San Joaquin Area FLOOD CONTROL Agency

22 E. Weber Avenue, Room 301 | Stockton, CA 95202 | (209) 937-7900 | www.sjafca.com

SPECIAL BOARD MEETING

SAN JOAQUIN AREA FLOOD CONTROL AGENCY AGENDA

TUESDAY, MAY 29, 2018

1:00 P.M.

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

1. **CALL TO ORDER / ROLL CALL**

2. **PLEDGE TO FLAG**

3. **CONSENT AGENDA**

   3.1) Approve minutes of the Board meeting of March 29, 2018

   3.2) Approve minutes of the Board meeting of April 6, 2018

   3.3) Approve offer letters for the Right of Way acquisition needed for the construction of Smith Canal Gate Project

   3.4) Adopt Agency Bylaws

4. **PUBLIC HEARING**

   4.1) 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 2018/2019

4.2) 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 2018/19

5. WORKSHOP

5.1) SJAFCA Budget Presentation

6. NON-CONSENT AGENDA

6.1) Approve the proposed 2018/19 budget for the San Joaquin Area Flood Control Agency

6.2) Approve the proposed 2018/19 budget for the Mossdale Tract Program

7. ORAL REPORT FROM EXECUTIVE DIRECTOR

8. PUBLIC COMMENTS

9. BOARD QUESTIONS, COMMENTS, ACTIONS

10. CLOSED SESSION

10.1) Conference with Legal Counsel Regarding Public Employment Pursuant to Government Code Section 54957

Title: Executive Director

10.2) 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

10.3) Dominick Gulli v. San Joaquin Area Flood Control Agency (Smith Canal Addendum)

Case No. STK-CV-UWM-2017-0013586

10.4) Atherton Cove Property Owners Association v. San Joaquin Flood Control Agency. C085520 San Joaquin County

Case No. STK-CV-UWM-2015-60011847

11. ADJOURNMENT

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

July 19, 2018
September 20, 2018
November 8, 2018
January 17, 2019

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 3.1

MINUTES
SAN JOAQUIN AREA FLOOD CONTROL AGENCY
SPECIAL MEETING OF MARCH 29, 2018

CITY COUNCIL CHAMBERS, STOCKTON, CALIFORNIA

1. **CALL TO ORDER / ROLL CALL 9:01 AM**

   Roll Call
   Present:
   Gary Singh
   Jesús Andrade
   Mike Morowit
   Katherine Miller
   Steve Dresser
   Tom Patti
   Elbert Holman

   Absent: Mark Elliott

   Note: *Director Holman was not present during Roll Call. He arrived at 9:07 AM.*

2. **PLEDGE TO FLAG 9:02 AM**

3. **CONSENT AGENDA 9:02 AM**

   PUBLIC COMMENT
   Dominick Gulli

Motion:	Approve Consent Agenda
Moved by:	Jesús Andrade, seconded by Mike Morowit
Vote:	Motion carried 6-0
Yes:	Gary Singh, Jesús Andrade, Mike Morowit, Katherine Miller, Steve Dresser, and Tom Patti
Abstain:	Elbert Holman
Absent:	Mark Elliott

   3.1) Approve the minutes of the Board meeting of February 26, 2018

   3.2) City of Stockton Invoices (Informational Only)

4. **WORKSHOP 9:10 AM**

   4.1) History of Smith Canal (Informational Only)

   4.2) Presentation

PUBLIC COMMENT
Dominick Gulli

5. **ORAL REPORT FROM EXECUTIVE DIRECTOR 9:57 AM**

6. **PUBLIC COMMENTS 10:01 AM**
   Dominick Gulli

7. **BOARD QUESTIONS, COMMENTS, ACTIONS 10:05 AM**

8. **CLOSED SESSION 10:05 AM**

PUBLIC COMMENT
Dominick Gulli

8.1) Conference with Legal Counsel Regarding Public Employment Pursuant to Government Code Section 54957

Title: Executive Director

8.2) 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

8.3) Dominick Gulli v. San Joaquin Area Flood Control Agency (Smith Canal Addendum)

Case No. STK-CV-UWM-2017-0013586

8.4) Atherton Cove Property Owners Association v. San Joaquin Flood Control Agency. C085520 San Joaquin County

Case No. STK-CV-UWM-2015-60011847

REPORT OF ACTION TAKEN IN CLOSED SESSION

- **Item 8.1 –** Follow up interviews for the Executive Director position will occur with two final candidates

- **Items 8.2, 8.3 & 8.4 –** The Board wished to note, officially for the record, that General Counsel is directed to defend all lawsuits and motions filed on any case relating to Smith Canal unless the Board indicates otherwise

PUBLIC COMMENT
Dominick Gulli

9. **ADJOURNMENT 10:52 AM**

The meeting adjourned at 10:52 AM. The next meeting is scheduled for May 17, 2018, at 9:00 AM.

SCOTT SHAPIRO
ACTING EXECUTIVE DIRECTOR
SAN JOAQUIN AREA FLOOD
CONTROL AGENCY

Agenda Item 3.2

MINUTES
SAN JOAQUIN AREA FLOOD CONTROL AGENCY
SPECIAL MEETING OF APRIL 6, 2018

CITY COUNCIL CHAMBERS, STOCKTON, CALIFORNIA

1. **CALL TO ORDER / ROLL CALL 1:02 PM**

   Roll Call
   Present:
   Jesús Andrade
   Mark Elliott
   Katherine Miller
   Elbert Holman
   Steve Dresser
   Mike Morowit

   Absent: Gary Singh and Tom Patti

   Note: *Director Morowit was not present during Roll Call. He arrived during Closed Session.*

2. **PLEDGE TO FLAG 1:02 PM**

3. **PUBLIC COMMENTS 1:03 PM**
   Dominick Gulli

4. **CLOSED SESSION 1:06 PM**

   PUBLIC COMMENT
   Dominick Gulli

   4.1) Conference with Legal Counsel Regarding Public Employment Pursuant to Government Code Section 54957

   Title: Executive Director

   - Two Candidates

   REPORT OF ACTION TAKEN IN CLOSED SESSION

   - Two candidates were interviewed.
   - Legal Counsel was given direction regarding the candidates/interviews.
   - The Recruiting Committee consisting of Chair Miller and Director Holman was reconfirmed.

5. **ADJOURNMENT 5:07 PM**

AGENDA ITEM 3.2

The meeting adjourned at 5:07 PM. The next meeting is scheduled for May 17, 2018, at 9:00 AM.

SCOTT SHAPIRO
ACTING EXECUTIVE DIRECTOR
SAN JOAQUIN AREA FLOOD
CONTROL AGENCY

18 April 06 SJAFCA Meeting Minutes

Agenda Item 3.3

May 29, 2018

TO: San Joaquin Area Flood Control Agency

FROM: Roger Churchwell, Acting Executive Director

SUBJECT: **WRITTEN OFFER LETTERS FOR THE RIGHT OF WAY ACQUISTION NEEDED FOR THE CONSTRUCTION OF SMITH CANAL GATE PROJECT**

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 issue written offer letters and take all appropriate actions required to complete the acquisition of the real property rights for the Smith Canal Gate project.

DISCUSSION

Background

As part of the Federal Emergency Management Agency (FEMA) Flood Map Modernization Program in 2005, FEMA began requiring levee owners/maintaining agencies to submit documentation showing that their levees could meet the certification requirements of the Code of Federal Regulations.

Smith Canal levee maintaining agencies, Reclamation District 1614 (north bank levee) and Reclamation District 828 (south bank levee), determined that due to existing issues with encroachments, erosion, vegetation, maintenance, and construction records, etc., the Smith Canal levees were not able to meet FEMA certification requirements.

Consequently, in 2009 FEMA issued Flood Insurance Rate Maps (FIRMs) showing approximately 5,000 properties located within the 100-year floodplain. In addition, FEMA is proposing to remap this area which would include an additional 3,000 parcels in the floodplain, based on updated topographical data developed by California Department of Water Resources (DWR).

In 2009, at the request of Reclamation Districts 1614 and 828, SJAFCA partnered with the Districts, and took the lead in evaluating options for restoring FEMA accreditation for the Smith Canal area.

On February 10, 2011, SJAFCA applied for funding from DWR’s Early Implementation Program (EIP) to obtain partial funding from the State for the design and environmental review of the project. SJAFCA received a $2,412,500 grant in September of 2012 for 50% of the project design phase and associated environmental analysis.

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

In November 2013, the Board authorized a contract with Peterson Brustad, Inc. (PBI) for the design of the project, and approved Task Order No.1 for the development of the project's Environmental Impact Report (EIR) and public outreach. All work required 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.

In November 2015, the Board authorized Task Order No. 5 for the design, permitting, and right of way acquisition for the project.

On October 24, 2017, the UFRR grant was fully executed. DWR will cost-share 63% of the project construction costs to a maximum amount of $22,309,666.

Present Situation

Project design is in the process of completing the 95% design documents, SJAFCA needs to move forward with the acquisition of the required parcels property rights to construct the project. The project requires acquisition of real property rights from four (4) separate ownerships. Each of the acquisitions are shown in Table 1 and Attachment 1. The right of way contracts and deeds will specify the rights acquired and restrictions for the proposed acquisition areas. Private property appraisals will consider and address SJAFCA property rights encumbering the subject properties.

TABLE 1

Property Owner	**Assessor's parcel No. (APN)**	**Type of acquisition**	**Easement or Fee (Acres)**	**Land Lease (Acres)**	**Temporary construction easement (Acres)**
Stockton Golf and Country Club	109-020-06	Easement TCE (Temporary Constr. Easement)	0.46 0.19		
City of Stockton	121-040-11 Southern area	FEE (Fee Title) TCE- Constr. + Staging	1.66		1.53
U.S. Army	121-040-11 Northern area	Unknown, in light of Lower SJ River Feasibility Study	2.14		
State of California-State Lands Commission	N/A	Land lease, Closure structure, fishing platforms and permanent maintenance easement		1.23	
TOTALS			**4.45**	**1.23**	**1.53**

Except for the property held by the U.S. Army Corps of Engineers, the actions to acquire the required property interests for the project include the following:

- Appraisals establishing the fair market value of subject properties
- Preparation of written offers including any necessary acquisition documents
- Negotiations for the acquisition of all parcels by deed and contract, if necessary
- Certificates of Acceptance
- Compensation for property rights including and damages and/or cost to cure work required to clear rights-of-way
- Other documents necessary to complete the acquisition of any real property interest

For the property owned by the U.S. Army Corps of Engineers (USACE), USACE is considering what form of property access is appropriate. As the non-Federal sponsor, SJAFCA has the duty to acquire this property for the Smith Canal component of the Lower San Joaquin River Feasibility Study (LSJRFS). USACE is evaluating whether to simply grant the property to SJAFCA at this time in conjunction with the stand-alone Smith Canal project as well as the LSJRFS.

More generally, it is anticipated that the right-of-way acquisition for the project will be completed by late Fall 2018.

It is recommended that the Board adopt a resolution authorizing the Executive Director to issue the written offer letters and take all appropriate actions required to complete the acquisition of the real property rights for the Smith Canal Gate Project.

Funds from the Smith Canal assessment district and UFRR State grant will be used to cover all expenses related to the acquisition of these parcels.

