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EXECUTIVE DIRECTOR

James B. Giottonini

BOARD OF DIRECTORS

Elbert Holman, Director
Jesús Andrade, Vice-Chair
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BOARD MEETING

SAN JOAQUIN AREA FLOOD CONTROL AGENCY AGENDA

THURSDAY, MAY 18, 2017

425 N. El Dorado Street, City Hall, Second Floor, Council Chambers

9:00 A.M.

- 1. CALL TO ORDER / ROLL CALL**
- 2. PLEDGE TO FLAG**
- 3. CLOSED SESSION Conference with Legal Counsel – Two existing cases (Gov't Code Section 54956.9(d)(1))**
 - 3.1) Dominick Gulli v. San Joaquin Area Flood Control Agency; ICF International, Inc.; Peterson and Brustad, Inc; Moffat and Nichol. Case No. STK-CV-UWM-2015-0011880
 - 3.2) Atherton Cove Property Owners Association v. San Joaquin Flood Control Agency. Case No. STK-CV-UWM-2015-0011847
 - 3.3) Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of section 54956.9 (1 case)

NO EARLIER THAN 9:30 A.M.

- 4. CONSENT ITEMS**
 - 4.1) Approve minutes of the Board meeting of March 16, 2017
 - 4.2) Approve the proposed 2017/18 budget for the San Joaquin Area Flood Control Agency

- 4.3) Establish a time limit and decorum for addressing the Board of Directors of the San Joaquin Area Flood Control Agency at meetings

5. NON-CONSENT ITEMS

- 5.1) Approve a Cost-Share Agreement with Reclamation Districts 828 and 1614 for the preparation and submittal of an Operations and Maintenance Manual to FEMA for Smith Canal Embankments (Presentation by Roger Churchwell)
- 5.2) Approve a Construction Management Contract with AECOM Technical Services, Inc. for the Construction Management of the Smith Canal Gate Project and Task Order No. 1 for the Constructability Review and Technical Services during Design (Presentation by Roger Churchwell)
- 5.3) Approve Smith Canal Gate Construction Funding Agreement (Presentation by Scott Shapiro)

6. PUBLIC HEARING

- 6.1) 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 District for fiscal year 2017/2018
- 6.2) Resolution to approve the annual Engineer's Report and order the levy and collection of assessments within the Smith Canal Area Assessment District for fiscal year 2017/18

7. ORAL REPORT FROM EXECUTIVE DIRECTOR

8. PUBLIC COMMENTS

9. BOARD QUESTIONS, COMMENTS, ACTIONS

10. ADJOURNMENT

ATTACHMENTS – WRITTEN COMMUNICATIONS (Information Only)

BOARD MEETING DATES AT 9:00 A.M.:

**July 6, 2017
September 14, 2017
November 16, 2017
January 18, 2018**

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available. If you have a disability and need disability-related modifications or accommodations to participate in this meeting, please contact the Board's office at (209) 937-7900 or (209) 937-7115 (fax). Requests must be made one full business day before the start of the meeting.

Agenda Item 4.1

**MINUTES
SAN JOAQUIN AREA FLOOD CONTROL AGENCY
MEETING OF MARCH 16, 2017**

CITY COUNCIL CHAMBERS, STOCKTON, CALIFORNIA

1. CALL TO ORDER / ROLL CALL 9:00 AM

Roll Call

Present:

Director Holman

Director Andrade

Director Miller

Director Patti

2. PLEDGE TO FLAG 9:00 AM

3. PROCLAMATION 9:01 AM

Proclamation commending Thane Young for his years of service to SJAFCA

Chair Miller read the complete Proclamation to all attending.

Motion: Approve Proclamation commending Thane Young
Moved by: Director Holman, seconded by Director Andrade
Vote: Motion carried 4-0
Yes: Director Holman, Director Andrade, Director Miller,
and Director Patti

4. CONSENT AGENDA 9:05 AM

- 4.1) Approve minutes of the Board meeting of February 2, 2017
- 4.2) Approve a contract with Del Rio Advisors, LLC as Municipal Advisor for the financing phase of the Smith Canal Gate project and approve the use of City of Stockton staff, policies, vendor pools and contracts in bringing an issuance to market
- 4.3) Approve reimbursement to the City of Stockton for fiscal year 2016-17 first and second quarter operating expenses

Dominick Gulli addressed the Board regarding Consent Agenda items.

Roger Kelly addressed the Board regarding Consent Agenda items.

Motion: Approve Consent Agenda
Moved by: Director Holman, seconded by Director Patti
Vote: Motion carried 4-0
Yes: Director Holman, Director Andrade, Director Miller,
and Director Patti

AGENDA ITEM 4.1

5. ORAL REPORT FROM EXECUTIVE DIRECTOR 9:09 AM

Executive Director Giottonini gave an oral report on the following:

Feasibility Study

- The Corps Headquarters held a meeting in mid-December to discuss all pending 3x3x3 waiver requests, including the second waiver for our Feasibility Study
- The Sacramento District has finally received official direction that the waiver was approved, but not to exceed \$200,000 federal, \$400,000 total.
- The District was directed to seek reprogramming to obtain the federal funds. They have begun the Congressional reprogramming process, but the entire process could take approximately 6 months.
- Given our offer to accelerate funds, they are looking into guidelines on how that can work. One big question that they have is can they receive accelerated funds from the sponsor when there is not yet an appropriations bill that guarantees that they will receive federal funds.

DC Visit

- Our next trip to DC is set for April 27/28.
- All Board members have confirmed.

2017 CVFPP Public Hearing

- Central Valley Flood Protection Board meeting at Cabral Agricultural Center
- March 17, 10am-noon (poster session from 9-10am)

FMA Conference

- September 5-8 in Long Beach

6. PUBLIC COMMENTS 9:13 AM

Peter Evich, Vice-President of Van Scoyoc Associates, addressed the Board. He introduced himself and explained his role as advocate for SJAFCA in Washington, DC.

Dominick Gulli addressed the Board and provided a copy of his petition to protest the collection of the Smith Canal Gate assessment. He also expressed that he did not appreciate his name being mentioned publicly regarding his lawsuit at the San Joaquin County Water Advisory Commission meeting yesterday, and he spoke of his plans to file additional petitions.

Director Holman commented that he attended the meeting yesterday that Mr. Gulli referenced and wanted to set the record straight as Mr. Gulli was not being singled-out. He explained that Mr. Churchwell gave a status report on the Smith Canal Gate and during this report both parties with existing lawsuits were mentioned. Director Holman added that both lawsuits are public record.

Chair Miller addressed Mr. Gulli directly and told him that he often speaks of his lawsuit and has invited Board members to meet with him and that this would be

SAN JOAQUIN AREA FLOOD CONTROL AGENCY
MEETING OF FEBRUARY 2, 2017

improper. She wanted to state for the record that the Board will not meet with Mr. Gulli outside of proper channels because he is a litigant and there is a legal process to follow. She added that Mr. Gulli's lawsuit is public record and accessible to the public.

Roger Kelly, a resident of the Smith Canal area, requested a copy of the KSN survey of the properties near the Calaveras River that was funded by SJAFCA.

Chair Miller responded to Mr. Kelly that SJAFCA staff and Mr. Neudeck could speak with him after the meeting as this survey should be available for him.

Bill Dunning, President of Reclamation District 1614 and resident of Smith Canal area thanked the Board for the Smith Canal project. He spoke of the financial burden the residents are subject to through the various assessments and flood insurance costs. He offered that the Reclamation District is willing to assist in any way they can to help the project progress.

7. BOARD QUESTIONS, COMMENTS, ACTIONS 9:32 AM

Director Patti asked Mr. Dunning if he knew on average what the total assessments were for homeowners.

Mr. Dunning replied that it varies based upon the size of each individual property.

Chris Nudeck, KSN, District Engineer for RD 828 and RD 1614, provided a more detailed explanation of how the fees and flood insurance rates are calculated based on property depth/elevation and water runoff.

8. CLOSED SESSION Conference with Legal Counsel – Two existing cases (Gov't Code Section 54956.9(d)(1)) 9:35 AM

- 8.1) Dominick Gulli v. San Joaquin Area Flood Control Agency; ICF International, Inc.; Peterson and Brustad, Inc; Moffat and Nichol. Case No. STK-CV-UWM-2015-0011880
- 8.2) Atherton Cove Property Owners Association v. San Joaquin Flood Control Agency. Case No. STK-CV-UWM-2015-0011847
- 8.3) Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of section 54956.9 (1 case)

Chair Miller called for a recess for closed session. Legal Counsel Scott Shapiro stated there would be no discussion regarding item 8.3. The meeting resumed at 10:32 AM. Legal Counsel Scott Shapiro stated the Board gave direction to Counsel in regards to both cases. There was nothing else to report.

9. ADJOURNMENT 10:33 AM

SAN JOAQUIN AREA FLOOD CONTROL AGENCY
MEETING OF FEBRUARY 2, 2017

The meeting adjourned at 10:33 AM. The next meeting is scheduled for Thursday, May 18, 2017, at 9:00 AM.

ATTACHMENTS – WRITTEN COMMUNICATIONS (Information Only)
(1) Letter from Van Scoyoc Associates dated February 1, 2017



JAMES B. GIOTTONINI
EXECUTIVE DIRECTOR
SAN JOAQUIN AREA FLOOD
CONTROL AGENCY

17 March 16 SJAFCA Meeting Minutes

Agenda Item 4.2

May 18, 2017

TO: San Joaquin Area Flood Control Agency

FROM: James B. Giottonini, Executive Director

SUBJECT: **RESOLUTION TO APPROVE THE PROPOSED 2017/18 BUDGET FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY**

RECOMMENDATION

It is recommended the Board of Directors of the San Joaquin Area Flood Control Agency adopt a resolution to approve the proposed fiscal year 2017/18 budget for the San Joaquin Area Flood Control Agency.

DISCUSSION

Background

On May 19, 2016, the Board adopted SJAFCA Resolution No. 16-05 approving the Agency's proposed budget for fiscal year (FY) 16/17 (Exhibit A). Also, shown on Exhibit A is an updated budget with revised beginning fund balances and the following modifications to the Capital Improvement Program (CIP):

- \$150,000 for the non-Federal cost share to complete the Lower San Joaquin River Feasibility Study, authorized on September 15, 2016, per SJAFCA Resolution No. 16-08
- \$50,000 for technical support services authorized on November 17, 2016, per SJAFCA Resolution No. 16-11

A re-allocation of budget from Other Services to Materials and Supplies is included on the revised budget to cover expenses for the purchase of lateral filing cabinets for the Agency and to cover services to maintain the Agency's scanner/copier equipment.

As of March 31, 2017, with 75 percent of the FY lapsed, the Agency has spent less than 60% of the operating budget (see table below). Overall operating costs are expected to come in under budget and this is mainly due to a vacant position in SJAFCA.

FY 16/17 To-Date Operating Expenses and Year-End Estimate

	FY 16/17 REVISED Budget	16/17 Expenses As of 3/31/17*	Year-End Estimated Operating Expenses
SJAFCA Employee Services	\$ 870,000	\$ 487,025 (56%)	685,000 (79%)
City Employee Services	14,000	7,603 (54%)	11,000 (79%)
Other Services	408,000	256,832 (63%)	374,000 (92%)
Materials & Supplies	22,000	16,434 (75%)	22,000 (100%)
Other Expenses	70,000	40,678 (58%)	63,000 (90%)
Approved Operating Budget:	\$1,384,000	\$808,572 (58%)	\$1,155,000 (83%)

* 75% of FY Lapsed

AGENDA ITEM 4.2

RESOLUTION TO APPROVE THE PROPOSED 2017/18 BUDGET FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

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The proposed FY 17/18 budget (Exhibit B) presents the Agency's anticipated expenditures for general administration, operations, and support costs for existing capital improvement projects. The Agency's activities are supported by the following resources: SJAFCA Fund, Federal Reimbursement Fund, Operations and Maintenance Fund, Smith Canal Assessment District Fund, and Cost-Share Agreements. These resources are described below:

SJAFCA Fund. The SJAFCA Fund includes money from unexpended bond proceeds, assessment fees collected by the City of Stockton and San Joaquin County for the Agency's former equalization fee program, earned interest, and funding from local cost-share partners for the Lower San Joaquin River Feasibility Study. Reimbursement from the State per a Funding Agreement for Regional Flood Management Planning is also included.

This Fund is used to pay for some of the Agency's operating costs, all of the Agency's project management and technical support for various capital improvement projects, and it was used to advance funds of approximately \$2 million for the Smith Canal Gate project before the assessment district had available proceeds to cover expenses. Advanced funding for the Smith Canal project will be reimbursed to the Agency at a later date once bonds are issued.

Federal Reimbursement Fund. This fund reflects reimbursement received from the U.S. Army Corps of Engineers for the Flood Protection Restoration Project (FPRP). The last reimbursement received was during FY 2010. The Agency may not receive further cash reimbursements for the Federal share of the FPRP; therefore, revenues are from earned interest only. This resource is used to pay for most of the Agency's operating costs.

Operations and Maintenance (O&M) Fund. 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 17/18 is presented to the Board separately as Agenda Item 6.1.

Smith Canal Assessment District Fund. This fund accounts for money collected annually through the Smith Canal Area Assessment District to fund the Smith Canal Gate project. Assessment collection began in FY 14/15. The levy will assess 8,101 benefited parcels and will generate \$1.6 million dollars during FY 17/18 that will be used to fund the local share of the project.

The Annual Engineer's Report for the Smith Canal Area Assessment District is presented to the Board separately as Agenda Item 6.2.

Cost-Share Agreements. The Agency has collaborated with local reclamation districts and other government agencies for funding support via cost-share agreements. For example, the Agency has received a total of \$1.3 million from local cost share partners for the Lower San Joaquin River Feasibility Study. Another example is the Smith Canal project in which contributions of approximately \$405,000 were received from Reclamation Districts 828 and 1614 to help upfront the costs of preliminary studies and the formation of the Smith Canal Assessment District.

RESOLUTION TO APPROVE THE PROPOSED 2017/18 BUDGET FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

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Funding Agreements with the Department of Water Resources for Regional Flood Management Planning (RFMP), and the Smith Canal Gate project reimburses SJAFCA for eligible project expenses. Activities related to RFMP are reimbursed at 100% (less 10% retention), and Smith Canal design expenses are reimbursed at 50% (less 10% retention). To date, the Agency has received \$1.33 million for RFMP activities and \$1.08 million for the Smith Canal Gate project.

Present Situation

Operating Budget. The Agency's Operating Budget (Exhibit B), consists of the following categories described below:

- **SJAFCA Employee Services.** SJAFCA Employee Services includes salary and benefits for six positions: Executive Director, Deputy Executive Director, Senior Civil Engineer, Associate Civil Engineer, Project Manager, and Secretary. All positions are City of Stockton positions with the exception of the Executive Director. The total allocation of resources to support six positions during FY 17/18 is \$855,000.
- **City Employee Services.** This category segregates City of Stockton personnel expenses from SJAFCA positions and reflects a percentage of salary and benefit costs associated with accounting, budget and payroll. An increase to these expenses are expected during FY 17/18 for assistance with financing the Smith Canal Area Assessment District. Costs for FY 17/18 are estimated to be \$75,000.
- **Other Services.** These expenses include professional services such as legal counsel, lobbying efforts, technical consultants, and annual auditing services. General liability, insurance premiums, equipment rental, computer tech support, mail and postage, duplicating services, and file storage are also included. Building rental charges from the City of Stockton are included and will impact the coming year's budget by \$27,700. It should also be noted the City significantly increased its costs for computer tech support and the Agency will experience an increase of \$30,000 compared to the current year. The anticipated costs for Other Services for FY 17/18 is \$439,000.
- **Materials and Supplies.** This category includes expenses for general office supplies, computer software, the maintenance of the Agency's office scanner/copier equipment, and vehicle maintenance. The total anticipated cost for Materials and Supplies for FY 17/18 is \$23,000.
- **Other Expenses.** Other Expenses include costs for travel (including lobbying trips to Washington, D.C.), parking, staff development and training, professional memberships, permits/certifications, and web site maintenance. This category also includes the indirect costs incurred from the City of Stockton. The total anticipated cost for Other Expenses for FY 17/18 is \$70,000.

Capital Improvement Program (CIP) Budget. Excluding activities related to the O&M Assessment District and the Smith Canal Gate project, ongoing CIP projects include the Lower San Joaquin River Feasibility Study, the combined Lower San Joaquin River and Delta South Regional Flood Management Plan Phase 2, and levee certification efforts for

RESOLUTION TO APPROVE THE PROPOSED 2017/18 BUDGET FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

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the Bear Creek and Calaveras River levee systems. There is no appropriation request for CIP activities. Staff will come back to the Board with an action item if CIP funding is needed.

