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BOARD OF DIRECTORS

City of Stockton

Jesús Andrade
Dan Wright
Alt. Sol Jobrack

Public Member

Mike Morowit

San Joaquin County

Katherine M. Miller
Chuck Winn, Vice-Chair
Alt. Miguel Villapudua

City of Manteca

Jose Nuño
Gary Singh, Chair

Executive Director

Chris Elias

City of Lathrop

Paul Akinjo
Diane Lazard

BOARD MEETING

THURSDAY, JUNE 18, 2020

9:00 A.M.

AGENDA IN LIGHT OF COVID-19

In Compliance with CA Executive Order N-29-20, members of the Board of Directors will participate in this meeting remotely. Members of the public may also participate in the meeting remotely.

TO CONNECT TO THE MEETING		
by Phone:	by Smart Phone or Tablet:	by Computer:
With one-tap mobile: 213-338-8477 (97984090676#)	Use the Zoom app – Meeting ID: 979 8409 0676	click on this link: https://downeybrand.zoom.us/j/97984090676

All callers will initially be muted until unmuted by the moderator. Any member of the public on the telephone may speak during Public Comment once unmuted or may email public comments to SJAFCA@stocktonca.gov and up to two minutes of comments will be read from each member of the public.

1. **CALL TO ORDER / ROLL CALL**
2. **PLEDGE TO FLAG**

3. CONSENT ITEMS

- 3.1) Approve minutes of the Board meeting of May 21, 2020

4. WORKSHOP

- 4.1) SJAFCA Budget Presentation

5. NON-CONSENT ITEMS

- 5.1) Approve the proposed fiscal year 2020/21 operating fund budget for the San Joaquin Area Flood Control Agency
- 5.2) Approve the proposed 2020/21 CIP budget augmentation for the Mossdale Tract Program
- 5.3) Approve an allocation of agency reserves funding to the Smith Canal Gate Project and update of the Smith Canal Gate Project FY 2020/21 (CIP) Budget
- 5.4) Ratify agreement to accept and appropriate \$200,000 awarded to the San Joaquin Area Flood Control Agency by the California Resilience Challenge 2020 Grant Program of the Bay Area Council Foundation

6. PRESENTATION

- 6.1) Implementation plan update and capital improvement plan funding approach discussion

7. ORAL REPORT FROM EXECUTIVE DIRECTOR

- 7.1) This is an opportunity to provide timely information to the Board in support of its work

8. PUBLIC COMMENTS

9. BOARD QUESTIONS, COMMENTS, ACTIONS

10. CLOSED SESSION

- 10.1) Dominick Gulli v. San Joaquin Area Flood Control Agency; ICF International, Inc.; Peterson and Brustad, Inc; Moffat and Nichol.
Case No. STK-CV-UWM-2015-0011880
- 10.2) San Joaquin Area Flood Control Agency v. Stockton Golf and Country Club
Case No. STK-CV-UED-2019-11392
- 10.3) Conference with Legal Counsel – Anticipated Litigation - Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of section 54956.9 (one case)

11. ADJOURNMENT

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
BOARD MEETING OF MAY 21, 2020**

STOCKTON, CALIFORNIA

In light of COVID-19 and in compliance with CA Executive Order N-29-20, the majority of members of the Board of Directors participated in this meeting remotely by teleconference. Members of the public were also permitted to participate in this meeting remotely by teleconference. An option was also given to email public comments to SJAFC@stocktonca.gov or to speak via the teleconference during public comment times. In compliance with C.D.C. recommendations, all those who physically attended the meeting sat with six feet of space between them and observed other recommended hygiene practices.

1. CALL TO ORDER / ROLL CALL 9:12 AM

Roll Call

Present:

Director Akinjo
Director Andrade
Director Lazard
Director Miller
Director Morowit
Director Nuño
Director Singh
Director Winn
Director Wright

The following participated in this meeting via teleconferencing:

- | | |
|--------------------|--------------------|
| • Director Akinjo | • Director Morowit |
| • Director Andrade | • Director Nuño |
| • Director Lazard | • Director Singh |
| • Director Miller | • Director Winn |

The following appeared in person to participate in this meeting:

- Director Wright

2. PLEDGE TO FLAG 9:15 AM

3. CONSENT ITEMS 9:15 AM

3.1) Approve minutes of the Special Board Meeting of April 30, 2020

PUBLIC COMMENT

- Dominick Gulli submitted written comments. His comments were read aloud for all participating in the meeting to hear. **9:16 AM**

AGENDA ITEM 3.1

Motion: Approve Minutes of the Special Board Meeting of April 30, 2020
Moved by: Director Wright, seconded by Director Nuño
Vote: Motion carried 6-0
Yes: Director Andrade, Director Miller, Director Nuño, Director Singh, Director Winn, and Director Wright
Abstain: Director Akinjo, Director Lazard, and Director Morowit

***Please Note:** Due to technical difficulties, the audio response for the following Board Members could not be heard. Consequently, though they were present, they were marked “abstain” during the voting process for this item.*

- Director Akinjo
- Director Lazard
- Director Morowit

4. PUBLIC HEARINGS

- 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 2020/2021 **9:20 AM**

PUBLIC COMMENT

- Dominick Gulli **9:26 AM**

Motion: Approve the annual Engineer’s Report for the Operation 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 2020/2021
Moved by: Director Wright, seconded by Director Miller
Vote: Motion carried 8-0
Yes: Director Akinjo, Director Andrade, Director Lazard, Director Miller, Director Nuño, Director Singh, Director Winn, and Director Wright
Abstain: Director Morowit

***Please Note:** Due to technical difficulties, the audio response for Director Morowit could not be heard. Consequently, though he was present, he was marked “abstain” during the voting process for this item.*

- 4.2) Resolution to approve the Technical Memorandum and Order the Levy and Collection of Assessments within the Smith Canal Area Assessment District for Fiscal Year 2020/2021 **9:30 AM**

PUBLIC COMMENT

- Dominick Gulli **9:40 AM**

Motion: Approve the Technical Memorandum and Order the Levy and Collection of Assessments within the Smith Canal Area Assessment District for Fiscal Year 20/21
Moved by: Director Miller, seconded by Director Wright
Vote: Motion carried 8-0
Yes: Director Akinjo, Director Andrade, Director Lazard, Director Miller, Director Nuño, Director Singh, Director Winn, and Director Wright
Abstain: Director Morowit

***Please Note:** Due to technical difficulties, the audio response for Director Morowit could not be heard. Consequently, though he was present, he was marked “abstain” during the voting process for this item.*

5. ORAL REPORT FROM EXECUTIVE DIRECTOR 9:45 AM

6.1) This is an opportunity to provide timely information to the Board in support of its work

The Board received the information presented.

PUBLIC COMMENT

- Dominick Gulli **9:58 AM**

6. PUBLIC COMMENTS

7. BOARD QUESTIONS, COMMENTS, ACTIONS 10:01 AM

- No questions or comments.

8. CLOSED SESSION 10:01 AM

Counsel had no updates regarding Closed Session items and the Board had no additional questions for Counsel. Considering this, Closed Session was cancelled.

PUBLIC COMMENT

- Dominick Gulli **10:02 AM**

8.1) Dominick Gulli v. San Joaquin Area Flood Control Agency; ICF International, Inc.; Peterson and Brustad, Inc; Moffat and Nichol.

Case No. STK-CV-UWM-2015-0011880

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

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

9. ADJOURNMENT 10:04 AM

The meeting adjourned at 10:04 AM. The next meeting is scheduled for 9:00 AM on June 18, 2020.



CHRIS ELIAS
EXECUTIVE DIRECTOR
SAN JOAQUIN AREA FLOOD
CONTROL AGENCY

Agenda Item 4.1

June 18, 2020

TO: San Joaquin Area Flood Control Agency

FROM: Chris Elias, Executive Director
Seth Wurzel, Agency Consultant

SUBJECT: **BUDGET WORKSHOP PRESENTATION**

RECOMMENDATION

It is recommended the Board of Directors receive a combined presentation prior to the consideration of any action on the Non-Consent Agenda Budget related items.

DISCUSSION

This time has been set aside on the Agenda for Agency Staff and Consultants to present an overview of the budget related actions within Section 5 of the Agenda. Rather than presenting individually on each item, Staff will be prepared to present high-level overview of budget related items, explain their interrelationships, and provide a consolidated more abbreviated and hopefully a more efficient presentation to the Board and the public. Subsequent to the presentation and related discussion, the Board is requested to consider each Budget Related action item under Section 5 separately.

In summary, for the Board's consideration under Section 5, Staff will be requesting approval of the following agenda items:

- 5.1 Approval of the Agency's Operating Budget for FY 2020/21 and a supporting allocation of the indirect costs of the budget to the Agency's ongoing Projects / Programs.
- 5.2 Approval of an Augmentation to the Mossdale Tract Program CIP (Capital Improvement Program) budget for work through Fiscal Year 2020/21.
- 5.3 Approval of an allocation of Agency reserve funding to the Smith Canal Gate Project and a related update to the Smith Canal Gate Project Fiscal Year 2020/21 CIP Budget.

The proposed FY 2020/21 Operating and Capital Budget is a carefully designed to align with the Board's Strategic Plan and begin to lay foundation of financial sustainability for SJAFCA. The recommendations included in this budget strengthen delivery of projects to reduce the risk of flooding in our community in the short term while setting the stage for sustainable operation in the long run. Staff recognizes that the budget is being presented during a time of unprecedented uncertainty, stemming from the COVID-19 Pandemic, affecting our community and economy. According to the Bureau of Economic Analysis, the Nation's Gross Domestic Product (GDP) is estimated to decline by 5% (year-over-year) for the first quarter of the calendar year (4th quarter of the fiscal year). According to the Bureau of Labor Statistics the Nation's unemployment rate has risen to 14.7% (15.5% for California) for the month of April, compared to the prior months unemployment rate of only 4.4%. In a recession pattern,

economic activity declines, which can lead to negative revenue growth for our member agencies. If economic activity declines, sales tax generating activities, including transfer tax from home sales, are likely to decline. Also, declining home values combined with likely slowdown in new home construction could result in negative impacts to property taxes and development impact fees – sources for funding critical levee improvements necessary for compliance with SB-5 the deadline of which is 2025. It is in light of these uncertainties and tight schedule for compliance that SJAFCA has taken proactive steps to pursue extension of the SB-5 deadline to 2030.

Given that the future of the pandemic outcomes are unknown at this time and the efforts to shore up operating revenue for SJAFCA still uncertain, staff will be implementing some spending reductions as part of the FY 2020/21 Proposed Budget.

Compensation: The Proposed budget includes freezing compensation for the Executive Director at the FY 2019/20 level without the annual increases tied to the Consumer Price Index.

Position Management: Although workload has increased for SJAFCA, no new positions are budgeted at this time. The headcount remains at six, the full-time equivalent number which are already included in Proposed in the FY 2020/21 budget.

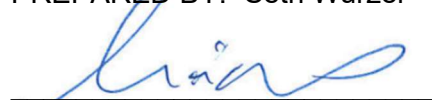
Consultant Agreements: The Proposed 2020/21 budget contemplates requesting and negotiating with SJAFCA's consultants to freeze their hourly rates at the FY 2019/20 levels for services they provide the Agency.

Regional Partnerships and Climate Adaptation and Resiliency Planning: The SJAFCA Board expressed its need to develop local resiliency to the impacts of changing climate, increased flows and sea level rise along the Lower San Joaquin River. To that end, staff applied for, and received, a Climate Resiliency Challenge 2020 Grant of \$200,000 from the Bay Area Council. Implementation of the scope of work for the Board's climate adaptation policy starts in FY 2020/21. Additionally, SJAFCA is in negotiations with the State Department of Water Resources for an \$850,000 allocation to implement Regional Flood Management Program for the San Joaquin area in FY 2020/21

Capital Improvement Program: A number of adjustments are being made to ensure proper tracking of staff time are in place and reviewed regularly to ensure efficient allocation of resources for effective delivery of projects in support of SJAFCA's mission.

