



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

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, SEPTEMBER 17, 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: +12133388477 (96194052890#) 0#, 228637#	Use the Zoom app – Meeting ID: 961 9405 2890 Passcode: 228637	click on this link: https://downeybrand.zoom.us/j/96194052890?pwd=RUovY3VocWhnbk9SeklZUW9Qc0FuUT09

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 July 16, 2020
- 3.2) Authorization to execute Amendment No. 1 to professional services agreement with Peterson Brustand, Inc., for additional services for the Mossdale Tract UFRF Feasibility Study.

4. NEW BUSINESS

- 4.1) Organizational planning – Strategic Plan Goals Update
- 4.2) Implementation Plan Execution – Lower San Joaquin River Project Funding Evaluation by Willdan
- 4.3) Authorize Executive Director to enter into a service agreement with Schwartz, Giannini, Lantsberger and Adamson for agency annual financial audit.

5. ORAL REPORT FROM EXECUTIVE DIRECTOR

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

6. PUBLIC COMMENTS

7. BOARD QUESTIONS, COMMENTS, ACTIONS

8. 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 July 16, 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 9:01 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 Nuño |
| • Director Andrade | • Director Singh |
| • Director Lazard | • Director Winn |
| • Director Miller | • Director Wright |
| • Director Morowit | |

2. PLEDGE TO FLAG 9:02 AM

3. CONSENT ITEMS 9:03 AM

3.1) Approve minutes of the Board Meeting of June 18, 2020

Motion: Approve Minutes of the Board Meeting of June 18, 2020

Moved by: Director Miller, seconded by Director Morowit

Vote: Motion carried 8-0

Yes: Director Andrade, Director Lazard, Director Miller, Director Morowit
Director Nuño, Director Singh, Director Winn, and Director Wright

Abstain: Director Akinjo

AGENDA ITEM 3.1

4. NON-CONSENT ITEMS 9:05 AM

- 4.1) Consider authorizing Executive Director to establish a voluntary temporary relocation program for eligible properties within Smith Canal Gate Project "impact" area (staff presentation). 9:05 AM

PUBLIC COMMENT

- Dominick Gulli submitted written comments, but verbally shared his comments for 4.1 for all participating in the meeting to hear 9:40 AM

Motion: Approve authorizing Executive Director to establish a voluntary temporary relocation program for eligible properties within Smith Canal Gate Project "impact" area.

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, and Director Wright

Abstain: Director Winn

Absent: None.

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

- 4.2) Approve Amendment No. 1 to the Master Service Agreement & Amendment No. 4 to Task Order No. 1 Pursuant to the Master Service Agreement with Larsen, Wurzel & Associates, Inc. for the Mossdale Tract Program 9:45 AM

PUBLIC COMMENT

- Terra Land Group (TLG) submitted written comments. Their comments for 4.2 were read aloud for all participating in the meeting to hear 9:52 AM

Motion: Approve Amendment No. 1 to the Master Service Agreement & Amendment No. 4 to Task Order No. 1 Pursuant to the Master Service Agreement with Larsen, Wurzel & Associates, Inc. for the Mossdale Tract Program

Moved by: Director Akinjo, seconded by Director Morowit

Vote: Motion carried 9-0

Yes: Director Akinjo, Director Andrade, Director Lazard, Director Miller, Director Morowit, Director Nuño, Director Singh, Director Winn, and Director Wright

Abstain: None.

Absent: None.

- 4.3) Authorizing the Executive Director to select consultant for planning, evaluation, concept development of improvement to the Manteca Dry Land Levee **9:55 AM**

PUBLIC COMMENT

- Terra Land Group (TLG) submitted written comments. Their comments for 4.3 were read aloud for all participating in the meeting to hear **10:02 AM**

Motion: Authorizing the Executive Director to select consultant for planning, evaluation, concept development of improvement to the Manteca Dry Land Levee

Moved by: Director Wright, seconded by Director Morowit

Vote: Motion carried 8-0

Yes: Director Akinjo, Director Andrade, Director Lazard, Director Miller, Director Morowit, Director Nuño, Director Singh, and Director Wright

Abstain: None

Absent: Director Winn

5. ORAL REPORT FROM EXECUTIVE DIRECTOR 10:06 AM

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

PUBLIC COMMENT

- Dominick Gulli – Question for Dave Carr has been noted **10:29AM**

6. PUBLIC COMMENTS

- Dominick Gulli submitted written comments, but verbally shared his comments for all participating in the meeting to hear **10:30 AM**

7. BOARD QUESTIONS, COMMENTS, ACTIONS 10:31 AM

8. ADJOURNMENT 10:32 AM

The meeting adjourned at 10:32 AM. The next meeting is scheduled for 9:00 AM on September 17, 2020.



CHRIS ELIAS
EXECUTIVE DIRECTOR
SAN JOAQUIN AREA FLOOD
CONTROL AGENCY

Agenda Item 3.2

September 17, 2020

TO: San Joaquin Area Flood Control Agency

FROM: Chris Elias, Executive Director

SUBJECT: **AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT WITH PETERSON BRUSTAD, INC., FOR ADDITIONAL SERVICES FOR THE MOSSDALE TRACT UFRR FEASIBILITY STUDY**

RECOMMENDATION

It is recommended that the Board of Directors of the San Joaquin Area Flood Control Agency adopt a resolution authorizing the Executive Director to execute Amendment No. 1 to the Professional Services Agreement with Peterson Brustad, Inc. (PBI) to extend the Professional Services Agreement termination date to December 31, 2021.

DISCUSSION

Background

On January 1, 2020, SJAFCA and PBI entered into a \$531,668.77 Professional Services Agreement to complete the Mossdale Tract UFRR Study Technical Support Services. The contract took effect on January 1, 2020 and was scheduled to terminate on July 31, 2020.

Present Situation

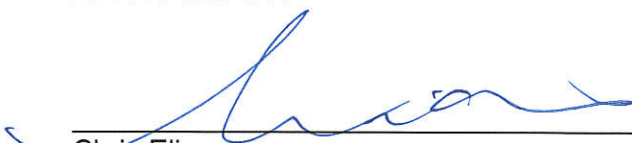
The current services agreement expired on July 31, 2020. This proposed action would extend the Professional Services Agreement to December 31, 2021 to be consistent with the timeline to complete the Mossdale Study.

Fiscal Impact

This amended agreement will have no fiscal impact on the FY 20/21 Budget due to an augmentation, allocated for the delay of the Feasibility Study timeline.

PREPARED BY: Tony Rizk, PhD, PE

APPROVED BY:


Chris Elias
Executive Director

**RESOLUTION NO. SJAFCA 20-26
SAN JOAQUIN AREA
FLOOD CONTROL AGENCY**

=====

**AUTHORIZATION TO EXECUTE AMENDMENT NO. 1 TO
PROFESSIONAL SERVICES AGREEMENT WITH PETERSON BRUSTAD,
INC., FOR THE MOSSDALE TRACT UFRR FEASIBILITY STUDY**

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

Authorize the Executive Director to:

1. Execute Amendment No. 1 to the Professional Services Agreement with Peterson Brustad, Inc. (PBI) to extend the contract termination date to December 31, 2021.
2. All other terms and conditions remain the same.