The Agency operates on reserves from the original SJAFCA project. Apart from O&M funds and funding received for the Smith Canal Gate project, there is no sustained long-term funding in place to support Agency operations indefinitely. In a technical memorandum prepared by Kjeldsen Sinnock Neudeck, Inc., which was shared with the Board during FY 14/15, it was forecasted that the Agency would exhaust its reserves and would not be able to support operations beyond 2020. It appears this evaluation of the Agency's reserves is accurate.

SJAFCA and the San Joaquin County Flood Control and Water Conservation District (District) executed a cost-share agreement, approved by the Board on July 16, 2015, to evaluate funding alternatives and implement a plan to secure future funding. The District, as the lead agency, completed a competitive consultant selection process. As a result, the District contracted with SCI Consulting Group, Inc., in mid-September 2016, to complete (i) preliminary cost allocation and assessment rate analysis, and (ii) public opinion research. District staff will report back to the Board the outcome of the assessment engineering and feasibility analysis which is estimated to be complete in about 4-5 months.

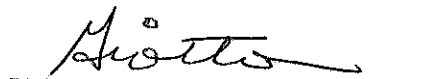
Summary

The estimated fund balance in the Federal Reimbursement and SJAFCA Fund at the beginning of FY 17/18 is \$4,020,730 (Exhibit B). This reflects the balance in the Agency's accounts that have not been committed to existing projects. The FY 17/18 proposed budget anticipates the Agency's total operating costs to be \$1,462,000. There is no request for CIP funding at this time.

The estimated reserve fund balance at the end of FY 17/18 is \$2,565,730.

It is recommended the Board adopt a resolution approving the Agency's proposed FY 17/18 budget.

PREPARED BY: Marlo Duncan



APPROVED:
JAMES B. GIOTTONINI
EXECUTIVE DIRECTOR

JBD:MD

Attachments

EXHIBIT A

FY 2016/2017 ADOPTED BUDGET (MAY 19, 2016)				
	Estimated Fund Balance 7/1/2016	Federal Reimb. Fund	SJAFA Fund	
Revenues				
Interest	10,000	5,000	5,000	
Federal reimbursement	-0-			
Total Estimated Revenues:	\$ 10,000	\$ 5,000	\$ 5,000	
Expenses				
OPERATING BUDGET				
SJAFA Employee Services	870,000	870,000	-0-	
City Employee Services	14,000	14,000	-0-	
Other Services	419,000	192,300	226,700	
Materials & Supplies	11,000	11,000	-0-	
Other Expenses	70,000	53,700	16,300	
Total Estimated Operating Expenses:	\$ 1,384,000	\$ 1,141,000	\$ 243,000	
CAPITAL IMPROVEMENT PROGRAM				
Technical Support	TBD			
Total Capital Improvement Expenses:	TBD	\$ -0-	\$ -0-	
Total Estimated Expenses:	\$ 1,384,000	\$ 1,141,000	\$ 243,000	
Estimated Fund Balance June 30, 2017:	\$ 3,531,000	\$ 594,820	\$ 2,936,180	

¹ Balance includes \$1.8 million that will be reimbursed to SJAFA for the advanced funding of the Smith Canal project.

FY 2016/2017 UPDATED BUDGET (MAY 18, 2017)				
	Fund Balance 7/1/2016	Federal Reimb. Fund	SJAFA Fund	
Revenues				
Interest	10,000	5,000	5,000	
Federal reimbursement	-0-			
Total Estimated Revenues:	\$ 10,000	\$ 5,000	\$ 5,000	
Expenses				
OPERATING BUDGET				
SJAFA Employee Services (6) positions	870,000	870,000	-0-	
City Employee Services	14,000	14,000	-0-	
Other Services	408,000	181,300	226,700	
Materials & Supplies	22,000	22,000	-0-	
Other Expenses	70,000	53,700	16,300	
Total Estimated Operating Expenses:	\$ 1,384,000	\$ 1,141,000	\$ 243,000	
CAPITAL IMPROVEMENT PROGRAM				
LSJRF Study Completion	150,000		150,000	
Technical Support	50,000		50,000	
Total Estimated Expenses:	\$ 200,000	\$ -0-	\$ 200,000	
NEW Estimated Balance 6/30/2017:	\$ 3,791,730	\$ 681,327	\$ 3,110,403	

¹ Balance includes \$1.8 million that will be reimbursed to SJAFA for the advanced funding of the Smith Canal project.

EXHIBIT B

FY 2017/2018 PROPOSED BUDGET			
	Estimated Balance 7/1/2017	Federal Reimb Fund	SJAFCA Fund
	\$ 3,791,730	\$ 681,327	\$ 3,110,403
Estimated FY 16/17 Cost Savings:	229,000	229,000	-
¹	\$ 4,020,730	\$ 910,327	\$ 3,110,403
Revenues			
Interest	7,000	2,500	4,500
Federal Reimbursement	-0-		
Total Estimated Revenues:	\$ 7,000	\$ 2,500	\$ 4,500
Expenses			
<u>OPERATING BUDGET</u>			
SJAFCA Employee Services	855,000	598,500	256,500
City Employee Services	75,000	52,500	22,500
Other Services	439,000	176,000	263,000
Materials & Supplies	23,000	23,000	-0-
Other Expenses	70,000	35,000	35,000
Total Estimated Operating Expenses:	\$ 1,462,000	\$ 885,000	\$ 577,000
<u>CAPITAL IMPROVEMENT PROGRAM</u>			
Technical Support	TBD		
Total Capital Improvement Expenses:	TBD	\$-0-	\$-0-
Total Estimated Expenses:	\$ 1,462,000	\$ 885,000	\$ 577,000
Estimated Fund Balance June 30, 2018:	\$ 2,565,730	\$ 27,827	\$ 2,537,903

¹ The fund balance includes \$1.8 million that will be reimbursed to SJAFCA for the advanced funding of the Smith Canal project.

Agenda Item 4.3

May 18, 2017

TO: San Joaquin Area Flood Control Agency

FROM: James B. Giottonini, Executive Director

SUBJECT: **RESOLUTION ESTABLISHING A TIME LIMIT AND DECORUM FOR ADDRESSING THE BOARD OF DIRECTORS OF THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY AT MEETINGS**

RECOMMENDATION

It is recommended that the Board of Directors of the San Joaquin Area Flood Control Agency adopt a resolution establishing a time limit for addressing the Board at public meetings to ensure decorum and efficiency.

DISCUSSION

Background

The San Joaquin Area Flood Control Agency (SJAFCA) Bylaws, which were adopted May 25, 1995, states "Roberts Rules of Order, when applicable, shall govern the conduct of all meetings of the Agency."

The City of Stockton City Council Policy No. 100-3 provides rules and procedures for conduct of City Council meetings and establishes rules for decorum and a time limit for addressing Council, although the time limitation can be waived when deemed necessary by the presiding officer. The San Joaquin County Board of Supervisors also adopted its rules of procedures for meetings through resolution which provides that the Chair of the Board may limit the amount of time a person may use in addressing its Board.

While the purpose of the Agency's Board meetings is to conduct business, consistent with the Brown Act the Agency has historically placed public comment as a standing item on its agenda and also permitted public comment on each action item. In an effort to balance (i) the rights of individuals who would like to address the Board along with the benefits to the Board of hearing a public perspective against (ii) the Board's need to maintain meeting decorum and promote efficiency, it is recommended a formal time limitation and guidelines for proper decorum be established. Although no formal time limitations for addressing the Board have been established, the Agency has historically followed the City's practice of allowing a 3-minute maximum. Recent questions raised at Board Meetings about speaking policies have prompted Staff to recommend the Board adopt formal and clear guidelines to provide predictability to all members of the public.

**RESOLUTION ESTABLISHING A TIME LIMIT AND DECORUM FOR ADDRESSING
THE BOARD OF DIRECTORS OF THE SAN JOAQUIN AREA FLOOD CONTROL
AGENCY AT MEETINGS**

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Present Situation

Members of the public may address the Board at Agency meetings on matters concerning Agency business and the following guidelines will apply:

1. A Request to Speak card is filed with the Agency's secretary and/or permission to speak has been given by the presiding Chair;
2. Speakers addressing the Board shall speak in a clear audible tone and shall provide their name before providing comment (speakers are also requested to provide their address);
3. Speakers shall be given three (3) minutes to address the Board;
4. Speakers shall address the Board and shall not direct comments to Agency staff or members of the audience;
5. Comments shall be limited to matters concerning the Agency's Agenda or matters in which the Agency has control;
6. Speakers should not discuss matters that are the subject of ongoing litigation with the Agency, and the Board will not respond to any such comments;
7. Speakers may speak only once per comment period (e.g., once during each agenda item);
8. Speakers may not read testimony on behalf of someone who is not present at the Board meeting;
9. Derogatory comments, personal attacks, and profane language are prohibited; comments shall not be disruptive to the Board's proceedings;
10. It is at the discretion of the presiding Chair to allow a speaker to exceed the time limitation and/or the number of times a person may speak.

For the purpose of promoting productive and orderly meetings, the above guidelines are recommended. These guidelines do not replace other rules of procedure that the Agency has customarily followed; rather, these guidelines are supplementary to the policies and practices already in place.

PREPARED BY: Marlo Duncan



APPROVED:
JAMES B. GIOTTONINI
EXECUTIVE DIRECTOR

JBG:MD

Agenda Item 4.4

Agenda Item 5.1

May 18, 2017

TO: San Joaquin Area Flood Control Agency

FROM: James B. Giottonini, Executive Director

SUBJECT: **COST-SHARE AGREEMENT WITH RECLAMATION DISTRICTS 828 AND 1614 FOR THE PREPARATION OF AN OPERATIONS AND MAINTENANCE MANUAL FOR SMITH CANAL EMBANKMENTS**

RECOMMENDATION

It is recommended that the Board of Directors of the San Joaquin Area Flood Control Agency adopt a resolution authorizing the Executive Director to execute a cost-share agreement with Reclamation Districts 828 and 1614 to equally cost-share the expenses to prepare an Operations and Maintenance Manual for Smith Canal embankments.

DISCUSSION

Background

As part of the Federal Emergency Management Agency (FEMA) Map Modernization Program, Reclamation Districts 828 and 1614, which have jurisdiction over the embankments surrounding the Smith Canal Area, could not accredit their embankments as meeting FEMA standards. Consequently, in October 2009, FEMA released new Flood Insurance Rate Maps (FIRMs) placing the areas protected by the Smith Canal embankments in a Special Flood Hazard Area (SFHA).

As a result, Reclamation Districts 828, 1614, City, County and SJAFCA initiated an effort to develop a project to take this low-income neighborhood out of the SFHA. On April 10, 2009, SJAFCA and Reclamation Districts (RDs) 828 and 1614 entered into a Cooperative Agreement to develop and submit the documentation for FEMA to process a Conditional Letter of Map Revision (CLOMR), equally cost-sharing the cost of the project. In 2010 a CLOMR was submitted to FEMA.

SJAFCA met several times with FEMA Region 9 and its consultant (Baker Engineering) to discuss the project and answer questions. Following this process the CLOMR was issued in 2011.

In November 2013, the Board authorized a consultant contract with Peterson Brustad Inc., (PBI) for the design of the Smith Canal Gate Project, and Task Order (TO) No. 1 for the development of the project's Environmental Impact Report and public outreach. Subsequently, three tasks were authorized for additional work and in November 2015, the Board authorized TO No. 5 for the design, permitting and right of way acquisition for the project.

In July 2015, FEMA sent a letter to SJAFCA requesting additional information on the CLOMR. SJAFCA worked with FEMA and provided additional information as requested. After several submittals and phone calls, on April 10, 2017, FEMA agreed that all issues have been resolved and only the following two informational requests remain outstanding:

1. Projected floodplain map showing conditions after construction of the Smith Canal Gate and the Wisconsin Pumping Plant.
2. Operation and Maintenance Manual for the Smith Canal embankments.

AGENDA ITEM 5.1

**COST-SHARE AGREEMENT WITH RECLAMATION DISTRICTS 828 AND 1614 FOR THE
PREPARATION OF AN OPERATIONS AND MAINTENANCE MANUAL FOR SMITH CANAL
EMBANKMENTS**

(Page 2)

Present Situation

SJAFCA is currently working on the resolution of the two outstanding items. For Item 1, PBI as part of the approved TO No. 5 is preparing a draft map which will be completed shortly. The draft map will show that the construction of the Smith Canal Gate and the Wisconsin Pumping Plant will remove all properties from the 100-year floodplain, which will be shown on the FEMA Flood Insurance Rate Maps as a "shaded X zone" (Areas subject to a 500-year annual chance flood; Areas subject to the 100-year annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from the 100-year annual chance flood). This "shaded X zone" designation is similar to many other areas in Stockton. However, the draft map will show that some streets will be included in the 100-year floodplain.

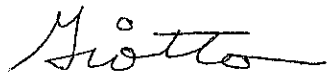
For Item 2, as maintenance activities for the Smith Canal embankments west of Pershing Avenue are done by RDs 828 and 1614, and east of Pershing Avenues will be done by San Joaquin County Flood Control and Water Conservation District (SJCFCWCD), SJAFCA will work with RDs 828 and 1614 and SJCFCWCD to develop an Operations and Maintenance Manual for the Smith Canal embankments. The Manual will include information on maintenance and inspection standards, along with the frequency of activities, and confirmation as to who will perform the duties. This O&M Manual needs to be adopted by the community. The estimated cost to complete the O&M Manual is approximately \$30,000, which will be equally cost-shared between SJAFCA and RDs 828 and 1614.

Therefore, it is recommended that the Board adopt a resolution authorizing the Executive Director to execute a cost-share agreement with Reclamation Districts 828 and 1614 to equally cost-share the expenses of preparing the Operations and Maintenance Manual for the Smith Canal embankments.

It is anticipated that all requested information will be provided in three to four months. FEMA's approval of these two items will confirm their support for the previously approved CLOMR.

Remaining funds on TO 5 under subtasks 1.4 FEMA Coordination and 5.1 Contingency, will be used to cover SJAFCA's share to develop the O&M Manual.

PREPARED BY: Juan J. Neira



APPROVED:

JAMES B. GIOTTONINI
EXECUTIVE DIRECTOR

Agenda Item 5.2

May 18, 2017

TO: San Joaquin Area Flood Control Agency

FROM: James B. Giottonini, Executive Director

SUBJECT: **CONSTRUCTION MANAGEMENT CONTRACT WITH AECOM TECHNICAL SERVICES, INC., FOR THE CONSTRUCTION MANAGEMENT OF THE SMITH CANAL GATE PROJECT, AND TASK ORDER NO. 1 FOR THE CONSTRUCTABILITY REVIEW AND TECHNICAL SUPPORT SERVICES NEEDED DURING DESIGN**

RECOMMENDATION

It is recommended that the Board of Directors of the San Joaquin Area Flood Control Agency adopt a resolution authorizing the Executive Director to execute:

1. A consultant contract with AECOM Technical Services, Inc., for the construction management of the Smith Canal Gate Project.
2. Task Order No. 1 in the amount not to exceed \$230,000 for the constructability review and technical support services needed during design.

DISCUSSION

Background

On July 10, 2013, the Board approved formation of the Smith Canal Gate Assessment District for the local cost of the design and construction as well as the long-term operations and maintenance.

In November 2013, the Board authorized a contract with Peterson Brustad, Inc. (PBI) in the amount not to exceed \$3.5 million for the design of the project, and Task Order No.1 in the amount not to exceed \$1.4 million for the development of the project's Environmental Impact Report (EIR) and public outreach. All work performed under this contract is to be performed by task orders approved by the Board.

On August 28, 2015, SJAFCA submitted a full application for an Urban Flood Risk Reduction (UFRR) grant requesting State funding in the amount of \$22,309,666 and the State Department of Water Resources (DWR) has accepted the application and presented an UFRR agreement for execution by the Agency (see Agenda Item 5.3).

In November 2015, the Board authorized Task Order No. 5 for the design, permitting, and right of way acquisition for the project. The project is at approximately 65% design.