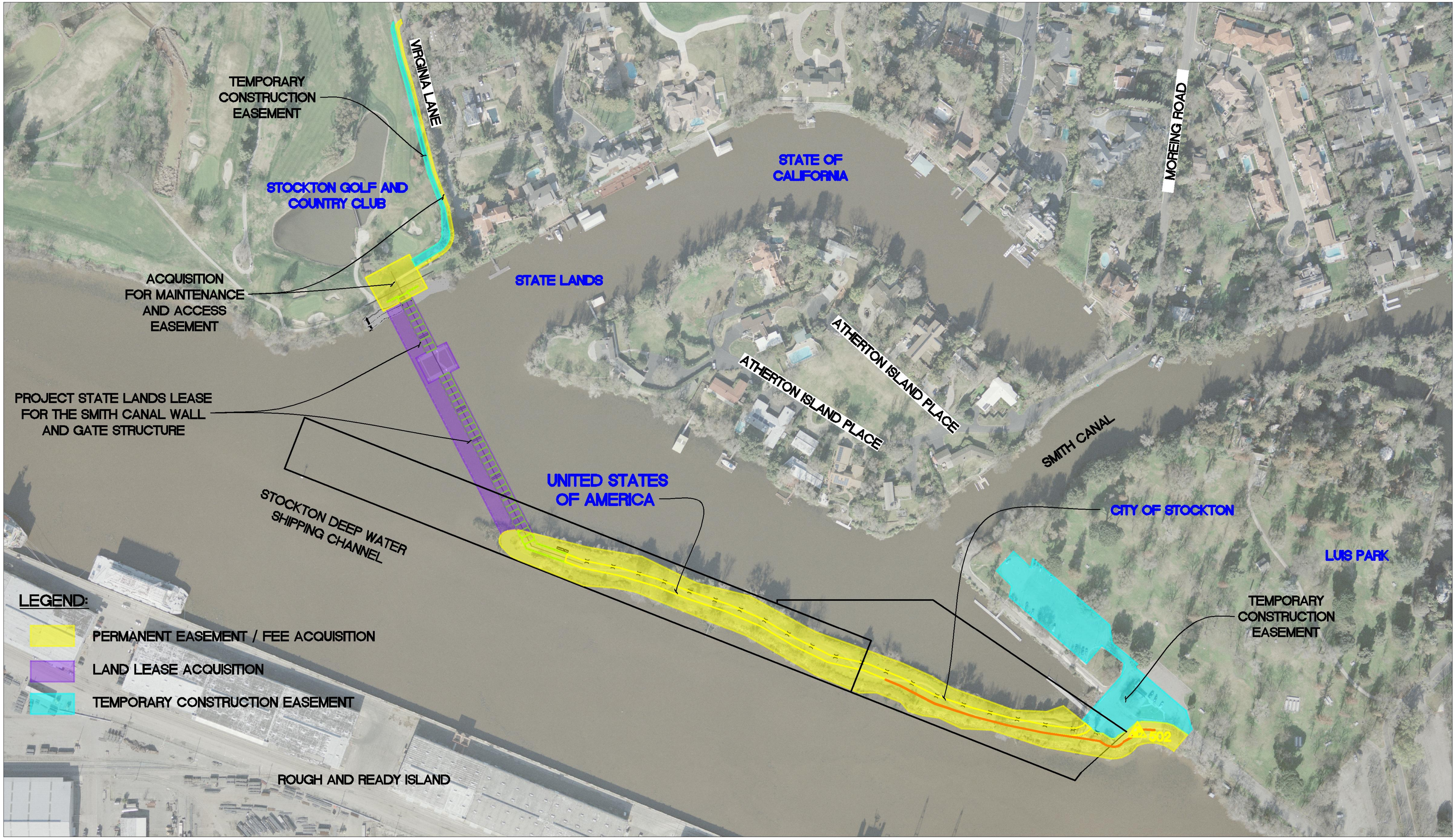
PREPARED BY: Juan J. Neira

Roger Churchwell

APPROVED:
ROGER CHURCHWELL
ACTING EXECUTIVE DIRECTOR

RC:JJN:dc

ATTACHMENT



FILE SPEC: P:\2091_SJAFCA_IDIQ\0063_Smith_Canal_Gate_Final_Design\04_Survey\300_Boundary\preliminary\Real Estate Plan – Smith Canal Gate Impacts One Sheet.dwg
PLOT DATE: May 23, 2018 – 10:20am

SJAFCA San Joaquin Area FLOOD CONTROL Agency

PETERSON . BRUSTAD . INC ENGINEERING . CONSULTING

NORTH ORIENTATION

PROJECT ENGINEER

PRELIMINARY NOT FOR CONSTRUCTION

NO.	DESCRIPTION	DATE	APPR.

DESIGN BY BAS
DRAWN BY BAS
CHECK BY KFN
HORIZONTAL DATUM CCS83, ZONE 3
VERTICAL DATUM NAVD88

DRAWING SCALE 1" = 120'
ORIGINAL DRAWING SCALE 0 ½" 1"

KSN inc. KJELDSEN SINNOCK NEUDECK CIVIL ENGINEERS & LAND SURVEYORS
www.ksninc.com
711 N Pershing Avenue Stockton, CA 95203 209-946-0268
1550 Harbor Drive, Suite 212 West Sacramento, CA 95691 916-403-5900

SAN JOAQUIN COUNTY AREA FLOOD CONTROL AGENCY
SMITH CANAL GATE PROJECT
STOCKTON, CALIFORNINA

OVERALL
REAL ESTATE PLAN EXHIBIT

DATE MAY 2018
SHEET IDENTIFICATION REP
SHEET 1 OF 1
KSN PROJECT FILE NO. 2091-0063

Agenda Item 3.4

May 29, 2018

TO: San Joaquin Area Flood Control Agency

FROM: Scott L Shapiro, General Counsel

SUBJECT: **PROPOSED ADOPTION OF BYLAWS PRINCIPLES**

RECOMMENDATION

It is recommended that the Board of Directors adopt the proposed bylaws for the San Joaquin Area Flood Control Agency.

DISCUSSION

Background

The San Joaquin Area Flood Control Agency adopted bylaws for its operation on May 25, 1995. The Agency has recently been modified to also include the Cities of Manteca and Lathrop. As a result of this modification, the Agency Board of Directors should adopt new bylaws.

Present Situation

Staff worked with the four member agencies on revisions to the bylaws. Earlier this year staff presented to the Board some policy issues for the Board to consider and the updated proposed bylaws have been shaped by that conversation.

If the Board approves the bylaws, staff will do the following: (1) present the bylaws to the member agencies to seek majority ratification, and (2) develop a policy on the appointment of a public member of the Board.

APPROVED:
SCOTT L SHAPIRO
GENERAL COUNSEL

JBG:MD:dc

AGENDA ITEM 3.4

ATTACHMENT

BYLAWS OF THE

SAN JOAQUIN AREA FLOOD CONTROL AGENCY

PREAMBLE

The San Joaquin Area Flood. Control Agency ("Agency") is a cooperative agency voluntarily established by its members pursuant to the Joint Exercise of Powers Act of the Government Code of the State of California for the joint and mutual regional effort to study, plan for, develop, finance, acquire, construct, maintain, repair, manage, operate and control facilities, works and structures for the control and disposal of waters within the Agency's territorial jurisdiction which are necessary to ensure not less than a minimum level of flood protection.

Pursuant to Section 17 of that certain agreement entitled "San Joaquin Area Flood Control Agency Joint Exercise of Powers Agreement" (the "Agreement"), by and between the City of Stockton, the County of San Joaquin, the San Joaquin County Flood Control and Water Conservation District, the City of Lathrop, and the City of Manteca, these Bylaws were adopted by the Board of Directors for the San Joaquin Area Flood Control Agency by Resolution 2018-______ adopted May 29, 2018.

ARTICLE I

PRINCIPAL OFFICE

SECTION 1.1. The principal office for the transaction of business of the Agency is hereby fixed and located at 425 N. El Dorado Street, Stockton, CA 95202-1997 unless otherwise changed by the Board of Directors by resolution.

ARTICLE II

NOTICE

SECTION 2.1. Notice from one party to another shall be given in writing to the addresses shown herein and shall be given in accordance with all regulations specified within the Agreement and the Bylaws thereto as to time, place, and persons to be notified.

The addresses are as follows:

City of Stockton City Manager 425 N. El Dorado St. Stockton, CA 95202	County of San Joaquin County Administrator 222 E. Weber Avenue Suite 707 Stockton, CA 95202	San Joaquin County Flood Control and Water Conservation District Director of Public Works P.O. Box 1810 Stockton, CA 95201
City of Lathrop City Clerk 390 Towne Centre Drive Lathrop, CA 95330	City of Manteca City Clerk 1001 W. Center Street Manteca, CA 95337	

Parties may change the address to which notices shall be sent by giving notice of such change to all other parties at least thirty (30) days prior to the effective date of such change.

Notice to the Agency shall be given in accordance with the regulations specified for notice to the parties and shall be sent to the address specified herein for the Agency to the attention of the Executive Director.

Notice of regular or special meetings, notice inviting bids, and other statutorily required notice shall be posted as required by the Ralph G. Brown Act.

ARTICLE III

BOARD OF DIRECTORS AND OFFICERS

SECTION 3.1. GENERAL AND PUBLIC MEMBER. The membership, organization, term of members, voting authority, and powers of the Board shall be as set forth in the Joint Exercise of Powers Agreement. The Board of Directors shall consider and approve a policy for the appointment of a Public Member of the Board of Directors. The Policy shall provide for process selection and term for the Public Member.

SECTION 3.2. PRESIDING OFFICERS. The Board of Directors shall be presided over by the Chairperson who shall be a member of the Board elected among its members. In the absence of the Chairperson, the Board shall be presided over by a Vice-Chairperson elected from among the members.

SECTION 3.3 EXECUTIVE DIRECTOR/SECRETARY. The Executive Director shall also act as the Secretary for the Agency; however, the Executive Director may delegate the duties of the Secretary to another employee. Neither the Executive Director nor the Secretary has voting authority.

The Secretary shall be the custodian of all resolutions or ordinances of the Board, and shall cause a record of all matters acted upon by motion of the Board to be kept and maintained. The Secretary shall be the custodian of all official records and all legal documents (including contracts, deeds, and other conveyances of property interests) of the Agency. The Secretary shall be empowered to certify that copies of such resolutions, ordinances, records, and documents are true copies thereof. The Secretary shall be empowered to attest to the signature of any officer of the Agency.

The Secretary shall, pursuant to resolution of the Board duly adopted, accept all deeds, grants, or other conveyances of real property interest to the Agency. The Secretary shall perform such other duties as may be from time to time assigned by the Board of Directors.

SECTION 3.4. TREASURER

a. The Treasurer shall be the Treasurer from the County of San Joaquin. The Treasurer shall have no voting authority.

b. The Treasurer shall be the depository, shall have the custody of all of the money of the Agency from whatever source, and shall have the duties and obligations of the Treasurer as set forth in Section 6505 and 6505.5 of the Government Code.

c. The Treasurer shall be responsible for receiving quarterly reports and verifying the balance of these reports with respect to the balance as maintained by the records of the Auditor. There shall be strict accountability of all funds of the Agency and a report of all receipts and disbursements as required by Sections 6505 and 6505.5 of the Government Code.

d. The Treasurer shall have the powers and duties set forth in the Joint Exercise of Powers Agreement and these Bylaws, and any other powers and duties as may be established by the Board of Directors.

e. The Treasurer shall:

1. Have charge and custody of and be responsible for all funds, securities and assets of the Agency; receive and give receipts for monies due and payable to the Agency from any source whatsoever, and deposit all such monies in a separate fund in the name of the Agency;

2. In general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors.

f. To the extent permitted by the County, the Treasurer shall give a bond in the amount of $25,000 for the faithful discharge of duties, with such surety or sureties as the Board of Directors shall determine. The bond premium shall be paid for by the Agency.

g. The Treasurer and Executive Director may execute a memorandum of understanding to implement the provisions of the Joint Exercise of Powers Agreement and these Bylaws and to provide for any operational efficiencies as may be necessary and appropriate to the business affairs of the Agency.

SECTION 3.5. AUDITOR

a. The Auditor shall be the Auditor from the County of San Joaquin. The Auditor shall have no voting authority.

b. The Auditor shall have the duties and obligations of the Auditor as set forth in Section 6505 and 6505.5 of the Government Code.

c. The Auditor shall assure strict accountability of all receipts and disbursements of the Agency and shall make arrangements with a certified public accountant or firm of certified public accountants for an annual audit of accounts and records of the Agency.

d. To the extent permitted by the County, the Auditor shall give a bond in the amount of $25,000 for the faithful discharge of duties, with such surety or sureties as the Board of Directors shall determine. The bond premium shall be paid for by the Agency.

e. The Auditor and Executive Director may execute a memorandum of understanding to implement the provisions of the Joint Exercise of Powers Agreement and these Bylaws and to provide for any operational efficiencies as may be necessary and appropriate to the business affairs of the Agency.

SECTION 3.6. MEETINGS.

a. Minutes. The Secretary shall cause action minutes of all meetings to be kept. The Secretary shall ensure that, as soon as possible after approval, copies shall be forwarded to the members of the Board and the parties.

b. Conduct of Meetings. Robert's Rules of Order, when applicable, shall govern the conduct of all meetings of the Agency.

c. Staff Attendance. The Executive Director or his or her representative shall attend all meetings.