PASSED, APPROVED AND ADOPTED this 17th day of September 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

**AMENDMENT NO. 1
TO
PROFESSIONAL SERVICES AGREEMENT**

This Amendment No. 1 to the Professional Services Agreement is made and entered into on this **1st day of August, 2020**, by and between the San Joaquin Area Flood Control Agency (SJAFCOA) and Peterson Brustad, Inc. (PBI) to perform the Feasibility Study of the Mossdale Tract, Urban Flood Risk Reduction (UFRR) project.

WITNESSETH:

1. SJAFCOA and PBI entered into a \$531,668.77 Professional Services Agreement to complete the Mossdale Tract UFRR Study Technical Support Services on January 1, 2020 and ending July 31, 2020.

NOW THEREFORE, in consideration of the foregoing and the following terms and conditions, SJAFCOA and PBI hereto agree as follows:

1. Section 5 – TERM. The term of said Professional Services Agreement is extended to complete the Feasibility Study and shall remain open and effective until December 31, 2021.
2. All other terms and conditions of said Professional Services Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have executed Amendment No. 1 to the Professional Services Agreement on the date first written above.

SAN JOAQUIN AREA FLOOD
CONTROL AGENCY

By:

Chris Elias
Executive Director

PETERSON BRUSTAD, INC.

By:

David Peterson, Principal
CA P.E. License No. 43432

Approved as to Form:

By:

Scott L. Shapiro
General Counsel

Agenda Item 4.1

TO: San Joaquin Area Flood Control Agency

FROM: Chris Elias, Executive Director
Adam Riley, Associate Project Manager, LWA

SUBJECT: **ORGANIZATIONAL PLANNING – STATUS REPORT ON STRATEGIC PLAN**

RECOMMENDATION

Receive an informational update on the status of the Strategic Plan, including progress toward goals and implementation efforts supporting the agencies primary objectives and priority actions.

DISCUSSION

Background

SJAFCA adopted the Strategic Plan at the September 2019 Board of Director's meeting which is made available on SJAFCA's website (<https://www.sjafca.com/pdf/2019StrategicPlan.pdf>). SJAFCA's Strategic Plan sets the framework for the agency's actions and decisions. It contains the agency's mission statement, goals, objectives, and priority actions. All of SJAFCA's work directly supports each priority action and in turn its overall mission.

As presented in the Strategic Plan, figure four illustrates the interconnections between SJAFCA's Goals and Objectives.

FIGURE 4. Goals & Objectives

		1	2	3	4	5
		Plan for and Implement System Resiliency	Drive for Operational Transparency	Facilitate Funding to Structures most Beneficial to Local Interests	Support Appropriate, Mutually Beneficial Partnerships	Promote Public and Institutional Awareness
OBJECTIVES	1. Deliver projects and programs consistent with State and Federal regulatory requirements.	✓			✓	
	2. Identify and implement local and/or regional funding mechanisms; maximize State and Federal investment in the region for flood risk reduction efforts.			✓	✓	
	3. Develop public outreach programs to maximize public and institutional awareness and involvement.		✓			✓
	4. When appropriate, optimize partnerships and integrate flood risk reduction efforts with local maintaining agencies.		✓		✓	✓
	5. Identify and include system resiliency needs in project development.	✓				
	6. Monitor potential impacts to the system and advocate for Agency's needs.	✓	✓			✓
	7. Pursue multi-benefit approaches to incentivize investments from non-traditional funding sources and promote system resiliency and resource mitigation.			✓	✓	

As part of the Strategic Planning process, SJAFCA identified twelve Priority Actions which define specific accountability measures that tie directly back to the listed Goals and Objectives.

SJAFCA's staff subsequently completed an implementation plan to define the specific resourcing needs, funding requirements, and estimated timelines for each of SJAFCA's ongoing activities. Specifically, the plan lays out funding requirements in the next five years and

STATUS REPORT ON STRATEGIC PLAN

estimates a long-term implementation cost for the agency. The implementation details and associated cost projections will be updated periodically as assumptions are better understood and activities are realized.

As a result of implementation planning, SJAFCA identified a significant funding shortfall ranging from \$190M to \$354M over the next 15 years. This is primarily attributed to the Federal Lower San Joaquin River (LSJR) Project and the Mossdale Urban Level of Protection efforts. The former will require the agency to develop revenue financing to meet its non-Federal Sponsor obligations in the coming years. The latter is on a path toward a new overlay assessment district (OAD) and enhanced infrastructure financing district (EIFD) in addition to the existing development impact fee (DIF).

To that end, SJAFCA evaluated several financing approaches for the LSJR Project in close partnership with the SJAFCA Board of Directors during its April and June Board meetings. The Board identified a need to start analyzing a possible assessment district covering the footprint of the LSJR Project and requested a proposed approach, scope and budget from its current Mossdale Basin area assessment district engineer, Willdan Financial Services. This will be the subject of a separate agenda item.

Furthermore, several other activities that support the Strategic Plan's objectives continue to advance and are summarized as part of this Strategic Plan status update.

Present Situation

The Strategic Plan identified twelve Priority Actions to advance its mission and goals. The summary below highlights several upcoming, ongoing, and completed actions that directly support the agency's objectives. Each Priority Action is listed along with the status of each and an indicator of efforts are color-coded as follows:

GREEN – Work is complete or ongoing and on schedule

YELLOW – Work is upcoming or ongoing but trending off schedule, but aspects are recoverable

RED – Work will or has missed significant scheduled milestones

Priority Action 1: Advocate and support USACE initiating a first increment of construction on the Lower San Joaquin River Project, CA by 2021

- **GREEN**
 - o LSJR Project received a Federal "New Construction Start" and the Federal government appropriated \$23.1M in Federal fiscal year 2020; possible fiscal year 2021 appropriations totals \$25M
 - o Project Partnership Agreement prepared for CVFPB action during their September 2020 board meeting
 - o The first construction contract is in design and planned for construction in 2022
 - o SJFCA is conducting financial planning and assessment district scoping to support LSJR Project

STATUS REPORT ON STRATEGIC PLAN

Priority Action 2: Complete construction of the Smith Canal Closure Structure to achieve flood risk reduction and submit package for LOMR to FEMA by 2022.

- **GREEN**
 - o Award Construction Contract to Shimmick Construction Company for \$49.488M
 - o Estimated construction duration extends until October 2022
 - o Staff has initiated data collection for the LOMR.

Priority Action 3: Submit request to USACE for credit associated with Smith Canal Project construction within six months of project close-out.