While we remain efficient in managing current and future suite of flood protection projects, we are also mindful about prioritizing those in a manner that is consistent with the Board-adopted Strategic Plan.

PREPARED BY: Seth Wurzel



APPROVED:
CHRIS ELIAS
EXECUTIVE DIRECTOR

CE:smw

Agenda Item 5.1

June 18, 2020

TO: San Joaquin Area Flood Control Agency

FROM: Chris Elias, Executive Director

SUBJECT: **RESOLUTION TO APPROVE THE PROPOSED FISCAL YEAR 2020/21 OPERATING FUND 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) 2020/21 budget for the San Joaquin Area Flood Control Agency.

DISCUSSION

Background

On May 16, 2019, the Board adopted SJAFCA Resolution No. 19-28 approving the Agency's proposed budget for FY 19/20 (Exhibit A). Also, shown on Exhibit A is the updated final budget for the fiscal year.

As of April 15, 2020, with approximately 79 percent of the FY lapsed, the Agency has spent about 62% of the operating budget (see Table 1 below). Overall operating costs are expected to come in under budget and this is mainly due to vacant positions in SJAFCA.

Table 1
FY 19/20 Summary of To-Date Operating Expenses and Year-End Estimate

	FY 19/20 Budget	19/20 Expenses As of 4/15/20*	Year-End Estimated Operating Expenses
SJAFCA/CITY Employee Services	\$1,056,090.00	\$376,422.93 36%	\$664,389 63%
Other Services	440,300	310,389 70%	392,071 89%
Materials & Supplies	137,348	1,816 1%	2,294 2%
Other Expenses	157,262	99,767 63%	126,022 80%
Approved Operating Budget:	\$1,791,000	\$788,395 44%	\$1,184,775 66%

The attached Exhibit A shows the detail associated with the above summary. The proposed FY 20/21 budget (Exhibit A) also presents the Agency's anticipated expenditures for general administration, operations, and support costs for existing capital improvement projects. The proposed expenditure budget shown on Exhibit A is summarized in Table 2.

**RESOLUTION TO APPROVE THE PROPOSED FISCAL YEAR 20/21 OPERATING BUDGET
FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY**

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**Table 2
FY 20/21 Proposed General and
Administrative Expense Budget**

	FY 20/21 Proposed Budget
SJAFCA/CITY Employee Services	\$ 1,024,028
Other Services	455,000
Materials & Supplies	3,100
Other Expenses	117,500
Proposed Operating Budget:	\$1,599,628

Funding for the Proposed FY 20/21 Budget

The Agency's Operating budget is supported by the following resources: SJAFCA Reserve Fund Balances, the Operations and Maintenance Fund, the Smith Canal Assessment District Fund, the Mossdale Tract Fund, Cost-Share and Grant Agreements. Because SJAFCA's mission of reducing and managing the region's flood risk is achieved through the advancement of projects, with this budget, staff is incorporating an allocation of its operating budget to these resources. The attached Exhibit B shows the allocation that, with the approval of this budget by the Board, would be implemented by staff. The allocation of the operating budget to SJAFCA's projects and programs with reference to their primary funds is summarized in Table 3 as follows:

**Table 3
Proposed FY 2020/21 Operating Budget Allocation for Staff Time**

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

The following discussion describes the various resources and associated program efforts:

SJAFCA Operating Fund (Fund 55601). The SJAFCA Operating Fund balances are made up of assets that were derived from the Flood Protection Restoration Project (FPRP) completed in 1998, the unexpended bond proceeds for that project, fees collected by both the City of Stockton and County of San Joaquin for the Agency's former equalization fee program, and reimbursement received from the U.S. Army Corps of Engineers for the original flood control improvements. In addition to earned interest, some funding from in-County local agencies was received to help pay the local share of costs for the Lower San Joaquin River Feasibility Study as well as reimbursements from a Funding Agreement with the Department of Water Resources (DWR) for Regional Flood Management Planning. Revenues received from local agencies and through

**RESOLUTION TO APPROVE THE PROPOSED FISCAL YEAR 20/21 OPERATING BUDGET
FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY**

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Funding Agreements reimbursed the Agency for some of the costs it incurred to support these projects.

Over the last several years, the Reserve Fund balances have been used to pay for the Agency's operating costs as well as work that supported some of the Agency's capital improvement projects, such as the Lower San Joaquin River Feasibility Study (LSJRFS), the recertification of the Bear Creek and Calaveras River levee reaches, and to advance funds for the Smith Canal Gate project before the Smith Canal Area Assessment District was established. However, going forward with this year's budget, as described above, the Agency is implementing a process to allocate the operating costs of the Agency (the General & Administrative expenses) to minimize the amount of reserves used to fund operating expenses. While operating costs cannot be fully funded through this offset (not all of the programs where the costs are allocated have sufficient resources to bear the full brunt of the allocation), until such time as there is a more sustainable funding source secured for operating expenses, the allocation will allow reserves to last longer.

Operations and Maintenance (O&M) Fund (Fund 55694). The O&M Fund accounts for money collected annually through the Agency's O&M assessment. The levy of this assessment provides resources for ongoing maintenance of the Agency's FPRP improvements. Each year, the Board reviews the Annual Engineer's Report and establishes the O&M assessments. The O&M budget for FY 20/21 was presented to and approved by the Board separately on May 21, 2020 (Agenda Item 4.1) as part of the annual hearing process to approve the Assessment. The allocation approach discussed above and shown in Exhibit B would allocate up to \$160,000 of G&A expenses to the O&M fund. In order to fund this allocation, in addition to the authorization provided on May 21, 2020 of the use of up to \$100,000 appropriation of O&M surplus fund to deal with emergencies, it is requested with the approval of this Operating Budget to authorize the Executive Director to use up to an additional \$160,000 of O&M surplus funds to fund the allocation of General Administrative expenses of the Agency to the O&M fund.

Smith Canal Area Assessment District Fund (Fund 55666). 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 assesses approximately 8,100 benefited parcels and will generate approximately \$1.70 million during FY 20/21 that will be used to fund the local share of the project. The FY 20/21 Technical Memorandum for the Smith Canal Area Assessment District was presented to and approved by the Board separately on May 21, 2020 (Agenda Item 4.2). The allocation approach discussed above and shown in Exhibit B would allocate up to \$640,000 of G&A expenses to the Smith Canal Project fund. In order to fund this allocation, staff proposes to supplement the Smith Canal budget with SJAFCA reserve fund balances. As such, it is requested with the approval of this Operating Budget to authorize the Executive Director to use up to an additional \$640,000 of SJAFCA Reserve Fund Balances to fund the allocation of General Administrative expenses of the Agency. This issue is further addressed and to be considered by the Board as part of Item No. 5.3 on this Agenda. Item 5.3 addresses the further allocation of SJAFCA Reserve Fund Balances to the Smith Canal Project for Construction Contingency.

Mossdale Tract Fund (Fund 55679). This fund was created as part of a Board-approved action on February 26, 2018 (SJAFCA Resolution 18-06), to address flood protection for the Mossdale Tract Area. The sources of funding include previously funded forgivable loans from member agencies: City of Stockton, San Joaquin County, City of Lathrop and City of Manteca as well as a Regional Development impact fee program adopted by SJAFCA (Resolution No. 18-21) effective January 8, 2019. This fund is used to pay for activities to advance the Mossdale Tract

**RESOLUTION TO APPROVE THE PROPOSED FISCAL YEAR 20/21 OPERATING BUDGET
FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY** (Page 4)

Program. During FY 17/18 the Board approved a 2-year CIP budget totaling \$2.16 million. Funding under this budget rolled over and funded activities through FY 19/20. For FY 20/21 additional budget is requested and is presented separately under Item 5.2 at this meeting. The allocation approach discussed above and shown in Exhibit B would allocate up to \$480,000 of G&A expenses to the Mossdale fund. There is sufficient funding within the Mossdale Tract Fund to fund this allocation and this allocation is addressed within the budget presented under Item 5.2.

Various Cost-Share Agreements & Grants (Operating Fund 55601)

The Agency collaborates with local reclamation districts and other governmental agencies for funding support via cost-share agreements. As an example, the Agency collaborated with 11 reclamation districts, 4 cities, and the County of San Joaquin to fund the local cost share of the Lower San Joaquin River Feasibility Study. The Agency also cost-shared with Reclamation Districts 828 and 1614 to help fund the costs of preliminary studies and the formation of the Smith Canal Area Assessment District. For programs that do not have a dedicated funding source such as an assessment district or fee program where this a requirement to segregate funding, the Agency manages the funding for projects and programs through SJAFCA's main operating fund, 55601. Currently, for the Lower San Joaquin River Project and Regional Flood Management Planning, this is the case. The programs, however, will still have an allocation of G&A expenses to them, even though they are accounted for within the same fund.

Staff of the Agency is currently working with DWR to finalize the scope of work and budget for a third phase of Regional Flood Management Planning program. When a grant agreement and scope is ready to be brought before the Board for approval, the grant and associated budget will be presented at that time. Staff proposes however, at this time to incorporate an allocation of General and Administrative costs to the Regional Flood Management Planning program as shown in Exhibit B. The allocation would be approximately \$80,000. Funding for this allocation is expected to come from the State as part of the funding for the Grant scope of work.

As further discussed below, staff of the Agency is currently working the USACE, DWR and CVFPB to advance the Lower San Joaquin River Project toward the construction of the first increment. With this effort, staff proposes to incorporate an allocation of General and Administrative costs to the Lower San Joaquin River Project. The allocation would be approximately \$80,000. Funding for this allocation would come from the Agency's operating fund reserves as this is currently the only funding source available for SJAFCA's share of the Federal Project.

Finally, in order to address budgeting of the RFMP and LSJRP in similar manner as other Projects, as part of the approval of the Operating Budget, staff is incorporating the budget for FY 2020/21 for these programs into this request. Please refer to Capital Improvement Program Budget discussion further below.

Present Situation

Operating Budget. The Agency's Operating Budget as summarized above and presented in Exhibit A for FY 20/21 totals \$1,600,000, and consists of the following categories described further below:

- **SJAFCA/CITY Employee Services.** This category includes salary and benefits for 6 SJAFCA positions: Executive Director, Director of Engineering Services, Senior Civil Engineer, Associate Civil Engineer, Project Manager, and Administrative support staff. Four positions are City of Stockton positions and two positions, Executive Director and

**RESOLUTION TO APPROVE THE PROPOSED FISCAL YEAR 20/21 OPERATING BUDGET
FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY** (Page 5)

Director of Engineering Services, are Agency positions. This category also includes staff positions from City of Stockton and temporary staff costs. City of Stockton costs include an allocation of salary and benefits for administration and city payroll services. Temporary staff costs include professional services received by the Agency for bookkeeping. The total allocation of resources to support all of these staffing costs is **\$1,024,000**.

- **Other Services.** These expenses include professional services such as legal counsel, federal and state representation, technical consultants, and annual auditing services. General liability, insurance premiums, equipment rental, computer technology support, postage, mailing, duplicating services, and file storage are included. Rental for building space from the City of Stockton is also included. The total allocation for Other Services is **\$455,000**.
- **Materials and Supplies.** This category includes expenses for general office supplies, computer software, the maintenance of the Agency's office scanner/copier equipment. The anticipated cost for Materials and Supplies is **\$3,100**.
- **Other Expenses.** This category includes costs for travel, such as advocacy trips to Washington, D.C., parking, training and staff development, professional memberships, permits/certifications, website development and maintenance and vehicle maintenance. The total anticipated cost for Other Expenses is **\$117,500**.