SECTION 3.7. REIMBURSEMENT FOR EXPENSES. Members of the Board of Directors shall receive reimbursement for any actual expenses incurred as members of the Board of Directors.

SECTION 3.8. COMMITTEES.

The Board may establish such committees as it deems proper for the administration of its duties.

a. Appointment and Terms of Members of Standing Board Committees.

The Chairperson of the Board shall appoint the members of Board Committees. Committee functions and assignments shall be approved by the Board.

b. Ad Hoc Committees.

Ad hoc committees may be established at any time and from time to time by the Chairperson, and the Chairperson shall appoint the members of the Board to the ad hoc committees.

c. Committee Membership.

The Executive Director shall be an ex officio member of all standing and ad hoc committees of the Board.

SECTION 3.9. CONFLICT OF INTEREST. No Board member shall realize economic gain from an action of the Board in which that Board member participated. Board members shall be required to follow the Conflict of Interest Code adopted by the Board of Directors and timely file all reports required by such Code.

ARTICLE IV

MANAGEMENT

SECTION 4.1 MANAGEMENT BY THE EXECUTIVE DIRECTOR. The policies of the Board of Directors shall be carried out by the Executive Director. The Executive Director shall provide the general management, direction and development of the Agency operations and procedures on a daily basis with responsibility for all facilities, employees, staff, consultants, and equipment, and for their respective uses. The Executive Director shall report directly to the Board of Directors. The Executive Director shall have the authority to:

a. Prepare and submit recommendations as to the necessary expenditure levels for the operations of the Agency and for the delivery of services;

b. Provide technical expertise to the Board in planning and design and construction of any Facilities and Works;

c. Expend funds as directed and approved by the Board approved budget;

d. Expend funds and enter into all contracts for labor, whenever required, subject to Section 6.4;

e. Prepare periodic reports to state, county and local agencies and to the Agency as required or requested by law or the Board;

f. Attend meetings of the Board of Directors;

g. Establish, coordinate, and supervise all other actions and duties as designated by the Board.

ARTICLE V

ADMINISTRATIVE SUPPORT SERVICES

SECTION 5.1. ADMINISTRATIVE RESPONSIBILITIES. Each party to the Agreement shall provide, at its own expense (but subject to future reimbursement in accordance with the Joint Exercise of Powers Agreement) administrative support services to the Agency if available and if so requested by the Agency. The Agency and the Parties shall enter into an operating agreement as necessary and appropriate to allocate duties, responsibilities and costs. Any inequalities in the cost of providing support services shall result in an adjustment to annual "operating expenses" as provided in Section 24 of the Agreement.

ARTICLE VI

FINANCES

SECTION 6.1. PURCHASING PROCEDURES.

a. The Executive Director is designated as Purchasing Agent for the Agency. The Executive Director may delegate all or a portion of the purchasing duties to any qualified staff member. The Purchasing Agent shall have the authority to:

1. Negotiate, execute and recommend execution of contracts for the purchase, rental, or disposal by sale of supplies, services and equipment required by the Agency in accordance with purchasing procedures outlined in these Bylaws;

2. Act to procure for the Agency the necessary quantity in supplies, services, and equipment at the lowest cost to the Agency;

3. Supervise the inspection of all supplies, services, and equipment purchased to insure conformance with specifications;

4. Maintain a bidder's list and other records necessary for the efficient acquisition of goods and services.

b. Where the amount or value of supplies, services or equipment involved is less than one hundred thousand dollars ($100,000), the purchase or rental may be made by the Purchasing Agent, without written bid, and by informal price checking through telephone or mail or email inquiry, comparison, of prices on file or otherwise. Reasonable attempt shall be made to receive at least three (3) price quotations. At the discretion of the Purchasing Agent, when the acquisition of supplies, services or equipment has a value of less than one hundred thousand dollars ($100,000), the formal competitive bid process set forth below in Section 6.4, subdivision C may be used, with the Purchasing Agent exercising the powers, duties, and approval authority of the Board.

c. When the amount or value involved is one hundred thousand dollars ($100,000), or more, the purchase shall be made by the Board through competitive bid process as outlined:

1. Notice inviting bids shall include a general description of the services and/or articles to be purchased, where bid blanks and specifications may be obtained, the time and place for bid openings, and whether bid deposit, bid bond and/or faithful performance bond will be required.

2. Notice inviting bids shall be posted in at least three (3) public places that have been designated as the place for posting public notices, at least (10) days before the date of opening the bids.

3. The Purchasing Agent may also solicit sealed bids from all responsible prospective suppliers whose names are on the bidder's list and may advertise the notice inviting bids in applicable publications.

4. Any bidder or person entering into a contract may be required to furnish bid bonds and/or performance bonds as necessary and appropriate in an amount determined by the Purchasing Agent or Board.

5. Bids shall be opened in public at the time and place stated in the public notices. A tabulation of all bids received shall be open for public inspection during regular business hours for a period of not less than thirty (30) calendar days after the bid opening.

6. At its discretion, the Board may reject all bids presented and readvertise for bids, and the Board may waive minor irregularities.

7. Contracts shall be awarded by the Board to the lowest responsible and responsive bidder, except as otherwise provided herein.

8. If two or more bids received from responsible and responsive bidders are for the same total amount or unit price, quality and service being equal, the Board may accept the lowest bid made by negotiation with the tie bidders and the Purchasing Agent at the time of the bid opening.

d. The provisions of this Section 6.1 requiring competitive bidding or requiring informal price checking shall not apply to the following:

1. Contracts involving acquisition of professional or specialized services, such as, but not limited to, services rendered by architects, attorneys, engineers, and other specialized consultants;

2. Where the Agency's requirements can be met solely by a single unique article or process;

3. To situations where no bids have been received following bid announcements under other provisions of this chapter;

4. When the amount involved is five hundred dollars ($500) or less;

5. When an emergency requires that an order be placed with the nearest source of supply;

6. When a purchase involves goods of a technical nature, where it would be difficult for a vendor to bid on a standard set of specifications, the Purchasing Agent shall undertake a thorough review of known products and a comparison of features which would most closely meet the Agency's needs at the least cost;

7. For janitorial services for Agency buildings and facilities;

8. For maintenance and repair of buildings and facilities;

e. These purchasing procedures are expressly made inapplicable to bids for and award of public projects as defined by the Public Contracts Code and where the expenditure required for the public project exceeds the limit set by the Public Contracts Code. The provisions contained in the Public Contracts Code establish contract procedures the Agency shall follow regarding such public projects.

ARTICLE VII

PERSONNEL

SECTION 7.1. The Executive Director shall be responsible for employee recruitment, testing, hiring, terminating, training, and evaluation; the administration of any formal grievance procedure as established by memoranda of understanding; and for the establishment and administration of all policies regarding employee leave and other personnel matters. The Executive Director shall also supervise any staff of the Parties that are assigned to the work of the Agency pursuant to agreements, but any employment actions shall be handed by the relevant Party.

ARTICLE VIII

SYMBOLS

SECTION 8.1. The identification symbols or seal of the Agency shall be of a design approved and adopted by the Board of Directors of the Agency. Such symbols or seal may include, but shall be limited to, such items as logos, uniforms, identification patches, and badges.

ARTICLE IX

AMENDMENTS

SECTION 9.1. PROCEDURES. Amendments to these Bylaws may be made from time to time by the resolution of the Board of Directors and shall be ratified by a majority of the legislative bodies and the parties to the Agreement.

Agenda Item 4.1

May 29, 2018

TO: San Joaquin Area Flood Control Agency

FROM: Roger Churchwell, Acting 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 2018/2019**

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 2018/2019.

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 18, 2018. A notice of the public hearing was published in The Record on May 18, 2018.

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 has been contracted out since its implementation with the exception of the last two years because the District performed this work.

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

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, 2018, 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, 2018, the amount accumulated in the surplus fund is $4.2 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 18/19 (Attachment 1). This proposal does not include aquatic weed removal costs. Therefore, the work will once again be contracted out. As explained in the District's letter, the Channel Maintenance Division does not possess the specialized equipment to efficiently remove aquatic weeds and must focus efforts on essential levee maintenance activities. It was also explained that the costs for the AWCP for the current year was more than twice the budgeted amount and was largely due to labor costs because of the inability to use contracted labor. However, the costs for other maintenance categories were less than budgeted and the District kept total O&M expenses within the current year's overall budget.

The proposed FY 18/19 budget includes an increase of $48,500 compared to current year's budget and accounts for a 1.2% increase in labor and an 18.3% increase in equipment costs. The District's request of $985,500 (compared to $937,000 in the current year) 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 18/19 is $1,084,000 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 18/19 budget does not include funds for floodwall replacement. Previous amounts set aside annually for the floodwall replacement fund have averaged $44,000. This will be the fifth year in which funds have been omitted for floodwall replacement in order to reduce the amount appropriated 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 18/19. The maximum assessment rate allowed has been used for the last 10 years. The maximum assessment rate for FY 18/19 is equal to the base rate for FY 18/19 ($5.7991) adjusted for annual inflation equal to the National Consumer Price Index (CPI). The CPI for FY 18/19 is 2.10%, therefore, the maximum assessment rate is $5.92.

Applying the maximum assessment rate of $5.92 to the current 152,565 MBU, will yield $902,838 in O&M revenue. This revenue is not enough to cover all operating costs in the proposed $1,084,000 O&M budget. Therefore, an appropriation in the amount of $181,162 ($1,084,000 - $902,838) from the O&M surplus fund is needed to cover the proposed expenses in the FY 18/19 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 18/19 O&M budget includes the following two appropriation requests:

1) A one-time $181,162 appropriation from the O&M surplus fund to cover costs proposed in the FY 18/19 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.

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 2018/2019
(Page 4)

These appropriations will not affect the proposed FY 18/19 assessment rate. There are sufficient funds in the O&M surplus to cover these appropriations. The following table displays a partial history of the annual assessment rates (theoretical maximum rate allowed and actual assessed) and some typical annual O&M assessments:

HISTORY OF THE ANNUAL SJAFCA O&M ASSESSMENTS								
PROPERTY TYPE	**FISCAL YEARS**							
	1996/97	2000/01	2004/05	2008/09	2012/13	2016/17	2017/18	2018/19
Theoretical Maximum Base Rate allowed	$3.59	$3.99	$4.42	$5.03	$5.40	$5.65	$5.79	$5.92
Actual Base Rate assessed	$3.59	$3.54	$3.95	$5.03	$5.40	$5.65	$5.79	$5.92
Single Family Home between 1000 and 2000 sf (1.25 MBU)	$4.49	$4.43	$4.94	$6.29	$6.75	$7.06	$7.24	$7.40
Grocery Store on 1 acre parcel (12.30 MBU)	$44.16	$43.54	$48.59	$61.87	$66.42	$69.50	$71.22	$72.82
Office Building on 2 acre parcel (18.375 MBU)	$65.97	$65.05	$72.58	$92.43	$99.23	$103.82	$106.39	$108.78

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 18/19.

PREPARED BY: Marlo Duncan

Roger Churchwell

APPROVED:
ROGER CHURCHWELL
ACTING EXECUTIVE DIRECTOR

RC:MD

Attachments

SAN JOAQUIN COUNTY
Greatness grows here.

Public Works San Joaquin County
Working for YOU

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 4, 2018

Mr. Scott L. Shapiro, Acting Executive Director
San Joaquin Area Flood Control Agency
22 East Weber Avenue, Suite 301
Stockton, California 95202-2317

SUBJECT: SAN JOAQUIN AREA FLOOD CONTROL AGENCY 2018-19 PROPOSED OPERATIONS & MAINTENANCE BUDGET

Dear Mr. Shapiro:

The San Joaquin County Public Works Department (County) is pleased to submit the attached Fiscal Year 2018-19 budget proposal for your consideration. The proposed 2018-19 Operations and Maintenance (O&M) Budget for cost-shared flood protection facilities reflects no change in the level of maintenance except for deletion of the aquatic weed removal costs due to the County's inability to continue that task. The requested budget for labor and materials is adjusted to reflect a projected 1.2 percent increase in total labor costs and an 18.3 percent increase in equipment costs.