- **GREEN**
 - o As part of the funding approach for the Lower San Joaquin River Project, staff found an opportunity to submit pre-construction costs to USACE for credit toward its non-Federal Sponsor cost share; therefore, staff prepared a draft credit request for initial costs of the Smith Canal Gate Project totaling \$10.08M
 - o Additional credit requests will be prepared as work advances

Priority Action 4: Support USACE in initiating Phase 2 of the Federal Lower San Joaquin River Feasibility Study by 2020.

- **YELLOW**
 - o As a substantial step toward demonstrating Federal interest in the Mossdale Basin, USACE completed a draft risk assessment in the area in July 2020
 - o USACE's Sacramento District has not been successful in receiving Federal work plan funds via the Federal funding appropriations cycle for the Phase 2 feasibility study
 - o SJAFCA continues to support Sacramento District's requests for USACE work plan funding in the amount of \$1.5M to continue phase 2 of the LSJR Feasibility Study

Priority Action 5: Complete the Mossdale Urban Flood Risk Reduction (UFRR) Study by spring 2020 and, in partnership with the State, engage USACE through a Flood Plain Management Services (FPMS) Agreement.

- **YELLOW**
 - o State review resulted in further revisions to UFRR study that require continued, close partnerships with LMAs, SJAFCA, and DWR for an agreed upon selected plan; however, a preferred plan has not been adopted by all agencies and the UFRR study remains incomplete
 - o An FPMS agreement with USACE has advanced the risk assessment evaluation by USACE per Priority Action 4, which further defines the risk in the basin without additional flood risk reduction work.

Priority Action 6: Achieve 200-year level of protection in the Mossdale Tract Area by 2025 and present adequate progress reporting until improvements are complete.

- **YELLOW**
 - o FY 2020 Adequate progress report submitted by June 30, 2020 to CVFPB to support local agency validation of Adequate Progress findings.
 - o Staff is advancing a "no regrets" element of work in the southern part of Mossdale basin – a feature of flood risk reduction work that is common to all UFRR Feasibility Study alternatives, the extension of the Dryland Levee in Manteca, and is conceptually agreeable to LMAs, SJAFCA, and DWR. The SJAFCA Board approved the selection of an engineering team and delegated authority the Executive Director

STATUS REPORT ON STRATEGIC PLAN

- to award a contract to advance further analysis, design and environmental review of the common feature. Staff has executed a contract with Wood Rodgers to advance this work.
- o Staff is preparing a request to DWR to allow remaining funding available within the UFRF Feasibility Study grant to be used for Phase 2 to support the funding of work by the Wood Rodgers team.
- o Retain political consultant to advance legislation (AB 838) that supports extending the deadline imposed by the SB-5's 200-year level of protection mandate for urban and urbanizing areas to 2028
- o See *Priority Action 8* for status of funding efforts.

Priority Action 7: *Update project development plans to account for the Climate Change Adaptation Policy for Mossdale based on current climate information by 2020; continue evaluating program for the adaptation policy in light of future climate information.*

- **GREEN**
 - o SJAFCA has adopted a Climate Change Adaptation Policy
 - o The consultant team has developed a cost estimate for the incremental cost of applying the adopted Policy to the Mossdale Fix in Place alternative. This cost estimate has supported Priority Action 6 above.
 - o Considering climate change technical studies to shed further light on area hydrology.
 - o SJAFCA has partnered with the Bay Area Council for a Climate Resiliency Grant to evaluate basin-wide opportunities to combat possible increased flood risk due to climate changes; the grant provides SJAFCA with \$200,000 to study this issue.

Priority Action 8: *Complete formation of the funding program including an Overlay Assessment and Enhanced Infrastructure Financing District for the Mossdale Tract Area by August 2020.*

- **RED**
 - o SJAFCA engaged Willdan Financial Services to advance the formation of the OAD and the LWA, EPS, & KMTG team to implement the EIFD. Effort on both of these fronts is underway, however, the work has been delayed due to the economic impacts of COVID-19. Staff has determined and briefed the Board on this issue.
 - o As noted above under Priority Action No. 6, staff is seeking relief on the SB 5 timeline requirements through AB 838. An alternative schedule that would delay implementation until Mid-2022 has been prepared.

Priority Action 9: *Document the capital improvement plan to implement SJAFCA's objectives that defines the "who", "what", "where", "when", "how", and funding approach by March 2020.*

- **GREEN**
 - o An Implementation Plan memorandum was prepared in March which contains a summary of the approach and assumptions which define the work undertaken by SJAFCA and defines the short-term and long-term funding requirements; this remains a working document and continues to be adjusted as assumptions change.
 - o Developed list of prequalified engineering firms to support program execution in support of SJAFCA's Strategic Plan
 - o The components of this plan were leveraged to define program revenue shortfalls and identification of additional, future work to be defined.

Priority Action 10: *Develop and implement a public awareness program that supports each project and the agency's mission.*

STATUS REPORT ON STRATEGIC PLAN

- **GREEN**
 - o Public Outreach consultant in place to support various components of SJAFCA's implementation efforts including support for the Smith Canal Gate Project, Mossdale Funding Implementation, advancement of the LSJR Project and agency-wide efforts
 - o Development of a long-term public awareness campaign under development
 - o Planning for USACE COL site visit and meeting associated with LSJR Project – timeline continues to shift due to pandemic constraints.

Priority Action 11: *Engage and nurture strategic relationships with local, state and federal officials, business community, non-governmental organizations and other stakeholder groups.*

- **GREEN**
 - o SJAFCA leading regional flood planning via grant from DWR under the regional flood management planning program (RFMP)
 - o Ongoing Briefings to member agencies and local maintaining agencies in the area (e.g. November 2019 member agency planning workshop in Manteca, RD briefings in February 2020, etc.)
 - o Partnership with American Rivers established to support implementation of Paradise Cut widening and other strategic ecosystem enhancement opportunities
 - o SJAFCA staff will participate in the Floodplain Management Association conference to highlight Agency activities and efforts

Priority Action 12: *Partner with DWR/CVFPB to evaluate system improvement options consistent with CVFPB and regional needs; identify a path forward by the end of 2020.*

- **YELLOW**
 - o SJAFCA leading regional flood planning via grant from DWR under the Regional Flood Management Planning (RFMP) program, Phase 3
 - o Funding for the RFMP is \$850,000 funded entirely by DWR which funds a limited scope to update the RFMP but not the entire initial scoped effort (this is consistent across all RFMPs within the CVFPB jurisdiction)
 - o Additional regional needs still to be defined with the expectation that the RFMP will partially support this effort
 - o Additional regional efforts require evaluation include, for example, incremental flood risk reduction in north and central Stockton beyond Federal LSJR Project scope.