During prior fiscal years, all of the Agency's operating costs were budgeted against the Agency's reserve fund balances. While this is a conservative approach given that the Agency implements a process where its direct operating costs in support of specific programs (e.g., Smith Canal and Mossdale Tract) are directly allocated to those programs based on actual staff hours spent in support of those services, it did over burden the Agency's reserves that are dwindling. SJAFCA will continue this process but with this Fiscal Year, the indirect costs will now also be allocated to Projects as described above.

The Operating Budget illustrated in Exhibits A and B include the full costs for the proposed positions and the allocations to the Projects and Programs supporting the Agency's mission. There will be a true-up towards the end of the year which will result in an updated allocation of costs that is anticipated to impact the reserve fund balances. The Budgets for the Smith Canal Project and the Mossdale Tract Program reflect allocated estimates for SJAFCA staff time.

Capital Improvement Program (CIP) Budget. As further described above, the Agency has 4 capital programs that support flood protection projects:

	Smith Canal	Mossdale Tract	Lwr. San Joaquin River Project	Regional Planning
Funding Sources Currently in Place	- Assessments - EIP Grant - UFRR Grant - Allocation of Reserves - Bond Revenues	- Local Funding Agreements - UFRR Feasibility Grant - The Mossdale Regional Levee Impact Fee - Climate Resiliency Grant - Federal Risk Assessment Agreement	- SJAFCA Fund Reserves - Local Funding Agreements - Federal Reimbursement - Agreements w/ USACE & CVFPB	- RFMP Grant

**RESOLUTION TO APPROVE THE PROPOSED FISCAL YEAR 20/21 OPERATING BUDGET
FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY**

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An updated CIP Budget request for the Smith Canal and Mossdale Programs is included as part of Agenda Items 5.2 and 5.3.

Mossdale Tract. The Mossdale Tract Program has been supported by advanced funding from Member Agencies and by Regional Development Impact Fees. To further accomplish the goal of achieving an Urban Level of Flood Protection for the Mossdale Tract Area, other local funding mechanisms, such as an Overlay Assessment District and Enhanced Infrastructure Financing District, are being advanced to support project costs. In addition, an RFP for Engineering and Permitting services was issued in May 2020. As further discussed in Item 5.2, additional funding is needed in order to support the construction costs.

Smith Canal. The issuance and sale of revenue assessment bonds to finance improvements for the Smith Canal project took place in May 2020. The Smith Canal project is financed by local assessment revenues, bond proceeds and Funding Agreements with the State Department of Water Resources to support project costs. As further discussed in Item 5.3, additional funding is needed in order to support the construction costs.

Lower San Joaquin River Project. The overall estimated cost for the Lower San Joaquin River Project (LSJRP) is approximately \$1.3 billion. This project is expected to be implemented in several increments over a decade or more timeframe. The first increment of the LSJRP is currently under design and the non-Federal share of the first design increment is \$2.221 million (total cost \$6.346 million). This non-Federal cost is split between SJAFCA and the State (70/30) and brings SJAFCA's local cost share for the design to \$666,300. In February 2020, the USACE approved Civil Works work plan funding in the amount of \$22.8 million and awarded a New Start Construction designation for the construction of the first increment. SJAFCA's share of this first construction increment is \$2,394,000.

In order to generate funding for the Local Share of the Design efforts back in September 2018, the Board authorized the Executive Director to execute cost share agreements for the LSJRP with the local stakeholder agencies impacted by the Feasibility Study. This was the same approach taken to fund the local share of the Feasibility Study. However, at the same time, SJAFCA had been working to receive a \$10.6 million reimbursement for completed work on the prior Federal project. This money was received in July 2019. Staff has met with the local agencies to discuss cost share agreements and at the same time the Board has been discussing, in the context of the strategic planning effort, identifying a local funding mechanism to fund the full local share of entire authorized LSJRP. In lieu executing cost share agreements, SJAFCA staff recommends the use of a portion (up to \$3.14 million) of the \$10.6 million in funds (now part of SJAFCA's reserves) to match the current Federal Funding allocated for the Project. The remaining funding, after an allocation to the Smith Canal Project, should be focused on developing the long-term funding needed to generate the remaining local share of the overall LSJRP. Staff will be prepared to discuss this long-term funding approach under Item 6.1 of this Agenda.

In the short term, for FY 2020/2021, additional funding is needed to meet SJAFCA's obligations for the advancement of the first increment of the LSJRP. With the approval of the operating budget, Staff recommends that the Board increase the LSJRP CIP budget by approximately \$2.99 million (which takes into consideration expenses previously expended in FY 19/20) for the LSJRP to a total of \$3.14 million as detailed in Table 4.

**RESOLUTION TO APPROVE THE PROPOSED FISCAL YEAR 20/21 OPERATING BUDGET
FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY**

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Table 4

Lower San Joaquin River Federal Project FY 2020/21 CIP Budget	
Non-Federal Sponsor Obligations	
Design Agreement	\$666,300
Project Partnership Agreement	\$2,394,000
Allocated Overhead	\$79,981
Total Costs	\$3,140,281
Less Prior Funding & Costs	(\$154,169)
FY 2020/21 Augmentation	\$2,986,113

Regional Planning. In the past, money received from the State for Regional Flood Management Planning (RFMP) has reimbursed the Agency for its efforts to provide critical information about local flood management needs and priorities as part of the 2017 Central Valley Flood Protection Plan (CVFPP) update. As an extension of RFMP efforts, DWR is advancing a third phase of regional planning that will support the 2022 CVFPP update. Staff will continue to work with the State to put this grant in place and support the Agency's projects. Staff is currently working with DWR to finalize a scope of work and budget for a new Phase 3 RFMP Grant. The current budget is expected to be approximately \$850,000. When the grant is available for review and approval by the Board, Staff will request the additional budget at that time. It is expected that the allocation of Agency Overhead of \$80,000 to the grant program will be funded from the Grant.

FISCAL IMPACT

Discussion

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

The Agency's shrinking reserves and lack of revenue stream has been communicated to the Board over the last few years. Since new members have been appointed to the Board of Directors, staff would like to re-state that previous financial analyses prepared by Kjeldsen Sinnock & Neudeck, Inc. (KSN), during FY 14/15, forecasted that the Agency would exhaust its reserves and would not be able to support operations beyond 2020.

As a result of the KSN report, SJAFCA and the San Joaquin County Flood Control and Water Conservation District (District) executed a cost-share agreement, approved by the Board in 2015, to evaluate funding alternatives and implement a plan to secure future funding for both the District and the Agency for the services it provides. The District, as the lead agency for this effort, worked with SJAFCA to finalize an assessment methodology and implement a new Assessment District called the Flood Conveyance and Levee Maintenance Assessment. District. In July 2019, the District presented the work effort to the SJAFCA Board as an informational item. The schedule at

**RESOLUTION TO APPROVE THE PROPOSED FISCAL YEAR 20/21 OPERATING BUDGET
FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY**

(Page 8)

the time would have had District staff mailing out ballots to voters in the Fall of 2019. However, due to opposition of the effort from local stakeholders the effort was delayed until early Spring 2020. Just prior to the Board of Supervisor's further consideration of the District's Assessment, the COVID-19 Pandemic took place and created a public health crisis that is affecting our community and economy in unprecedented ways. Facing a changed economic climate and uncertainties, the formation of a district that could support Agency operations has been further delayed.

Without other sources of financing, the Agency now must rely on program resources to support more of its operational costs. This approach has been documented within this report through the proposed allocation methodology described in Table 3 above.

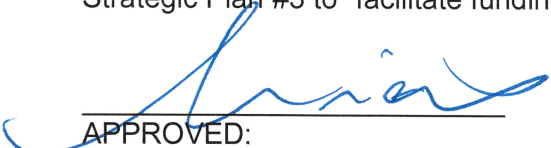
Summary

The estimated Agency Reserve Fund Balance at the beginning of FY 20/21 is expected to be approximately \$10.7 million. The proposed FY 20/21 budget anticipates total operating costs to be \$1,600,000 with a portion of these costs allocated to SJAFCA's projects. Total operating costs will be trued-up at fiscal year-end to account for direct expenses allocated against other sources of funding based on the level of effort for those specific programs. Requests for additional CIP budget are presented as separate items at this meeting.

By approving the Resolution attached to this staff report, the Board will adopt and approve the Agency's proposed FY 20/21 budget and associated allocation approach to capital programs. Additional appropriations or adjustments to the proposed FY 20/21 budget will be brought before the Board for consideration and approval.

Strategic Plan Consistency

Key objectives of prudent financial planning are to ensure sufficient resources for projects and services are identified in the Proposed FY 2020/21 budget – a budget that is in alignment with Strategic Plan #3 to “facilitate funding structures that are most beneficial to local interests.”



APPROVED:
CHRIS ELIAS
EXECUTIVE DIRECTOR

Attachments

- Exhibit A – FY 19/20 Budget and Year-End Estimate with a Proposed FY 20/21 Operating Budget
- Exhibit B – FY 20/21 Operating Budget and Proposed Allocation to Programs
- Exhibit C – Budget Resolution

SAN JOAQUIN AREA FLOOD CONTROL AGENCY
General and Admin Budget (FY 19/20 and Proposed FY 20/21)

EXHIBIT A

	FY 19/20 APPROVED BUDGET	FY 19/20 thru 4/15/2020	FY 19/20 PROJECTED	FY 20/21 PROPOSED BUDGET
Expense				
700 · AGENCY MANAGEMENT - G&A				
7-30400 · ADMINISTRATIVE CHARGES				
7-30401 · SALARIES & WAGES	Included Below	\$ 144,351.77	\$ 212,339.08	\$ 424,678.16
7-30402 · BENEFITS	Included Below	\$ 11,504.58	\$ 14,532.10	\$ 29,064.20
7-30403 · PAYROLL TAX EXPENSE	Included Below	\$ 1,624.13	\$ 2,051.53	\$ 4,103.07
7-30404 · WORKER'S COMP. INSURANCE	Included Below	\$ 1,616.00	\$ 2,041.26	\$ 4,082.53
7-30405 · PAYROLL PROCESSING EXPENSE	\$ 1,090.00	\$ 1,666.35	\$ 2,104.86	\$ 2,100.00
7-30400 · ADMINISTRATIVE CHARGES - Other	\$ 1,055,000.00	\$ 215,660.10	\$ 431,320.20	\$ 560,000.00
Subtotal SJACFA/CITY Employee Services	\$ 1,056,090.00	\$ 376,422.93	\$ 664,389.04	\$ 1,024,027.95
7-30600 · AUDIT EXPENSE	\$ 25,300.00	\$ 43,546.25	\$ 55,005.79	\$ 55,000.00
7-40600 · OUTSIDE STAFFING SERVICES	Included Below	\$ 63,472.40	\$ 80,175.66	\$ 150,000.00
7-50100 · PROFESSIONAL SERVICES - AGENCY	\$ 415,000.00	\$ 203,370.61	\$ 256,889.19	\$ 250,000.00
Subtotal Other Services	\$ 440,300.00	\$ 310,389.26	\$ 392,070.64	\$ 455,000.00
7-30700 · BANK OF STK - SJAFCA VISA	\$ 200.00	\$ 77.08	\$ 97.36	\$ 100.00
7-40100 · GENERAL OFFICE EXPENSES	\$ 132,767.00	\$ 728.67	\$ 920.43	\$ 1,500.00
7-40500 · MISCELLANEOUS	\$ 4,381.00	\$ 1,010.07	\$ 1,275.88	\$ 1,500.00
Subtotal Materials & Supplies	\$ 137,348.00	\$ 1,815.82	\$ 2,293.67	\$ 3,100.00
7-30500 · ADVERTISING RECRUITMENT EXP.	Included Below	\$ 19,064.06	\$ 24,080.92	\$ 10,000.00
7-30800 · COMMUNICATIONS	\$ 6,457.00	\$ 3,105.41	\$ 3,922.62	\$ 4,500.00
7-40200 · INSURNACE BOND & MALPRACTICE	\$ 90,586.00	\$ 56,931.20	\$ 71,913.09	\$ 72,000.00
7-40400 · MEMBERSHIPS & LICENSE RENEWALS	\$ 7,265.00	\$ 11,478.00	\$ 14,498.53	\$ 15,000.00
7-40700 · PERMITS & CERTIFICATIONS	\$ 654.00	\$ 2,441.55	\$ 3,084.06	\$ 5,000.00
7-60200 · TRANSPORTATION & TRAVEL	\$ 40,000.00	\$ 3,039.67	\$ 3,839.58	\$ 5,000.00
7-60300 · WEBSITE HOSTING	\$ 12,300.00	\$ 3,707.15	\$ 4,682.72	\$ 6,000.00
Subtotal Other Expenses	\$ 157,262.00	\$ 99,767.04	\$ 126,021.52	\$ 117,500.00
Total 700 · AGENCY MANAGEMENT - G&A	\$ 1,791,000.00	\$ 788,395.05	\$ 1,184,774.87	\$ 1,599,627.95