As we are moving forward with the completion of design documents, professional construction management services are required. These services will provide independent and detailed reviews of draft/final construction plans and specifications to ensure that work requirements are clear and documents are coordinated. In addition, they will assist

CONSTRUCTION MANAGEMENT CONTRACT WITH AECOM TECHNICAL SERVICES, INC., FOR THE CONSTRUCTION MANAGEMENT OF THE SMITH CANAL GATE PROJECT, AND TASK ORDER NO. 1 FOR THE CONSTRUCTABILITY REVIEW AND TECHNICAL SUPPORT SERVICES NEEDED DURING DESIGN (Page 2)

in bidding, construction, and project administration to reduce impacts to the project. Professional construction management services are also required to ensure the project is constructed according to contract requirements and in accordance with local, State and federal standards.

On February 2, 2017 the Board authorized the Executive Director to seek Statements of Qualifications and Proposals from engineering firms to provide construction management and inspection services for the Smith Canal Gate project.

Present Situation

The activities to be performed by the construction management will be divided into two phases. The first phase will assist the design team with constructability reviews to provide input on practical construction methods to complete the work. This is to ensure the construction process will move in an orderly manner while trying to minimize change orders and reduce costs. The second phase will perform the actual construction management and inspection services. Therefore, SJAFCA will enter into a master contract for all construction management services needed for the project, but only the constructability review and the technical support services needed during design will be authorized at this time.

Request for Statement of Qualifications were sent to 57 consultants. In addition, the request was also advertised on the Architectural/Engineering Consultants Information Network, a web-based company that reaches approximately 40 Architectural/Engineering firms.

Four firms submitted Statement of Qualifications:

- 1) Consolidated CM,
- 2) WSP Parsons Brinckerhoff,
- 3) Green Mountain Engineering, and
- 4) AECOM Technical Services, Inc.

Interviews were conducted on April 7, 2017. Selection of the most qualified firm was based on the overall qualifications, key personnel, and experience with similar complex flood control projects including gates and floodwalls, involvement with U.S. Army Corps Engineers and DWR, and floodplain related issues and standards. A four-member selection panel comprised of representatives from San Joaquin County Flood Control, City of Stockton Public Works, DWR, and SJAFCA unanimously selected AECOM Technical Services, Inc. (AECOM), which is located in the Sacramento area.

AECOM proposal to complete construction management includes in general, but is not limited to, the following services:

CONSTRUCTION MANAGEMENT CONTRACT WITH AECOM TECHNICAL SERVICES, INC., FOR THE CONSTRUCTION MANAGEMENT OF THE SMITH CANAL GATE PROJECT, AND TASK ORDER NO. 1 FOR THE CONSTRUCTABILITY REVIEW AND TECHNICAL SUPPORT SERVICES NEEDED DURING DESIGN (Page 3)

- General program and project management
- Detailed review of draft and final plans and specifications
- Biddability and constructability reviews
- Project delivery alternatives and procurement development
- Review and process of all construction contract submittals
- Review and monitor construction schedule
- Monitor work of contractors and subs for construction contract compliance
- Process clarifications, interpretations, notice of potential claims, change orders, payments requests, periodic progress reports and other pertinent project issues
- Act as a liaison between SJAFCA, contractor, design consultant, other agencies, and utility companies ensuring effective and timely communications, as well as resolution of project related issues
- Interface with stakeholders and public as needed. Document any questions and answers provided by stakeholders and public
- Environmental compliance
- Environmental monitoring to comply with Mitigation Monitoring and Reporting Program (MMRP)
- Inspection services
- Quality Assurance Inspection and materials testing
- Preparation of a contract estimate
- Control surveys
- Public outreach
- Accurate record keeping of as-built drawings throughout the project

AECOM has engaged the following firms to assist with the construction management activities:

- Kleinfelder (geotechnical engineering)
- Kjeldsen, Sinnock, and Neudeck (civil engineering, surveying, mapping)
- Kim Floyd Communications (public outreach)

It is recommended that a contract with AECOM for the construction management of the Project be approved.

Task Order No. 1 will focus on preconstruction phase services, including constructability reviews and support services needed during design including planning and phasing of the project, and development of sound contract documents to ensure the construction process will move in an orderly manner while trying to minimize change orders and reduce costs. The work will be completed prior to the starting of the project's construction phase and will include in general the following activities:

- General project management and meetings
- Project management plan

May 18, 2017

CONSTRUCTION MANAGEMENT CONTRACT WITH AECOM TECHNICAL SERVICES, INC., FOR THE CONSTRUCTION MANAGEMENT OF THE SMITH CANAL GATE PROJECT, AND TASK ORDER NO. 1 FOR THE CONSTRUCTABILITY REVIEW AND TECHNICAL SUPPORT SERVICES NEEDED DURING DESIGN (Page 4)

- Project procedures manual
- Project delivery alternatives and procurement development
- Program and project schedules
- Construction Contract and Specifications
- Review contract documents for constructability, biddability and construction best practices
- Project estimate

Staff negotiated a fee in the amount of \$229,163 with AECOM for Task Order No. 1. The negotiated fee is reasonable for a project of this size and complexity, and consistent with the current rates for this type of work. It is recommended that Task Order No. 1 in the amount not to exceed \$230,000 be approved.

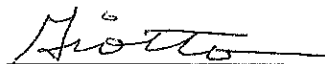
A subsequent Task Order for the construction management services during construction will be submitted to the Board for approval with the award of the construction contract.

It is therefore, recommended that the Board adopt a resolution authorizing execution of:

1. A consultant contract with AECOM for the construction management of the Smith Canal Gate Project.
2. Task Order No. 1 in the amount not to exceed \$230,000 for the constructability review and technical support services needed during design.

Assessment District funds will be use to cover this contract; 63% will be reimbursed by DWR per the UFRR Funding Agreement.

PREPARED BY: Juan J. Neira



APPROVED:
JAMES B. GIOTTONINI
EXECUTIVE DIRECTOR
JBG:JJN:md

Agenda Item 5.3

May 18, 2017

TO: San Joaquin Area Flood Control Agency

FROM: Scott L. Shapiro, General Counsel

SUBJECT: **SMITH CANAL GATE URBAN FLOOD RISK REDUCTION AGREEMENT**

RECOMMENDATION

It is recommended the Board of Directors of the San Joaquin Area Flood Control Agency authorize the Executive Director to execute the Urban Flood Risk Reduction agreement with the Department of Water Resources to fund continuing design and permitting and future construction of the Smith Canal Gate Project. The Executive Director is authorized to make necessary changes to the agreement, working with General Counsel, so long as such changes are not considered major.

DISCUSSION

Background

In 2009, the Federal Emergency Management Agency (FEMA) released effective Flood Insurance Rate Maps placing most of the areas protected by the Smith Canal levees in a Special Flood Hazard Area.

In 2011, FEMA approved a Conditional Letter of Map Revision (CLOMR) for the Smith Canal Gate Project, which consisted of a fixed sheet pile wall with a 50-foot-wide gate at the mouth of the canal.

In 2012, SJAFCA was awarded a \$2,412,500 grant from DWR for 50% of the Smith Canal Gate Project design costs. A funding agreement in the amount of \$2,412,500 between SJAFCA and DWR was executed on August 1, 2012. As part of the grant, DWR required an Independent Panel of Experts (IPE) to review the design.

In November 2013, the Board authorized a contract with Peterson Brustad, Inc. (PBI) in the amount not to exceed \$3.5 million for the design of the Project and Task Order No. 1 in the amount not to exceed \$1.4 million for the development of the Project's Environmental Impact Report (EIR) and public outreach. All work performed under this contract is to be performed by task orders approved by the Board.

As part of the California Environmental Quality Act (CEQA) process, the environmental effects of three alternatives along with the No Project Alternative were fully analyzed in the EIR. The alternatives include the following features:

- No Project Alternative –Assumes continuation of current conditions and O&M practices
- Alternative 1 -Single Gate Wall to Dad's Point (Proposed Project), estimated cost \$29 million
- Alternative 2 -Atherton Cove Flood Wall with Smith Canal Gate, estimated cost \$51 million
- Alternative 3 -Dual Gated Walls to Atherton Cove and Smith Canal, estimated cost \$42 million

AGENDA ITEM 5.3

In mid-2014, DWR released draft Urban Flood Risk Reduction (UFRR) grant guidelines. The grant has \$155 million available and favors multi-benefit projects. In March 2015, as required by DWR, SJAFCA submitted an UFRR grant Concept Proposal and on May 8, 2015, DWR informed SJAFCA that a grant had been conditionally approved.

On June 24, 2015, the Draft EIR was released, and the public meeting was held on July 8, 2015, at the Stockton Civic Auditorium to receive comments. The Draft EIR comment period ended August 10, 2015.

On August 28, 2015, SJAFCA submitted a full application for an UFRR grant requesting State funding in the amount of \$22,309,666 and DWR has accepted the application and presented an UFRR agreement for execution by the Agency.

The Final EIR was prepared in response to written comments received during the public review period, and oral and written comments received at the public meeting. The Final EIR was certified on November 19, 2015.

Present Situation

The State UFRR agreement is not perfect. The State of California has included a number of provisions that reflect concessions from the local agency that the DWR seeks to obtain in exchange for DWR's contribution of tens of millions of dollars for the Project. Indeed, each of the large regional entities that have received funds from DWR over the past nearly 15 years have been faced with the decision of whether to accept these provisions (and the money), or decline to be bound by the provisions (and thus not get the money). Due to my role with the California Central Valley Flood Control Association, and my representation of a number of regional entities, I have had the opportunity to negotiate each form of standard agreement and have pushed on the most troubling issues as far as I could in the past. What you will find in the agreement, included in the summary below, is an agreement that, while still somewhat one-sided, is much more balanced than when the draft agreement negotiations began.

At its most basic, the UFRR Agreement represents a promise of the State to fund its share of the Smith Canal Gate Project, in exchange for the Agency agreeing to construct the Project. There are many positive aspects to the UFRR Agreement:

- Although our original estimate was that the State would cost share in 50% of the Project, the UFRR Agreement provides that the State will cost share in 63% of the Project due to Agency staff's determination that a higher cost share was appropriate.
- In addition to cost-sharing, the State agrees to advance some of the money to alleviate cash flow issues for the Agency.
- The State has largely agreed to the work plan that we developed, which includes budget, scope, schedule, and method.

The following points represent the policy decisions that any agency contracting with the State must accept:

- The total project estimate is over \$37 million. DWR has some ability to cost share beyond this number, but DWR is not guaranteeing to cost share in an endlessly expensive project, so the Agency needs to manage its costs.

- The State will withhold ten percent of the money paid to be used as a true-up at Project completion. For this reason, the Agency needs access to more than its cost share to complete the Project.
- Extensive quarterly reports are required to be filed with the State documenting the status of work and expenses for the previous quarter.
- If the State determines that the Project is not being constructed substantially in accordance with the provisions of the UFRR Agreement, or that the Agency has failed in any other respect to comply substantially with the provisions of the UFRR Agreement, and if the Agency does not remedy any such failure to State's satisfaction, State may withhold from the agency all or any portion of the funding commitment and take any other action that it deems necessary to protect its interests.
- The Agency must agree to ultimately perform all necessary operation and maintenance for the Project once it is constructed to standards set by DWR, including being solely responsible for remediating any hazardous materials found at the site.
- The Agency must agree to indemnify the State for liability caused by the design, construction, or operation of the Project.
- The State may request that the Agency send annual flood risk notifications to property owners as part of a strategy of helping landowners understand their flood risk.

The Board should also be aware that DWR's continued funding of this project is tied to the Lower San Joaquin River Feasibility study. The UFRR Agreement provides in relevant part:

To meet the Proposition 1E General Obligation Bond requirements, the Smith Canal Gate Construction Project and/or project elements need to be added to the State Plan of Flood Control (SPFC). DWR has identified paths for this project to be added to the SPFC and has approved funding for CEQA, NEPA, and design activities to continue prior to inclusion into the SPFC. Elements that are not eligible for funding in advance of inclusion of the project in a Chief's Report and subsequent authorization by Congress are as follows:

- Construction Activities (Element 3 and 4)
- Real Estate Acquisition (Element 5 and 6)

Given the time limitations of the Bond funding and the required duration for right of way acquisition, permitting, and construction activities as stated in the Project application package, adequate progress on securing a path to the SPFC will need to be established by December 2018. If at any time Federal Authorization is not reasonably foreseeable, all funding commitments will be withdrawn and the agreement will terminate. Adequate Progress is defined as:

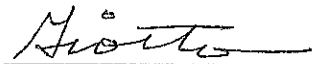
1. Inclusion of the project in a final Chief's Report signed by USACE's Chief of Engineers.
2. Congressional authorization of the Project via a Water Resources Development Act (WRDA) bill, or similar bill, by December 31, 2018.

However, the UFRR Agreement also allows DWR to waive this requirement if it deems it is appropriate due to changed circumstances, such as Congressional delay:

B-20 WAIVER OF RIGHTS: None of the provisions of this Funding Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Funding Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Funding Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

In summary, it is recommended the Board authorize the Executive Director to execute the Urban Flood Risk Reduction agreement with the Department of Water Resources to fund continuing design and permitting and future construction of the Smith Canal Gate Project. The Executive Director is authorized to make necessary changes to the agreement, working with General Counsel, so long as such changes are not considered major.

PREPARED BY: Scott L. Shapiro



APPROVED:
JAMES B. GIOTTONINI
EXECUTIVE DIRECTOR

SLS:md

Agenda Item 6.1

May 18, 2017

TO: San Joaquin Area Flood Control Agency

FROM: James B. Giottonini, Executive Director

SUBJECT: **PUBLIC HEARING: 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 DISTRICT FOR FISCAL YEAR 2017/2018**

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 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 2017/2018.

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 8, 2017. A notice of the public hearing was published in The Record on May 8, 2017.

The maintenance of SJAFCA 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 Agency's Aquatic Weed Control Program (AWCP) in Five Mile Slough was contracted out up until last year when the District agreed to take on this work.

The AWCP in Five Mile Slough was implemented in 2002 to remove water hyacinth blooms (invasive species) from the slough because these blooms impede full inspection of the levees making it difficult, or nearly impossible in some cases, to identify burrowing holes and eroded areas. A spray program was also implemented to avoid future re-infestation. The spray program requires federal and state regulatory permits as well as continuous monitoring and reporting activities to satisfy the permit conditions of regulatory agencies. Since FY 05/06, spraying has not been conducted and only mechanical removal has been performed. The cost for mechanical removal of hyacinth has increased the last couple of years and this is mainly due to weather and its effect on the temperature of the water causing hyacinth blooms to rapidly multiply. Staff was advised that it may be necessary to remove hyacinth blooms more than once during the year.

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 DISTRICT FOR FISCAL YEAR 2017/2018 (Page 2)

The proposed O&M budget covers expected costs for all 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, and 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, levee patrols, 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 (without interest) that are set aside annually for the future replacement of the floodwalls. Any interest generated in this fund is accumulated in the O&M surplus fund. As of April 30, 2017, the amount accumulated in this fund is \$934,426.
- ii) O&M surplus 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 surplus fund. As of April 30, 2017, the amount accumulated in the surplus fund is \$3.9 Million. This includes interest generated by the floodwall replacement fund.

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).

Present Situation

The District submitted their proposed O&M budget to SJAFCA for FY 17/18 (Attachment 1). As explained in the District's letter, the cost for aquatic weed removal for the current year was more than twice the budgeted amount. The increased cost was largely due to the costs of labor for County employees instead of using crews from the California Conservation Corps. The County was engaged in labor negotiations during the year and were unable to contract out any work that could be done by County employees, which significantly increased costs. However, the costs for maintenance in other categories were less than budgeted and the District kept total expenses within the overall budget.

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 DISTRICT FOR FISCAL YEAR 2017/2018 (Page 3)

The FY 17/18 budget includes aquatic weed removal for \$75,000 (same as current year) and includes an increase of \$37,000 compared to current year's budget for labor due to negotiated salaries and benefits. The District's request of \$1,012,000 is the minimum amount requested to ensure adequate maintenance of the flood control facilities. The District recognizes that budgeted maintenance costs exceed revenue from annual O&M assessments and they will continue to coordinate with SJAFCA to increase maintenance assessment revenue through a future Proposition 218 process.

The proposed O&M budget for FY 17/18 is \$1,036,000 and covers the anticipated materials, equipment, consultants, contractors, personnel, and administration (see detail in the attached Engineer's Report, pages 6 and 7, Attachment 2). Once again, the FY 17/18 budget does not include funds for floodwall replacement. Amounts set aside annually for the floodwall replacement fund have averaged about \$44,000. This will be the fourth year in which funds have been omitted for floodwall replacement in order to reduce the amount taken from surplus to cover expenses.