Next Steps

This material is informational to ensure the SJAFCA Board and community has the latest status on activities within the agency and an understanding of how they directly correlate back to the adopted strategy. SJAFCA staff team will continue to update assumptions and required elements to carry out the strategy.

FISCAL IMPACT

This is an informational item with no fiscal impact.

Strategic Plan Consistency Analysis

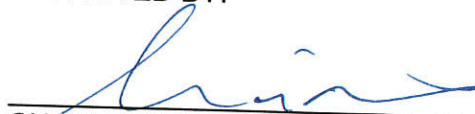
The material found in this report is consistent with the Mission and Goals of the Board-adopted Strategic Plan, whereby each priority action directly links back to the components of SJAFCA's

September 17, 2020
(Page 6)

STATUS REPORT ON STRATEGIC PLAN

The material found in this report is consistent with the Mission and Goals of the Board-adopted Strategic Plan, whereby each priority action directly links back to the components of SJAFCA's strategy.

APPROVED BY:



CHRIS ELIAS
EXECUTIVE DIRECTOR

Attachments:

1. Strategic Plan Actions and Success Metrics Sept2020

Reduce and Manage the Region's Flood Risk

ATTACHMENT

Goals	Plan for and Implement System Resiliency		Facilitate Funding Structures that are Most Beneficial to Local Interests		Promote Public and Institutional Awareness	
	Drive for Operational Transparency		Support Appropriate, Mutually Beneficial Partnerships			
Objectives	Deliver projects and programs consistent with State and Federal regulatory requirements.	Identify and implement local and/or regional funding mechanisms; maximize State and Federal investment in the region for flood risk reduction efforts.	Identify and include system resiliency needs in project development.		Pursue multi-benefit approaches to incentivize investments from non-traditional funding sources and promote system resiliency and resource mitigation.	
	Develop public outreach programs to maximize public and institutional awareness and involvement.	When appropriate, optimize partnerships and integrate flood risk reduction efforts with local maintaining agencies.	Monitor potential impacts to the system and advocate for Agency's needs.			

Description		Activities
Priority Action 1 GREEN	<i>Advocate and support USACE initiating a first increment of construction on the Lower San Joaquin River Project, CA by 2021</i>	- o LSJR Project received a Federal "New Construction Start"; Federal appropriations of \$23.1M in Federal fiscal year 2020 - o Possible Federal FY 2021 appropriations of \$25M - o Project Partnership Agreement prepared for CVFPB action during their September 2020 board meeting - o The first construction contract is in design and planned for construction in 2022 - o SJFCA is conducting financial planning and assessment district scoping to support LSJR Project
Priority Action 2 GREEN	<i>Complete construction of the Smith Canal Closure Structure to achieve flood risk reduction and submit package for LOMR to FEMA by 2022.</i>	- o Award Construction Contract to Shimmick Construction Company for \$49.488M - o Estimated construction duration extends until October 2022 - o Staff has initiated data collection for the LOMR
Priority Action 3 GREEN	<i>Submit request to USACE for credit associated with Smith Canal Project construction within six months of project close-out.</i>	- o Staff prepared a draft credit request for initial costs of the Smith Canal Gate Project totaling \$10.08M - o Additional credit requests will be prepared as work advances
Priority Action 4 YELLOW	<i>Support USACE in initiating Phase 2 of the Federal Lower San Joaquin River Feasibility Study by 2020.</i>	- o USACE completed a draft risk assessment in the area in July 2020 - o USACE's Sacramento District has not been successful in receiving Federal work plan funds for the feasibility study (LSJRFS) Phase 2 - o SJAFCA continues to support Sacramento District's requests for USACE work plan funding in the amount of \$1.5M to LSJRFS Phase 2
Priority Action 5 YELLOW	<i>Complete the Mossdale Urban Flood Risk Reduction (UFRR) Study by spring 2020 and, in partnership with the State, engage USACE through a Flood Plain Management Services (FPMS) Agreement.</i>	- o State review resulted in further revisions to UFRR study requiring continued, close partnerships with LMAs, SJAFCA, and DWR - o A preferred plan has not been adopted by all agencies and the UFRR study remains incomplete - o An FPMS agreement with USACE has advanced the risk assessment evaluation per Priority Action 4
Priority Action 6 YELLOW	<i>Achieve 200-year level of protection in the Mossdale Tract Area by 2025 and present adequate progress reporting until improvements are complete.</i>	- o FY 2020 Adequate progress report submitted by June 30, 2020 to CVFPB - o Staff is advancing a "no regrets" element of work in the southern part of Mossdale basin - staff executed a contract with Wood Rodgers - o Staff is preparing a request to DWR to allow remaining funds under the UFRR Feasibility Study grant to support work by Wood Rodgers - o Political consultant working legislation (AB 838) to extend SB-5's 200-year level of protection deadline to 2028 - o See <i>Priority Action 8</i> for status of funding efforts.
Priority Action 7 GREEN	<i>Update project development plans to account for the Climate Change Adaptation Policy for Mossdale based on current climate information by 2020; continue evaluating program for the adaptation policy in light of future climate information.</i>	- o Adopted a Climate Change Adaptation Policy - o Developed incremental cost estimate for applying the adopted Policy to the Mossdale Fix in Place alternative (supports PA 6) - o Considering climate change technical studies to shed further light on area hydrology. - o Partnered w/ Bay Area Council for a Climate Resiliency Grant (\$200,000) to eval possible increased flood risk due to climate change
Priority Action 8 RED	<i>Complete formation of the funding program including an Overlay Assessment and Enhanced Infrastructure Financing District for the Mossdale Tract Area by August 2020.</i>	- o Engaged Willdan Financial Services to advance the formation of the OAD and the LWA, EPS, & KMTG team to implement the EIFD - o Effort on both of these fronts is underway, however, the work has been delayed due to the economic impacts of COVID-19 - o As noted above under Priority Action No. 6, staff is seeking relief on the SB 5 timeline requirements through AB 838 - o Alternative schedule that would delay implementation until Mid-2022 has been prepared
Priority Action 9 GREEN	<i>Document the capital improvement plan to implement SJAFCA's objectives that defines the "who", "what", "where", "when", "how", and funding approach by March 2020.</i>	- o Implementation Plan memorandum prepared in March containing approach, assumptions, short and long term funding needs - o Developed list of prequalified engineering firms to support program execution in support of SJAFCA's Strategic & Implementation Plan - o Plans leveraged to define program revenue shortfalls and identification of additional, future work to be defined
Priority Action 10 GREEN	<i>Develop and implement a public awareness program that supports each project and the agency's mission.</i>	- o Consultant in place for the Smith Canal Gate, Mossdale Funding, advancement of the LSJR Project and agency-wide efforts - o Development of a long-term public awareness campaign under development - o Planning for USACE COL site visit and meeting associated with LSJR Project – timeline continues to shift due to pandemic constraints.