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

EXHIBIT B

	FY 20/21 PROPOSED BUDGET	Operating Fund 55601 10%	O&M 55694 10%	Smith Canal 55666 40%	Mossdale 55679 30%	Fed Project 55653 5%	RFMP 55601 5%
Expense							
700 · AGENCY MANAGEMENT - G&A							
7-30400 · ADMINISTRATIVE CHARGES							
7-30401 · SALARIES & WAGES	\$ 424,678.16	\$ 42,467.82	\$ 42,467.82	\$ 169,871.26	\$ 127,403.45	\$ 21,233.91	\$ 21,233.91
7-30402 · BENEFITS	\$ 29,064.20	\$ 2,906.42	\$ 2,906.42	\$ 11,625.68	\$ 8,719.26	\$ 1,453.21	\$ 1,453.21
7-30403 · PAYROLL TAX EXPENSE	\$ 4,103.07	\$ 410.31	\$ 410.31	\$ 1,641.23	\$ 1,230.92	\$ 205.15	\$ 205.15
7-30404 · WORKER'S COMP. INSURANCE	\$ 4,082.53	\$ 408.25	\$ 408.25	\$ 1,633.01	\$ 1,224.76	\$ 204.13	\$ 204.13
7-30405 · PAYROLL PROCESSING EXPENSE	\$ 2,100.00	\$ 210.00	\$ 210.00	\$ 840.00	\$ 630.00	\$ 105.00	\$ 105.00
7-30400 · ADMINISTRATIVE CHARGES - Other	\$ 560,000.00	\$ 56,000.00	\$ 56,000.00	\$ 224,000.00	\$ 168,000.00	\$ 28,000.00	\$ 28,000.00
<i>Subtotal SJACFA/CITY Employee Services</i>	\$ 1,024,027.95	\$ 102,402.79	\$ 102,402.79	\$ 409,611.18	\$ 307,208.38	\$ 51,201.40	\$ 51,201.40
7-30600 · AUDIT EXPENSE	\$ 55,000.00	\$ 5,500.00	\$ 5,500.00	\$ 22,000.00	\$ 16,500.00	\$ 2,750.00	\$ 2,750.00
7-40600 · OUTSIDE STAFFING SERVICES	\$ 150,000.00	\$ 15,000.00	\$ 15,000.00	\$ 60,000.00	\$ 45,000.00	\$ 7,500.00	\$ 7,500.00
7-50100 · PROFESSIONAL SERVICES - AGENCY	\$ 250,000.00	\$ 25,000.00	\$ 25,000.00	\$ 100,000.00	\$ 75,000.00	\$ 12,500.00	\$ 12,500.00
<i>Subtotal Other Services</i>	\$ 455,000.00	\$ 45,500.00	\$ 45,500.00	\$ 182,000.00	\$ 136,500.00	\$ 22,750.00	\$ 22,750.00
7-30700 · BANK OF STK - SJAFCA VISA	\$ 100.00	\$ 10.00	\$ 10.00	\$ 40.00	\$ 30.00	\$ 5.00	\$ 5.00
7-40100 · GENERAL OFFICE EXPENSES	\$ 1,500.00	\$ 150.00	\$ 150.00	\$ 600.00	\$ 450.00	\$ 75.00	\$ 75.00
7-40500 · MISCELLANEOUS	\$ 1,500.00	\$ 150.00	\$ 150.00	\$ 600.00	\$ 450.00	\$ 75.00	\$ 75.00
<i>Subtotal Materials & Supplies</i>	\$ 3,100.00	\$ 310.00	\$ 310.00	\$ 1,240.00	\$ 930.00	\$ 155.00	\$ 155.00
7-30500 · ADVERTISING RECRUITMENT EXP.	\$ 10,000.00	\$ 1,000.00	\$ 1,000.00	\$ 4,000.00	\$ 3,000.00	\$ 500.00	\$ 500.00
7-30800 · COMMUNICATIONS	\$ 4,500.00	\$ 450.00	\$ 450.00	\$ 1,800.00	\$ 1,350.00	\$ 225.00	\$ 225.00
7-40200 · INSURANCE BOND & MALPRACTICE	\$ 72,000.00	\$ 7,200.00	\$ 7,200.00	\$ 28,800.00	\$ 21,600.00	\$ 3,600.00	\$ 3,600.00
7-40400 · MEMBERSHIPS & LICENSE RENEWALS	\$ 15,000.00	\$ 1,500.00	\$ 1,500.00	\$ 6,000.00	\$ 4,500.00	\$ 750.00	\$ 750.00
7-40700 · PERMITS & CERTIFICATIONS	\$ 5,000.00	\$ 500.00	\$ 500.00	\$ 2,000.00	\$ 1,500.00	\$ 250.00	\$ 250.00
7-60200 · TRANSPORTATION & TRAVEL	\$ 5,000.00	\$ 500.00	\$ 500.00	\$ 2,000.00	\$ 1,500.00	\$ 250.00	\$ 250.00
7-60300 · WEBSITE HOSTING	\$ 6,000.00	\$ 600.00	\$ 600.00	\$ 2,400.00	\$ 1,800.00	\$ 300.00	\$ 300.00
<i>Subtotal Other Expenses</i>	\$ 117,500.00	\$ 11,750.00	\$ 11,750.00	\$ 47,000.00	\$ 35,250.00	\$ 5,875.00	\$ 5,875.00
Total 700 · AGENCY MANAGEMENT - G&A	\$ 1,599,627.95	\$ 159,962.79	\$ 159,962.79	\$ 639,851.18	\$ 479,888.38	\$ 79,981.40	\$ 79,981.40

RESOLUTION NO. SJAFCA 20-19

SAN JOAQUIN AREA
FLOOD CONTROL AGENCY

=====

**RESOLUTION TO APPROVE THE PROPOSED 2020/21 OPERATING FUND BUDGET
FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY**

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

1. That the San Joaquin Area Flood Control Agency's 2020-2021 Proposed Operating Fund Budget is hereby approved and adopted, a copy of which is attached as Exhibit "A" and Exhibit "B" and incorporated by this reference.
2. That the San Joaquin Area Flood Control Agency's 2020-2021 Proposed Budget includes the Capital Improvement Program project allocations as described in the supporting staff report are hereby approved and adopted.
3. That any new appropriations and/or adjustments to the Agency's 2020-2021 fiscal year budget will be brought back before the Board for consideration and approval.

PASSED, APPROVED AND ADOPTED this _____ day of June, 2020.

GARY SINGH, Chair
of the San Joaquin Area
Flood Control Agency

ATTEST:

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

APPROVED AS TO FORM:

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

Agenda Item 5.2

June 18, 2020

TO: San Joaquin Area Flood Control Agency

FROM: Chris Elias, Executive Director
Seth Wurzel, Agency Consultant

SUBJECT: **APPROVAL OF FISCAL YEAR 2020/21 CIP BUDGET AUGMENTATION 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 approving a supplemental appropriation covering projected expenses for fiscal year 2020/21 for Mosssdale Tract Program budget for the San Joaquin Area Flood Control Agency.

DISCUSSION

Background

On February 26, 2018, the SJAFCA Board approved a budget addendum appropriating the initial funds for the new Mosssdale 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 Mosssdale Tract Area. Further, on May 29, 2018, as part of the board's regular budget actions approving its operating budget and other Capital Improvement Project (CIP) budgets, the Board supplemented the prior approval and appropriated additional funding for Mosssdale program. That budget supplement provided sufficient funding for the program through FY 2019/20. The following discussion describes the work covered in an additional proposed supplement covering activities through FY 2020/21 and the status of current efforts.

Present Situation

The prior board approvals of budget for the Mosssdale Tract Program 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 Mosssdale Tract area started by the Cities of Lathrop & Manteca. These actions included appropriating funding to: (1) Transition the Urban Flood Risk Reduction (UFRR) Program Feasibility Study, Design and Permitting Agreement with DWR from Lathrop to SJAFCA; and (2) Provide Urban Level of Flood Protection including Adequate Progress Annual Reporting, Technical Support, and Local Funding Program Implementation for the Mosssdale Tract Basin as well as series of other actions in support of these goals. These efforts continue and are well underway as further described below.

The UFRR Feasibility Study is nearing completion and staff expects that DWR will approve the study and allow the remaining UFRR grant funding to be applied toward preliminary design and permitting efforts. These preliminary design and permitting efforts would advance common features between the preferred alternative in the UFRR study and the proposed ULOP Project reflected in the Engineer's Report supporting the local agencies' adequate progress findings. In particular, the main common feature SJAFCA is targeting to advanced is the Dryland Levee South

AGENDA ITEM 5.2

**APPROVAL OF FISCAL YEAR 2020/21 CIP BUDGET AUGMENTATION FOR THE
MOSSDALE TRACT PROGRAM**

(Page 2)

of Manteca. This effort would allow the Local Agencies to maintain adequate progress and allow SJAFCA to advance 200-Year levee protection in the Mossdale Tract Area.

As it relates to the implementation of the Local Funding Program for the Mossdale Tract area, the Agency has implemented a Regional Levee Impact Fee and has been collecting development impact fee funds for nearly 1 ½ years. In addition, the Board approved consulting contracts to support the formation of Overlay Assessment District and Enhanced Infrastructure Financing Districts including a contract for supporting Public Outreach efforts. These efforts are targeting supporting formal actions toward the end of 2020 and early 2021.

Most recently staff issued an RFQ to prequalify consulting firms covering multiple disciplines including Hydraulic Modeling, Civil Design, Environmental Resources and Stakeholder Outreach. In response to this RFQ, staff qualified 12 firms and is current soliciting proposals for the first phase of work which would support the advancement of the Manteca Dryland Levee.

Finally, SJAFCA recently applied for, and received, a Grant of \$200,000 from the Bay Area Council's Climate Resiliency Challenge. This grant is the subject of an additional item on this Agenda (Item 5.4). Funds from this grant will be utilized by SJAFCA to advance the Climate Adaptation Policies and related goals of the Agency. These funds and the associated expenses have been incorporated into this CIP budget.

The recommended budget augmentation for Fiscal Year 2020/21 (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 & Allocated Overhead
- Consulting Support
- Legal Support
- Strategic Planning and Implementation
- Public Outreach

ULOP Adequate Progress & Local Funding Implementation

- Development Fee Program
- Overlay Assessment District
- ULOP Adequate Progress Report
- Budget Support and funding Administration Services
- Federal Program Consultation Phase 2 Feasibility Study Coordination

Project Implementation

- Preliminary Design and Environmental Review
- Climate Resiliency Scope of Work

**APPROVAL OF FISCAL YEAR 2020/21 CIP BUDGET AUGMENTATION FOR THE
MOSSDALE TRACT PROGRAM**

(Page 3)

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

Summary of Costs	Approved Budget Through 19/20	Proposed Budget Augmentation	Total Combined CIP Budget
UFRR Feasibility Study	\$531,669	\$(262,892)	\$268,776
Program Management	\$1,529,096	\$2,958	\$1,532,054
Local Funding Implementation	\$983,200	\$0	\$983,200
Project Implementation	\$0	\$3,200,000	\$3,200,000
TOTAL EXPENDITURES	\$3,043,965	\$2,940,066	\$5,984,031

The above expenses would represent to total cumulative Capital Improvement Program (CIP) budget for the Mossdale Tract Program through FY 20/21. Further, as is the case with all CIP budgets, if the above budget is not expended through the next FY, the budget would roll over to the next FY.