The Channel Maintenance Division does not have the equipment to efficiently remove aquatic weeds, and needs to focus its efforts on essential levee and channel maintenance instead of aquatic weeds. 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. In 2017-2018, the County again requested $75,000 for aquatic weed removal, with the expectation that costs could be reduced by using contracted labor for the handwork of moving the weeds to a place where the excavator could reach them. The cost of weed removal again greatly exceeded the budget for that task, and further analysis showed that the high cost was driven largely by equipment and operator costs for the excavator used to remove the weeds and the dump trucks used to haul the weeds away for disposal. The past two years have shown that the Channel Maintenance Division does not have the type of equipment needed to efficiently remove aquatic weeds, and the time devoted to this task has reduced the availability of labor and equipment for other essential work. For this reason, Public Works advised SJAFCA staff several months ago that we would no longer perform this task and funds for that task are not included in this budget request.

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 of 2017 caused some minor erosions, which have required extra effort, but the Army Corps of Engineers is repairing the more serious erosions under PL84-99, which is helping to reduce costs. We are aware that budgeted maintenance costs continue to exceed the O&M revenue available from annual assessments. Therefore, the County's request only reflects increases in actual labor and equipment operating costs. Labor costs will increase by $8,200 (1.2 percent) due to negotiated salaries and benefits. Equipment costs are expected to increase by $40,300 (18.3 percent). The total request, excluding aquatic weed removal, increased by 5 percent from $937,000 in FY 17-18 to $985,500 for FY 18-19.

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_2018-19 Proposed O-M Budget

Attachment

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

COUNTY OF SAN JOAQUIN 2018-19 PROPOSED BUDGET
Assessment District No. 96-1 Flood Protection System
Fund - 21116
Department - 2910000000

		ACTUAL 2013-14	ACTUAL 2014-15	ACTUAL 2015-16	BUDGET 2016-17	ACTUAL 2016-17	17/18 BUDGET W/O WEEDS	BUDGET 2017-18	PROPOSED 2018-19
	EXPENDITURES								
Services & Supplies									
6202000000	OFFICE EXPENSE-POSTAGE	0	1	0	0	0	0	0	0
6214000000	RENTS & LEASES -EQUIPMENT	0	0	0	2,000	0	0	2,000	0
6214000200	EQUIPMENT RENTAL-COUNTY OWNED	63,406	55,720	43,457	236,200	94,512	220,200	236,200	260,500
6217000500	TRANS/TRAVEL-TRAINING	0	0	0	0	0	0	0	0
6220001000	AUDITOR'S PAYROLL & A/P CHARGES	0	0	0	500	0	500	500	500
6221004000	PROFESSIONAL SVS-COUNTY	0	0	0	10,000	0	10,000	50,000	10,000
6221004900	REFUSE DISPOSAL CHARGES	0	0	0	2,000	0	0	2,000	0
6226000000	SPECIAL DEPARTMENTAL EXPENSE	0	0	0	0	0	0	0	0
6226003000	MATERIALS	46,054	6,336	13,201	28,500	51,058	28,500	28,500	28,500
6226003100	LABOR	558,981	436,197	420,596	690,800	569,132	677,800	687,800	686,000
6226003200	EQUIPMENT REPAIR	145	0	0	0	0	0	0	0
6238000000	MISCELLANEOUS EXPENSE	0	0	0	5,000	0	0	5,000	0
6238005400	EMERGENCY EXPENDITURE	0	0	0	0	0	0	0	0
	TOTAL SERVICES AND SUPPLIES	668,586	498,253	477,254	975,000	714,701	937,000	1,012,000	985,500
Capital Expenditures									
6501400000	DIR-CHG BOS DISTRICT	(72,859)	0	0	0			0	0
	TOTAL CAPITAL	(72,859)	0	0	0			0	
	TOTAL EXPENDITURES	**595,727**	**498,253**	**477,254**	**975,000**	**714,701**	**937,000**	**1,012,000**	**985,500**

4/5/2018 9:22 AM

San Joaquin Area Flood Control Agency

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

2018/2019 ENGINEER'S ANNUAL REPORT FOR THE OPERATION AND MAINTENANCE

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

www.willdan.com/financial

WILLDAN FINANCIAL SERVICES

AFFIDAVIT FOR ENGINEER'S REPORT

SAN JOAQUIN AREA FLOOD CONTROL AGENCY
FLOOD PROTECTION RESTORATION ASSESSMENT DISTRICT
(Reassessment and Refunding of 2002), FISCAL YEAR 2018/2019

ENGINEER'S ANNUAL LEVY REPORT

The undersigned respectfully submits the enclosed report as directed by Agency's Board of Directors.

Dated: May 18, 2018
Willdan Financial Services

By: ______________________
Stacee Reynolds
Senior Project Manager, District Administration Services

By: ______________________
Richard Kopecky
R. C. E. # 16742

ATTACHMENT 2

TABLE OF CONTENTS

ATTACHMENT 2

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 2018/2019. 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 2018/2019. 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 2018/2019.

B. COMPLIANCE WITH CURRENT LEGISLATION

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

Pursuant to Article XIIID 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 XIIID 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 XIIID 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

ATTACHMENT 2

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 XIIID Section 4 of the California Constitution.

The proposed assessment for Fiscal Year 2018/2019 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 XIIID Section 4.

II. ANNUAL ASSESSMENT

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

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

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

A. DEFINITION OF OPERATION AND MAINTENANCE

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

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

ATTACHMENT 2

- 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.

ATTACHMENT 2

- 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 XIIID.

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 XIIID. 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).

ATTACHMENT 2

ATTACHMENT 2

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

The Fiscal Year 2018/2019 Maximum Assessment Rate allowed is $5.9209.

The Fiscal Year 2018/2019 Assessment Rate proposed is $5.92.

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 2018/2019

Item Descriptions		
San Joaquin County Operation and Maintenance Budget:		
Office Expense-Postage		**$0**
Rents & Leases – Equipment Use of San Joaquin County Flood Control and Water Conservation District equipment to perform operation and maintenance activities and provide emergency services if needed. Equipment Rental County Owned	$260,500	**$260,500**
Auditor’s Payroll and A/P Charges Charges by the County Auditor for Payroll processing and accounts payable support.	$500	**$500**
Professional Services – County Services provided for bridge parapet wall accident repair.	$10,000	**$10,000**
Materials Includes expenses for vegetation management materials, rodent control materials, and materials and supplies unique to operation and maintenance activities.	$28,500	**$28,500**
Labor Costs Services provided by San Joaquin County Flood Control and Water Conservation District for operation and maintenance activities and to provide emergency activities if needed. Operation and Maintenance	$686,000	**$686,000**
Emergency Expenditure	$0	**$0**
Fixed Asset Funds needed to acquire additional equipment needed by the Agency.	$0	**$0**
SUB-TOTAL SAN JOAQUIN COUNTY OPERATION AND MAINTENANCE BUDGET		**$985,500**
Aquatic Weed Control Program – Five Mile Slough 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 18-19 the work will be carried out by a professional contractor. Contractor – mechanical weed removal	$75,000	**$75,000**
SUB-TOTAL SJAFCA OPERATION AND MAINTENANCE BUDGET		**$75,000**

ATTACHMENT 2

Item Descriptions		
SJAFCA Administration Budget:		
Contribution To Capital Outlay Reserve (future floodwall replacement)	$0	
Property Tax Administration Charges Charges by the County Tax Collector for the collection of property assessments.	$9,000	
Administration Costs Annual administration and Engineer's Report	$14,500	
SUB-TOTAL SJAFCA ADMINISTRATION BUDGET		**$23,500**
TOTAL OPERATION AND MAINTENANCE BUDGET FY 2018/2019		**$1,084,000**
For FY 2018/2019, there are *$1,084,000* of appropriations available to the district as follows:		
FY 2018-2019 Assessment to be levied		***$902,838***
FY 2018-2019 Agency Surplus Appropriation for FY 2018-2019		**$181,162**
FY 2018-2019 Agency Surplus Appropriation		**$100,000**
TOTAL FY 2018/2019 APPROPRIATION		**$1,184,000** -

(1) The surplus appropriation of $181,162 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 2018/2019 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 2018/2019 assessment rate of $5.92 per Maintenance Benefit Unit.

ATTACHMENT 2

E. CALCULATION OF ASSESSMENT RATE FOR FISCAL YEAR 2018/2019

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 2018/2019 are 152,565.00 **MBU's**.
- Based on the estimated budget and the surplus appropriation for Fiscal Year 2018/2019, the assessment rate for Fiscal Year 2018/2019 is approximately $5.92 per Maintenance Benefit Unit.

III. METHOD AND FORMULA OF ASSESSMENT SPREAD

A. CALCULATION OF BENEFIT UNITS

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

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

Improvement BUs + Land BUs = Total BUs

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

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

ATTACHMENT 2

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

ATTACHMENT 2

of development by land use for over 2,500 parcels, the following represents the average intensity of development per acre relative to single-family residential development within the District. The average intensity of development, by land use category (retail/service commercial, office/professional, personal care/recreational, manufacturing/industrial, institutional), was calculated by computing the average building coverage on the parcels analyzed after excluding those parcels that were significantly underdeveloped. Underdeveloped parcels were defined as those parcels within each land use category, which had the lowest 20th percentile current improvement density.

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

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

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

Based upon an analysis of the average cost per square foot for structures allowed under existing land use regulations for each land use, the table below shows the relative benefit per unit (i.e.,

ATTACHMENT 2

square foot) for improvements by land use relative to single-family residential development within the District:

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

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

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

Therefore, the improvement benefit formula is summarized as:

(EDU's) x (Improvement Density Factor) x (Risk Factor) =
Improvement Benefit Units

C. EQUIVALENT DWELLING UNITS

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

- **Single-family Residential** — Since the single-family residential (SFR) parcel is the most common land use and represents over 70 percent of the assessable parcels within the District, it is used as the standard and is assigned one (1) EDU. Other improved land uses are converted to EDU's by comparing them to the SFR. Included in the SFR category are condominiums, mobile homes not in mobile home parks and agricultural-residential parcels.

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

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

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

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

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

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

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

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

- **Vacant** — Vacant properties have no improvements constructed on them; therefore, vacant properties are assigned zero (0) Improvement Benefit Units per parcel.

ATTACHMENT 2

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

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

D. LAND BENEFIT

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

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

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

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

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

ATTACHMENT 2

reduced in the same manner as the EDU's are reduced for the improvements on developed non-residential parcels as shown below:

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

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

E. EXEMPT

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

- Common areas associated with residential condominiums, open spaces and green belts.
- Parcels with total property values of less than one dollar per the San Joaquin County Assessor's Roll.
- Properties owned by public agencies, such as cities, the County, the State or the Federal government, are exempt except when such property is not devoted to a public use.
- Rights-of-way owned by utilities and railroads.
- Agricultural parcels under the Williamson Act or within a General Plan area designated, as "Agricultural" has no potential for immediate development. By contrast, the Williamson Act parcels remain agricultural to take advantage of special tax treatments. The Williamson Act agricultural parcels and the General Plan Agricultural parcels are not assigned any benefit. If these parcels develop in the future, then the appropriate benefit will be collected under the "Flood Control Facilities Fee" mechanism. (Agricultural parcels that are not within the General Plan designated areas and which do not have Williamson Act contracts are assessed as Vacant.)
- Parcels which are designated as Special Flood Hazard Areas on the Preliminary Revised FIRM's, dated February 28, 1995, and which were previously designated as Special Flood Hazard Areas on the previous FIRM's; these parcels are considered to have no benefit and will not be assessed.

F. ASSESSMENT DISTRICT BOUNDARY FACTOR

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

ATTACHMENT 2

WILLDAN FINANCIAL SERVICES

- 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.

ATTACHMENT 2

- Potter Creek B - confluence with Mormon Slough to 1,500 feet east of Fine Avenue.
- Mosher Slough Detention Basins No.1 & 2.
- Little Bear Creek - confluence with Mosher Slough to Davis Road.
- Pixley Slough - confluence with Bear Creek to Lower Sacramento Road.
- Five Mile Slough – confluence with Fourteen Mile Slough to the north/south land levee at the east boundary line of Shima Tract.

B. The acquisition of all interest in real property necessary or useful for the above described improvements or other improvements constructed by the District; and,

C. The acquisition and/or construction of any other work, auxiliary to any of the above and necessary or useful to complete the same and to reduce the risk of flooding within the District.