Goals	Plan for and Implement System Resiliency		Facilitate Funding Structures that are Most Beneficial to Local Interests		Promote Public and Institutional Awareness	
	Drive for Operational Transparency		Support Appropriate, Mutually Beneficial Partnerships			
Objectives	Deliver projects and programs consistent with State and Federal regulatory requirements.	Identify and implement local and/or regional funding mechanisms; maximize State and Federal investment in the region for flood risk reduction efforts.	Identify and include system resiliency needs in project development.		Pursue multi-benefit approaches to incentivize investments from non-traditional funding sources and promote system resiliency and resource mitigation.	
	Develop public outreach programs to maximize public and institutional awareness and involvement.	When appropriate, optimize partnerships and integrate flood risk reduction efforts with local maintaining agencies.	Monitor potential impacts to the system and advocate for Agency's needs.			

Description		Activities
Priority Action 11 GREEN	<i>Engage and nurture strategic relationships with local, state and federal officials, business community, non-governmental organizations and other stakeholder groups.</i>	- o Leading regional flood planning via grant from DWR under the regional flood management planning program (RFMP) - o Ongoing Briefings to member agencies and local maintaining agencies (e.g. November 2019 member agency planning workshop in Manteca, RD briefings in February 2020, and etc) - o Partnership with American Rivers established for Paradise Cut widening and other strategic ecosystem enhancement opportunities - o SJAFCA staff will participate in the Floodplain Management Association conference to highlight Agency activities and efforts
Priority Action 12 YELLOW	<i>Partner with DWR/CVFPB to evaluate system improvement options consistent with CVFPP and regional needs; identify a path forward by the end of 2020.</i>	- o Leading regional flood planning via grant from DWR under the Regional Flood Management Planning (RFMP) program, Phase 3 - o Funding for the RFMP is \$850,000 funded entirely by DWR - o Additional regional needs still to be defined with the expectation that the RFMP will partially support this effort (e.g. incremental flood risk reduction in north and central stockton beyond the Federal LSJR Project scope)

GREEN	Work is complete or ongoing and on schedule
YELLOW	Work is upcoming or ongoing but trending off schedule but aspects are recoverable
RED	Work will or has missed significant scheduled milestones

Agenda Item 4.2

September 17, 2020

TO: San Joaquin Area Flood Control Agency

FROM: Chris Elias, Executive Director
Seth Wurzel, Principal, LWA

SUBJECT: **LOWER SAN JOAQUIN RIVER PROJECT FUNDING FEASIBILITY ANALYSIS**

RECOMMENDATION

Receive an informational update on the status of the financing approach to support the Lower San Joaquin River (LSJR) Project; and authorize the Executive Director to negotiate and enter into agreement with Willdan Financial Services' (WFS) to prepare a feasibility analysis of an assessment to fund the LSJR Project.

DISCUSSION

Background

The LSJR Project is a Federally authorized flood risk reduction project under the partnership of the U.S. Army Corps of Engineers, Central Valley Flood Protection Board, and SJAFCA. The project includes several flood protection improvements throughout the greater Stockton Area.

Federal flood projects require local cost sharing; therefore, SJAFCA will be responsible for approximately \$121M of the \$1.3B total cost, over the course of the next 10-15 years. Through the implementation planning process, SJAFCA has projected its local matching costs over time and presented several local revenue generating options during prior Board meetings. The Board of Directors has advised staff to proceed with the budgeting and scoping of a local assessment district that would cover the entire LSJR Project area.

Present Situation

As prepared under the Strategic Plan update agenda item, one top priority of the agency is delivering on the first increment of the LSJR Project in the coming year. This requires advancing several actions, which are underway. The pre-construction, engineering and design (PED) phase of the project has begun with the first increment of design at the Delta Front (TS30L); along with advancing this design, the partner agencies must enter into a project partnership agreement (PPA), which is planned for CVFPB execution during their September board meeting. In the Federal fiscal year 2020, the Federal government has also authorized a "new start" and contributed \$22.8 million in federal appropriations plus another \$300,000 in USACE work plan funding toward advancing the first increment of the project. This is a significant milestone because it was one of a few new starts in the nation and thus represents a substantial commitment to deliver this project via dedicated USACE resources and congressional appropriations.

The State, represented by the CVFPB, and SJAFCA must commit to their partnership terms – cost share match and lands, easements, rights-of-way, relocations and disposal/borrow areas (LERRDs). This comes at a cost share of 35% non-Federal sponsor (a portion of which is

AGENDA ITEM 4.2

LOWER SAN JOAQUIN RIVER PROJECT FUNDING FEASIBILITY ANALYSIS

The State, represented by the CVFPB, and SJAFCA must commit to their partnership terms – cost share match and lands, easements, rights-of-way, relocations and disposal/borrow areas (LERRDs). This comes at a cost share of 35% non-Federal sponsor (a portion of which is LERRDs) in which SJAFCA has further setup a corresponding agreement with the CVFPB, referred to as a Local Project Partnership Agreement (LPPA), ultimately resulting in a 10.5% cost commitment by SJAFCA. The PPA and the companion LPPA are scheduled to be considered for approval by the CVFPB at its September 25, 2020 Board meeting.

For Federal Fiscal Year, 2020, as noted above, the Federal government committed \$23.1 million toward the Project. This commitment required a local match by SJAFCA of approximately \$3.7 million. SJAFCA's annual budget for FY 2020/21 included the allocation of Agency reserves to provide a portion of this matching funding. The source of the match was an allocation of a portion of the \$10.6 million reimbursement received for SJAFCA legacy Federal project.

For the LSJRP, SJAFCA has requested, for Federal FY 2021, USACE Work Plan funding of \$25 Million for additional design work. The partnership arrangement requires SJAFCA and the State to provide approximately \$13.4 million of which SJAFCA's share would be approximately \$4.0 million. For Federal FY 2022, SJAFCA is advocating for \$35 million within the Administration's Budget which would require matching funds from SJAFCA and the State of approximately \$18.8 million. SJAFCA's share of this would be approximately \$5.65 million. This process of annual appropriations is expected to occur each year until the project is complete. Currently, SJAFCA does not have a secured funding source to provide its share of the local match. However, at the time of the Agency's budget adoption in June, SJAFCA staff noted that there would be remaining funds from the \$10.6 million reimbursement after allocations to current budget items and that these remaining funds should be focused on developing the long-term funding needed to generate the remaining local share of the overall LSJRP.

In the near term, the Smith Canal Project affords credit toward a significant chunk of the above commitment; however, additional funding and LERRDs are still required and the timing of the funds will require the agency to garner additional revenue in as soon as two years (by mid-2022), but this depends on USACE project development plans and future Federal appropriations.

Staff presented to the Board of Directors during its April and June board meetings various options to advance revenue generating initiatives. The Board decided to further explore the feasibility of a single assessment district that would generally cover the benefit area of the LSJR Project. Staff recommended and the Board agreed to scope and seek a proposal from WFS given the recent qualification and selection process completed for these services for efforts within the Mossdale Tract.