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

Summary

The recommended Board Action would 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, SJAFCA members and Development Impact Fee revenues already received.



APPROVED:
CHRIS ELIAS
EXECUTIVE DIRECTOR

Attachments:

- Exhibit A – Mossdale Tract Fund Fiscal Year 2020/21 Proposed CIP Budget Augmentation
- Exhibit B – Resolution

SJAFCA Proposed Budget Amendment - Exhibit A

Mossdale Tract Fund FY 2020/21 Budget Amendment

	Combined Approved Budget (FY's 17 to 20)	Actuals Throug 2/29/20	Remaining Budget through 2/29/20	Projected through FY 2020/21	Budget Augmentation through FY 2020/21	Updated Budget through FY 2020/21
REVENUES						
Restricted Revenues						
Intergovernmental Funding	\$523,956	\$0	\$523,956	\$3,250,000	\$2,726,044	\$3,250,000
(State DWR UFRR Feasibility Study Grant)						
Bay Area Council Climate Resiliency Grant				\$200,000	\$200,000	\$200,000
Unrestricted Revenues						
Member Agency Loans	\$310,000	\$310,000	\$0	\$0	\$0	\$310,000
Levee Impact Fees	\$1,332,565	\$2,715,553	(\$1,382,988)	\$500,000	\$1,882,988	\$3,215,553
Investment Interest	\$0	\$48,225	(\$48,225)	\$25,000	\$73,225	\$73,225
TOTAL REVENUES	\$2,166,521	\$3,073,778	(\$907,257)	\$3,975,000	\$4,882,257	\$7,048,778
EXPENDITURES						
UFRR Feasibility Study						
Peterson Brustad, Inc.	\$531,669	\$18,776	\$512,892	\$250,000	(\$262,892)	\$268,776
<i>Subtotal UFRR Feasibility Study</i>	<i>\$531,669</i>	<i>\$18,776</i>	<i>\$512,892</i>	<i>\$250,000</i>	<i>(\$262,892)</i>	<i>\$268,776</i>
Program Management						
Allocated Staff Support & Overhead	\$1,072,421	\$52,379	\$1,020,042	\$ 629,888.38	\$ (390,153.47)	\$ 682,267.53
Consulting Support (PBI & Willdan)	\$153,000	\$112,053	\$40,947	\$100,000	\$59,053	\$212,053
Legal Support	\$18,300	\$123,542	(\$105,242)	\$150,000	\$255,242	\$273,542
Strategic Planning (LWA/PBI)	\$96,375	\$125,192	(\$28,817)	\$50,000	\$78,817	\$175,192
Public Outreach	\$189,000	\$572	\$188,428	\$188,428	\$0	\$189,000
<i>Subtotal Program Management</i>	<i>\$1,529,096</i>	<i>\$413,737</i>	<i>\$1,115,359</i>	<i>\$1,118,317</i>	<i>\$2,958</i>	<i>\$1,532,054</i>

SJAFCA Proposed Budget Amendment - Exhibit A

Mossdale Tract Fund FY 2020/21 Budget Amendment

	Combined Approved Budget (FY's 17 to 20)	Actuals Through 2/29/20	Remaining Budget through 2/29/20	Projected through FY 2020/21	Budget Augmentation through FY 2020/21	Updated Budget through FY 2020/21
Local Funding Implementation						
Assessment District Support	\$56,700	\$20,392	\$36,308	\$36,308	\$0	\$56,700
Development Fee Transition to SJAFCA	\$67,100	\$43,739	\$23,361	\$23,361	\$0	\$67,100
Development Fee Advance Funding & Crediting	\$40,400	\$17,805	\$22,595	\$22,595	\$0	\$40,400
EIFD Support / Formation	\$500,100	\$148,274	\$351,826	\$351,826	\$0	\$500,100
ULOP Adequate Progress Report	\$93,100	\$59,674	\$33,426	\$33,426	\$0	\$93,100
Budget & Financial Support	\$71,200	\$25,063	\$46,137	\$46,137	\$0	\$71,200
Federal Program Consultation	\$44,800	\$2,004	\$42,796	\$42,796	\$0	\$44,800
Federal Feasibility Study	\$109,800	\$0	\$109,800	\$109,800	\$0	\$109,800
<i>Subtotal Local Funding Implementation</i>	<i>\$983,200</i>	<i>\$316,949</i>	<i>\$666,251</i>	<i>\$666,251</i>	<i>\$0</i>	<i>\$983,200</i>
Project Implementation						
Preliminary Design &	\$0	\$0	0	\$3,000,000	\$3,000,000	\$3,000,000
Climate Resiliency Grant Work	\$0	\$0	0	\$200,000	\$200,000	\$200,000
TOTAL EXPENDITURES	\$3,043,965	\$749,463	\$2,294,502	\$5,234,568	\$2,940,066	\$5,984,031

RESOLUTION NO. SJAFCA 20-20

SAN JOAQUIN AREA
FLOOD CONTROL AGENCY

=====

**RESOLUTION TO APPROVE THE FISCAL YEAR 2020/21 CIP BUDGET
AUGMENTATION FOR THE MOSSDALE TRACT PROGRAM**

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

1. That the San Joaquin Area Flood Control Agency's 2020-2021 Proposed Budget Augmentation for the Mossdale Tract Program is hereby approved and adopted, a copy of which is attached as Exhibit "A" and incorporated by this reference.
2. That any new appropriations and/or adjustments to the Agency's 2020-2021 fiscal year CIP Budget for the Mossdale Tract Program budget will be brought back before the Board for consideration and approval.

PASSED, APPROVED AND ADOPTED this 18th day of June, 2020.

GARY SINGH, Chair
of the San Joaquin Area
Flood Control Agency

ATTEST:

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

APPROVED AS TO FORM:

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

Agenda Item 5.3

June 18, 2020

TO: San Joaquin Area Flood Control Agency

FROM: Chris Elias, Executive Director

SUBJECT: **ALLOCATION OF AGENCY RESERVE FUNDING TO THE SMITH CANAL GATE PROJECT AND UPDATE OF THE SMITH CANAL GATE PROJECT FY 20/21 CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET**

RECOMMENDATION

Allocate up to \$5,000,000 from the Agency's operating reserve funds to the Smith Canal Gate Project (Project) to cover potential additional construction costs of the project and authorize the Executive Director to approve Change Orders of up to \$5,000,000 for the Project. Further, supplement the FY 2020/21 CIP budget approved on April 30, 2020 for the Project to incorporate additional costs and the associated allocation of funding.

DISCUSSION

Background

On April 30, 2020, the Board approved Resolution 20-14 authorizing the Executive Director to execute a contract with Shimmick Construction, Inc. in the amount of \$49,487,976. At that time, the Board received a report from staff explaining that the costs for the Project exceeded immediately available funding for a myriad of reasons. Further, the exact amount of the overage was difficult to determine because of certain unknown information at that time including:

- The exact *amount* of proceeds that would be generated from sale of bonds for the Project;
- Outstanding negotiations regarding additional construction management and engineering services during construction costs; and,
- The amount of contingency that should be budgeted for the Project.

Since April, Agency staff has worked on multiple fronts to resolve these unknowns, and further, to seek out additional funding for the Project and reduce costs. These efforts are still ongoing, however, at this time staff is prepared to recommend an allocation of reserves to the Project.

In addition, on May 30, 2020, the Board conducted a Public Hearing as part of the annual levy of the Smith Canal Area Assessment District Assessment. Incorporated into that action is the approval of the FY 2020/21 CIP Budget for the Smith Canal Gate Fund. In order to incorporate the contingency and additional expenses for the Project, staff is presenting, as part of this action, a supplement to that previously approved budget.

Present Situation

Staff has continued to update the financing plan for the Project based on additional information from the engineering and financing team. The following provides additional information regarding the Project that was uncertain back in April.

**ALLOCATION OF AGENCY RESERVE FUNDING TO THE SMITH CANAL GATE PROJECT
AND UPDATE OF THE SMITH CANAL GATE PROJECT FY 20/21 CIP BUDGET (Page 2)***Bond Issuance Proceeds*

SJAFCA's issuance and sale of Smith Canal Area Assessment District Revenue Bonds closed on May 20, 2020. On the day of closing, the Underwriter, Hilltop Securities, Inc. deposited \$23,257,457 into the Project Fund. Earlier in April prior to the Board meeting, the working estimate of Bond Proceeds was approximately \$22.3 million, about \$950,000 less. Based on actual market conditions on the day of pricing, creative structuring of the bonds, along with the approval of a surety reserve fund policy, the Agency was able to yield a greater amount of bond proceeds available for construction.

Estimates of Construction Management and Design Services during Construction

Primarily as a result of the construction of the project extending an additional construction season as well as the incorporation of additional environmental mitigation measures, the Construction Management (CM) costs of the Project have increased. On April 30, 2020 the Board approved a two-year Construction Management (CM) Contract with KSN, which including ^t the previously approved Constructability Review Contract and the approved three amendments extended the limit on the entire CM contract services up to \$5,066,562. However, that contract was approved to ensure that a CM contract was in place at the time of the award of a construction contract. It was noted by staff that a 4th amendment was needed in order to provide CM services for the entire duration of the Project. The additional cost of a pending Amendment with KSN to cover an additional construction season are estimated to be approximately \$1.6 million.

Similarly, Task Order 6 for Design Services During Bidding and Construction with PBI currently only provides services for two construction seasons. This task order includes 3 amendments and currently has a limit of \$2,282,500. The estimate for additional services for an additional construction season is approximately \$909,000.

It is important to note that these additional costs would be incurred at the tail end of the Project. As a result, staff is not recommending any additional increase in costs for these items in the current FY 2020/21 Smith Canal CIP budget currently.

Construction Contingency Budget Allocation

At this time, after consultation with the design engineering and construction management team, Staff is recommending the Project proceed with a contingency allocation of 25% of the construction bid amount for the Project. Further, because of the financial constraints on the Project, staff is further recommending that the Board allocate funding for only the first year of construction for the Project. Based on the projected cash flow of the Project, this amount would be \$4,360,000.

Allocation of Agency Indirect Overhead Costs

As part of the adoption of the Agency's FY 2020/21 Operating Budget adoption (Item 5.1 on this Agenda), Staff is recommending that the Board adopt a process for allocating Agency Operating costs to the Programs / Projects that are being advanced by Agency. This approach would allocate approximately \$640,000 of costs to the Smith Canal Project for the FY. This is important to do because the Agency does not have a separate long-term sustainable funding source for operations.

Taking into consideration the added costs of the project and offsetting revenues, Staff recommends that the Board allocate up to \$5.0 million of the \$10.6 million prior Federal Project reimbursement now held in reserves toward the Smith Canal Project. Further, Staff recommends

**ALLOCATION OF AGENCY RESERVE FUNDING TO THE SMITH CANAL GATE PROJECT
AND UPDATE OF THE SMITH CANAL GATE PROJECT FY 20/21 CIP BUDGET** (Page 3)

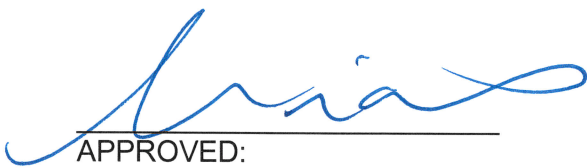
that the Board update the FY 2020/21 CIP budget for the Project as shown in the attached Exhibit A.