ATTACHMENT 2

WILLDAN FINANCIAL SERVICES

Appendix A — SAMPLE BENEFIT UNIT CALCULATIONS

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

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

ATTACHMENT 2

WILLDAN FINANCIAL SERVICES

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

ATTACHMENT 2

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.

ATTACHMENT 2

Appendix D — 2018/2019 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 2018/2019.

ATTACHMENT 2

Agenda Item 4.2

May 29, 2018

TO: San Joaquin Area Flood Control Agency

FROM: Roger Churchwell, Acting 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 2018/19**

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 2018/19.

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 to seek a share of project construction costs from the State which was conditionally approved. The grant application was submitted in August 2015 to request UFRR funding in the amount of $22.3 million, and on February 2, 2017, the Board authorized the Executive Director to sign the UFRR Agreement with DWR which was executed on October 24, 2017. The cost sharing for construction was revised to 63%. Project design is nearly complete, and construction is scheduled to begin in early 2019.

In compliance with Proposition 218, parcels within the District are assessed for the improvements and services that specially benefit each parcel. The special benefit provided to properties within the District is based on avoidance of flood damage to structures, contents of structures, and land. Project costs are distributed across the properties within the District 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 18, 2018.

The assessment is made up of two components – a Capital component and an Operations and Maintenance (O&M) component. The Capital component makes up 76.04% of the total assessment while the O&M component is 23.96% 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 $172 ($131 Capital + $42 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 2019, 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 18/19 will be used to fund environmental, design, and construction related expenses as well as the administrative costs described above.

The Board has the authority, pursuant to Government Code Section 53739 (b), to levy the assessment within a designated range on an annual basis. The designated range can be from no assessment, up to and including the authorized maximum assessment, adjusted annually based on changes in the Consumer Price Index (CPI). Only the O&M portion of the assessment is subject to an annual adjustment based on CPI. The Board could authorize, in any year, an increase to the authorized maximum assessment which could include cumulative CPI increases that were not implemented in prior years. The CPI escalator during FY 17/18 was 3.28%.

There are 51 parcels within the District that are not included on the County's annual tax roll. These parcels are handbilled 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. As of April 30, 2018, a total of $59,150 in assessments was received which represents 98.3% of the total assessments for handbilled parcels in the District.

Present Situation

The FY 18/19 assessment collection will assess 8,100 parcels and will generate $1,673,788 for the District. This assessment collection includes the current year's CPI escalator of 3.81% (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 18/19					
Assessment Range	$5 - $100	$100 - $200	$200 - $300	$300 - $400	> $400
No. of Parcels	2,933	2,385	1,763	641	478

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 18/19.

PREPARED BY: Marlo Duncan

Roger Churchwell

APPROVED:
ROGER CHURCHWELL
ACTING EXECUTIVE DIRECTOR

RC:MD

Attachment

ATTACHMENT

San Joaquin Area FLOOD CONTROL Agency

San Joaquin Area Flood Control Agency

SMITH CANAL AREA ASSESSMENT DISTRICT

2018/2019 ENGINEER'S ANNUAL REPORT

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

www.willdan.com/financial

WILLDAN FINANCIAL SERVICES

ATTACHMENT

AFFIDAVIT FOR ENGINEER'S REPORT

SAN JOAQUIN AREA FLOOD CONTROL AGENCY
SMITH CANAL AREA ASSESSMENT DISTRICT
FISCAL YEAR 2018/2019

ENGINEER'S ANNUAL LEVY REPORT

The undersigned respectfully submits the enclosed report as directed by the Agency's Board of Directors.

Dated: May 18, 2018
Willdan Financial Services

By: Stacee Reynolds
Stacee Reynolds
Senior Project Manager, District Administration Services

By: Richard Kopecky
Richard Kopecky
R. C. E. # 16742

REGISTERED PROFESSIONAL ENGINEER
RICHARD L. KOPECKY
C 16742
EXP 6-30-19
CIVIL
STATE OF CALIFORNIA

ATTACHMENT

TABLE OF CONTENTS

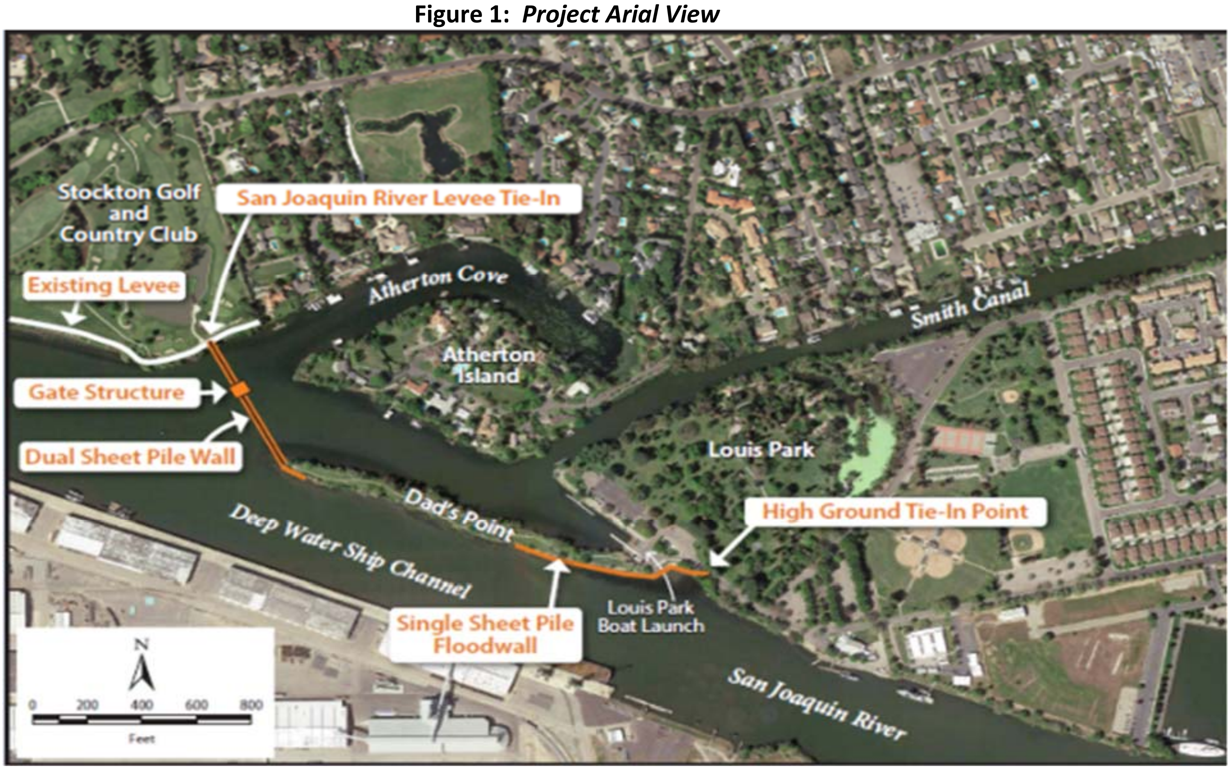
I. OVERVIEW

A. INTRODUCTION

The San Joaquin Area Flood Control Agency (SJAFCA) is a Joint Powers Authority created in May 1995 between the City of Stockton, San Joaquin County and the San Joaquin County Flood Control and Water Conservation District for the purpose of providing flood protection services for the City of Stockton and surrounding unincorporated county areas.

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 Levee Design Criteria. When it became evident in 2009 that Smith Canal levees would lose their FEMA accreditation, SJAFCA partnered with Smith Canal levee maintaining agencies, 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.

Figure 1: ***Project Arial View***



In April 2009, SJAFCA, with partners RD's 1614 and 828, embarked on an effort to process a Conditional Letter of Map Revision ("CLOMR") with FEMA. The purpose was to determine an appropriate solution to protect areas affected by Smith Canal levee decertification. As part of that effort, SJAFCA developed several conceptual approaches to providing at least a one-hundred year level of flood protection to the area affected by levee decertification and FEMA re-mapping. On January 13, 2011, FEMA concluded that a feasible solution proposed by

ATTACHMENT

SJAFCA and its partners, a gate structure at the mouth of Smith Canal, if constructed, would 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 2018/2019. 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 2018/2019. In such case, the assessment information will be

ATTACHMENT

submitted to the San Joaquin County Auditor/Controller, and included on the property tax roll for each parcel in Fiscal Year 2018/2019.

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

ATTACHMENT

- 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 63%.

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 29% State Cost share of the updated design phase costs. Table 1 shows credit for actual design phase costs at the approved cost share of 63% 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 $20,606,678 as shown in Table 1.

ATTACHMENT

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

Item	Total Costs	Local	State	
		Effective Cost Share for Phase		
Design Phase Costs (Updated per Actuals)		**71%**	**29%**	[1]
1. Program Management (Design Phase)	$1,966,235	$1,395,161	$571,074	
2. Engineering Design	$3,160,223	$2,242,367	$917,856	
3. Independent Review	$300,000	$212,868	$87,132	
4. Environmental Review & Permitting	$2,067,132	$1,466,754	$600,378	
5. Real Estate Planning & Acquisition	$94,337	$66,938	$27,399	
6. Public Outreach	$88,442	$62,755	$25,687	
7. Financing/Funding Costs (Application)	$100,000	$100,000	$0	[2]
Total Design Phase	**$7,776,368**	**$5,546,842**	**$2,229,526**	
		Cost Share by Phase		[3]
Construction Phase Costs		**37%**	**63%**	
1. Credit for Design Phase Work	$0	-$2,606,586	$2,606,586	[4]
2. Supplemental Engineering	$1,843,561	$682,118	$1,161,444	
3. Program Management	$718,766	$265,943	$452,822	
4. Construction	$31,113,417	$11,624,608	$19,488,808	[5]
5. Construction Management	$1,750,000	$647,500	$1,102,500	
6. Real Estate Acquisition	$279,469	$103,404	$176,065	
7. Real Estate Contingency	$121,000	$44,770	$76,230	
8. Public Outreach	$67,263	$24,887	$42,376	
9. Environmental Mitigation	$625,000	$231,250	$393,750	
10. Expected Water Quality Measures	$1,034,000	$382,580	$651,420	
Total Construction Phase	**$37,552,476**	**$11,400,474**	**$26,152,001**	
Total Project	**$45,328,844**	**$16,947,316**	**$28,381,527**	
DWR Funding Limit (EIP & UFRR)			$24,722,166	[6]
Additional Local Funding (reduced State Funding)		$3,659,361	-$3,659,361	
Resulting Cost Share Split	**$45,328,844**	**$20,606,678**	**$24,722,166**	

Source: KSN, PBI, LWA & 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 argeement limit.

[2] Assumes 100% of the financing cost ($100,000) would not 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 UFRR Program. State Cost sharing is assumed to be 50%, plus 5% for one State Facility, plus 1% for Recreation Objective, plus 7% for DAC.

[4] Includes credit for Design Phase costs at the recommended cost share. The amount represents the supplemental cost sharing at 63% versus 29%.

[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] Combined assumed external funding sources, updated based revised cost estimates.

ATTACHMENT

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

ATTACHMENT

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 2019. 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.