WFS's proposal for the evaluation of an Assessment District to fund the LSJR Project is attached to this report.

Next Steps

LOWER SAN JOAQUIN RIVER PROJECT FUNDING FEASIBILITY ANALYSIS

SJAFCA Board of Directors should review and consider the matching funds requirements of the LSJR Project, including the timing required to contribute cost-sharing funds and the anticipated timing required to develop and administer an assessment district. Further, the Board should consider some of the companion activities associated with the development of an assessment district including the following tasks:

- The scope, cost and ability to finance other flood risk reduction measures that go beyond the footprint of the LSJR Project.
- The scope of the beneficiaries and the underlying data needs to assess the benefit associated with flood risk reduction measures proposed to be funded by an assessment district.

To start to address this effort now, staff recommends that the Board consider the proposal prepared by WFS and delegate authority to the Executive Director to advance Task A as outlined within the proposal. This effort is the most practical way for SJAFCA to start the process of securing the necessary funding in support of the LSJR Project at this time.

FISCAL IMPACT

At this time, efforts to secure local funding for the LSJR Project are not included within the approved budget for the LSJR Project. However, as noted in June 2020, upon adoption of the Agency's budget, Staff noted that there would be remaining funds from the \$10.6 million reimbursement, which is now part of SJAFCA's reserves. Staff also noted that this remaining funding should be utilized to develop the long-term funding needed to generate the remaining local share of the LSJRP.

Staff is currently coordinating with the Department of Water Resources to develop the detailed scope of work for Phase 3 of the Regional Flood Management Planning (RFMP) program grant. SJAFCA will be the grant recipient for the Lower San Joaquin / Delta South Region. One portion of the Scope of Work for the RFMP grant includes Financial Planning and Funding Support. Because implementation of the LSJR Project is priority for the Region, Staff feels that the scope of work proposed by Willdan is a good fit for this broadly defined task. Staff expects to meet with DWR and propose that all or a portion of this effort be funded through the RFMP program. If DWR's agrees with this approach, then Staff will structure the task to align the expenses with the RFMP budget. However, if DWR does not agree to fund this task, then the expenses will need to be funded from available reserves.

At this time, Staff recommends that as part of the approval of this recommendation, that Staff allocate up to \$500,000 from available reserves to advance the Willdan evaluation effort and other supporting assessment district formation efforts as described above. Staff will return to the Board for authorization of any additional tasks supporting this effort.

Strategic Plan Consistency Analysis

The material found in this report is consistent with the Mission and Goals of the Board-adopted Strategic Plan, specifically Goal 1 to Plan for and Implement System Resiliency and Goal 3 Facilitate Funding Structures that are Most Beneficial to Local Interests.

September 17, 2020
(Page 4)

LOWER SAN JOAQUIN RIVER PROJECT FUNDING FEASIBILITY ANALYSIS

APPROVED BY:



CHRIS ELIAS
EXECUTIVE DIRECTOR

Attachments:

1. Proposal to San Joaquin Area Flood Control Agency to Prepare the Lower San Joaquin Assessment Feasibility Study (Willdan)

September 2, 2020

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

Re: Proposal to the San Joaquin Area Flood Control Agency to Prepare the Lower San Joaquin Assessment Feasibility Study

Dear Mr. Elias:

Willdan Financial Services ("Willdan") is pleased to submit the following proposal to the San Joaquin Area Flood Control Agency ("SJAFCA") to prepare a benefit assessment feasibility study specific to the Lower San Joaquin River. One of the main objectives of this engagement is to ensure that the proposed special district is fair, equitable and consistent with the provisions of the California Constitution (Proposition 218) and recent court cases regarding assessments. Willdan also understands the importance of a revenue stream that provides appropriate full cost recovery of improvements and maintenance (excluding general benefit costs), including not only the annual maintenance costs but also the long term repair, replacement and rehabilitation of those improvements.

For the following reasons, we are confident that you will find our proposal fully responsive to SJAFCA's objectives:

Depth of Experience — Willdan possesses unmatched experience in the formation and administration of Community Facilities Districts (CFD), Assessment Districts (AD), and special charges for agencies throughout California. **We have prepared Engineer's Reports for over 800 separate ADs for local governments in California**, including Business Improvement Districts (BID), Landscaping and Lighting Districts (LLD), and ADs formed to finance infrastructure improvements. **Our recent assessment engineering/formation clients include the Cities of Lemoore, Yorba Linda, Guadalupe, Ridgecrest, Santa Clarita, Chino Hills and Tehachapi.** For each of these clients, Willdan has completed research, developed budgets, evaluated improvements, assisted in the notice, ballot and tabulation processes, prepared property owner databases, benefit assessment methodologies, Engineer's Reports, and provided plans and reports to appropriate third parties, including legal counsel. Furthermore, through our administration of special financing districts over the past 32 years, we have gained invaluable insight that helps us establish new districts and develop policies that will help SJAFCA anticipate and be prepared for administrative considerations.

Proposition 218 Defensibility — Since the passage of Proposition 218 in November of 1996, greater focus has been placed on assessment methodologies, determination of benefit, and corresponding assessments. Willdan has prepared hundreds of levy reports implementing various assessment methodologies tailored to the specific attributes of the special district. As such, we understand our clients' concerns with respect to the legality of assessments and have years of unmatched experience in developing and implementing appropriate assessment strategies. We are fortunate to be in a position in which our Proposition 218 expertise, coupled with our prior experience working directly with SJAFCA, will provide a tremendous benefit to the engagement proposed herein.

We appreciate this opportunity to continue to serve the San Joaquin Area Flood Control Agency. Please feel free to contact Principal Consultant Jim McGuire directly at (909) 229-0826 or via email at jmcguire@willdan.com with questions.

Sincerely,
Willdan Financial Services



Gladys Medina
Vice President and Group Manager

Scope of Services

Outlined herein is Willdan Financial Services' ("Willdan") understanding of the San Joaquin Area Flood Control Agency's ("SJAFC") desire to undergo a benefit assessment feasibility study. The purpose of the proposed special district is to fund the construction and maintenance of new levees and/or levee improvements within SJAFC's jurisdictional boundaries that directly impact portions of northern and central Stockton. It is further understood that construction will be completed in increments, which may necessitate the phasing in of the assessments as well.

One of the main objectives of this engagement is to ensure that the proposed special district is fair, equitable and consistent with the applicable state legislation or Act, provisions of the California Constitution (Proposition 218) and recent court cases regarding assessments. Willdan also understands the importance of these assessments to provide appropriate full cost recovery of improvements and maintenance (excluding general benefit costs), including not only the annual maintenance costs but also the long term repair, replacement and rehabilitation of those improvements.