Due to costs to comply with current standards imposed by regulatory agencies, the proposed budget utilizes the maximum assessment rate allowed for FY 17/18. The maximum assessment rate allowed has been used since FY 08/09. The maximum assessment rate for FY 17/18 is equal to the base rate for FY 17/18 (\$5.65) adjusted for annual inflation equal to the National Consumer Price Index (CPI). The CPI for FY 17/18 is 2.50%, therefore, the maximum assessment rate is \$5.79.

Applying the maximum assessment rate of \$5.79 to the current 152,187.54 MBU, will yield \$879,723 in O&M revenue. This revenue is not enough to cover all operating costs in the proposed \$1,036,000 O&M budget. Therefore, an appropriation in the amount of \$156,277 (\$1,036,000 - \$879,723) from the O&M surplus fund is needed to cover the proposed expenses in the FY 17/18 budget.

As done annually since FY 09/10, it is proposed that the Board approve a \$100,000 appropriation from the O&M surplus fund and 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 appropriation is returned to the O&M surplus fund at the end of each FY.

In summary, the FY 17/18 O&M budget includes the following two appropriation requests:

- 1) A one-time \$156,277 appropriation from the O&M surplus fund to cover costs proposed in the FY 17/18 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.

These appropriations will not affect the proposed FY 17/18 assessment rate. There are sufficient funds in the O&M surplus to cover these appropriations.

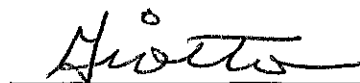
APPROVE THE ANNUAL ENGINEER'S REPORT FOR THE OPERATIONS AND MAINTENANCE FOR THE FLOOD PROTECTION RESTORATION ASSESSMENT DISTRICT, AND ORDER THE LEVY AND COLLECTION OF OPERATIONS AND MAINTENANCE ASSESSMENTS WITHIN THE DISTRICT FOR FISCAL YEAR 2017/2018 (Page 4)

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 YEAR							
	1996/97	2000/01	2004/05	2008/09	2012/13	2015/16	2016/17	2017/18
Theoretical Maximum Base Rate allowed	\$3.59	\$3.99	\$4.42	\$5.03	\$5.40	\$5.57	\$5.65	\$5.79
Actual Base Rate assessed	\$3.59	\$3.54	\$3.95	\$5.03	\$5.40	\$5.57	\$5.65	\$5.79
Single Family Home between 1000 and 2000 sf (1.25 MBU)	\$4.49	\$4.43	\$4.94	\$6.29	\$6.75	\$6.96	\$7.06	\$7.24
Grocery Store on 1 acre parcel (12.30 MBU)	\$44.16	\$43.54	\$48.59	\$61.87	\$66.42	\$68.51	\$69.50	\$71.22
Office Building on 2 acre parcel (18.375 MBU)	\$65.97	\$65.05	\$72.58	\$92.43	\$99.23	\$102.35	\$103.82	\$106.39

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 17/18.

PREPARED BY: Marlo Duncan



APPROVED:
JAMES B. GIOTTONINI
EXECUTIVE DIRECTOR

JBG:MD

Attachments

<https://sharepoint/sjafcaagenda/170618publichearingfy17-18fidom.docx>

ATTACHMENT 1



SAN JOAQUIN
—COUNTY—
Greatness grows here



Department of Public Works

Kris Balaji, Director of Public Works

Fritz Buchman, Deputy Director/Development

Michael Selling, Deputy Director/Engineering

Jim Stone, Deputy Director/Operations

Najee Zarif, Interim Business Administrator

April 7, 2017

Mr. Jim Giottonini, Executive Director
San Joaquin Area Flood Control Agency
22 East Weber Avenue, Suite 301
Stockton CA 95202-2317

**SUBJECT: SAN JOAQUIN AREA FLOOD CONTROL AGENCY 2017-18 PROPOSED
OPERATIONS & MAINTENANCE BUDGET**

Dear Mr. Giottonini:

The San Joaquin County Public Works Department (County) is pleased to submit the attached Fiscal Year 2017-18 budget proposal for your consideration. The proposed 2017-18 Operations and Maintenance (O&M) Budget for cost-shared flood protection facilities indicates no change in the total request except for an increase in labor costs due to negotiated increases in salary and benefits.

The Channel Maintenance Division took on the task of aquatic weed removal in Fiscal Year 2016-2017, and requested \$75,000 for that task. The actual cost for performing this work was more than twice that amount. The increased cost was primarily due to having to use County employees for extensive hand work that the County had intended to do with San Joaquin Conservation Corps Crews (Conservation Corps). The County was engaged in labor negotiations during the year, therefore, we were unable to contract out any work that could be done by County employees, which significantly increased the cost. Because costs were less than budgeted in other categories of work, the total expenses for Channel Maintenance did not exceed the total budgeted amount.

Despite the higher cost this year, the County is again requesting \$75,000 for aquatic weed removal. The County should be able to contract with the Conservation Corps next year to significantly reduce costs. Channel Maintenance staff will start by removing the hyacinth next year, and will then work on removing other vegetation upstream if funds are available. If \$75,000 is insufficient to do the work, the County will consult with you for a budget adjustment or additional funds before exceeding that amount. The \$75,000 has been allocated to Equipment Rental (\$2,000), County Equipment (\$16,000), Refuse Disposal (\$2,000), Labor (\$10,000), Professional Services/Contracted Work (\$40,000), and Miscellaneous (\$5,000).

As shown on the attached table, total expenditures for the past several years have been significantly less than our budget request because the drought allowed us to reduce our operation and maintenance activities. The high flows experienced this winter will require us to perform more work on the channels and levees than in recent drought years, but we are aware that budgeted maintenance costs continue to exceed the O&M revenue available from annual assessments. Therefore, the only area where the County is requesting an increase is in labor costs, which will increase by \$37,000 due to negotiated salaries and benefits.

ATTACHMENT 1

-2-

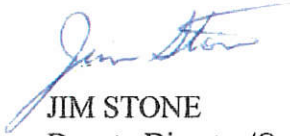
Jim Giottonini

SAN JOAQUIN AREA FLOOD CONTROL AGENCY 2017-18
PROPOSED OPERATIONS & MAINTENANCE BUDGET

This request 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 in this matter.

Sincerely,



JIM STONE

Deputy Director/Operations

JS:bd

LETTER - SJAFCA REQUEST_2017-18 Proposed O-M Budget

Attachments

c: Kris Balaji, Director of Public Works
John Maguire, Engineering Services Manager - Flood Management
Eric Ambriz, Channel Maintenance Superintendent

ATTACHMENT 1

COUNTY OF SAN JOAQUIN 2017-18 PROPOSED BUDGET
 Assessment District No. 96-1 Flood Protection System
 Fund - 21116
 Department - 2910000000

EXPENDITURES	ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	ACTUAL 2014-15	ACTUAL 2015-16	16/17 BUDGET W/O WEEDS	BUDGET 2016-17	17/18 BUDGET W/O WEEDS	PROPOSED 2017-18
Services & Supplies									
6202000000 OFFICE EXPENSE-POSTAGE	0	0	0	1	0	0	0	0	0
6214000000 RENTS & LEASES -EQUIPMENT		0	0	0	0	0	2,000	0	2,000
6214000200 EQUIPMENT RENTAL-COUNTY OWNED	0		63,406	55,720	43,457	220,200	236,200	220,200	236,200
6217000500 TRANS/TRAVEL-TRAINING	0	0	0	0	0	0	0	0	0
6220001000 AUDITOR'S PAYROLL & A/P CHARGES	0	0	0	0	0	500	500	500	500
6221004000 PROFESSIONAL SVS-COUNTY	0	1,517	0	0	0	10,000	10,000	10,000	50,000
6221004900 REFUSE DISPOSAL CHARGES		0	0	0	0	0	2,000	0	2,000
6226000000 SPECIAL DEPARTMENTAL EXPENSE	0	0	0	0	0	0	0	0	0
6226003000 MATERIALS	0	48,536	46,054	6,336	13,201	28,500	28,500	28,500	28,500
6226003100 LABOR	674,096	671,911	558,981	436,197	420,596	640,800	690,800	677,800	687,800
6226003200 EQUIPMENT REPAIR		121,057	145	0	0	0	0	0	0
6238000000 MISCELLANEOUS EXPENSE	0	0	0	0	0	0	5,000	0	5,000
6238005400 EMERGENCY EXPENDITURE	0	0	0	0	0	0	0	0	0
TOTAL SERVICES AND SUPPLIES	674,096	843,022	668,586	498,253	477,254	900,000	975,000	937,000	1,012,000
Capital Expenditures									
6501400000 DIR-CHG BOS DISTRICT	0	0	(72,859)	0	0		0		0
TOTAL CAPITAL	0	0	(72,859)	0	0		0		0
TOTAL EXPENDITURES	674,096	843,022	595,727	498,253	477,254	900,000	975,000	937,000	1,012,000

ATTACHMENT 1



San Joaquin Area Flood Control Agency

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

2017/2018 ENGINEER'S ANNUAL REPORT FOR THE OPERATION AND MAINTENANCE

27368 Via Industria
Suite 200
Temecula, CA 92590
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www.willdan.com/financial



ATTACHMENT 2

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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 2017/2018. 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 2017/2018. 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 2017/2018.

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 2017/2018 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.

// 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).

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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

The Fiscal Year 2017/2018 Maximum Assessment Rate allowed is \$5.7991

The Fiscal Year 2017/2018 Assessment Rate proposed is \$5.79.

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.

ATTACHMENT 2

D. PROPOSED BUDGET FOR FISCAL YEAR 2017/2018

Items - Descriptions		Amounts
San Joaquin County Operation and Maintenance Budget:		
Office Expense-Postage		\$0
Rents & Leases – Equipment		\$220,200
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	\$220,200	
Auditor's Payroll and A/P Charges		\$500
Charges by the County Auditor for Payroll processing and accounts payable support.	\$500	
Professional Services – County		\$10,000
Services provided for bridge parapet wall accident repair.	\$10,000	
Materials		\$28,500
Includes expenses for vegetation management materials, rodent control materials, and materials and supplies unique to operation and maintenance activities.	\$28,500	
Labor Costs		\$677,800
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	\$677,800	
Emergency Expenditure	\$0	\$0
Fixed Asset	\$0	\$0
Funds needed to acquire additional equipment needed by the Agency.		
Aquatic Weed Control Program – Five Mile Slough		\$75,000
The weed control program is conducted over an approximately 11,000 ft lineal section of Five Mile Slough. The program is managed by SJAFCA and for fiscal year 2017/2018 the work will be performed by San Joaquin County.		
Equipment Rental	\$2,000	
Equipment Rental-County Owned	16,000	
Refuse Disposal	2,000	
Labor	10,000	
Professional Services – Contracted Work	40,000	
Miscellaneous Expense	5,000	
SUB-TOTAL SAN JOAQUIN COUNTY OPERATION AND MAINTENANCE BUDGET		\$1,012,,000

ATTACHMENT 2

Items - Descriptions	Amounts
SJAFCA Administration Budget:	
Contribution	\$0
To Capital Outlay Reserve (future floodwall replacement)	
Property Tax Administration Charges	9,000
Charges by the County Tax Collector for the collection of property assessments.	
Administration Costs	15,000
Annual administration and Engineer's Report	
SUB-TOTAL SJAFCA ADMINISTRATION BUDGET	\$24,000
TOTAL OPERATION AND MAINTENANCE BUDGET FY 2017/2018	\$1,036,000
For FY 2017/2018, there are \$1,136,000 of appropriations available to the district as follows:	
FY 2017/2018 Assessment to be levied	\$879,723
FY 2017/2018 Agency Surplus Appropriation for FY 2017/2018	\$156,277
FY 2017/2018 Agency Surplus Appropriation	\$100,000
TOTAL FY 2017/2018 APPROPRIATION	\$1,136,000

- (1) The surplus appropriation of \$156,277 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 2017/2018 budget.
- (2) 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 2017/2018 assessment rate of \$5.65 per Maintenance Benefit Unit.

E. CALCULATION OF ASSESSMENT RATE FOR FISCAL YEAR 2017/2018

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 2017/2018 are 152,187.54 MBU's.

- Based on the estimated budget and the surplus appropriation for Fiscal Year 2017/2018, the assessment rate for Fiscal Year 2017/2018 is approximately \$5.79 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:

$$\text{Improvement BUs} + \text{Land BUs} = \text{Total BUs}$$

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.

ATTACHMENT 2

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

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Land Use	Risk Factor
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

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Number of Dwelling Units	Equivalent Dwelling Unit Formula
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

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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

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Parcel Size	Land Benefit Unit
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.

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- 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.

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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. footprint < 1000sf	All parcels = .25 BU	$(1\text{DU} \times 1\text{EDU/BU}) \times .8 \times 1 = 0.8 \text{ BU}$	1.05
Single-family Res. 1000 > footprint > 2000	All parcels = .25 BU	$(1\text{DU} \times 1\text{EDU/BU}) \times 1 \times 1 = 1.0 \text{ BU}$	1.25
Single-family Res. footprint > 2000 sf	All parcels = .25 BU	$(1\text{DU} \times 1\text{EDU/BU}) \times 1.2 \times 1 = 1.2 \text{ BU}$	1.45
Agricultural Res.	All parcels = .25 BU	$(1\text{DU} \times 1\text{EDU/BU}) \times 1 \times 1 = 1.0 \text{ BU}$	1.25
3-Unit Apartment 1/2 acre parcel	.5ac x 1.5BU/ac = .75 BU	$(3\text{DU} \times .8\text{EDU/BU}) \times 1 \times .9 = 2.16 \text{ BU}$	2.91
11 Unit Apt. 3/4 acre parcel	.75ac x 1.5BU/ac = 1.125BU	$[(4\text{DU} \times .8\text{EDU/BU}) + (7\text{DU} \times .6\text{EDU/BU})] \times 1 \times .9 = 6.66 \text{ BU}$	7.785
41 Unit Apt. 3 acre parcel	3ac x 1.5BU/ac = 4.5 BU	$[(4\text{DU} \times .8\text{EDU/BU}) + (16\text{DU} \times .6\text{EDU/BU}) + (21\text{DU} \times .4\text{EDU/BU})] \times 1 \times .9 = 19.8 \text{ BU}$	23.58
Grocery Store 1 acre parcel	1ac x 1.5BU/ac = 1.5 BU	$(1\text{ac} \times 6\text{EDU/ac}) \times 2 \times .9 = 10.8 \text{ BU}$	12.3
Regional Shopping 5 acre parcel	1ac x 1.5BU/ac + 3ac x .375BU/ac + 1ac x .125BU/ac = 2.75BU	$[(1\text{ac} \times 6\text{EDU/ac}) + (3\text{ac} \times 1.5\text{EDU/ac}) + (1\text{ac} \times 0.5\text{EDU/ac})] \times 2 \times .9 = 19.8 \text{ BU}$	22.55
Service Station 1/4 acre parcel	.25ac x 1.5BU/ac = .375BU	$(1/4\text{ac} \times 6\text{EDU/ac}) \times 2 \times .9 = 2.7 \text{ BU}$	3.075
Office Building 2 acre parcel	1ac x 1.5BU/ac + 1ac x .375BU/ac = 1.875BU	$[(1\text{ac} \times 6\text{EDU/ac}) + (1\text{ac} \times 1.5\text{EDU/ac})] \times 2 \times 1.1 = 16.5 \text{ BU}$	18.375
Church 2 acre parcel	1ac x 1.5BU/ac + 1ac x .375BU/ac = 1.875BU	$[(1\text{ac} \times 6\text{EDU/ac}) + (1\text{ac} \times 1.5\text{EDU/ac})] \times 1.5 \times 1.1 = 12.375\text{BU}$	14.25
Industrial Building 10 acre parcel	1ac x 1.5BU/ac + 3ac x .375BU/ac + 6ac x .125BU/ac = 3.375BU	$[(1\text{ac} \times 6\text{EDU/ac}) + (3\text{ac} \times 1.5\text{EDU/ac}) + (6\text{ac} \times 0.5\text{EDU/ac})] \times 2 \times .7 = 18.9 \text{ BU}$	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.

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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.

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Appendix D — 2017/2018 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 2017/2018.

Agenda Item 6.2

May 18, 2017

TO: San Joaquin Area Flood Control Agency

FROM: James B. Giottonini, Executive Director

SUBJECT: **PUBLIC HEARING: APPROVE THE ANNUAL ENGINEER'S REPORT AND ORDER THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE SMITH CANAL AREA ASSESSMENT DISTRICT FOR FISCAL YEAR 2017/18**

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 to approve the Annual Engineer's Report for the Smith Canal Area Assessment District, and order the levy and collection of assessments within the District for FY 2017/18.