ATTACHMENT

WILLDAN FINANCIAL SERVICES

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

Fiscal Year Quarter	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	2020/2021 Jul-Sep	2020/2021 Oct-Dec	2020/2021 Jan-Mar	2020/2021 Apr-Jun	Total (Includes prior years)
REVENUES													
State EIP Funding	0	0	0	0	0	0	0	0	0	0	0	0	2,229,526
State UFFR Funding	0	249,259	0	4,718,570	0	9,624,042	0	10,276,482	0	0	0	2,902,749	30,847,384
Local Assessment Revenue	0	873,206	0	800,583	0	891,011	0	790,142	0	894,932	0	793,619	11,605,822
Internal Funding	0	0	0	0	0	0	0	0	0	0	0	0	1,175,262
TOTAL REVENUES	0	1,122,465	0	5,519,153	0	10,515,053	0	11,066,624	0	894,932	0	3,696,368	45,857,994
EXPENDITURES													
Program Management (Design Phase)	0	0	0	0	0	0	0	0	0	0	0	0	1,966,235
Engineering Design	0	0	0	0	0	0	0	0	0	0	0	0	3,160,223
Independent Review	0	0	0	0	0	0	0	0	0	0	0	0	300,000
Enviromental Review & Permitting													
CEQA/NEPA Costs	0	0	0	0	0	0	0	0	0	0	0	0	2,067,132
CEQA Litigation Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Real Estate Planning	0	0	0	0	0	0	0	0	0	0	0	0	94,337
Public Outreach	0	0	0	0	0	0	0	0	0	0	0	0	88,442
Financing / Funding (Application)	0	0	0	0	0	0	0	0	0	0	0	0	100,000
Supplemental Engineering (Construction Phase)	0	0	0	0	0	0	0	0	0	0	0	0	1,843,561
Project Management (Construction Phase)	52,124	52,124	52,124	52,124	52,124	52,124	52,124	52,124	52,124	52,124	17,375	0	718,766
Construction (Less General Requirements)	0	0	0	0	4,546,397	5,381,450	5,103,099	10,206,198	2,226,807	3,061,860	587,605	0	31,113,417
General Requirements	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction Management	0	0	0	0	257,250	304,500	288,750	577,500	126,000	173,250	22,750	0	1,750,000
Real Estate Acquisition	46,989	46,989	46,989	31,326	0	0	0	0	0	0	0	0	279,469
Real Estate Contingency	0	0	72,600	48,400	0	0	0	0	0	0	0	0	121,000
Public Outreach	5,073	5,073	5,073	5,073	5,073	5,073	5,073	5,073	5,073	1,691	0	0	67,263
Environmental Mitigation	0	0	0	625,000	151,998	179,916	170,610	341,220	74,448	102,366	13,442	0	1,659,000
TOTAL EXPENDITURES	104,186	104,186	176,786	761,923	5,012,843	5,923,063	5,619,656	11,182,116	2,484,452	3,391,291	641,172	0	45,328,844
FINANCING													
Net Financing Activities	0	0	0	0	13,500,000	0	0	0	0	0	(671,928)	(2,138,413)	5,306,362
Net Financing Activities	0	0	0	0	13,500,000	0	0	0	0	0	(671,928)	(2,138,413)	5,306,362
Net Change in Fund Balance - Increase/(Decrease)	(104,186)	1,018,278	(176,786)	4,757,230	8,487,157	4,591,990	(5,619,656)	(115,492)	(2,484,452)	(2,496,359)	(1,313,099)	1,557,954	
Estimated Starting Fund Balance	1,173,215	1,069,029	2,087,307	1,910,521	6,667,751	15,154,908	19,746,898	14,127,241	14,011,749	11,527,297	9,030,938	7,717,839	
Projected Ending Balance	1,069,029	2,087,307	1,910,521	6,667,751	15,154,908	19,746,898	14,127,241	14,011,749	11,527,297	9,030,938	7,717,839	9,275,793	

[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.

C. DISTRICT BUDGET FOR FISCAL YEAR 2018/2019

Table 4
Smith Canal Area Assessment District Budget
Fiscal Year 2018/2019

REVENUES	
State EIP Funding	$0
State UFFR Funding	4,967,829
Local Assessment Revenue	1,673,788
Internal Funding	0
TOTAL REVENUES	**$6,641,618**
EXPENDITURES	
Supplemental Engineering (Construction Phase)	$0
Project Management (Construction Phase)	208,496
Construction (Less General Requirements)	0
General Requirements	0
Construction Management	0
Real Estate Acquisition	172,293
Real Estate Contingency	121,000
Public Outreach	20,293
Environmental Mitigation	625,000
TOTAL EXPENDITURES	**$1,147,082**
FINANCING	
Net Financing Activities	$0
Net Financing Activities	$0
Net Change in Fund Balance - Increase/(Decrease)	$5,494,535
Estimated Starting Fund Balance	$1,173,215
Projected Ending Balance	$8,604,767

ATTACHMENT

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 XIIID §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.

ATTACHMENT

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:

Benefits=Damages Avoided

Damages Avoided=Structure and Content Damage + Land Damage

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.

ATTACHMENT

- 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 Value	Content Value	
Structure Type	Assumed Foundation Height (ft)	Relative Structure Factor per Sq.Ft. [1]	Content to Structure Value Ratio [2]	Relative Content Factor per Sq.Ft.
formula				
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.

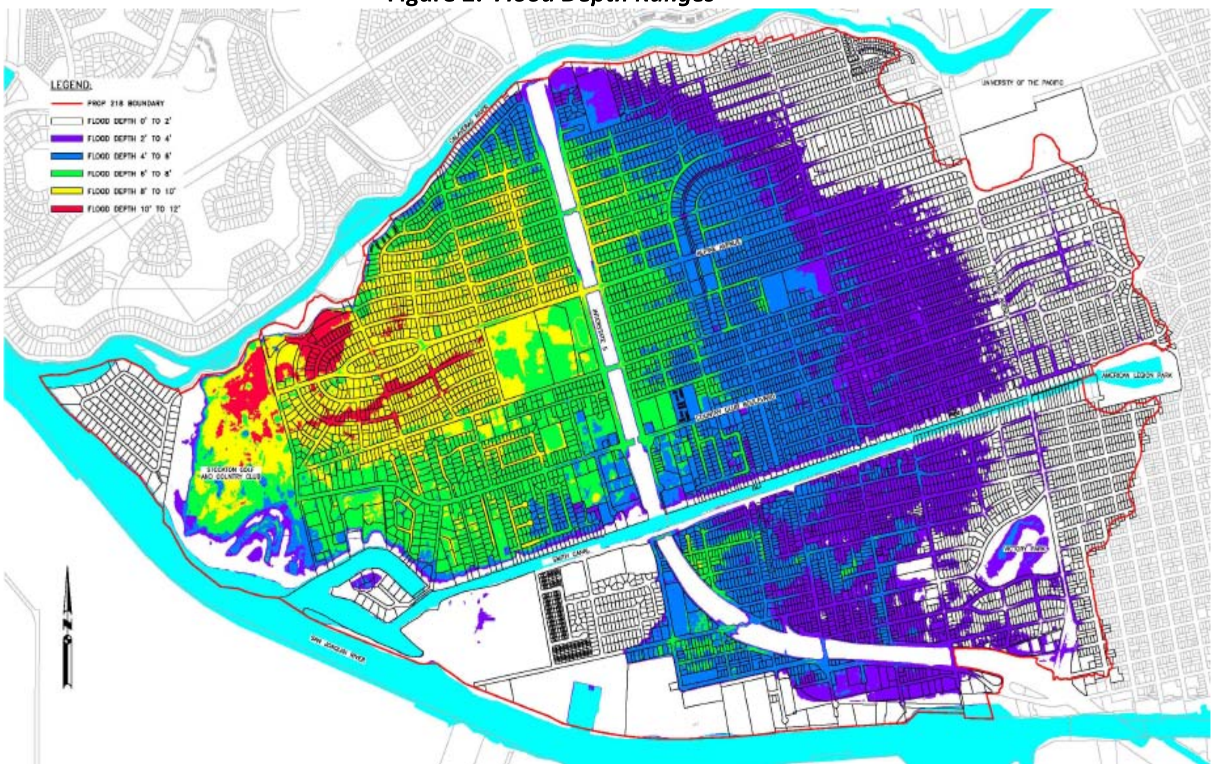
Flood Depth Reduction

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.

ATTACHMENT

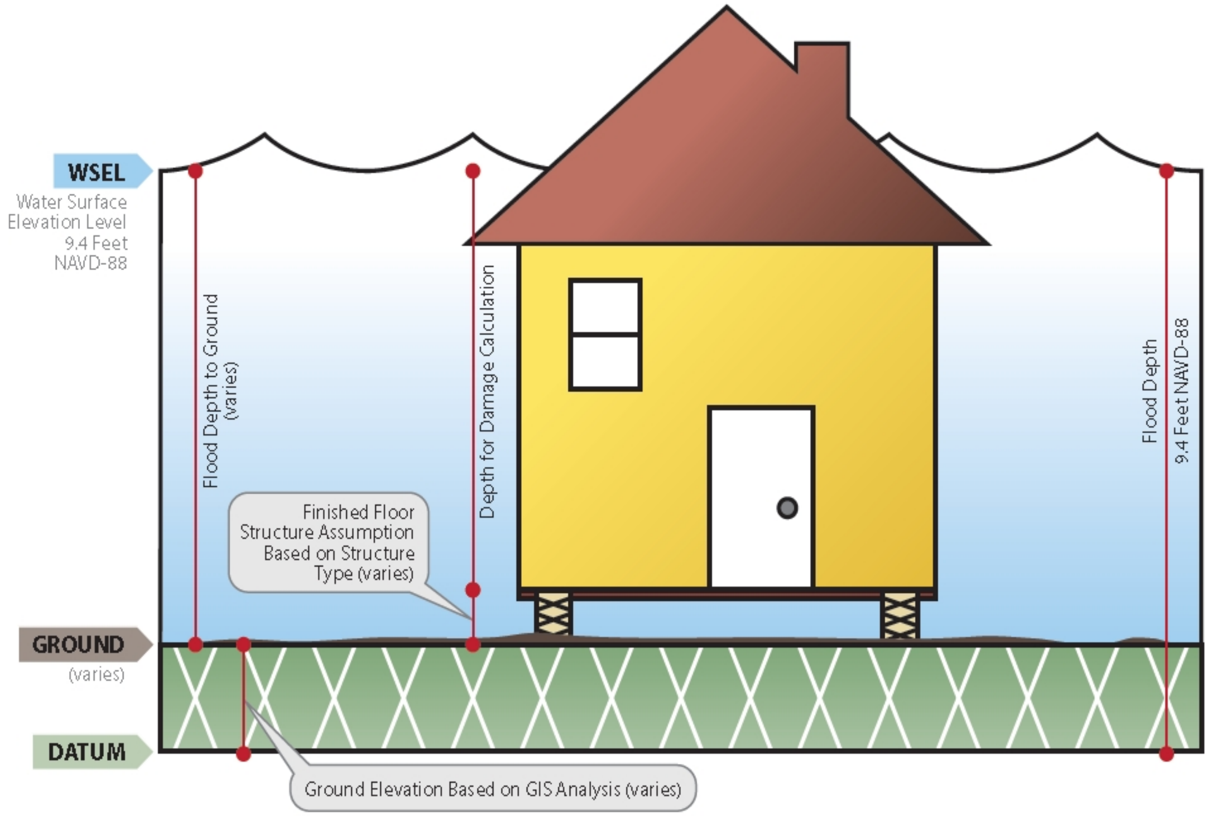
The relative flood depths of a parcel for the 100-year event were established by establishing 2-foot flood depth ranges for the area benefiting. Using the GIS information to determine a parcels elevation, parcels were able to be slotted into the 2-foot flood depth ranges shown in Figure 2 below.

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

ATTACHMENT

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]							
	Single Family One Story	Single Family Multi-story	Multifamily	Mobile Home	Commercial	Industrial	Industrial - Mini-Storage	Public
-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

ATTACHMENT

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**.

ATTACHMENT

Table 7
SJAFCA Smith Canal Area Assessment District
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	Land Damage Calculation: 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 COMMERICAL 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 IMPS	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

ATTACHMENT

Table 7 (Continued)
SJAFCA Smith Canal Area Assessment Districtcontinued
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 Caluclation: Land Damage Factor	Land Damage Caluclation: 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.

ATTACHMENT

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

ATTACHMENT

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 $435,370,039.53.