The allocation of a portion of the federal reimbursement SJAFCAs currently holds in reserves is consistent with past Board direction (see Item #5.2 from the September 19, 2019 Board Meeting). These funds are available to fund other SJAFCAs projects as needed. Use of those funds for this Project (if necessary) has a further advantage: The Smith Canal Gate Project is a part of the Lower San Joaquin River Project (LSJRP) which will be constructed by the U.S. Army Corps of Engineers. Any money spent on the Smith Canal Gate Project acts as a credit toward SJAFCAs obligation as a Non-Federal sponsor of the LSJRP. In effect, the allocation of funding has the ability to offset a portion of the Non-Federal sponsor obligations related to the first increment of the LSJRP. Ultimately, SJAFCAs will have an obligation to contribute to the remaining increments of the LSJRP when it enters into a Project Partnership Agreement with the United States Army Corps of Engineers which is expected to occur on or before September 30, 2020. Thus, any money spent on the Smith Canal Gate Project does double duty in providing funds for two projects.

Finally, considering the cost increases of the Project, SJAFCAs Staff has engaged in discussions with DWR to seek a pledge of additional funding toward the Project. Staff has scheduled meetings with DWR and will be prepared to report on the status of these discussions at the Board meeting on June 18th. However, because of the timeframe it may take to secure additional funding from DWR, Staff recommendation today is that the Board take action to allocate reserve funds to the Project.

Fiscal Impact

The recommended action would increase the CIP budget for FY 20/21 by \$5,000,000 and allocate the same amount of additional funding for the Project from Agency's Reserves. The change in the CIP Budget is shown in Exhibit A.



APPROVED:
CHRIS ELIAS
EXECUTIVE DIRECTOR

Attachments:

- Exhibit A – Updated SJAFCAs Smith Canal Gate Project Fiscal Year 2020/21 Budget
- Exhibit B – Resolution

Updated Table 3
SJAFCA Smith Canal Gate Project
Smith Canal Area Assessment District Budget
Fiscal Year 2020/2021 (Updated)

REVENUES

State UFFR Funding	\$	11,559,198
Transfer of Agency Reserves (From 55601)	\$	5,000,000
Local Assessment Revenue	\$	1,699,893
TOTAL REVENUES	\$	18,259,091

ADMINISTRATION

Assessment Administration	\$	20,000
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CAPITAL EXPENDITURES [1]

Supplemental Engineering	\$	186,868
Project Management (Construction Phase)	\$	289,412
Allocated Agency Overhead	\$	640,000
Construction	\$	16,722,445
Construction Contingency	\$	4,360,000
Construction Management	\$	2,706,889
Real Estate Acquisition	\$	-
Real Estate Contingency	\$	-
Public Outreach	\$	10,862
Environmental Mitigation	\$	-
Recreational Enhancements	\$	-
TOTAL EXPENDITURES	\$	24,936,477

FINANCING

Debt Service	\$	(1,628,746)
Net Financing Activities	\$	(1,628,746)

Net Change in Fund Balance		
- Increase/(Decrease)	\$	(8,306,132)

Estimated Starting Fund Balance	\$	33,164,155
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Projected Ending Balance	\$	24,878,023
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RESOLUTION NO. SJAFCA 20-21

SAN JOAQUIN AREA
FLOOD CONTROL AGENCY

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**RESOLUTION TO APPROVE THE ALLOCATION OF \$5,000,000 OF RESERVES WITHIN
SJAFCA'S OPERATING FUND TO THE SMITH CANAL GATE PROJECT FUND AND THE UPDATE
OF THE SMITH CANAL FISCAL YEAR 2020/21 CAPITAL IMPROVEMENT PLAN (CIP) BUDGET**

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

1. That the San Joaquin Area Flood Control Agency authorize the Executive Director to transfer, in aggregate, up to \$5,000,000 from SJAFCA's operating fund reserve balance (Fund 55601) as needed to cover additional project costs incurred with the Smith Canal Gate Project Fund (Fund 55666).
2. That the Executive Director is authorized to approve change orders of up to \$5,000,000 in aggregate to the construction contract with Shimmick Construction for the Smith Canal Gate Project approved by Resolution No. 2020-14 on April 30, 2020.
3. That the Updated Fiscal Year 2020-2021 CIP Budget for the Smith Canal Project is hereby approved and adopted, a copy of which is attached as Exhibit "A" and incorporated by this reference.
4. That any new appropriations and/or adjustments to the Agency's 2020-2021 fiscal year CIP Budget for the Smith Canal Project be brought back before the Board for consideration and approval.

PASSED, APPROVED AND ADOPTED this 18th day of June, 2020.

GARY SINGH, Chair
of the San Joaquin Area
Flood Control Agency

ATTEST:

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

APPROVED AS TO FORM:

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

Agenda Item 5.4

June 18, 2020

TO: San Joaquin Area Flood Control Agency

FROM: Chris Elias, Executive Director

SUBJECT: **RATIFY AGREEMENT TO ACCEPT AND APPROPRIATE \$200,000
AWARDED TO THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY BY
THE CALIFORNIA RESILIENCE CHALLENGE 2020 GRANT PROGRAM OF
THE BAY AREA COUNCIL FOUNDATION**

RECOMMENDATION

It is recommended that the Board of Directors of the San Joaquin Area Flood Control Agency:

1. Ratify the Agreement authorizing the Executive Director to accept \$200,000 from the California Resilience Challenge 2020 Grant Program of the Bay Area Council Foundation
2. Appropriate the use of Resilience Challenge 2020 Grant funds to develop options for addressing flooding under predicted climate change scenarios; and
3. Ratify Agreement with Peterson Brustad, Inc. to prepare the necessary data, conduct investigations and integrate findings from previous and on-going services related to state-funded Urban Flood Risk Reduction Program for Mossdale Basin and Regional Flood Management Program to efficiently inform the development of options for addressing flooding under predicted climate change scenarios

DISCUSSION

Background

In December 2019, the Bay Area Council Foundation launched a \$2 million statewide competition to support innovative projects that address climate change-related threats and help safeguard the state against wildfire, drought, flood and extreme heat events. Successful applicants would be awarded grants of up to \$200,000 for climate adaptation planning projects. This application had a very short deadline (over the holiday season) to submit a proposal and most of the data and reports to prepare the proposal were already accessible and within the knowledge base of Peterson Brustad, Inc. Staff therefore retained the services of Peterson Brustad, Inc. and approved a \$2,500 task order to quickly assist with preparing the application for timely submittal to the Bay Area Council Foundation.

With the Board's policy on Climate Change Adaptation already in place, SJAFCA found itself in a strong position to compete for the Challenge 2020 grant for use in developing scalable plans and infrastructure to meet immediate and long-term climate adaptation needs of the San Joaquin community. The Challenge Grant's RFP received an overwhelming 82 proposals from communities in every corner of California, providing a unique glimpse into the scale of California's climate adaptation needs.

June 18, 2020

RATIFY AGREEMENT TO ACCEPT AND APPROPRIATE \$200,000 AWARDED TO THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY BY THE CALIFORNIA RESILIENCE CHALLENGE 2020 GRANT PROGRAM OF THE BAY AREA COUNCIL FOUNDATION

(Page 2)

Present Situation

Following evaluation of all the proposals submitted in response to the Resiliency Challenge Grant by a team of climate resilience experts in March 2020, the proposal by SJAFCA was ranked high enough to be fully funded as a project to gird our community against environmental and economic impacts of climate change.

On May 29, 2020, SJAFCA was notified that it had been approved to receive a grant of \$200,000 to conduct the work in its proposal. Since the grant application has been approved for funding, it is recommended that the board ratify the Agreement for acceptance and appropriate the fund for work activities identified in the grant application. A contract has already been executed with Peterson Brustad, Inc, but the Board's action will also ratify the authority of the Executive Director to approve a task order to align with the scope of the grant.

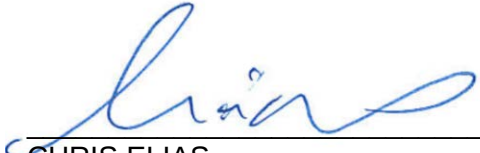
CONSISTENCY WITH STRATEGIC PLAN

Ratifying this Agreement to accept and appropriate the use of \$200,000 from the Resilience Challenge 2020 Grant is consistent with the Board-adopted Climate Adaptation Policy for Mossdale Tract and Strategic Plan #1 which calls for SJAFCA to "plan for and implement system resiliency" as a to reduce and manage the region's flood risk.

FISCAL IMPACT

The Resilience Challenge 2020 Grant is projected to fully fund the activities identified in the proposal submitted to and approved by the Bay Area Council Foundation.

APPROVED BY:



CHRIS ELIAS
EXECUTIVE DIRECTOR

ATTACHMENT 1

RESOLUTION NO. SJAFCA 20-22

**SAN JOAQUIN AREA
FLOOD CONTROL AGENCY**

=====

**RESOLUTION TO RATIFY AGREEMENT TO ACCEPT AND APPROPRIATE \$200,000
AWARDED TO THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY BY THE
CALIFORNIA RESILIENCE CHALLENGE 2020 GRANT PROGRAM OF THE BAY AREA
COUNCIL FOUNDATION**

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

1. Ratify the Agreement authorizing the Executive Director to accept \$200,000 from the California Resilience Challenge 2020 Grant Program of the Bay Area Council Foundation;
2. Appropriate the use of Resilience Challenge 2020 Grant funds to develop options for addressing flooding under predicted climate change scenarios; and
3. Ratify Agreement with Peterson Brustad, Inc. to prepare the necessary data, conduct investigations and integrate findings from previous and on-going services related to state-funded Urban Flood Risk Reduction Program for Mossdale Basin and Regional Flood Management Program to efficiently inform the development of options for addressing flooding under predicted climate change scenarios

PASSED, APPROVED AND ADOPTED this 18th day of June, 2020.

GARY SINGH, Chair
of the San Joaquin Area
Flood Control Agency

ATTEST:

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

APPROVED AS TO FORM:

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



Grant Installments and Reporting Agreement

Grants from the California Resilience Challenge shall be disbursed in installments determined by the Resilience Challenge. All grantees of the California Resilience Challenge 2020 Grant Program are required to complete and submit to the Challenge a Final Grant Report. Certain grantees may also be required to complete and submit an Interim Grant Report. **All grant reports must adhere to the following guidelines and to the terms of the Request for Proposals and the Grantee's Proposal Worksheet submitted to the Challenge.**

Grantee	San Joaquin Area Flood Control Agency
Total Grant Amount	\$200,000
Number of Installments	2
Date of First Installment	6/15/20
First Installment Amount	\$100,000
Interim Grant Report Due	1/1/21
Date of Second Installment	2/1/21
Second Installment Amount	\$100,000
Final Grant Report Due	3/31/23

Interim Grant Report

- Format: Microsoft Word; 12-point Times New Roman font. May include attachments for pictures, budgets, etc.
- Key Personnel (Names, titles, and contact information for grant manager(s) and other key personnel)

- Executive Summary (500 words): Summarize milestones, accomplishments, successes, setbacks, and obstacles that have occurred within the current reporting period.
- Completed Outcomes: Summarize by task all deliverables or outcomes completed during this reporting period.
- Interim Findings: If applicable, what interim findings or success stories can you produce as a result of your work during this reporting period?
- Financial Update: Provide a brief narrative explaining the grant's financial expenditures for this period that includes cash and/or in-kind items. Do you anticipate major modifications to the grants budget or workplace for the remainder of the grant?