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. At that time, SJAFCA executed a Funding Agreement for design with DWR for \$2.4 million. Since the formation of the District, project costs have been revised and DWR publicized new cost sharing guidelines for urban flood control projects which resulted in an increase in cost share from the State.

SJAFCA submitted a Concept Proposal to DWR for an Urban Flood Risk Reduction (UFRR) grant in March 2015, which was conditionally approved. A complete grant application was submitted in August 2015 to request UFRR funding in the amount of \$22.3 million. A Funding Agreement with DWR for construction is underway and is in final draft stage.

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

**PUBLIC HEARING: APPROVE THE ANNUAL ENGINEER'S REPORT AND ORDER THE
LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE SMITH CANAL AREA
ASSESSMENT DISTRICT FOR FISCAL YEAR 2017/18**

(Page 2)

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 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. The benefit calculation and assessment methodology for the District is described in the attached Engineer's Report and was made available for public review and inspection on May 8, 2017.

The assessment is made up of two components – a Capital component and an Operations and Maintenance (O&M) component. The Capital component makes up 76.6% of the total assessment while the O&M component is 23.4% of the total assessment. The District is comprised mostly of single-family residences (approximately 90 percent). The average annual assessment for a single-family residence is approximately \$171 (\$131 Capital + \$40 O&M).

The Capital portion of the assessment will be collected for 30 years from the point in time when bonds are issued, which is expected to take place in 2018, 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 Engineer's Report 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 17/18 will be used to fund environmental, design, and construction related expenses with the exception of 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 16/17 was 2.94%.

There are 51 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. During FY 15/16, the Agency collected \$59,210 of assessment payments from hand-billed property owners. As of March 31, 2017, the Agency collected \$59,647 in assessments which is nearly all hand-billed parcels for FY 16/17.

May 18, 2017

**PUBLIC HEARING: APPROVE THE ANNUAL ENGINEER'S REPORT AND ORDER THE
LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE SMITH CANAL AREA
ASSESSMENT DISTRICT FOR FISCAL YEAR 2017/18**

(Page 3)

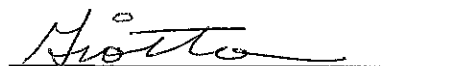
Present Situation

The FY 17/18 assessment collection will assess 8,101 parcels and will generate \$1,660,741 for the District. This assessment collection includes the current year's CPI escalator of 3.28% (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 17/18					
Assessment Range	\$5 - \$100	\$100 - \$200	\$200 - \$300	\$300 - \$400	> \$400
No. of Parcels	2,948	2,322	1,734	630	467

By adopting the proposed resolution at the conclusion of the public hearing, the Board will adopt a resolution to approve the Annual Engineer's Report for the Smith Canal Area Assessment District, and order the levy and collection of assessments within the District for FY 17/18.

PREPARED BY: Marlo Duncan



APPROVED:
JAMES B. GIOTTONINI
EXECUTIVE DIRECTOR

JBG:MD

Attachment



San Joaquin Area Flood Control Agency

SMITH CANAL AREA ASSESSMENT DISTRICT

2017/2018 ENGINEER'S ANNUAL REPORT

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A. INTRODUCTION

Smith Canal is a man-made backwater slough of the San Joaquin River adjacent to the Sacramento-San Joaquin Delta (Delta) and is located in San Joaquin County, just north of the Deep Water Ship Channel. Smith Canal is leveed to prevent back-flooding from the Delta. Smith Canal levees are heavily encroached upon and cannot be certified as meeting Federal Emergency Management Agency ("FEMA") standards or the State of California's new Interim Levee Design Criteria. When it became evident in 2009 that Smith Canal levees would lose their FEMA accreditation, SJAFCA partnered with Smith Canal levee owners, Reclamation District 1614 ("RD" 1614) (north bank levee) and Reclamation District 828 ("RD" 828) (south bank levee), and took the lead in evaluating options for restoring flood protection to the Smith Canal area.

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provide at least one-hundred year flood protection and warrant a revision in the Flood Insurance Rate Map.

At the same time, the State of California Department of Water Resources (DWR) was currently soliciting applications for projects warranting funding through its Early Implementation Program (EIP). In January 2011, DWR promulgated a Proposal Solicitation Package outlining the requirements for projects seeking funding through the EIP and on February 15, 2011, SJAFCA submitted application materials seeking cost sharing from DWR for the design of a project and was awarded a \$2,412,500 design grant in September 2012.

The Smith Canal Area Assessment District (the "District") was formed 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").

As part of the District formation, SJAFCA conducted a property owner protest ballot proceeding for the new special benefit assessments pursuant to the Benefit Assessment Act of 1982, in accordance with provisions in Government Code §54703-54719, Proposition 218 Omnibus Implementation Act., Government Code §53750 et seq., and Article XIII D of the California Constitution (Proposition 218).

In conjunction with this ballot proceeding, the Board conducted a public hearing on June 6, 2013 to consider public testimonies, comments and written protests regarding the formation of the District and levy of assessments. Upon conclusion of the June 6, 2013 public hearing, property owner protest ballots received were opened and tabulated. No majority protest existed.

On July 10, 2013, the Board, by Resolution No. 13-13, adopted the Engineer's Report prepared by Seth Wurzel Consulting, Inc. ("SWC") and Kjeldsen, Sinnock & Neudeck, Inc. for the formation of the District, including the assessment diagram; ordered the formation of the District; approved the levy and collection of assessments commencing in fiscal year 2014/15, approved the assessment range formula beginning in fiscal year 2013/2014 as described in the formation Report; and authorized the improvements and services to be made.

This Engineer's Annual Report ("Report") describes the District, any changes to the District, method of apportionment established at the time of formation, and proposed assessments for Fiscal Year 2017/2018. The proposed assessments are based on 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 San Joaquin County Assessor's Office. San Joaquin County Auditor/Controller uses Assessment Numbers and specific Fund Numbers to identify properties assessed for special district benefit assessments on the tax roll.

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 2017/2018. 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 2017/2018.

B. COMPLIANCE WITH CURRENT LEGISLATION

The assessment is in compliance with all laws pertaining to Proposition 218, including Article XIII-D of the California Constitution and as described in this Engineer's Report, the assessment is levied without regard to property valuation.

II. DESCRIPTION OF IMPROVEMENTS 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 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 into 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.

III. ANNUAL ASSESSMENT

The District provides for the local share of the funding required to achieve the following purposes:

- Environmental, permitting, design and right of way
- Construct improvements that will provide the needed level of flood protection to the area subject to inundation by a levee failure along Smith Canal.

- Operate and maintain said facilities in such a fashion so that they will continue to provide the needed level of flood protection in perpetuity.

The annual assessment levied by the District consists of two components including an assessment for the capital improvements as well as an assessment for the administration of the district and ongoing operations and maintenance of the improvements.

A. CAPITAL ASSESSMENT

SJAFCA's goal is to provide a minimum of 200-year flood protection to the lands subject to inundation by failure of a levee along the north and south levees of the Smith Canal. The Smith Canal area will continue to have 100-year protection from the Calaveras River and Diverting Canal levees. The construction of a gate structure at the mouth of Smith Canal has been determined to be a feasible solution to achieve this flood protection goal. SJAFCA has received EIP funding from DWR for a portion of the project's design costs and is pursuing funding for the remainder of the project's costs. At the time of formation, it was assumed that the Project would be cost shared by the State at 55%. Since that time, DWR has promulgated new cost sharing guidelines for urban flood control projects which have resulted in an increased cost share of 67%.

Table 1 below shows the effective cost share of the design phase given the limited EIP Funding. While the cost share is limited to 50% during the design phase, it is also capped at \$2,412,500. The cap on the design funding agreement results in an effective 33% State Cost share of the updated design phase costs. Table 1 shows credit for actual design phase costs at the approved cost share of 67% once the Project enters into the construction phase (i.e. execution of a construction funding agreement.) DWR's funding program allows for credit (generated as a result of a cost share increase) for early design expenses once a project is approved and moves into construction. As a result, DWR is expected to provide additional funding as credit toward the local share of costs in the construction phase. However, like the design phase cap, the ultimate State funding for construction is assumed to be limited to the funding amount committed to SJAFCA by the State in May 2015. As a result of this limit, SJAFCA is expected to need to generate local funding totaling \$14,331,767 as shown in Table 1.

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Table 1
SJAFCA Smith Canal Gate Project
Capital Cost Estimate & Cost Share

Item	Total Costs	Local	State
Design Phase Costs (Updated per PBI)			
		<i>Effective Cost Share for Phase</i>	
		66.77%	33.23%
1. Program Management (Design Phase)	\$990,551	\$661,388	\$329,163
2. Engineering Design	3,719,471	2,483,478	1,235,993
3. Independent Review	300,000	200,309	99,691
4. Environmental Review & Permitting	2,412,132	1,610,572	801,560
5. Real Estate Planning & Acquisition	94,337	62,989	31,348
6. Public Outreach	88,442	59,052	29,390
7. Financing/Funding Costs (Application)	100,000	100,000	0
Total Design Phase	\$7,704,933	\$5,177,788	\$2,527,145
Construction Phase Costs			
		<i>Cost Share by Phase</i>	
		33.00%	67.00%
1. Credit for Design Phase Work	\$0	(\$2,568,160)	\$2,568,160
2. Supplemental Engineering (now included above)	0	0	0
3. Program Management	1,250,000	412,500	837,500
4. Construction	27,315,000	9,137,394	18,177,606
5. Construction Management	1,750,000	577,500	1,172,500
6. Real Estate Acquisition	208,000	68,640	139,360
7. Real Estate Contingency	121,000	39,930	81,070
8. Public Outreach	50,000	16,500	33,500
9. Environmental Mitigation	655,000	216,150	438,850
Total Construction Phase	\$31,349,000	\$7,900,454	\$23,448,546
Total Project	\$39,053,933	\$13,078,242	\$25,975,691
DWR Funding Limit (Combined EIP & UFRF)			\$24,722,166
Additional Local Funding (reduced State Funding)		\$1,253,525	(\$1,253,525)
Resulting Cost Share Split	\$39,053,933	\$14,331,767	\$24,722,166

Source: KSN & PBI EIR Alternatives Analysis Cost Estimate Alternative No. 1 with modifications made by PBI & SJAFCA.

[1] The Design Phase costs are assumed to continue to be funded at a 50/50 Cost Share under the EIP Program through DWR Contract No. 4600009799 up to the funding agreement limit of \$2,412,500. An effective cost share is shown based on DWR's funding agreement limit.

[2] Assumes 100% of the financing cost (\$100,000) would not be eligible for State Cost Sharing. Financing Cost are not escalated.

[3] Construction Phase costs are assumed to be cost shared at the Recommended Cost Share for the UFRF Program. State Cost sharing is assumed to be 50%, plus 5% for one State Facility, plus 1% for Recreation Objective, plus 11% for DAC.

[4] Includes credit for Design Phase costs at the recommended cost share. The amount represents the supplemental cost sharing at 67% versus 33%.

[5] The Total Cost includes \$270,000 in costs for Handicap Fishing Access as a recreation enhancement for the Project not included in the cost sharing, but included as a cost sharing increase. The State Share includes additional funding of \$57,456 which increases the Total State Share up to the commitment amount presented in the Concept Proposal. This additional amount has been added due to a correction to the cost share calculations presented in the Concept Proposal.

[6] Includes \$30,000 in costs for Water Quality Measures.

B. OPERATION AND MAINTENANCE ASSESSMENT

The type of improvements funded by the District will require ongoing physical monitoring and operations. The improvements will consist of mechanical equipment such as controls, generators and appurtenant equipment that will require ongoing maintenance and up-keep in order to ensure that the improvements provide the designed level of flood protection into the future. The costs associated with all operations and maintenance of a gate structure will be funded by the operations and maintenance component of the annual assessment levy. These ongoing services are described in detail in Appendix B, "SJAFCA Smith Canal Closure Structure, Operations & Maintenance Requirements Technical Memorandum, April 28, 2011" prepared by PBI. In general, the Operations & Maintenance (O&M) Requirements will include:

- Gate Operation
- Equipment Testing
- Routine Maintenance & Inspection
- Emergency Maintenance
- Equipment Replacement/Capital Reserve

Based upon the assumptions outlined by PBI (Peterson. Brustad. Inc.) the annual costs for ongoing O&M could range between \$325,000 and \$475,000 per year. The budgeted estimate developed by PBI indicated that a suitable estimate based on 2011's costs is \$324,800. Therefore, the initial maximum annual assessment for the O&M component is calculated based upon an O&M budget of \$341,000 in Fiscal Year 2013/14. A summary of the Operations & Maintenance Budget is shown in Table 2 below.

Table 2
SJAFCA Smith Canal Area Assessment District
Operations and Maintenance Cost Estimate Summary

Item	Labor Cost/Year	Materials Cost/Year	Total Cost /Year
Operations	\$75,100	\$0	\$75,100
Testing	8,400	0	8,400
Routine Maintenance & Inspection	71,050	46,050	117,100
Emergency Maintenance	1,700	2,700	4,400
Equipment Replacement / Capital Reserve	0	119,800	119,800
Total Annual Budget for O&M Assessment ⁽¹⁾	\$156,250	\$168,550	\$324,800

Proportional Share of Labor vs. Material 48% 52%

Source: PBI Smith Canal Closure Structure Operations & Maintenance Requirements Technical Memorandum, March 29, 2011.

⁽¹⁾ Note: Costs are in 2011's. Costs in Table 4 have been escalated. Ongoing annual escalation commences in FY 2014/15 when the collection of assessments commenced.

In addition to the above services related to the Operations & Maintenance of a new facility, the ongoing administrative expenses of the District will also be funded through the annual levy of assessments. Ongoing administrative expenses include the annual calculation and preparation of the assessment engineer's report and roll, the actual costs of collecting annual assessments and costs of responding to inquiries including review and processing of any appeals.

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.

The duration of the capital component of the assessment is assumed to be 30 years from a permanent takeout financing which is expected to take place in 2017. The Administration/O&M component of the assessment will be collected for as long as needed to effectively operate and maintain the facilities maintaining flood protection services.

At the time of District formation, a preliminary cash flow analysis and financing plan had been developed in six-month periods for years 2013 through 2018.

The financing plan and cash flow has been updated as SJAFCA has updated its financial plan for the project as part of the DWR funding application processes. The financing plan and cash flow is based upon the refined cost estimates for the Project and actual revenues and expenditures to date.

Table 3 shows the planned future expenditures and SJAFCA's plan for financing the future stream of costs over time. Assessment revenues will be collected at the maximum assessment rate while the project is being designed and constructed and will be used to directly fund design and construction expenses on a pay-as-you-go basis.