It is important to recognize that recent court cases have had a profound impact on how assessments are structured, and these court cases must be carefully considered for the establishment of any new assessment being presented to property owners. Even a simple assessment for local improvements requires a more extensive evaluation of general benefit and support of the special benefit findings than may have been necessary in the past. The requirement of a "special" benefit finding, distinct from a "general" benefit identified in Proposition 218, and recent case law (California Supreme Court and Appellate Court findings since 2008) have created a greater emphasis on separating and quantifying these benefits for all assessments. Therefore, it is paramount that the improvements, as well as the operation, maintenance, repair, replacement and rehabilitation (OMRR&R), provided be clearly identified and reflected in the Engineer's Report. Since many assessment formulas utilized in the past might not withstand the heightened scrutiny that is likely to result from these recent court cases, identifying and quantifying special and general benefits has become a more essential part of an Engineer's Report. The Willdan project team will incorporate their knowledge gained from extensive analysis of these court decisions, as well as related project experience, to ensure the proposed assessments are consistent with the more stringent requirements of benefit findings and proportionality.

We want to ensure the following is responsive to the needs and specific issues related to this benefit assessment analysis and the potential assessment district formation. We will work in concert with your staff to adjust our scope of services as needed before the project commences.

Work Plan

The following describes the tasks associated with the formation of an assessment district under the applicable state legislation (Act) and in compliance with the provisions of the California Constitution Article XIID (Proposition 218).

Task A: Benefit Assessment Analysis

Task A.1: Project Kick-off Meeting

Objective: The primary objective of this meeting and discussion is to identify key personnel that will be involved in the overall project, establish effective lines of communication and identify additional documents or information that may be required to complete the project and our scope of services.

Description: We propose to kick-off the project by holding an "all hands meeting" to discuss the various elements of the project and develop a more detailed strategy and course of action to address project needs. This meeting should include all key team members that will be directly involved in the project. Topics of conversation will likely include specific discussions of the goals and priorities; legal and political considerations; budget information; proposed improvement and service level plans; and availability

and access to pertinent documentation and data, including but not limited to construction cost estimates and the phasing of the improvements. We will also discuss and finalize the assessment engineering project timeline based on critical events identified and availability of needed information.

It is anticipated that the benefit assessment analysis, identified within Task A, could be completed in six to eight months upon receipt of a notice-to-proceed. In order to meet this deadline, requested data, GIS files, and documents to be provided by SJAFCA or other consultants will need to be provided in a timely manner. The Willdan Team will attempt to complete Task A sooner if possible.

Deliverables: Based on discussions during this meeting a timeline (schedule of events) specific to the benefit assessment feasibility study will be prepared and provided to the team members, if necessary. At SJAFCA's request a comprehensive timeline involving other third-party consultants can be coordinated.

Meetings: One (1) project kick-off meeting at SJAFCA offices or via video conference, depending upon the current directive of the California stay at home order.

Task A.2: Develop Parcel Database and District Diagrams

Objective: Establish an electronic parcel database for the proposed district and corresponding district diagrams.

Description: Using updated parcel information from the current County Assessor's Office secured roll and the GIS shape files provided by SJAFCA and/or the engineering consultant team, Willdan will establish a district assessment database and corresponding district diagrams. This database will ultimately contain all benefiting properties within the project area and will identify each parcel's specific land use, proposed zone designation (if applicable due to project phasing), assigned benefit units and proposed assessments, related property characteristics, other outstanding parcel debt, and property ownership information (owner name(s) and mailing address).

Initially, this database will incorporate all parcels that may reasonably or will potentially benefit from the improvements. As the benefit analysis and district boundaries are refined the database will be modified to incorporate only those parcels to be included in the proposed district.

This base data will serve as the master database for the proposed assessments to be outlined in the Engineer's Report. The information contained in this database will be enhanced and updated, as needed, through parcel research and specific information provided by SJAFCA and/or the engineering consultant team. Furthermore it can be utilized as the basis for the mailing of the Proposition 218 notices and ballots. This database will also be linked to available GIS mapping files to generate the district diagram and/or exhibits for the Engineer's Report.

Deliverables: **SJAFCA:** Various maps or diagrams (either electronically or in hardcopy) of the proposed improvements, GIS shapefiles of the improvements, flood plains, development plans, proposed phasing, and parcel flood depth and elevations within the project area.

Willdan: Once the district boundaries are finalized and relevant property owner information is updated, an electronic file and related diagram(s), identifying an overview of the location and extent of the improvements, will be provided to SJAFCA upon request.

Task A.3: Review of Benefits/Improvements and Assessment Analysis

Objective: Evaluate various factors that must be considered for compliance and application of special/general benefit pursuant to the provisions of the California Constitution (Proposition 218), the applicable state legislation (Act), and current case law to develop an appropriate and defensible assessment methodology and district structure (benefit zones).

Description: Utilizing the parcel data, budget information, improvement plans and OMRR&R to be provided, related diagrams, GIS shapefiles, and other supporting documentation and information, we will evaluate and develop an appropriate and proportional special benefit assessment methodology that is consistent with the California Constitution, specifically focusing on the identification of special and general benefit as it relates to recent court decisions. The relationship between the improvements and properties within the project area will be closely evaluated as well as any benefits that may be attributable to other properties or the public at large.

Deliverables: Summary of our findings, recommendations and conclusions from our review and analysis will be incorporated into a summary technical memorandum prepared as part of Task A.5. This document will identify key issues related to the proposed district structure, methodology, cost distribution and documentation that may be required to comply with current case law.

Task A.4: Prepare Cost Allocation

Objective: Complete a preliminary cost allocation analysis to determine the required assessment rate structure necessary to generate local funding for the project. This will involve developing a detailed cost allocation and benefit assessment analysis that derives the range of expected assessment amounts for the benefiting properties.

Description: Willdan will develop a detailed cost allocation analysis utilizing parcel data to support the development of an Engineer's Report and public outreach efforts to be determined further on during this engagement. Willdan will work with SJAFCA to identify the following items:

- The benefit area of the parcel receiving benefit from the improvements and related services; and
- Development of the various parcel attributes needed to apportion the special benefit derived from the project. (Attributes such as, parcel size, structure size, flood depth, etc. It is anticipated that Willdan will leverage existing available data acquired from SJAFCA and other sources to develop the needed database.)

Deliverables: Summary of the cost allocation and potential assessments will be incorporated into the technical memorandum prepared as part of Task A.5.

Note: SJAFCA to provide budget expenses specific to construction and OMRR&R. This information is necessary to develop the cost allocation, as well as the assessment amounts.

Task A.5: Technical Memorandum Summarizing Assessment Analysis

Objective: Prior to preparing the Engineer's Report, upon completion of Tasks A.1 through A.4, Willdan will provide SJAFCA staff with a memorandum summarizing our analysis of the proposed district and assessments.