Final Grant Report Format

- Format: Microsoft Word; 12-point Times New Roman font. May include attachments for pictures, budgets, etc.
- Cover Page
- Acknowledgement page which recognizes that the project and report were produced with funding from the California Resilience Challenge.
- Executive Summary (500 words)
- Table of Contents
- Key Personnel (Names, titles, and contact information for grant manager(s) and other key personnel)
- Problem Statement (200 words): A description of the problem your project is seeking to address and any other necessary contextual information
- Project Description (200 words): A description of the project methods and desired outcomes
- Project Results:
 - Actual outcomes
 - Barriers encountered
 - External Factors
 - Participating Stakeholders

- Lessons for other communities considering similar projects
- Next steps (additional planning, implementation, etc.)
- Bibliography and appendices (if applicable)

CHRIS ELIAS  6/4/20

Grantee Name (Print) Grantee Signature Date

Julie Rowe

Bay Area Council Foundation Signature Date

ATTACHMENT

CALIFORNIA RESILIENCE CHALLENGE GRANT PROPOSAL WORKSHEET

Section 1: Basic Information	
Org. Legal Name	San Joaquin Area Flood Control Agency (SJAFCA)
Project Title	Lower San Joaquin River and Delta South Basin (LSJRDS Basin) Climate Resiliency Project
Eligible Funding Amount	\$200,000
Applicant's Official Address	22 E. Weber Ave, #301
	Stockton, CA 95202
Org. Main Phone	(209) 937-7900
In which jurisdiction (city/county) will grant funds primarily be used?	San Joaquin County
Project Start Date (Must be on or before 12/31/20)	7/1/2020
Project Completion Date (Must be on or before 12/31/22)	7/1/2022 (24-month duration)
Name of Top Executive	Chris Elias
Title of Top Executive	Executive Director
Associated Email	Chris.Elias@stocktonca.gov
Name of Grant Manager	Tony Rizk
Title of Grant Manager	Director of Engineering
Grant Manager Phone	(209) 937-7900
Grant Manager Email	Tony.Rizk.CTR@stocktonca.gov
Grantee Signatory (Person with legal authority to sign agreement if funding is approved)	
Name	Chris Elias
Title	Executive Director
Email	Chris.Elias@stocktonca.gov

Executive Summary:

The San Joaquin Area Flood Control Agency (SJAFC) is seeking funds to develop a coordinated basin-wide solution to address increased flooding from both climate change and sea level rise for the Lower San Joaquin River and Delta South Basin (LSJRDS Basin). The LSJRDS Basin consists of the area adjacent to the San Joaquin River downstream of the Stanislaus River and includes a large portion of the Southern Delta. The project area includes over 400,000 people within the cities of Lathrop, Manteca, and Stockton as well as numerous disadvantaged communities and critical infrastructure located in the Basin. The area currently relies heavily on levees and upstream reservoirs to protect from both large flood events that come down the San Joaquin River from the Sierra Nevada mountains as well as from tidal influences.

As part of their 2017 Central Valley Flood Protection Plan (CVFPP), the State released climate change information that forecasted, due to increased temperature and rainfall, the flows coming down the San Joaquin River during both the 100- and 200-year events will nearly triple in the next 50 years. Additionally, sea level rise is predicted to increase the average tidal water surface elevation by 1.25 feet in the same period of time. The system in its current state is not able to withstand the dual flooding risk and, if a large flood event were to occur, it would result in a massive loss of life and have a devastating impact on the entire State's economy.

The LSJRDS Basin has been analyzed in past studies to help address existing flood issues, but the issue of climate change has not been adequately planned for from a basin-wide level. This project is a critical component of a larger effort to address climate change and engage with DWR in the 2022 CVFPP update.

Project Outcomes:

This project will serve to improve coordination and planning amongst stakeholders within the Lower San Joaquin River basin as we look at options for addressing flooding under predicted climate change scenarios.

A final report will be prepared that summarizes problems, opportunities, and alternatives that the region can continue to study. Additionally, a case study document will be produced per the grant application requirements which outlines the processes and completed project outcomes.

The final report will be shared with stakeholders and will serve to further coordinate future evaluation of alternatives.

Project Activities:

A detailed description of project activities is provided in Attachment A.

Activities include stakeholder engagement to identify problems and opportunities associated with flooding under climate change scenarios within the Lower San Joaquin River basin. An initial array of up to seven alternatives to address the identified problems will be formulated. A high-level phasing strategy will be developed for each alternative. Finally, preliminary scoring criteria will be developed that can be used to evaluate the alternatives in a future study.

As described with the *Project Outcomes*, a final report that summarizes problems, opportunities, and alternatives will be prepared and shared with stakeholders.

Section 3: Adherence to Evaluation Criteria

Is the resilience planning effort integrated with or can fast track project implementation/ delivery?

Yes, the resilience planning effort will serve to jump start coordination and planning amongst stakeholders within the Lower San Joaquin River basin. Once this effort is completed, SJAFCFA will be able to move forward with analysis, selection, design, and implementation of a preferred alternative. It will be integrated with the effort to update the DWR Regional Flood Management Plan (RFMP) for the Lower San Joaquin/Delta South Region which is being led by SJAFCFA. The RFMP will look to include descriptions of the alternatives identified in this climate resilience study with the goal of advancing implementation.

Will the project help protect critical infrastructure?

Yes. Previous studies which have analyzed climate change flooding within the region show that numerous critical facilities will be impacted in the 100-year and 200-year events with climate change. These critical facilities include the San Joaquin County General Hospital, Prison and Sheriff's Department; dozens of schools, fire stations, and police stations; and Interstates 5 and Highway 120. One of the goals of the project will be to develop alternatives that would reduce risk for these facilities.

Will the project benefit disadvantaged or vulnerable communities, and will it help build or support leadership in those communities?

Yes, the project's goal will be to develop a sustainable solution to increase flooding for the LSJRDS Basin which includes multiple disadvantaged communities. Large portions of the study area are considered disadvantaged by both California DWR and Office of Environmental Health Hazard Assessment. These disadvantaged areas consist of rural agricultural areas, small communities, and portions of the urban areas within Stockton, Lathrop, and Manteca. The project will help come up with alternatives to reduce flood risk for these communities in the face of future climate change predictions.

Does the project achieve multiple benefits across sectors (e.g., public health and safety is enhanced while also improving environmental conditions)?

Yes, the project will look to develop flood risk reduction alternatives that will benefit public health and safety while also incorporating multi benefit features. Improving habitat through ecosystem restoration opportunities and enhancing public recreation opportunities will be supporting goals of the flood risk reduction alternatives.

Can the project leverage other sources of private, local, state or federal funding?

Yes, the project will seek additional funds from private, State, and Federal sources wherever possible. Particularly, the State has Proposition 1 and 68 bond money that SJAFCFA will seek to acquire to further the progress of the study. The State also has funding secured for continuation of the SJAFCFA-led Regional Flood Management Plans (RFMPs). RFMP funding can help to support stakeholder engagement activities.

Can the project be scaled to provide increased resilience in the future?

Yes, a primary goal of the project will be to develop initial phasing strategies for long-term climate change resilience. The phasing strategies will be developed for each of the initial array of alternatives and will be used in determining the overall feasibility of each alternative. The alternatives will be developed in such a way that the projects can be implemented over time as climate change progresses. This phased approach to implementation allows the project to be scaled as climate change forecasts evolve.

Can the project can be replicated in other geographies?

Yes, while the study area is unique in that it is a combination of tidal and riverine flooding in an inland location, the concepts and approaches that will be developed can be transferred to other geographies. There are many watersheds in the California and other areas of the Country that will experience large-scale flooding due to climate change that will be able to draw from the ideas that come out of this study. benefit from this project.

Does the project involve collaboration with neighboring jurisdictions?

Yes. One of the primary components of the project will be to engage the various state and local agencies that have an interest within the region. This will require meetings with State proponents of the project as well as local agencies that would be impacted by flooding within the area.

Does the project involve collaboration with the private sector?

Yes, some of the local stakeholders that are interested in this project are private non-government organizations (NGO) such as American Rivers. American Rivers and other NGOs will be engaged as part of the alternative formulation. Additionally, through public outreach, SJAFCA hopes to build partnerships with the private sector especially those companies directly impacted by this project.

Does the project incorporate greenhouse gas emission reduction measures?

Yes. A key component of the project will be to determine ecosystem restoration opportunities. These ecosystem restoration opportunities will seek to increase natural habitat for native plant and animal species. Greenhouse gas emission reduction is an added benefit to ecosystem restoration due to an increase of native vegetation and a restoration of natural processes.

Section 4: Technical Approach and Work Plan

Please describe specific tasks, schedule, and outcomes for the project. Consider including a table of the tasks, schedule, and outcomes for the project as an attachment to this document.

Please see Attachment A for detailed descriptions, anticipated schedule, and budget breakdown for each task.

Describe your approach and rationale for planned stakeholder involvement in the project.

As member agencies of SJAFCA, San Joaquin County, City of Stockton, City of Lathrop, and City of Manteca, are all in support of this project. The underlying project has also been supported by the State of California through the CVFPP, local NGOs such as American Rivers and River Partners through related efforts, and local land owners interested in seeing a reduction of flood risk to their properties and businesses. A major element of this project will be to engage local and State stakeholders to coalesce support for a regional approach to climate change flooding challenges in the project area.

For the initial task of identifying problems and opportunities associated with flooding under predicted climate change scenarios within the Lower San Joaquin River basin, we plan to draft a read ahead prior to stakeholder engagement for use in discussions. The read ahead will rely heavily on and summarize the existing information from past studies produced including the USACE Feasibility Studies, CVFPP, BWFS, RFMPs, IRWMPs, GSPs, and others. Continued stakeholder engagement throughout the study will be a key element of this effort.

Describe how results will be shared with members of the target community/ies and other stakeholders through public engagement.

A final report will be prepared that summarizes all the information collected through the study process (see Tasks identified in Attachment A). This report will be distributed to the stakeholders that participated in the process, and will also be posted onto the SJAFCA website.

Identify potential obstacles to successful completion of project goals and proposed strategies for mitigating these obstacles.

Like any project that involves stakeholder engagement from multiple entities, this effort will require multiple meetings and coordination with stakeholders. Depending on the COVID-19 situation, in-person meetings with larger groups may not be allowable in the near-term. We are prepared to conduct presentations and effective stakeholder engagement through virtual means (eg- MS Teams, Skype for Business, conference calls, etc.) if necessary.

Section 5: Grant budget breakdown

Salaries & Benefits	
Equipment & Supplies	
Travel/Training/Other (Specify)	\$200,000 (Consultant Contract)
Overhead Costs (total and percent)	
Total Funding Request (Sum of the above categories)	\$200,000

Section 6: Reporting and Disbursements

Case Study: CRC is looking to identify and share the lessons learned from this grant opportunity to inform other existing or new state grant programs. To this end, all grant recipients will prepare a short case study describing the project process, and completed project outcomes including maps, photos, drawings, etc. (as appropriate for the project type). A template will be provided (Word and PowerPoint). Case studies should emphasize processes, or results that can be adapted or replicated for use in various parts of the state, as well as documentation of the involvement of disadvantaged communities throughout the entire planning process, and any other lessons learned. These studies will be used to develop guidance for future resiliency and adaptation projects in the state. Case study reports and presentation materials must be completed and delivered no later than three months after the completion of expenditure of CRC funds. Final case studies will be submitted to the Governor's Office of Planning and Research for possible inclusion in the Adaptation Clearinghouse.

Work Product: All reports funded through the CRC Grant Program shall credit CRC financial participation on the cover or title page. An electronic copy of all final reports shall be forwarded to CRC. Any reports or presentation materials funded through the CRC Grant Program are in the public domain and may not be copyrighted, sold, or used exclusively by any business, organization, or agency. Applicants must not transmit any material to CRC that the applicant considers to be confidential or proprietary. Any material the applicant transmits to CRC will be considered nonconfidential and non-proprietary. This policy serves to avoid potential misunderstandings or disputes regarding ownership of ideas. To the extent that the applicant owns or controls any patent rights, copyright rights, trade secret rights, or any other intellectual property or proprietary rights that may be required for access to work product submitted under the CRC Grant Program, the applicant grants a license to such rights to any person accessing and using such work product. CRC reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use the reports for public purposes.

