hayward, All Items with base year 1982-84-100 has been chosen as the escalation factor.

Table 6
SJAFCA Smith Canal Area Assessment District
Assessment Rate Escalation

Item	Amount (\$)
Initial Maximum Proportional Assessment Rate FY 2013/14	0.00373
Maximum Proportional Assessment Rate FY 2014/15	0.00375
Maximum Proportional Assessment Rate FY 2015/16	0.00376
Maximum Proportional Assessment Rate FY 2016/17	0.00378
Maximum Proportional Assessment Rate FY 2017/18	0.00381
Maximum Proportional Assessment Rate FY 2018/19	0.00384
Maximum Proportional Assessment Rate FY 2019/20	0.00388
Maximum Proportional Assessment Rate FY 2020/21	0.00390
Maximum Proportional Assessment Rate FY 2021/22	0.00392

Minimum Assessment

The minimum annual assessment will be \$5.00 to reflect SJAFCA's direct cost to collect the assessment. All annual assessments calculated to be less than \$5.00 will be raised to the \$5.00 minimum.

Duration of the Assessment

The Capital Component of the assessment will be collected for 30 years from point in time when a permanent takeout financing is completed. The Administrative/O&M Component of the assessment will be collected in perpetuity so long as the flood protection service is provided by the authorized facilities, and may be adjusted each year to reflect the authorized annual escalation for inflation described herein. The assessment may be periodically adjusted within the authorized range of assessment based on annual budgeting needs as determined by the SJAFCA Board.

Appeal Process

Any property owner who believes his or her property should be reclassified and the assessment adjusted may file a written appeal with the Executive Director of SJAFCA or his or her designee. The appeal must include a statement of reasons why the property should be reclassified, and may include supporting evidence. Any such appeal is limited to correction of an assessment during the then-current fiscal year. On the filing of any such appeal, the Executive Director or his or her designee will promptly review the appeal and any information provided by the property owner, and may investigate and assemble additional evidence necessary to evaluate the appeal. If the Executive Director or his or her designee finds that the assessment should be modified, the appropriate changes will be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the respective county for collection, the Executive Director or his or her designee is authorized to refund the property owner the amount of any approved reduction to the assessment. If a landowner disputes the decision of the Executive Director or his or her designee, a secondary appeal may be made to the SJAFCA Board. Any decision made by the Board shall be final. In order to administer an effective appeals process, from time to time, the Executive Director and/or SJAFCA Board may adopt certain policies and procedures related to the administration of the assessment.

District Boundary

The Assessment District Boundary will encompass all property that receives benefit from the avoided floodplain of a 100-Year flood event, i.e. that area generally bound by the 9.4 feet NAVD-88 elevation. This Boundary is on file at SJAFCAs office.

Assessment Roll

The Assessments have been levied in proportion to the estimated benefit that each parcel receives from the improvements in accordance with the method and formula of assessment as presented and approved upon formation of the District.

A listing of parcels of land, and the proposed assessment amount to each parcel is provided under a separate cover and by reference is made part of this Memorandum. For current ownership of each parcel of land, reference is made to the most recent equalized tax roll for the County of San Joaquin. The assessment amount for each parcel pursuant to approval of this Memorandum shall be submitted to the San Joaquin County Tax Collector for collection on the property tax bill for Fiscal Year 2021/22.