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Table 3
SJAFCA Smith Canal Gata Project
Financing Plan Cash Flow Analysis

Year Months	2017/2018 Jul-Sep	2017/2018 Oct-Dec	2017/2018 Jan-Mar	2017/2018 Apr-Jun	2018/2019 Jul-Sep	2018/2019 Oct-Dec	2018/2019 Jan-Mar	2018/2019 Apr-Jun	2019/2020 Jul-Sep	2019/2020 Oct-Dec	2019/2020 Jan-Mar	2019/2020 Apr-Jun	Total
Revenues													
State EIP Funding	\$0	\$0	\$470,899	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,412,500
State UFR Funding	2,249,563	1,386,305	686,877	63,887	2,274,460	3,717,955	3,395,763	3,363,544	2,940,346	0	0	2,230,967	22,309,667
Local Assessment Revenue (1)	0	0	880,192	780,549	0	0	845,715	729,973	0	0	840,626	725,461	9,791,087
RD1614 Revenue	0	0	0	0	0	0	0	0	0	0	0	0	233,260
RD 828 Revenue	0	0	0	0	0	0	0	0	0	0	0	0	172,327
SJAFCA Internal Funding (2)	0	0	0	0	0	0	0	0	0	0	0	0	769,674
Total Revenues	\$2,249,563	\$1,386,305	\$2,037,968	\$844,436	\$2,274,460	\$3,717,955	\$4,241,478	\$4,093,517	\$2,940,346	\$0	\$840,626	\$2,956,428	\$35,688,516
Expenditures													
Program Management (Design Phase)	\$59,852	\$59,852	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,997,473
Engineering Design	312,332	312,332	0	0	0	0	0	0	0	0	0	0	3,587,410
Independent Review	45,234	45,234	0	0	0	0	0	0	0	0	0	0	230,741
Environmental Review & Permitting	189,039	189,039	0	0	0	0	0	0	0	0	0	0	1,838,091
Real Estate Planning	19,449	0	0	0	0	0	0	0	0	0	0	0	82,060
Public Outreach	4,890	0	0	0	0	0	0	0	0	0	0	0	89,422
Financing/Funding (Application)	11,248	11,248	0	0	0	0	0	0	0	0	0	0	90,872
Supplemental Engineering	72,919	72,919	72,919	125,005	125,005	125,005	125,005	125,005	125,005	125,005	0	0	1,166,711
Program Management (Construction)	0	0	71,877	71,877	71,877	71,877	71,877	71,877	71,877	71,877	71,877	71,877	718,770
Construction	0	0	0	3,187,900	5,578,825	4,781,850	4,781,850	4,781,850	5,578,825	3,187,900	0	0	31,879,000
Construction Management	0	0	194,444	194,444	194,444	194,444	194,444	194,444	194,444	194,444	194,444	194,444	1,749,996
Real Estate Acquisition	52,000	52,000	52,000	0	0	0	0	0	0	0	0	0	208,000
Real Estate Contingency	30,250	30,250	30,250	0	0	0	0	0	0	0	0	0	121,000
Public Outreach	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	0	50,000
Environmental Mitigation	0	0	312,500	312,500	0	0	0	0	0	0	0	0	625,000
Expected Water Quality Measures	0	0	0	103,400	180,950	155,100	155,100	155,100	180,950	103,400	0	0	1,034,000
Total Project Costs	\$797,223	\$777,884	\$738,990	\$4,000,126	\$6,156,101	\$5,333,276	\$5,333,276	\$5,333,276	\$6,156,101	\$3,687,626	\$271,321	\$71,877	\$45,468,544
Financing Proceeds													
Permanent Financing (Estimated)	0	0	13,500,000	0	0	0	0	0	0	0	0	0	13,500,000
Net Financing Activities	\$0	\$0	\$13,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,500,000
Net Change in Fund Balance - Increase (Decrease)	\$1,452,340	\$608,421	\$14,798,978	(\$3,155,690)	(\$3,881,641)	(\$1,615,321)	(\$1,091,798)	(\$1,239,759)	(\$3,215,755)	(\$3,687,626)	\$569,305	\$2,884,551	
Estimated Starting Fund Balance	\$1,293,965	\$2,746,305	\$3,354,726	\$18,153,704	\$14,998,014	\$11,116,373	\$9,501,052	\$8,409,254	\$7,169,495	\$3,953,740	\$266,114	\$835,419	
Estimated Ending Fund Balance	\$2,746,305	\$3,354,726	\$18,153,704	\$14,998,014	\$11,116,373	\$9,501,052	\$8,409,254	\$7,169,495	\$3,953,740	\$266,114	\$835,419	\$3,719,970	

[1] Assessment revenues commenced collection in FY 2014/2015. The annual assessment proceeds available for pay-as-you-go expenditures is assumed to be 100% of the Annual Costs of Assessment District (the SJAFCA Assessment is on the Teeter Plan with San Joaquin County) less Assessment District Administrative Expenses.

[2] SJAFCA Internal Funding set at 2% per annum compounded quarterly.

2017/2018

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C. DISTRICT BUDGET FOR FISCAL YEAR 2017/2018

Table 4
Smith Canal Area Assessment District Budget
Fiscal Year 2017/18

REVENUES	
State EIP Funding	\$470,899
State UFFR Funding	4,386,632
Local Assessment Revenue	1,660,741
SJAFA Internal Funding	0
TOTAL REVENUES	\$6,518,272
EXPENDITURES	
Project Management (Design Phase)	\$119,724
Engineering Design	624,664
Independent Review	90,468
Environmental Review & Permitting	378,078
Real Estate Planning	19,449
Public Outreach	4,890
Financing/Funding Application	22,496
Project Management (Construction Phase)	487,516
Construction (Less General Requirements)	2,709,715
General Requirements	478,185
Construction Management	388,888
Real Estate Acquisition	156,000
Real Estate Contingency	90,750
Public Outreach	15,000
Environmental Mitigation	728,400
TOTAL EXPENDITURES	\$6,314,223
Financing Proceeds	
Permanent Financing (Estimated)	\$13,500,000
Net Financing Activities	\$13,500,000
Net Change in Fund Balance	\$13,704,049
Estimated Starting Fund Balance	\$1,293,965
Project Ending Fund Balance	\$14,998,014

IV. METHOD AND FORMULA OF ASSESSMENT

A. BENEFIT ANALYSIS

Requirements of Proposition 218

To levy an assessment for a property related service such as flood control, Proposition 218 requires the local agency to:

- Identify all parcels that will have special benefits conferred on them by the facility and/or service
- Calculate the proportionate special benefit for each parcel in relation to the entirety of the Capital and O&M expenses being funded
- Ensure the assessment does not exceed the reasonable cost of the proportionate special benefit conferred on each parcel
- Separate the general benefits from the special benefits conferred on a parcel.

Special Benefits vs. General Benefits

California Constitution Article XIID §2 states a special benefit is a particular and distinct benefit over and above the general benefits conferred to the public at large. Properties in the proposed assessment district will receive a special benefit from flood protection in the form of a substantial reduction in expected flood damages to structures, the contents of structures, and land.

Flood control facilities and their associated operations, such as the services to be provided, provide only special benefits. Because flood control infrastructure protects particular identifiable parcels (including residents of the parcel and any appurtenant facilities or improvements) from damage because of inundation or force by floodwaters, the benefits are provided directly to those parcels, and to none other. By contrast, general benefits provided to the public at large are characterized by general enhanced property values; provision of general public services, such as police and fire protection; and recreational opportunities that are available to people regardless of their location.

The issue surrounding general benefits merits further discussion because flood control improvements, and associated operations and maintenance, have an obvious indirect relation to the very provision of general benefits. The facilities and services may, on initial inspection, appear to be general benefits. For example, the facilities and services will protect parks and schools that are used by people regardless of whether they live in the benefit area or not. But this indirect relation does not mean that the flood protection facilities and services themselves will provide any general benefits. Rather, the flood protection facilities and services will provide direct special benefits to the public parcels (such as parks and schools) that may themselves be used in the provision of general benefits.

More to the point, the public at large will be paying for the special benefits provided to specifically benefiting public property (e.g. a school), and specially benefited property owners' assessments will not be used to subsidize general benefits provided to the public at large or to property outside the proposed assessment district. All property that is specially benefitted by the facilities and services will be assessed, including parks, schools, city facilities, and other parcels used in the provision of general benefits. Thus, the general public may pay for a portion of the provision of flood control improvements and services because the assessed public agencies may use general taxes and other public revenue to pay their assessments.

B. ASSESSMENT METHODOLOGY

As discussed above, 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:

$\begin{aligned} \text{Benefits} &= \text{Damages Avoided} \\ \text{Damages Avoided} &= \text{Structure and Content Damage} + \text{Land Damage} \end{aligned}$

Each of these components is discussed in detail in the following sections.

Structure and Content 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

Relative Structure and Content Value

The USACE (United States Army Corps of Engineers) has identified the potential flood damages to structures by the following general land use categories:

- Residential—Physical damages to dwelling units (single-family, multifamily, and mobile homes) and to residential contents, including household items and personal property.
- Commercial—Structure value and content value damages (to commercial and public buildings), including equipment and furniture, supplies, merchandise, and other items used in the conduct of business.

- Industrial—Losses from inundation of industrial properties, including warehouses, consisting of fixtures and equipment, inventory, and structure.

Relative structure values for residential, commercial, public and industrial structures shown in **Table 5** were determined using comparable assumptions from other engineers' reports and data developed in connection with an economic feasibility analysis completed by SJAFCA for a Smith Canal gate structure project. These values represent gross averages for the different land uses based on the USACE estimates for structure replacement costs. They do not represent assessed value or current market value for an individual structure. Relative structure values are used in the assessment methodology to reflect value relations between land use categories and structure types.

Table 5
SJAFCA Smith Canal Area Assessment District
Structure Type Assumptions

Structure Type <i>formula</i>	Assumed Foundation Height (ft)	Structure Value	Content Value	
		Relative Structure Factor per Sq.Ft. [1]	Content to Structure Value Ratio [2]	Relative Content Factor per Sq.Ft.
Single-Family	1.00	\$ 60	N/A	N/A
Multifamily	1.00	\$ 60	0.50	\$ 30
Mobile Home [3]	2.00	\$ 23	0.50	\$ 11
Commercial	0.50	\$ 70	1.00	\$ 70
Industrial	0.50	\$ 50	1.50	\$ 75
Industrial - Mini Storage [4]	0.50	\$ 23	0.50	\$ 12
Public	1.00	\$ 70	0.50	\$ 35
Vacant	0.00	\$ 0	0.00	\$ 0

Source: USACE and David Ford Consulting Engineer's, Marshall and Swift

[1] Structure Values are based upon data contained within the Smith Canal closure structure: inundation reduction benefit analysis, November 29, 2010 prepared by David Ford Consulting Engineers, Inc. except as noted.

[2] Content to Structure Value ratios are based upon data contained within the Smith Canal closure structure: inundation reduction benefit analysis, November 29, 2010 prepared by David Ford Consulting Engineers, Inc. except as noted.

[3] For the Mobile Home structure type, a proportionate value was derived utilizing a relative comparison of Mobile Home per square foot value found in the 2008 Marshall & Swift Cost Manual to a comparable known value of average quality Single Family Residential in the same cost manual.

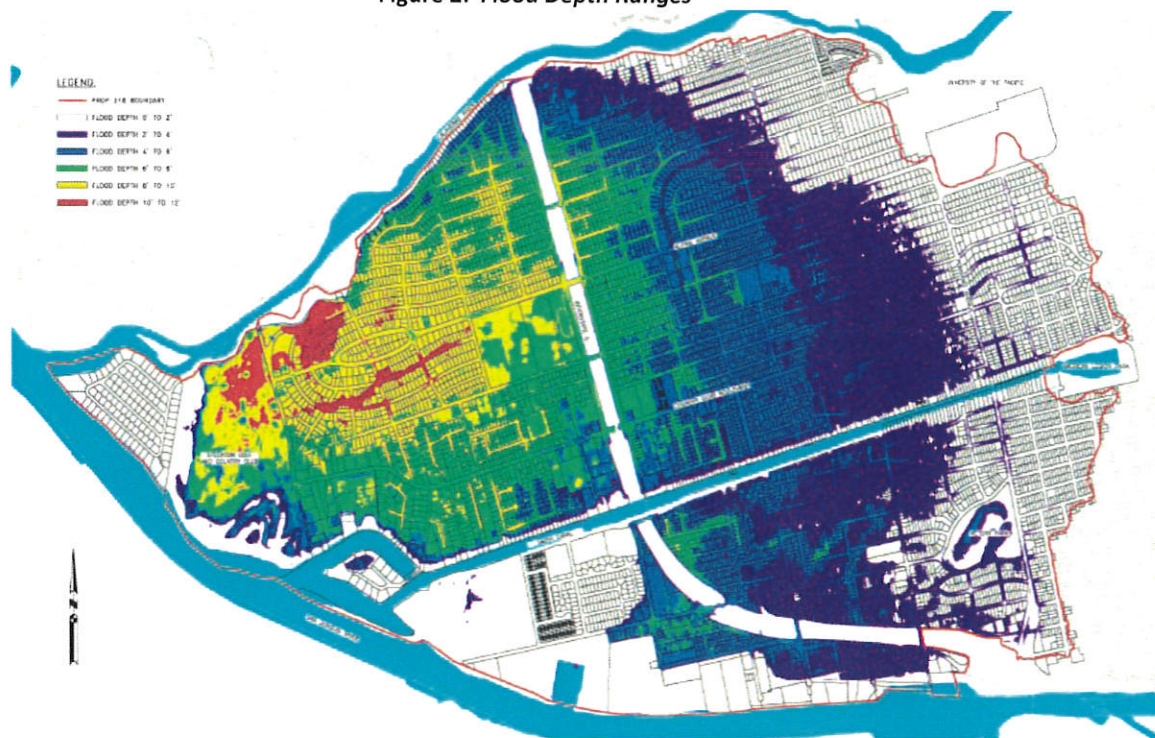
[4] For the Mini-Storage structure type, a proportionate value was derived utilizing a relative comparison of Mini-Storage per square foot value found in the 2008 Marshall & Swift Cost Manual to a comparable value of an Industrial-Utility Building found in the same cost. Additionally, the Content Value was adjusted to reflect the lower value of contents with the units.

Flood Depth Reduction

A Smith Canal project would be designed to provide minimum 100-year protection for assessment methodology. Accordingly, the flood depth reduction attributed to the benefiting parcels was determined using a 100-year flood event in Smith Canal given the 100-Year water surface elevation at the Burns Cutoff Gage station. The 100-year water surface elevation is assumed to be 9.4 Feet NAVD-88.

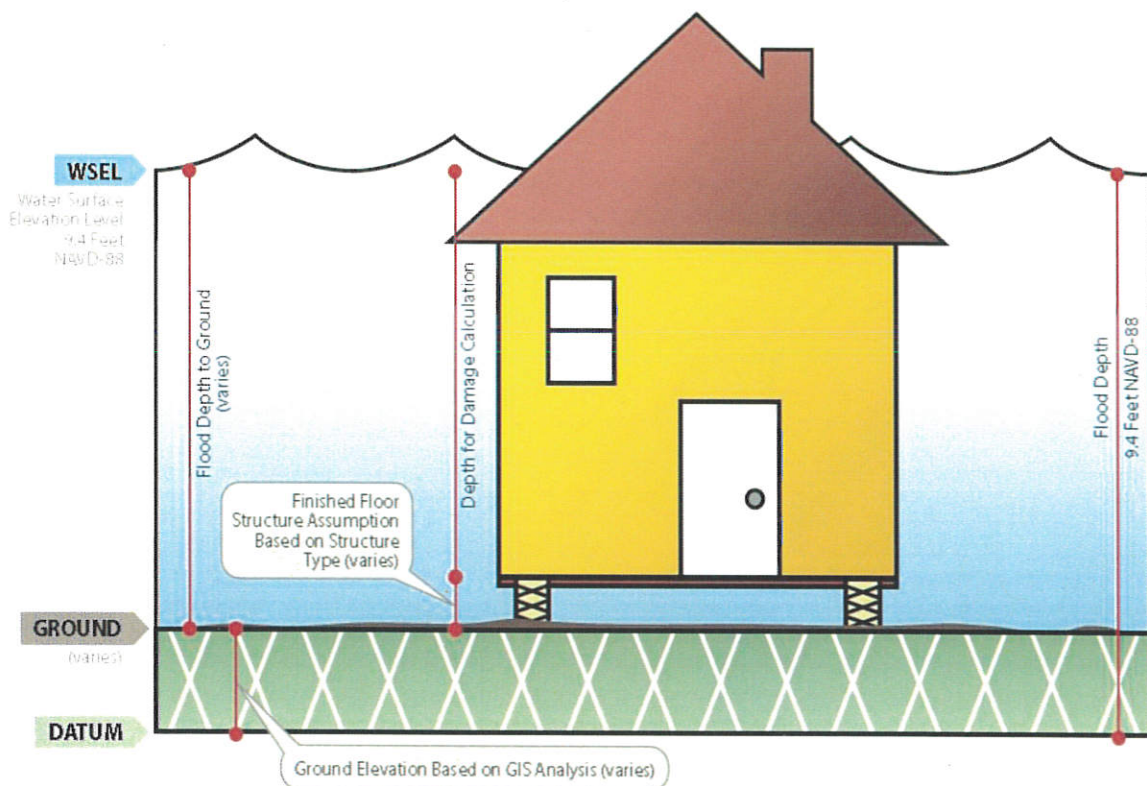
The relative flood depths of a parcel for the 100-year event were established by establishing 2-foot flood depth ranges for the area benefiting. Using the GIS information to determine a parcels elevation, parcels were able to be slotted into the 2-foot flood depth ranges shown in Figure 2 below.

Figure 2: Flood Depth Ranges



The flood depth reduction for each parcel within the 9.4 Feet NAVD-88 water surface elevation boundary is assumed to be the difference between 9.4 Feet NAVD-88 and the finished floor elevation of the structure on the parcel. The structure's finished floor elevation is based upon the GIS analysis performed by the assessment engineer to determine the relative elevation of a parcel and an assumed elevation of building's finished floor based upon the structure type given the parcel's use. Figure 3 below shows a graphic representation of the flood depth reduction relative to the 9.4 Feet NAVD-88 water surface elevation.