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	$1,673,788	($'s)	*Table 4*
Total Benefit Amount in SJAFCA Smith Canal Benefit Area	$435,370,039	Benefit $'s	
Maximum Proportional Assessment Rate	$0.00384	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

Maximum Proportional Assessment

=Total Flood Damage Reduction Benefit x Assessment Rate

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

ATTACHMENT

Total Flood Damage Reduction Benefit = $73,530 + $1,350 = $74,880
Assessment Rate = $0.00384
Maximum Not-To-Exceed Assessment = $74,880 x $0.00384 = $287.54

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	7,290	$172.61	$5.00	$1,285.90	75.18%
Multi-Family	335	$203.81	$5.00	$7,688.26	4.08%
Mobile Home	3	$87.81	$12.48	$142.80	0.02%
Commercial	80	$1,888.78	$5.00	$18,613.70	9.02%
Industrial	32	$2,844.76	$20.18	$16,995.98	5.44%
Government and Utilities	61	$1,621.82	$5.00	$28,789.72	5.91%
Vacant	299	$19.56	$5.00	$1,382.88	0.35%
All Parcels	8,100	$206.64			100.00%

	Capital Portion	O&M and Admin Portion	Total
Annual Costs	$1,272,749	$401,040	$1,673,788
	76.04%	23.96%	
Single-Family	$131.25	$41.36	$172.61
Multi-Family	$154.98	$48.83	$203.81
Mobile Home	$66.77	$21.04	$87.81
Commercial	$1,436.23	$452.55	$1,888.78
Industrial	$2,163.16	$681.60	$2,844.76
Government and Utilities	$1,233.23	$388.59	$1,621.82
Vacant	$14.87	$4.69	$19.56
All Parcels	$157.13	$49.51	$206.64

ATTACHMENT

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 Pacel	**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 x d	$1,350			
Elevation Range	Flood Depth Range	*Percent Damage d f*	*Reference Table 6*	**Structure Benefit** g = a x c x f	**Total Damage Benefit** 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	$0.00384		
		Total Benefit h		**Annual Assessment**	
@ -3 Foot Elev.	(i.e. ~11 Feet Deep)	$104,310	x i =	$400.55	
@ -1 Foot Elev.	(i.e. ~9 Feet Deep)	$98,100	x i =	$376.70	
@ 1 Foot Elev.	(i.e. ~7 Feet Deep)	$88,470	x i =	$339.72	
@ 3 Foot Elev.	(i.e. ~5 Feet Deep)	$74,880	x i =	$287.54	
@ 5 Foot Elev.	(i.e. ~3 Feet Deep)	$56,970	x i =	$218.76	
@ 7 Foot Elev.	(i.e. ~1 Feet Deep)	$33,930	x i =	$130.29	
@ 9 Foot Elev.	(i.e. ~-1 Feet Deep)	$8,370	x i =	$32.14	
@ 11 Foot Elev.	(i.e. ~-3 Feet Deep)	$1,350	x i =	$5.18	

ATTACHMENT

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	
Maximum Proportional Assessment Rate FY 2018/19		0.00384	*Table 8*
Capital Component	76.04%	0.00292	*Table 9*
Administration/O&M Component	23.96%	0.00092	*Table 9*

Administrative/OM Component has been escalated by February 2017 to February 2018 CPI-W of 3.81%

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. 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

ATTACHMENT

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

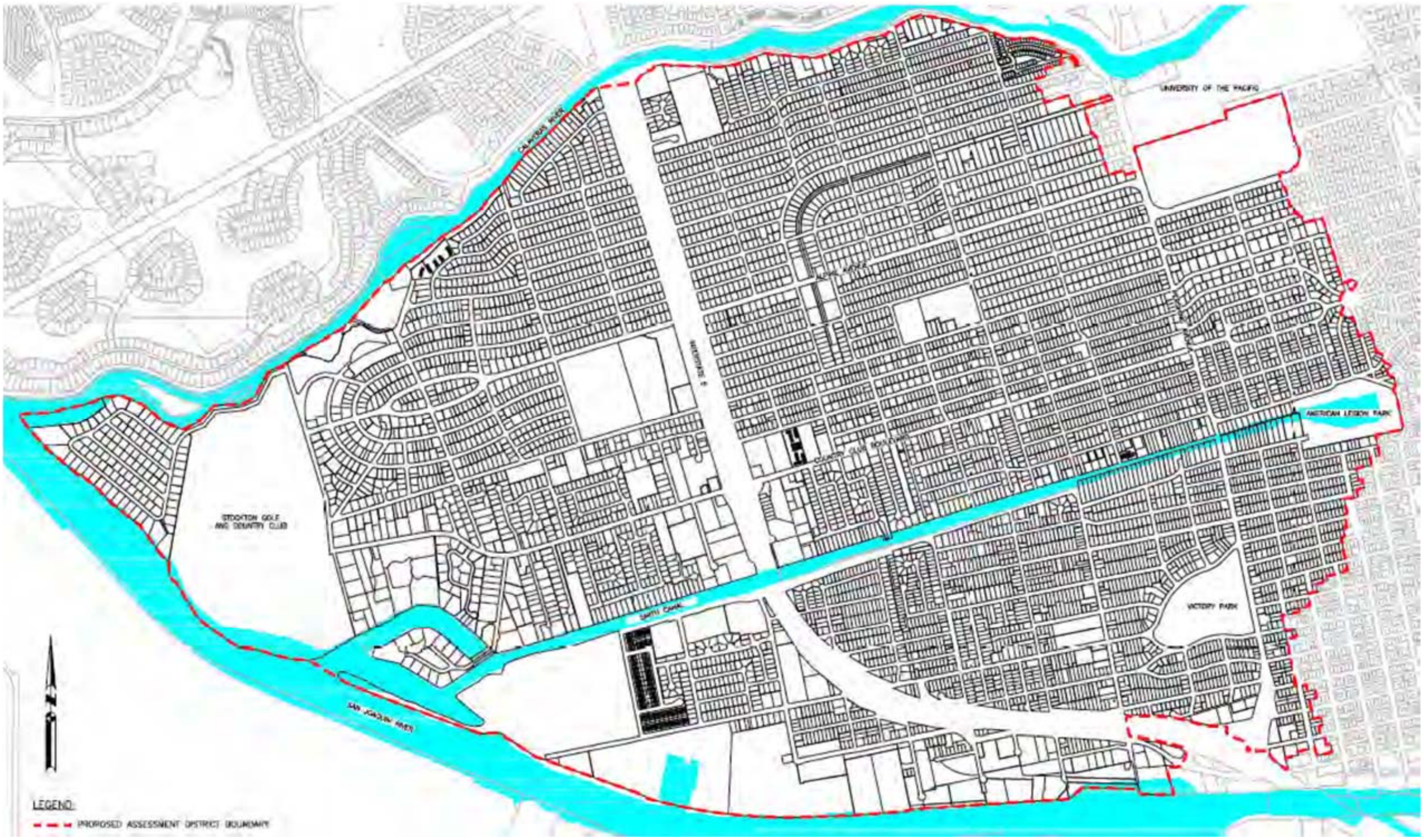
Any property owner who believes his or her property should be reclassified and the assessment adjusted may file a written appeal with the Executive Director of SJAFCA or his or her designee. The appeal must include a statement of reasons why the property should be reclassified, and may include supporting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

WILLDAN
Financial Services

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.



ATTACHMENT

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 2018/19.

ATTACHMENT

Agenda Item 6.1

May 29, 2018

TO: San Joaquin Area Flood Control Agency

FROM: Roger Churchwell, Acting Executive Director

SUBJECT: **RESOLUTION TO APPROVE THE PROPOSED FISCAL YEAR 2018/19 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 (FY) 2018/19 budget for the San Joaquin Area Flood Control Agency.

DISCUSSION

Background

On May 18, 2017, the Board adopted SJAFCA Resolution No. 17-07 approving the Agency's proposed budget for FY 17/18 (Exhibit A). Also, shown on Exhibit A is an updated budget with revised beginning fund balances, revenues, and the following modification:

- A $52,000 reduction in the amount allocated for City Employee Services because anticipated assistance with financing activities for the Smith Canal Area Assessment District was not implemented during the current fiscal year.

As of March 31, 2018, with 75 percent of the FY lapsed, the Agency has spent about 62% of the operating budget (see table below). Overall operating costs are expected to come in under budget and this is mainly due to vacant positions in SJAFCA.

FY 17/18 To-Date Operating Expenses and Year-End Estimate

	FY 17/18 Revised Budget	**17/18 Expenses As of 3/31/18***		***Year-End Estimated Operating Expenses***	
SJAFCA Employee Services	$ 855,000	$ 472,902	(55%)	*$ 608,000*	*(71%)*
City Employee Services	23,000	16,766	(73%)	*23,000*	*(100%)*
Other Services	439,000	339,346	(77%)	*439,000*	*(100%)*
Materials & Supplies	23,000	9,142	(40%)	*17,000*	*(74%)*
Other Expenses	70,000	35,844	(51%)	*50,000*	*(72%)*
Approved Operating Budget:	**$1,410,000**	**$874,000**	(62%)	***$1,137,000***	*(81%)*

* 75% of FY Lapsed

The proposed FY 18/19 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, the newly created Mossdale Tract 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. Reimbursements from SJAFCA's Funding Agreement with the State for Regional Flood Management Planning are 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 after 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 also used to pay for some 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 18/19 is presented to the Board separately as Agenda Item 4.1.

Smith Canal Area 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 8,100 benefited parcels and will generate $1.6 million during FY 18/19 that will be used to fund a portion of the local share of the project. The FY 18/19 Annual Engineer's Report for the Smith Canal Area Assessment District is presented to the Board separately as Agenda Item 4.2.

Mossdale Tract Fund. This fund was created as part of a Board-approved action through SJAFCA Resolution 18-06 on February 26, 2018, to address flood protection for the Mossdale Tract Area. The source of funding/loans are from member agencies: City of Stockton, San Joaquin County, City of Lathrop and City of Manteca. This fund will be used to pay for activities to advance the Mossdale Tract Program. The budget for this program is presented to the Board 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 received $1.3 million from local cost share partners for the Lower San Joaquin River Feasibility Study. The Agency also cost-shared with Reclamation Districts 828 and 1614 and received about $405,000 to help upfront the costs of preliminary studies and the formation of the Smith Canal Area Assessment District.

A funding agreement with the Department of Water Resources (DWR) for Regional Flood Management Planning (RFMP) reimbursed the Agency $1.4 million for its efforts with the 2017 Central Valley Flood Protection Plan update and the Basin-Wide Feasibility Study. This agreement reimbursed costs spent from the Agency's reserves (SJAFCA Fund).

Other funding agreements with DWR include those to support the Smith Canal Gate project. The Agency executed a $2.4 million funding agreement under the State's Early Implementation Program to help fund design costs, and the Agency recently executed a funding agreement under the Urban Flood Risk Reduction (UFRR) program with the State for $22.3 million to complete design and fund construction.

Present Situation

Operating Budget. The Agency's Operating Budget for FY 18/19 (Exhibit B), consists of the following categories described below:

- **SJAFCA Employee Services**. This category includes salary and benefits for 6 SJAFCA 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. It should be noted the Associate Civil Engineer position has been vacant for the last three fiscal years and the Executive Director position was not budgeted at full-time status during the previous nine years. The increase to Employee Services for FY 18/19 is due in part to budgeting all positions at full-time status. The total allocation of resources to support 6 full-time positions during FY 18/19 is $944,000.

- **City Employee Services.** This category segregates City of Stockton staff expenses from SJAFCA positions and reflects a percentage of salary and benefit costs associated with accounting, budget and payroll. The current FY included an increase to this cost category due to anticipated assistance with financing activities for the Smith Canal Area Assessment District. This assistance was not implemented during the current year; however, staff anticipates this need for FY 18/19. The estimated cost for support services from City of Stockton staff is $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, postage, mailing, duplicating services, and file storage are included. Building rental charges from the City of Stockton are also included. The anticipated costs for Other Services for FY 18/19 is $428,000.

- **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 18/19 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 18/19 is $60,000.

It should be noted that the FY 18/19 budget (attached Exhibit B) budgets all operating costs against the Agency's reserve funds. This approach has been taken in previous years and is a conservative approach given that the Agency has implemented a process whereby direct operating costs in support of specific programs (Smith Canal Project, Mossdale Tract Program, etc.) are directly allocated to those programs based on the level of effort for that program, e.g., staff hours. This allows the Agency to receive cost sharing for these expenses from SJAFCA's cost sharing partners (e.g., the State of California).

Given that staffing levels at SJAFCA are in flux, the illustrated Operating Budget in Exhibit B includes the full costs for all proposed positions. The Board can expect that there will be a true-up towards the end of the year which will result in a reduction to the fiscal year's Operating Budget. The budgets for the Smith Canal Project and the Mossdale Tract Program reflect an estimate for allocated SJAFCA staff time.

Capital Improvement Program (CIP) Budget. CIP costs expensed directly against the Agency's reserves include the Lower San Joaquin River Feasibility Study and Regional Flood Management Planning (RFMP). RFMP activities are pass-through expenses because SJAFCA's funding agreement with DWR covers 100% of all project related expenses. As shown on Exhibit B, there are no appropriation requests for CIP activities to be funded from the Agency's reserves for FY 18/19.