Third-Party Contracts: The agreements between a grantee and a sub-recipient, consultant, or sub-consultant are referred to as "third-party contracts." Grantees will be expected to use and comply with their individual procurement procedures in awarding third-party contracts. Work for which a CRC grant is provided can only be contracted if it has been stated in the applicant's Scope of Work and Project Timeline. Grantees are fully responsible for all work performed by their sub-recipients, consultants or subconsultants, and CRC shall not be liable to any of such entities for the performance by grantees. Grantees are responsible to ensure that all third-party contractors adhere to the provisions of this RFP.

Grant Disbursement and Accounting: CRC intends to disburse funds from a grant under the 2020 Grant Program in installments. The amount and timing of each installment, and the process for invoicing and disbursement, shall be determined by CRC in its sole discretion. The final disbursement shall be conditioned on a certificate by an authorized representative of the grantee certifying compliance with the terms of this RFP and verifying that the CRC funds have been or will be used for project expenditures reasonably incurred and required for project purposes. Each grantee shall also make financial reports, within 90 days after the end of each of its fiscal years, during the progress of the project and upon project completion, and provide reasonable evidence of project progress and project sources and uses of funds. Each grantee shall maintain true and complete records of performance of work on the project and of the sources and uses of funds for such project, and shall maintain such records for a period of not less than 3 years after the later of completion of the project or the last disbursement by CRC. CRC and its representatives may access such records on reasonable notice and during regular business hours for the purpose of confirming the grantee's compliance with the terms of this RFP.

Section 7: Certification

Please read this section thoroughly and confirm that your organization is in compliance with the following terms and conditions. Please note that disagreeing to any statement will disqualify you for a charitable donation.

The applicant is, and shall remain, in compliance with all federal, state, and local laws, rules, and regulations applicable to the grant and the activities, projects and other aspects of the program to which the grant applies (the "Program").

The applicant does not and shall not, in its by-laws, policies, or practices, discriminate on the basis of race, color, religion, age sex, national origin, ancestry, physical or mental disability, medical condition, veteran status, marital status, pregnancy, sexual orientation, gender identity, or any basis prohibited by applicable law.

The applicant agrees that any donation from the Bay Area Council Foundation will be used only for the purposes of the Program, and will not be used in any direct or grass roots lobbying efforts, including but not limited to those activities described in Internal Revenue Code Sections 501(h) and 4911(d), to promote or oppose any candidate or ballot measure, to advocate any legislative or administrative action, or to personally benefit or compensate any elected official.

The applicant and each of its grantees, if any, is in full compliance with all statutes, Executive Orders, and regulations restricting or prohibiting U.S. persons from engaging in transactions and dealings with countries, entities, or individuals subject to economic sanctions administered by the U.S. Department of the Treasury's Office of Foreign Assets Control, the applicant is aware that a list of countries subject to such sanctions, a list of Specially Designated Nationals and Blocked Persons subject to such sanctions, and overview and guidelines for each such sanctions program can be found at <http://www.treas.gov/ofac>, and the applicant does not and shall not promote or engage in violence, terrorism, bigotry, or the destruction of any state, or make grants or otherwise furnish support of any kind to any individual or entity that engages in such activities. Should any change in circumstances pertaining to this certification occur at any time, the applicant will notify the Bay Area Council Foundation immediately.

I am the duly appointed representative of my organization. I am authorized to certify and affirm all the statements above, and to submit the application on behalf of my organization.

I have read all of the statements and responses in this application, and certify that each is accurate.

I agree that electronic submission of this application will be deemed to be the equivalent of my written signature for purposes of this certification and application.

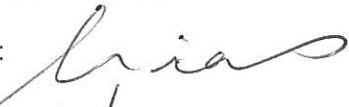
By accepting any funds or in-kind donations from the Bay Area Council Foundation, my organization agrees to all terms, conditions, and certifications specified within the application and the transmittal letter.

South San Joaquin Area Flood Control Agency

Name: CHRIS ELIAS

Title: EXECUTIVE DIRECTOR

Signature:



Date:

6/4/20

Bay Area Council Foundation

Name:

Title:

Signature:

Date:

ATTACHMENT A

Detailed Task Descriptions, Schedule, and Budget

Detailed Task Descriptions

The following provides a detailed description for each task including deliverables, followed by tables with the expected schedule and costs for each task.

Task 1 – Project Management and Grant Administration

This task will include the project management and grant administration for the duration of the study. This task assumes monthly meetings with SJAFCA, monthly invoicing, preparation of documentation required for the administration of the grant (e.g. progress reports), and miscellaneous communications. A 24-month project duration is assumed.

Task 2 – Identification of Goals, Problems, Opportunities, and Constraints

This task includes identification of the goals, problems, opportunities, and constraints of this study. Goals and objectives will have both primary components (eg- flood risk reduction) and supporting components (eg- multi-benefit features). Specific problems and opportunities associated with flooding under predicted climate change scenarios within the Lower San Joaquin River basin will be summarized. A summary of without project (ie- existing conditions) hydraulics will be provided. This will include identifying how extreme climate events will impact existing populations, infrastructure, and ecosystem under existing and future without project conditions. This task will rely heavily on and summarize existing information from past studies produced including the USACE Feasibility Studies, CVFPP, BWFS, RFMPs, IRWMPs, GSPs, and others.

A read ahead summary report will be drafted for use in stakeholder discussions under Task 3.

Task 3 – Plan Formulation

This task will use information from prior studies and stakeholder engagement in development of an initial array of up to seven alternatives that will address the problems outlined in Task 2. This task assumes, in total, five (5) alternative formulation meetings, three (3) of which will be with local stakeholders (Cities, County, RFMP groups, NGOs, etc.) and two (2) will be State representatives (DWR, CVFPB, or other regulatory agencies). For the purposes of budgeting, meetings are assumed to be 3-hours, plus travel time, plus pre-meeting preparations.

Alternatives will be screened to test their reasonableness (eg- spreadsheet calculations to determine order of magnitude upstream storage volumes required to mitigate flooding). Part of the alternative description will include an initial phasing strategy for long-term climate change resilience. The phasing strategies will be used in determining the overall feasibility of each alternative. The alternatives will be developed in such a way that the projects can be implemented over time as climate change progresses. Alternatives will be developed to a basic, conceptual level of detail. Finally, preliminary scoring criteria will be developed that can be used to evaluate the alternatives in a future study.

Task 4 – Final Report & Case Study

A report will be prepared that summarizes all the information collected in Task 2 and 3. Additionally, the final report will outline the necessary actions that will need to be taken in the future to refine and evaluate the array of alternatives and select a preferred alternative.

An Administrative Draft will be prepared for SJAFCA review and one (1) meeting will be held with SJAFCA to go over the draft report. SJAFCA comments will be incorporated and a stakeholder Draft will be prepared and distributed to the stakeholder group. It is assumed no additional meetings with the stakeholder group will be held, but comments from the stakeholder group will be addressed and consolidated in a tracking spreadsheet. A final draft of the report will be prepared and, again, will be distributed to the stakeholder group. The Final Draft will also be posted on SJAFCA's website.

In addition to the final report, a case study document will be produced per the grant application requirements which outlines the processes and outcomes from the study.

Anticipated Schedule

The following schedule by task is approximate and may change with changing project priorities. In general, tasks will span most of the 24-month project duration between May 2020 and April 2022. It is assumed that SJAFCA will request funds on a quarterly basis for work completed during that quarter.

Task	Expected Start	Expected End	Duration (Months)
Task 1: Program Administration and Grant Management	7/2020	7/2022	24
Task 2: Identification Goals, Problems, Opportunities, and Constraints	7/2020	11/2020	4
Task 3: Plan Formulation	12/2020	2/2022	14
Task 4: Final Report and Case Study	3/2022	9/2022	6

Budget Breakdown

Work will be completed by professional engineering firm chosen by SJAFCA after the grant is awarded. A budget breakdown of tasks and subtasks for this effort is provided below.

	Total Cost
Task 1 Project Management and Grant Administration	\$ 56,000
Task 2 Identification of Goals, Problems, Opportunities, and Constraints	\$ 46,000
2.1 Identify Goals, Objectives, and Constraints	\$ 8,900
2.2 Identify Problems and Opportunities	\$ 8,900
2.3 Without Project Conditions	\$ 14,100
2.4 Summary Report/Read-Ahead	\$ 14,100
Task 3 Plan Formulation	\$ 63,600
3.1 Stakeholder Engagement	\$ 28,900
3.2 Develop Array of Preliminary Alternatives	\$ 14,000
3.3 Develop Alternative Evaluation Criteria	\$ 3,900
3.4 Summary Report	\$ 16,800
Task 4 Final Report & Case Study	\$ 34,400
4.1 Administrative Draft to SJAFCA	\$ 13,600
4.2 Stakeholder Draft	\$ 7,300
4.3 Final Report	\$ 5,400
4.4 Case Study Document	\$ 8,100
TOTALS	\$ 200,000

Next Steps

SJAFCA will continue to pursue additional funding opportunities that would allow for the completion of the next phase of this study. The next phase of this study will include:

- Evaluation of the identified alternatives
- Selection of a final array of alternatives
- Evaluation of the final array of alternatives
- Stakeholder Engagement to Select Preferred Alternative
- Selection of a preferred alternative
- Implementation Plan for the Preferred Alternative
- Study Report Outlining the Above Activities

Agenda Item 6.1

June 18, 2020

TO: San Joaquin Area Flood Control Agency

FROM: Chris Elias, Executive Director

SUBJECT: **IMPLEMENTATION PLAN UPDATE AND CAPITAL IMPROVEMENT PLAN
FUNDING APPROACH DISCUSSION CONTINUED**

RECOMMENDATION

Receive an informational update and continue the discussion on funding approaches for the Agency's capital improvement program.

DISCUSSION

Background

Since adoption of the Strategic Plan (<https://www.sjafca.com/pdf/2019StrategicPlan.pdf>), the Board has received status reports on the related Implementation Plan, which contains project-related scopes, cost projections, and tools for financial planning in order to support the capital improvement program delivery.

During the April 30th Board meeting, the SJAFCAs team presented the components of the implementation plan and the projected funding necessary to deliver the agencies priorities. Additionally, the Board received information on various approaches to deliver the projects within its overall program. The intent was to inform the board of similar efforts of other regional flood agencies and review the pros and cons of different scenarios and garner feedback regarding the Board's desired next steps in setting up funding sources. During the discussion, the Board expressed interest in staff following up during subsequent meetings with similar information and requested additional information to inform the Board's next steps.

Present Situation

The SJAFCAs team and the Board of Directors will discuss various funding approaches with updated detail based on the feedback received by the Board; this includes process steps, funding shortfall timing and needs, and a more refined set of options for consideration. Staff will also present a possible path forward for funding the various capital improvement projects. The briefing is intended to be interactive and staff would like to solicit feedback and input from the Board during and after Staff's presentation.

FISCAL IMPACT

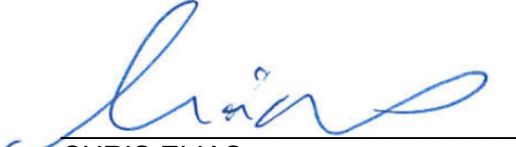
There are no immediate fiscal impacts or decisions associated with this informational

presentation.

Strategic Plan Consistency Analysis

The material found in this report is consistent with Goal #1 of the Board-adopted Strategic Plan, "Plan for and Implement System Resiliency." Under this goal, the Agency is planning for its estimated long-term funding requirements to deliver the overall mission of the organization.

APPROVED BY:



CHRIS ELIAS
EXECUTIVE DIRECTOR

**End of Agenda
Packet**