Figure 3: Flood Depth Reduction



Percentage of Damage Reduction

The relation between depth of flooding and damages to structure and contents is shown in Table 6. A functional relation is available for each developed land use type (a land use with a structure) using depth-damage curves generated by the USACE and used by David Ford Consulting Engineer's as part of their Smith Canal Gate Structure inundation reduction benefit analysis. Separate curves for structure and content damage have been developed. The structure and content damage curves were combined based on the structure-to-content-value ratios presented in Table 5 above to derive a depth damage curve that presents combined structure/content damage as a percentage of each building type's relative value.

Depth damage curves for one-story and two-story structures were available, however structure story information for non-single family residential structures was not available from the San Joaquin County Assessor and determined to be unreliable. Therefore, the damage curves for all other structure categories other than Single Family were averaged into single structure type categories representing the damage for all structure irrespective of the number of stories.

For residential structures, the structure and content curves represent the damage as a percentage of structure value; therefore, the curves were combined with no adjustment (thus no Content to Structure Value Ratio is shown on Table 5 for residential structures). For non-residential structures, the curves represent damage a percentage of structure value (for the structure) and content value (for the content) therefore a ratio relating content to structure value

was used in order to develop a combined curve representing structure and content damage as a percentage of structure value.

Flood Depth (ft.) Zone [2]	Percent Damage [1]							Public
	Single Family One Story	Single Family Multi-story	Multifamily	Mobile Home	Commercial	Industrial	Industrial - Mini-Storage	
-2 or less	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
-2 to 0	7.8%	5.6%	4.7%	5.7%	1.5%	1.1%	1.0%	1.5%
0 to 2	36.2%	23.8%	19.5%	69.4%	76.9%	110.7%	42.7%	43.6%
2 to 4	61.8%	41.7%	33.9%	132.8%	114.8%	165.7%	67.1%	70.2%
4 to 6	81.7%	57.4%	46.8%	146.0%	121.5%	176.8%	76.8%	76.7%
6 to 8	96.8%	71.1%	57.9%	146.0%	127.9%	184.8%	84.8%	84.6%
8 to 10	107.5%	82.6%	67.5%	146.0%	134.5%	193.5%	93.5%	89.6%
10 to 12	114.4%	92.0%	75.3%	146.0%	142.0%	202.7%	102.7%	92.4%
greater than 12	118.4%	99.3%	81.5%	146.0%	148.4%	209.1%	109.1%	93.4%

Source: LWA, David Ford Consulting Engineer's

[1] For the various damage curves, the damage percentages have been averaged to represent a single damage percentage for a given flood depth range. Damage curves for non-residential structure types for single and multiple stories have been averaged due to lack of data regarding structure story heights from the assessor.

[2] Note: In no case would a flood depth be determined to be an even integer elevation such that a flood depth category could not be determined. This is due to the fact that whole integer ground surface elevations for each parcel were determined by the assessment engineer and when calculating flood depth a water surface elevation of 9.4' NAVD-88 is used. Therefore, the calculated flood depth will never result in an even integer flood depth.

Flood depths from finished floor heights were determined based on assumed foundation heights for specific structure types. Those assumptions are also presented in Table 6 above. These assumptions were also based upon assumptions used within the David Ford Smith Canal Gate Structure inundation reduction benefit analysis.

To determine the reduction in structure damage, pre-project flood depths represent the flood-depth reduction assigned to a parcel as a result of the improvement project because the flood plain resulting from a Smith Canal levee failure is completely removed. This flood-depth reduction equates to reduction in flood damages for a structure and its contents based on the above functional relationship between flood depth and structure and content damage. As previously stated, the flood-damage reduction is equivalent to the benefit received as a result of the facilities and associated O&M services.

For example, in the case of a single story single-family residential home on a parcel that experiences a flood-depth reduction of 5 feet from its finished floor, the damage reduction can be determined by looking at the depth-damage curve for single-family structures in the range that includes 5 feet. The damage percentage at 4 to 6-foot range is 81.7 percent.

Structure Size

Flood damages to structures and their contents were calculated for each parcel in the benefit area using the actual square footage for residential structures, the first story of commercial and industrial structures, and the applicable structure value. Structure size was determined for each parcel in the benefit area based on data obtained from the respective County Assessor's parcel database. For properties where it was known that a structure existed, based on either improvement value data obtained from the Assessor's database or aerial photographs, yet the Assessor's database did not have specific structure detail information, an assumed structure size was used based upon inspection of recent aerial imagery by the engineer. This assumption was applied to determine a structure size for purposes of the structure damage calculation.

Structure and Content Damage Example

As stated above, the structure and content damage is calculated for each individual parcel in the proposed assessment district based on the specific attributes for the parcel, i.e., structure type, size, and flood-depth reduction. For example, the structure and content damage for the following parcel would be calculated as follows:

General Formula

Structure and Content Damage=Building SF x Relative Value x Depth %

Example:

Single Story Single-Family Residence
Building Square Feet: 1,500
Flood Depth 5 Feet

Structure and Content Damage = 1,500 SF x \$60 / SF x 81.7% = \$73,530

\$73,530 would represent the relative structure and content damage benefit experienced by the example parcel presented. This benefit plus the land damage benefit are used to determine the total relative benefit of the parcel to all other parcels in the benefit area.

Land Damage

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

Relative Land Damage Factor

The assessment engineer determined that the benefit to land in the assessment district is proportional to the relative land value. To account for the benefit received by the land and to weight this benefit appropriately relative to the structure and content damage benefit, the assessment engineer has determined that each property in the benefit area would be subject to a land damage factor of 10 percent of the relative land value.

The land damage per acre was determined by applying the 10 percent land damage factor to the relative value of the property, as determined by an analysis performed by a certified real estate appraiser. The appraisal analysis was performed to determine the relative values of the property in the benefit area based on the land use types as determined by the San Joaquin County Assessor. The appraisal analysis was prepared by Seevers Jordan Ziegenmeyer for SJAFCA for this assessment district. A copy of this appraisal analysis was attached to the engineer's report prepared by SWC on file at the office of SJAFCA and is incorporated herein by reference.

The appraisal report identifies the relative per-acre baseline land values for the property in the benefit area exclusive of any building improvements. Land values were determined for each Assessor's land use code found for the property in the proposed assessment district. The values derived are not assessed values or actual market values for any individual parcel of land; rather, they represent the value relationship between various land use classifications for the property in the benefit area.

The land values were multiplied by the 10-percent damage factor to derive the relative land damage factors on a per-acre basis for each Assessor's land use code in the assessment district as shown in **Table 7**.

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Table 7
SJAFA Smith Canal Area Assessment District
Land Damage Factor and Structure Type by Use Code

Assessor's Use Code	Land Use Description	Structure Type	Land Damage Calculation		
			Relative Not-Less-Than Land Value (per Acre) [1]	Land Damage Factor	Relative Land Damage Amount
1	VAC RES LOT - DEV W/UTIL.	Vacant	\$ 75,000	10%	\$7,500
2	VAC LOT W/PROB. W/C PRECLUDES BLDG A RE	Vacant	\$ 25,000	10%	\$2,500
3	VAC LOT - TOTALLY UNUS. (INCURABLE)	Vacant	\$ 25,000	10%	\$2,500
4	VAC RES LOT W/MICS. RES. IMPRS (GARAGE,	Vacant	\$ 75,000	10%	\$7,500
5	VAC RES SUBDIVISION SITE	Vacant	\$ 75,000	10%	\$7,500
6	VAC RES LOT-UNDEV	Vacant	\$ 25,000	10%	\$2,500
7	POTENTIAL RESIDENTIAL SUBDIVISION	Vacant	\$ 25,000	10%	\$2,500
10	SINGLE FAMILY DWELLING(SFD)	Single-Family	\$ 75,000	10%	\$7,500
11	CONDOMINIUM UNIT	Multifamily	\$ 25,000	10%	\$2,500
13	SINGLE FAMILY RESIDENCE W/ SECONDARY RES SQ FT	Single-Family	\$ 75,000	10%	\$7,500
14	SFD W/SECONDARY USE (I.E. BARBER SHOP,	Single-Family	\$ 75,000	10%	\$7,500
16	RES LOT W/MOBILEHOME	Mobile Home	\$ 50,000	10%	\$5,000
20	VAC LOT (ZONED FOR TWO UNITS)	Vacant	\$ 25,000	10%	\$2,500
21	ONE DUPLEX - ONE BLDG	Single-Family	\$ 50,000	10%	\$5,000
22	TWO SFDS ON SINGLE PARCEL	Single-Family	\$ 50,000	10%	\$5,000
31	SINGLE TRIPLEX -(3 UNITS, 1 STRUC.)	Single-Family	\$ 25,000	10%	\$2,500
32	THREE UNITS - 2 OR MORE STRUCTURES	Single-Family	\$ 25,000	10%	\$2,500
34	SINGLE FOURPLEX	Multifamily	\$ 25,000	10%	\$2,500
35	FOUR UNITS, 2 OR MORE STRUCTURES	Single-Family	\$ 25,000	10%	\$2,500
40	VACANT LOTS ZONED FOR APARTMENTS	Vacant	\$ 25,000	10%	\$2,500
41	5-10 RES. UNITS - SINGLE BLDG	Single-Family	\$ 25,000	10%	\$2,500
42	5-10 RES. UNITS - 2 OR MORE BLDGS.	Multifamily	\$ 25,000	10%	\$2,500
43	11-20 RES. UNITS - ONE STRUCTURE	Multifamily	\$ 25,000	10%	\$2,500
44	11-20 RES. UNITS - 2 OR MORE BLDGS.	Multifamily	\$ 25,000	10%	\$2,500
45	21-40 UNITS	Multifamily	\$ 25,000	10%	\$2,500
46	41-100 UNITS	Multifamily	\$ 25,000	10%	\$2,500
47	OVER 100 UNITS	Multifamily	\$ 25,000	10%	\$2,500
59	RESIDENTIAL CARE HOME (6 UNITS OR LESS)	Single-Family	\$ 25,000	10%	\$2,500
61	MOTELS OVER 50 UNITS	Commercial	\$ 125,000	10%	\$12,500
80	COMMON AREAS - NO STRUCTURES	Vacant	\$ 25,000	10%	\$2,500
81	COMMON AREAS - W/STRUCTURES	Vacant	\$ 25,000	10%	\$2,500
82	COMMON AREAS - ROADS & STREETS	Vacant	\$ 25,000	10%	\$2,500
90	MOBILE HOME PARK	Vacant	\$ 25,000	10%	\$2,500
100	VACANT COMMERCIAL LAND - UNDEV.	Vacant	\$ 125,000	10%	\$12,500
101	VACANT COMMERCIAL LAND W/UTIL.	Vacant	\$ 125,000	10%	\$12,500
102	VACANT COMMERCIAL LAND W/MISC IMPRS	Vacant	\$ 125,000	10%	\$12,500
110	SINGLE STORY	Commercial	\$ 125,000	10%	\$12,500
112	MULTIPLE STORES IN ONE BUILDING	Commercial	\$ 125,000	10%	\$12,500
113	STORE WITH RES. UNIT OR UNITS	Commercial	\$ 125,000	10%	\$12,500
121	MULTIPLE COMBINATION OF OFFICES, SHOPS,	Commercial	\$ 125,000	10%	\$12,500
140	GROCERY STORE	Commercial	\$ 125,000	10%	\$12,500
141	SUPERMARKETS	Commercial	\$ 125,000	10%	\$12,500
142	CONVENIENCE STORE	Commercial	\$ 125,000	10%	\$12,500
151	COMMUNITY SHOPPING CENTER	Commercial	\$ 125,000	10%	\$12,500
152	NEIGHBORHOOD SHOPPING CENTER	Commercial	\$ 125,000	10%	\$12,500
154	INDIVIDUAL PARCEL WITHIN COMMUNITY CEN	Commercial	\$ 125,000	10%	\$12,500
155	INDIVIDUAL PARCEL W/IN NEIGHBORHOOD SHO	Commercial	\$ 125,000	10%	\$12,500
170	1 STORY OFFICE BUILDING	Commercial	\$ 125,000	10%	\$12,500
171	2 STORY OFFICE BUILDING	Commercial	\$ 125,000	10%	\$12,500

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Table 7 (Continued)
SJAFCFA Smith Canal Area Assessment District continued
Land Damage Factor and Structure Type by Use Code

Assessor's Use Code	Land Use Description	Structure Type	Relative Not-Less-Than Land Value (per Acre) [1]	Land Damage Calculation	
				Land Damage Factor	Relative Land Damage Amount
190	MEDICAL OFFICES	Commercial	\$ 125,000	10%	\$12,500
201	MISC. MULTIPLE USES - NONE FULLY DOMINA	Commercial	\$ 125,000	10%	\$12,500
210	RESTAURANTS	Commercial	\$ 125,000	10%	\$12,500
213	COCKTAIL LOUNGE - BARS	Commercial	\$ 125,000	10%	\$12,500
250	FULL SERVICE STATIONS	Commercial	\$ 125,000	10%	\$12,500
251	SELF SERV. STATION(HAS NO FACILITIES FO	Commercial	\$ 125,000	10%	\$12,500
252	SERVICE STATION W/CAR WASH	Commercial	\$ 125,000	10%	\$12,500
255	SELF SERVICE STATION W/MINI MART	Commercial	\$ 125,000	10%	\$12,500
280	AUTO & TRUCK REPAIRS & ACCESSORIES	Commercial	\$ 100,000	10%	\$10,000
282	CAR WASH	Commercial	\$ 125,000	10%	\$12,500
285	AUTO BODY SHOP	Commercial	\$ 100,000	10%	\$10,000
290	RETAIL NURSERY	Commercial	\$ 100,000	10%	\$10,000
300	VACANT INDUSTRIAL LAND UNDEVELOPED	Vacant	\$ 100,000	10%	\$10,000
301	VACANT INDUSTRIAL LAND - DEVELOPED WITH	Vacant	\$ 100,000	10%	\$10,000
302	VACANT INDUSTRIAL LAND W/MISC IMPS	Vacant	\$ 100,000	10%	\$10,000
307	POTENTIAL INDUSTRIAL SUBDIVISION	Vacant	\$ 25,000	10%	\$2,500
310	LIGHT MFG. & LIGHT INDUSTRIAL	Industrial	\$ 100,000	10%	\$10,000
311	LIGHT INDUSTRIAL & WAREHOUSING	Industrial	\$ 100,000	10%	\$10,000
312	LIGHT INDUSTRIAL WHSE MULTIPLE TENNANTS	Industrial	\$ 100,000	10%	\$10,000
314	SHOP-WORK AREA W/SMALL OFFICE	Industrial	\$ 100,000	10%	\$10,000
320	WAREHOUSING - ACTIVE	Industrial	\$ 100,000	10%	\$10,000
324	MINI STORAGE WAREHOUSING	Industrial - Mini-Storage	\$ 100,000	10%	\$10,000
392	INDUST. USE(DOES'NT REASONABLY FIT ANY	Industrial	\$ 100,000	10%	\$10,000
590	WASTE LANDS	Vacant	\$ 25,000	10%	\$2,500
612	MARINA OR YACHTING CLUB	Commercial	\$ 25,000	10%	\$2,500
640	CLUBS, LODGE HALLS	Commercial	\$ 125,000	10%	\$12,500
660	18 HOLE PUBLIC GOLF COURSE	Commercial	\$ 25,000	10%	\$2,500
690	PRIVATELY OWNED PARKS	Vacant	\$ 25,000	10%	\$2,500
710	CHURCH, SYNAGOGUE OR TEMPLE	Public	\$ 25,000	10%	\$2,500
711	OTHER CHURCH PROPERTY	Public	\$ 25,000	10%	\$2,500
720	PRIVATE SCHOOL	Public	\$ 25,000	10%	\$2,500
722	SPECIAL SCHOOL	Public	\$ 25,000	10%	\$2,500
730	PRIVATE COLLEGES	Public	\$ 25,000	10%	\$2,500
742	CLINIC	Public	\$ 125,000	10%	\$12,500
760	ORPHANAGES	Commercial	\$ 25,000	10%	\$2,500
810	SBE VALUED	Vacant	\$ 25,000	10%	\$2,500
811	UTILITY WATER COMPANY	Public	\$ 25,000	10%	\$2,500
814	RADIO & TV BROADCAST SITE	Public	\$ 25,000	10%	\$2,500
850	RIGHT-OF-WAY	Vacant	\$ 75,000	10%	\$7,500
891	PARKING LOTS - NO FEE	Public	\$ 125,000	10%	\$12,500
903	MISC FEDERAL PROPERTY	Public	\$ 25,000	10%	\$2,500
910	VACANT STATE LANDS	Vacant	\$ 25,000	10%	\$2,500
916	MISC STATE PROPERTY	Public	\$ 25,000	10%	\$2,500
920	VACANT COUNTY LAND	Vacant	\$ 25,000	10%	\$2,500
925	MISC COUNTY PROPERTY	Vacant	\$ 25,000	10%	\$2,500
937	MISC CITY PROPERTY	Vacant	\$ 25,000	10%	\$2,500
940	SCHOOL DISTRICT PROPERTIES	Public	\$ 25,000	10%	\$2,500
943	WATER DISTRICT PROPERTY	Public	\$ 25,000	10%	\$2,500
944	MISC. DISTRICT PROPERTY	Public	\$ 25,000	10%	\$2,500

Source: SWC and Seevers Jordan Ziegenmeyer

[1] The relative Not-Less-Than Land Values are derived from the Summary Appraisal Report "San Joaquin Area Flood Control Agency (Smith Canal)" of the subject property prepared by Seevers Jordan Ziegenmeyer dated April 4, 2011.