The Agency operates on reserves from the original SJAFCA project completed in 1998. 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.

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 for both the District and the Agency. The District, as the lead agency for this effort, is working with Agency staff to finalize the preliminary assessment methodology report and public outreach plan. Prior to initiating a Proposition 218 balloting process, District and Agency staff will present the scope of work and cost to the Board. The current schedule would have District staff sending out ballots to voters in the Spring of 2019.

Summary

The estimated combined fund balance in the Agency's reserves (Federal Reimbursement Fund and SJAFCA Fund) at the beginning of FY 18/19 is $3,071,468 (Exhibit B). The proposed FY 18/19 budget anticipates total operating costs to be $1,530,000. Total operating costs will be trued-up at year end to account for direct expenses allocated against other sources of funding based on the level of effort for those specific programs. The true-up will operating costs will be trued-up at year end to account for direct expenses allocated against other sources of funding based on the level of effort for those specific programs. The true-up will result in a cost savings to the reserve fund balances. There are no requests for CIP activities to be funded from the Agency's reserves for FY 18/19. The estimated reserve fund balance at the end of FY 18/19 is $1,556,468.

It is recommended the Board adopt a resolution approving the Agency's proposed FY 18/19 budget. Any new appropriations and/or adjustments to the proposed FY 18/19 budget will be brought back before the Board for consideration and approval.

PREPARED BY: Marlo Duncan

Roger Churcwell

APPROVED:
ROGER CHURCWELL
ACTING EXECUTIVE DIRECTOR

RC:MD

Attachments

EXHIBIT A

FY 2017/2018 ADOPTED BUDGET (MAY 18, 2017)

	Federal Reimb. Fund	SJAFCA Fund	Combined Estimated Fund Balance 7/1/2017
	$ 910,327	$ 3,110,403	$ 4,020,730
Revenues			
Interest	$ 2,500	$ 4,500	$ 7,000
Federal reimbursement			-0-
Total Estimated Revenues:	$ 2,500	$ 4,500	**$ 7,000**
Expenses			
OPERATING BUDGET			
SJAFCA Employee Services	$ 598,500	$ 256,500	$ 855,000
City Employee Services	52,500	22,500	75,000
Other Services	176,000	263,000	439,000
Materials & Supplies	23,000	-0-	23,000
Other Expenses	35,000	35,000	70,000
Total Estimated Operating Expenses:	$ 885,000	$ 577,000	**$ 1,462,000**
CAPITAL IMPROVEMENT PROGRAM			
Technical Support			TBD
Total Capital Improvement Expenses:	$ -0-	$ -0-	**TBD**
Total Estimated Expenses:	$ 885,000	$ 577,000	**$ 1,462,000**
Estimated Fund Balance June 30, 2018:	**$ 27,827**	**$ 2,537,903**	**$ 2,565,730**

FY 2017/2018 UPDATED BUDGET (MAY 29, 2018)

	Federal Reimb. Fund	SJAFCA Fund	Combined Actual Balance 7/1/2017
	$ 1,042,831	$ 3,143,637	$ 4,186,468
Revenues			
Interest	$ 5,500	$ 16,500	$ 22,000
Federal reimbursement			-0-
Total Estimated Revenues:	$ 5,500	$ 16,500	**$ 22,000**
Expenses			
OPERATING BUDGET			
SJAFCA Employee Services	$ 598,500	$ 256,500	$ 855,000
City Employee Services	23,000	-0-	23,000
Other Services	176,000	263,000	439,000
Materials & Supplies	23,000	-0-	23,000
Other Expenses	35,000	35,000	70,000
Total Estimated Operating Expenses:	$ 855,500	$ 554,500	**$ 1,410,000**
CAPITAL IMPROVEMENT PROGRAM			
No CIP Activities Budgeted to Reserves			$ -0-
	$ -0-	$ -0-	$ -0-
Total Estimated Expenses:	$ 855,500	$ 554,500	**$ 1,410,000**
NEW Estimated Balance June 30, 2018:	**$ 192,831**	**$ 2,605,637**	**$ 2,798,468**

EXHIBIT B

FY 2018/2019 PROPOSED BUDGET	Federal Reimb. Fund	SJAFCA Fund	Combined Estimated Balance 7/1/2018
	$ 192,831	$ 2,605,637	$ 2,798,468
Estimated FY 17/18 Cost Savings:	273,000	-	273,000
	$ 465,831	**$ 2,605,637**	**$ 3,071,468**
Revenues			
Interest	2,000	13,000	15,000
Federal Reimbursement	-0-	-0-	-0-
Total Estimated Revenues:	$ 2,000	$ 13,000	$ 15,000
Expenses			
OPERATING BUDGET			
SJAFCA Employee Services	188,800	755,200	944,000
City Employee Services	15,000	60,000	75,000
Other Services	207,335	220,665	428,000
Materials & Supplies	23,000	-0-	23,000
Other Expenses	33,696	26,304	60,000
Total Estimated Operating Expenses:	$ 467,831	$ 1,062,169	$ 1,530,000
CAPITAL IMPROVEMENT PROGRAM			
TBD			$ -0-
Total Capital Improvement Expenses:	$ -0-	$ -0-	$ -0-
Total Estimated Expenses:	$ 467,831	$ 1,062,169	$ 1,530,000
Estimated Fund Balance June 30, 2019:	**$ -0-**	**$ 1,556,468**	**$ 1,556,468**

Agenda Item 6.2

May 29, 2018

TO: San Joaquin Area Flood Control Agency

FROM: Roger Churchwell, Acting Executive Director

SUBJECT: **APPROVAL OF FISCAL YEAR 2018/19 BUDGET FOR THE MOSSDALE TRACT PROGRAM**

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 2018/19 budget for the San Joaquin Area Flood Control Agency.

DISCUSSION

Background

On February 26, 2018 the SJAFCA Board approved a budget addendum appropriating funds for the new Mossdale Tract Program for the remainder of fiscal year 2017/18. This action was taken as part of the Agency's re-organization to address flood protection for the Mossdale Tract Area. As part of the board actions approving the budget addendum, the Board also delegated authority to the Interim Executive Director to enter into agreements with the State of California and the SJAFCA member agencies to generate funding for the planning and implementation efforts associated with the Mossdale Tract program. Today's recommendation from staff would supplement the prior approval and appropriate the additional funding needed for an additional 12 months of work on the program. The following discussion describes the work covered in this proposed 2018/19 budget and the status of current efforts.

Present Situation

In February 2018, the SJAFCA Board took a series of actions to create the financial infrastructure to allow SJAFCA to continue the efforts to advance 200-Year flood protection for the Mossdale Tract area started by the Cities of Lathrop and Manteca. This included appropriating funding for fiscal year 2017/18 to: (1) Transition the Urban Flood Risk Reduction (UFRR) Program Feasibility Study, Design and Permitting Agreement with DWR from Lathrop to SJAFCA; and (2) Provide Urban Level of Flood Protection (ULOP) Adequate Progress Annual Reporting, Technical Support, and Local Funding Program Implementation for the Mossdale Tract Basin as well as series of other actions in support of these goals. These efforts are well underway as further described below.

The UFRR Feasibility Study is progressing on schedule and staff expects to present information on the status of the Study to the Board in July. The action in February directed staff, in coordination with the City of Lathrop, to pursue assignment of the UFRR funding agreement with DWR for the study to SJAFCA. Staff from SJAFCA and Lathrop have made a joint request to DWR and are currently coordinating on this request.

As it relates to the implementation of the Local Funding Program and Adequate Progress towards Urban Level of Flood Protection for the Mossdale Tract area, the Board directed staff to work with its member agencies to execute a funding/loan agreement with one or more SJAFCA members to provide the funding for the work. The Board also authorized the Executive Director to enter into an agreement with Larsen Wurzel & Associates, Inc. (LWA) to prepare the annual ULOP Adequate Progress Report for the Mossdale Tract Basin and continue the implementation of the local funding mechanisms for 200-Year levee improvements subject to available funding.

Staff has worked with its member agencies and finalized the funding agreement. The agreement is now working its way through the execution process. The following presents the status of the agreement by signatory:

- The Stockton City Council approved the agreement on May 15th
- San Joaquin County will consider the agreement on June 12th
- The Manteca City council will consider the agreement on June 19th
- The City of Lathrop will consider the agreement on June 25th

In addition, staff has worked with the City of Lathrop to advance funds ($50,000) under the proposed funding/loan agreement and correspondingly entered into an agreement with LWA with limited Task Order authority to support the funding program. With this limited authorization, LWA is working to prepare 1) the annual ULOP Adequate Progress Report Update, 2) a Regional Development Impact Fee Program Nexus study, and 3) support the SJAFCA Mossdale Tract Program budgeting efforts. The remaining items under LWA's scope of work will continue to advance once the funding agreement has been fully executed.

The recommended budget augmentation for Fiscal Year 2018/19 (included as Exhibit A) for the proposed Mossdale Tract Fund addresses the following categories of costs:

UFRR Feasibility Study
- Work by Peterson Brustad

Program Management
- Staff Support & Overhead
- Consulting Support
- Legal Support

ULOP Adequate Progress & Local Funding Implementation
- Development Fee Program
- Assessment District
- ULOP Adequate Progress Report
- Budget Support and funding Administration Services

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

Summary of Costs	FY 17/18 Approved Budget	FY 18/19 Proposed Budget	Total Combined Budget
UFRR Feasibility Study	$523,956	$1,123,671	$1,340,096
Program Management	$216,425	$0	$523,956
Local Funding Implementation	$160,522	$137,728	$298,250
TOTAL EXPENDITURES	**$900,903**	**$1,261,399**	**$2,162,302**

The above expenses would represent the total cumulative budget for the Mossdale Tract Program to date. As previously stated, the revenues supporting this funding would come from two sources. The first source of funding would be the funding agreement with State of California that is currently being assigned from the City of Lathrop to SJAFCA. The second source of funding would be SJAFCA's funding agreement with its members structured in the form of loans that would be repaid once the future local funding mechanisms are in place and able to provide sufficient cash flow to cover future project expenses.

Summary

It is recommended the Board Action approve additional funding for the Mossdale Tract Fund and for the activities needed to continue to advance the Mossdale Tract Program. Funding would come from various agreements with the State of California and SJAFCA members to advance the Program and the establishment of funding sources for the local share of the Program.

PREPARED BY: Seth Wurzel, Agency Consultant

Roger Churchwell

APPROVED:
ROGER CHURCHWELL
DEPUTY EXECUTIVE DIRECTOR

RC:SW

Attachment

SJAFCA Proposed Budget Amendment - Exhibit A

Mossdale Tract Fund FY 2018/19 Budget Amendment

REVENUES			**Combined**
Restricted Revenues	**FY 2017/18**	**FY 2018/19**	**Budget**
Intergovernmental Funding	$523,956	$0	$523,956
(State DWR UFRR Feasibility Study)			
Unrestricted Revenues			
Member Agency Loans	$376,947	$1,261,399	$1,638,346
TOTAL REVENUES	**$900,903**	**$1,261,399**	**$2,162,302**
EXPENDITURES			
Program Management			
Allocated Staff Support & Overhead	$147,658	$1,021,137	$1,168,796
Consulting Support	$57,667	$95,333	$153,000
Legal Support	$11,100	$7,200	$18,300
Sub-Total Program Management	$216,425	$1,123,671	$1,340,096
UFRR Feasibility Study			
Peterson Brustad, Inc.	$523,956	$0	$523,956
Sub-Total UFRR Feasibility Study	$523,956	$0	$523,956
Local Funding Implementation			
Assessment District Support	$16,667	$33,333	$50,000
Development Fee Transition to SJAFCA	$19,000	$19,000	$38,000
Development Fee Advance Funding & Crediting	$21,895	$21,895	$43,790
EIFD Support / Formation	$63,500	$63,500	$127,000
ULOP Adequate Progress Report (1 Yr)	$31,960	$0	$31,960
JPA Budgeting Amendment & Seed Funding	$7,500	$0	$7,500
Sub-Total Local Funding Implementation	$160,522	$137,728	$298,250
TOTAL EXPENDITURES	**$900,903**	**$1,261,399**	**$2,162,302**

End of Agenda Packet