Parcel Size

Flood damages to land were calculated for each parcel in the benefit area using the acreage for the parcel in question and the associated land use code as identified by the respective County Assessor's records. To the extent parcels are only partially in the pre-project benefit area, only the portion of parcel acreage in the area is included in the land damage calculation.

Land Damage Example

As stated above, land damage is calculated for each individual parcel in the proposed assessment district based on the specific attributes for the parcel, i.e., land use type and size. For example, the land damage for the following parcel would be calculated as follows:

General Formula

Land Damage = Parcel Acreage x Land Damage Factor

Example:

Single Story Single-Family Residence (Land Use Code 10)

Parcel Acreage: 0.18 acres

Land Damage = 0.18 Acres x \$7,500 / Acre = \$1,350

\$1,350 represents the relative Land Damage benefit experienced by the example parcel presented. This benefit plus the structure and content damage benefit are used to determine the total relative benefit of the parcel to all other parcels in the benefit area.

Total Relative Flood Damage Reduction Benefit

The total relative flood damage reduction benefit for each parcel in the benefit area is the sum of the structure and content damages and the land damages associated with that parcel. Given the single-family residential examples above, the resulting total relative flood damage reduction benefit is calculated as follows:

General Formula

Total Relative Flood Damage Reduction Benefit
= Structure and Content Damage + Land Damage

Example:

Single Story Single-Family Residence

Parcel Acreage: 0.18 acres

Building Square Feet: 1,500

Flood Depth 5 Feet

Structure and Content Damage = 1,500 SF x \$60 / SF x 81.7% = \$73,530

Land Damage = 0.18 Acres x \$7,500 / Acre = \$1,350

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

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The analysis described above was performed for every parcel in the benefit area that was determined to have received special benefit. The sum of total benefits for all such parcels is \$435,371,198.60.

C. ASSESSMENT RATE

Proposition 218 requires assessments levied to be proportional to the benefits conferred by the facilities and services provided. In order to ensure that the spread of assessments is proportional based upon the benefits calculated above, the engineer has divided the annual costs of the facilities and services by the total benefits calculated for all benefiting parcels. The maximum initial proportional assessment rate for parcels within the assessment district is shown in **Table 8**.

Table 8
SJAFCA Smith Canal Area Assessment District
Assessment Rate Calculation

Item	Amount	Units	Reference
Total Annual Assessment District Budget	\$1,660,741	(\$'s)	Table 4
Total Benefit Amount in SJAFCA Smith Canal Benefit Area	\$435,371,199	Benefit \$'s	
Maximum Proportional Assessment Rate	\$0.00381	Assessment \$/ Benefit \$	

D. 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 8** above. The following example is based on the single-family residential example used previously.

General Formula

$$\begin{aligned} &\text{Maximum Proportional Assessment} \\ &= \text{Total Flood Damage Reduction Benefit} \times \text{Assessment Rate} \end{aligned}$$

Example:

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

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

Assessment Rate = \$0.00381

Maximum Not-To-Exceed Assessment = \$74,880 x \$0.00381 = \$285.29

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

E. SUMMARY OF ASSESSMENTS

The average assessment for all parcels in the District by general land use category and the breakdown of that assessment between Capital and Administration/O&M is shown in **Table 9**.

Table 9
SJAFCA Smith Canal Area Assessment District
Summary of Average Rates

Land Use Type	Number of Parcels	Average Rate	Minimum Rate	Maximum Rate	Share of Total Assessment
Single-Family	7,291	\$171.24	\$5.00	\$1,275.84	75.18%
Multi-Family	334	\$202.75	\$5.00	\$7,628.20	4.08%
Mobile Home	3	\$87.13	\$12.40	\$141.68	0.02%
Commercial	80	\$1,874.03	\$5.00	\$18,468.28	9.02%
Industrial	32	\$2,822.54	\$20.02	\$16,863.20	5.44%
Government and Utilities	61	\$1,609.16	\$5.00	\$28,564.80	5.91%
Vacant	300	\$19.38	\$5.00	\$1,372.08	0.35%
All Parcels	8,101	\$205.00			100.00%

	Capital Portion	O&M and Admin Portion	Total
Annual Costs	\$1,272,792 76.64%	\$387,949 23.36%	\$1,660,741
Single-Family	\$131.24	\$40.00	\$171.24
Multi-Family	\$155.39	\$47.36	\$202.75
Mobile Home	\$66.77	\$20.35	\$87.13
Commercial	\$1,436.26	\$437.77	\$1,874.03
Industrial	\$2,163.19	\$659.34	\$2,822.53
Government and Utilities	\$1,233.26	\$375.90	\$1,609.16
Vacant	\$14.85	\$4.53	\$19.38
All Parcels	\$157.11	\$47.89	\$205.00

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While each individual parcel will have a unique assessment based on the specific attributes of the parcel as described above, **Table 10** provides an example calculation of the typical assessment for a single-family residential parcel based on varying flood-depth reductions.

Table 10
SJAFCA Smith Canal Area Assessment District
Typical 1-Story Single Family Assessment Calculation at Varying Depths

Typical 1-Story Single Family Parcel	Formula	Amount	Reference
Building Square Feet	a	1,500	
Acres	b	0.18	
Structure and Content Value per Building Sq. Ft.	c	\$60	Table 5
Land Value Damage per Acre	d	\$7,500	Table 7
Land Value Benefit	$e = b \times d$	\$1,350	

Elevation Range	Flood Depth Range	Percent Damage	Reference	Structure Benefit	Total Damage Benefit
		d			
		f	Table 6	$g = a \times c \times f$	$h = e + g$
(less than (2))	10+ to 12	114.40%		\$102,960	\$104,310
((2)+ to (1))	8+ to 10	107.50%		\$96,750	\$98,100
((1)+ to (1))	6+ to 8	96.80%		\$87,120	\$88,470
(1+ to 3)	4+ to 6	81.70%		\$73,530	\$74,880
(3+ to 5)	2+ to 4	61.80%		\$55,620	\$56,970
(5+ to 7)	0+ to 2	36.20%		\$32,580	\$33,930
(7+ to 9)	(2) to 0	7.80%		\$7,020	\$8,370
(greater than 9)	(2) or less	0.00%		\$0	\$1,350
Assessment per Benefit Dollar		i		\$0.00381	

		Total Benefit		Annual Assessment
		h		
@ -3 Foot Elev.	(i.e. ~11 Feet Deep)	\$104,310	$x i =$	\$397.42
@ -1 Foot Elev.	(i.e. ~9 Feet Deep)	\$98,100	$x i =$	\$373.76
@ 1 Foot Elev.	(i.e. ~7 Feet Deep)	\$88,470	$x i =$	\$337.07
@ 3 Foot Elev.	(i.e. ~5 Feet Deep)	\$74,880	$x i =$	\$285.29
@ 5 Foot Elev.	(i.e. ~3 Feet Deep)	\$56,970	$x i =$	\$217.06
@ 7 Foot Elev.	(i.e. ~1 Feet Deep)	\$33,930	$x i =$	\$129.27
@ 9 Foot Elev.	(i.e. ~-1 Feet Deep)	\$8,370	$x i =$	\$31.89
@ 11 Foot Elev.	(i.e. ~-3 Feet Deep)	\$1,350	$x i =$	\$5.14

F. ANNUAL ESCALATION

The maximum proportional assessment rate, as shown in **Table 8** is made up of two distinct components. These components, as described above are the Capital Component and Administration/O&M Component. A detailed breakdown of the maximum proportional assessment between these components is shown in **Table 11** below. 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, All Items with base year 1982-84-100 has been chosen as the escalation factor.

Table 11
SJAFCA Smith Canal Area Assessment District
Assessment Rate Escalation Breakdown

Item	Amount	Reference
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	Table 8
Capital Component	76.64%	0.00292 Table 9
Administration/O&M Component	23.36%	0.00089 Table 9

Administrative/OM Component has been escalated by February 2016 to February 2017 CPI-W of 3.28%

G. 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.

H. 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 which is expected to take place in 2017. 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.

I. APPEAL PROCESS

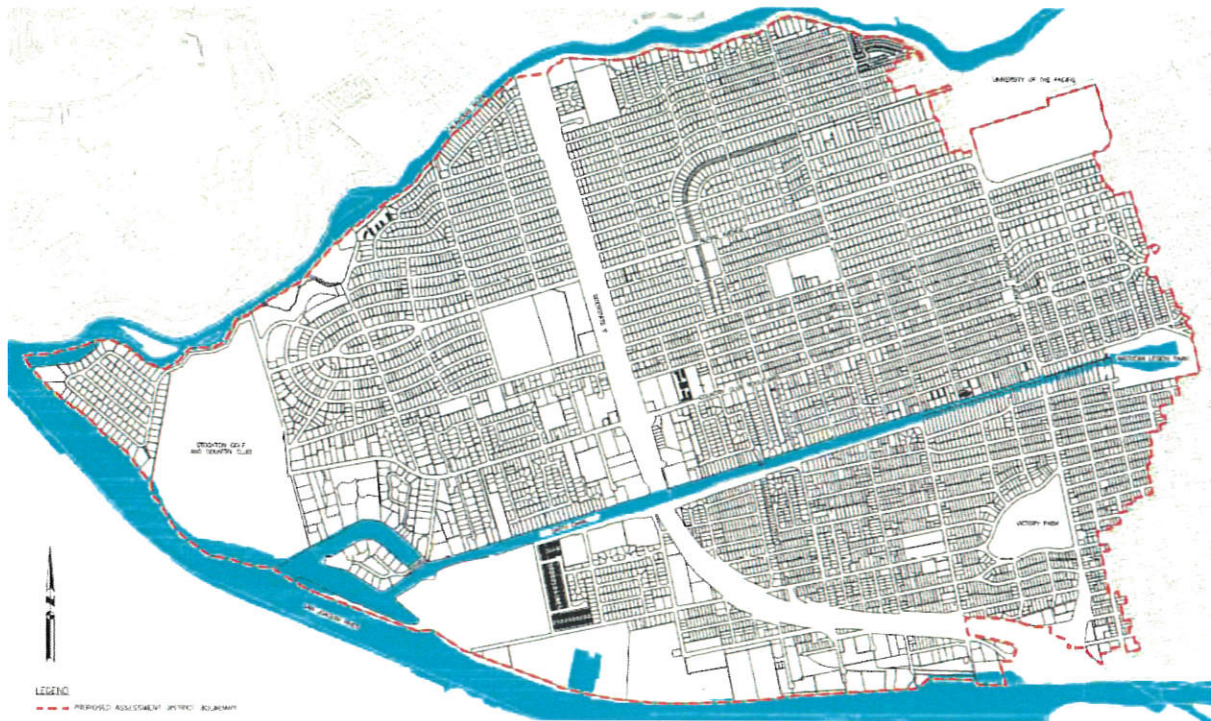
Any property owner who believes his or her property should be reclassified and the assessment adjusted may file a written appeal with the Executive Director of SJAFCA or his or her designee. The appeal must include a statement of reasons why the property should be reclassified, and may include supporting 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.

ATTACHMENT



V. 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 depicted in the Diagram below.



VI. ASSESSMENT 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 Capital and 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 2017/18.

Attachments



COMMITTEE ON
ENERGY AND COMMERCE

COMMITTEE ON
SCIENCE, SPACE, AND TECHNOLOGY

Congress of the United States
House of Representatives
Washington, DC 20515-0509

STOCKTON DISTRICT OFFICE
2222 GRAND CANAL BOULEVARD, #7
STOCKTON, CA 95207
(209) 476-8552

ANTIOCH DISTRICT OFFICE
4703 LONE TREE WAY
ANTIOCH, CA 94531
(925) 754-0716

May 9, 2017

Mr. Douglas W. Lamont
Senior Official Performing the Duties of the
Assistant Secretary of the Army (Civil Works)
108 Army Pentagon
Washington, DC 20310-0108

Major General Donald Jackson, Jr.
Deputy Commanding General
Civil and Emergency Operations
U.S. Army Corps of Engineers
441 G. Street, NW
Washington, DC 20314-1000

Dear Mr. Lamont and Major General Jackson:

I am writing to request funding in the Army Corps of Engineers (Corps) Fiscal Year 2017 work plan for two flood control projects in my congressional district. In order of priority, the funding requests are:

1. The Lower San Joaquin River Feasibility Study: \$200,000
2. The Stockton Metropolitan Area Flood Control Reimbursement: \$5,000,000

Lower San Joaquin River Feasibility Study

The Lower San Joaquin River Feasibility Study (LSJRFS) will identify flood protection improvements for the City of Stockton metropolitan area. Levees in the plan provide protection from flooding from both the Delta and rivers. The cost-share agreement for the study was signed in 2009 and to date the local partners and the Corps have invested over \$8.7 million. The national economic development plan is supported by State and local entities to address future flood protection improvements for a population of over 122,000.

After eight years, the LSJRFS is nearing completion and requires a federal contribution of \$200,000, which will be matched by the State and the San Joaquin Area Flood Control Agency. Additional funding in the FY17 work plan would allow the LSJRFS to be completed and allow the project to move towards a Civil Works Review Board later this year. This final allocation for the LSJRFS could be allocated in either the Corps Fiscal Year 2017 work plan or through reprogramming efforts. The completion of the LSJRFS is of critical importance to provide my constituents with adequate protection against flood events.

Stockton Metropolitan Area Flood Control Reimbursement

In 1995, the Federal Emergency Management Agency determined that most of the Stockton Metropolitan Area would be re-mapped into the 100-year flood zone. As a result, flood control

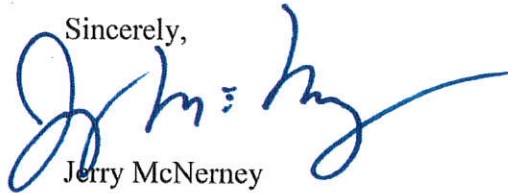
improvements in the area had to be initiated immediately and were financed by property assessments and bonds. All Federal reimbursements were required to be used to refund property assessments, retire bonds, fund studies, or construct flood improvements.

Section 211 of the Water Resources Development Act of 1996 authorized SJAFCFA to construct flood control improvements and receive reimbursement for the Federal share of projects costs. The project was completed in 1998. Based on the Corps' estimate, the Federal share of the approved plan is \$33.1 million.

SJAFCFA received a total of \$22.4 million in reimbursements from FY 2001 through FY2007. The balance of the remaining Federal cost share is approximately \$10.7 million. It has been 10 years since SJAFCFA received a Federal reimbursement allocation from the Corps for this project, resulting in significant added expenditures in interest payments and administrative costs that are not eligible for the Federal reimbursement. The \$5 million reimbursement request will move Corps closer to final repayment. The FY 2017 omnibus appropriations bill (P.L. 115-31) requires that a minimum of \$10 million be allocated in the FY 2017 work plan for reimbursement payments by the Corps to non-federal sponsors of completed flood and storm damage reduction projects.

Therefore, I strongly urge you to provide funding for the remaining \$200,000 for the LSJRFS, and \$5 million in reimbursement to SJAFCFA for the Stockton Metropolitan Area Flood Control project in the FY 2017 work plan. Thank you for considering these critically important requests, and I look forward to working with you going forward.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jerry McNerney", with a long horizontal flourish extending to the right.

Jerry McNerney
Member of Congress

**End of Agenda
Packet**