Description: Prepare and provide a memorandum summarizing specific recommendations associated with the method of apportionment, budgets, assessments and descriptions that are considered necessary or appropriate for the implementation of the assessment, including summary tables and/or diagrams. This document will focus on the key issues that have been considered necessary to: ensure that the proposed assessments comply with the special and general benefit provisions emphasized in recent court decisions; the revenues needed to fund the improvements and OMRR&R; and the corresponding assessments. This document may also identify and discuss specific benefit issues and/or assessment options that may be considered, if any, including the possibility of absorbing the Smith Canal Assessment District into the proposed district.

When finalized with SJAFCA, many of the sections of this brief document including the method of apportionment, budgets, cost allocation and proposed assessments will be incorporated into the Engineer's Report to be prepared in Task B.1.

Deliverables: A copy of the technical memorandum will be distributed to SJAFCA staff for review and discussion.

Meetings: Up to three meetings are anticipated.

- One (1) meeting with SJAFCA staff to discuss the findings, recommendations and proposed assessments outlined in the draft technical memorandum.
- One (1) meeting with SJAFCA staff to discuss and finalize the draft final technical memorandum.
- One (1) meeting with the Board to present the final technical memorandum, receive feedback and discuss next steps associated with the project and potential public outreach efforts that may be necessary.

SJAFCA Staff Responsibilities

To assist the Willdan Team, SJAFCA may be required to provide the following information and/or services in order to complete the Task A work plan.

- Various maps or diagrams (either electronically or in hardcopy) of the improvement plans, development plans, and proposed project area phasing.
- GIS shapefiles of the improvements, flood plain, development plans, proposed phasing and parcel flood depth and elevations within the project area.
- Budget expenses specific to construction and OMRR&R.
- To the extent possible, detailed listing and description of the improvements to be installed and maintained as referenced in the improvement plans.
- Prepare all internal memos, staff reports, and other supporting documents necessary for Board agendas.

Task B: Formation of the Assessment District

It is understood that the tasks outlined below will only be initiated if the Board decides to pursue the formation of the proposed district.

Task B.1: Prepare Engineer's Report

Objective: Preparation of a comprehensive Engineer's Report based on findings, recommendations and assessments established during the benefit assessment analysis.

Description: Based on findings and results from Tasks A.1 through A.5, prepare an Engineer's Report that integrates the method of apportionment and benefit analysis developed. This report, prepared under the applicable state legislation and/or Act and the provisions of the California Constitution Article XIII D (Proposition 218), will be the basis for the assessment ballots and notices to be mailed to the property owners.

The Engineer's Report will contain the following information.

- **Plans and specifications** that describe the area of special benefit, the proposed assessment, and the improvements.
- **Method of apportionment** that outlines the special benefit conferred on properties from the improvements, as well as calculations used to establish each parcel's proportional special benefit assessment; plus, a description of the assessment range formula that establishes the maximum assessment rate in subsequent fiscal years.

- **Budget** that outlines the costs and expenses to provide, service and maintain the improvements, including authorized incidental expenses.
- **Assessment diagram** that identifies the boundaries of the proposed district.
- **Assessment roll** that contains each of the Assessor Parcel Numbers (APNs) that comprise the district and the proportional new maximum assessment.
- **Affidavit** stating that a professional engineer has prepared the report.

Deliverables: One (1) electronic copy of the draft Engineer's Report will be provided to SJAFCA for review and comment prior to submittal of a final Engineer's Report for the Board of Directors' consideration and approval at the Intent Meeting. Upon finalization of the Report, we will provide SJAFCA with one (1) electronic copy of the final Engineer's Report, assessment diagrams and assessment roll, as well as two (2) signed hardcopies of the Report containing the assessment diagrams.

Meetings: Conference call.

Task B.2: Implementation Support

Objective: Provide project coordination and management support for the formation of the proposed district. This will include providing oversight and management of tasks related to the formation and requirements of Proposition 218, as well as the requirements of the specific legislation to be used to form the assessment district.

Description: Willdan will attend the relevant Board meetings and prepare the needed communication for the Board to be informed on taking the needed actions to establish the district.

Also support SJAFCA with the preparation of the necessary resolutions. The actions taken by the adoption of certain resolutions related to the formation of the district will generally include:

- Declaration of an intention to form the district and preparation of an Engineer's Report;
- Setting a public hearing date;
- Preliminary approval of the Engineer's Report;
- Support for the mailing of ballots/notice of public hearing;
- Conducting the public hearing;
- Tabulation and certification of balloting;
- Approval of the final Engineer's Report; and
- Formation of the proposed assessment district.

Deliverables: 1) Database for Public Notice and Balloting; 2) support for the design and production of the notice, ballot, and return envelope; and 3) attendance at up to nine meetings related to the formation of the district. These meeting may include the following:

- Board briefing on the assessment district;
- Board meeting for adoption of the Resolution of Intention (Intent Meeting);
- Attendance at two public/property owner workshops/open houses;
- Attend up to three onsite team meetings (in the northern and central Stockton area);
- Public Hearing/coordination of ballot tabulation in public setting ; and
- Board meeting to present election results (and, if applicable, adoption of Resolution of Formation).

Notation: The fee quoted herein does not include costs associated with the printing and mailing of the notices and ballots and/or public outreach materials. SJAFCA will be responsible for these associated fees.

SJAFCA Staff Responsibilities

To assist the Willdan Team, SJAFCA may be required to provide the following information and/or services in order to complete the Task B work plan.

- Updated maps or diagrams (either electronically or in hardcopy) of the improvement plans, development plans, and proposed project area phasing.
- Updated GIS shapefiles of the improvements and property characteristics, if notable changes have occurred between the completion of the feasibility study and preparation of the Engineer's Report.
- Updated budget expenses specific to construction and OMRR&R.
- Prepare all internal memos, staff reports, and other supporting documents necessary for Board agendas.
- Review the draft Engineer's Report and related documents before the final documents are prepared for the Board packets. This review is usually performed by agency department staff, but may include SJAFCA's attorney. Requested changes shall be submitted to Willdan in writing.

Willdan will rely on the validity and accuracy of the data and documentation provided by SJAFCA to complete our analysis.

Legal Opinions. In preparing the resolutions, notices and ballots, Willdan will provide our professional expertise. Since we do not practice law, we ask that SJAFCA's attorney review the documents. We will assist your attorney in identifying any pertinent legal issues.

SJAFCA further acknowledges that Willdan shall rely upon the accuracy and validity of the information provided by SJAFCA and the County Assessor and agrees that Willdan shall not be liable for any inaccuracies contained therein. SJAFCA shall reimburse Willdan for any costs incurred, including without limitation, copying costs, digitizing costs, travel expenses, employee time and attorneys' fees, to respond to the legal process of any governmental agency relating to SJAFCA or relating to the project proposed herein. Reimbursement shall be at Willdan's rates in effect at the time of such response.

Fee for Services

Willdan purposes to perform the work plan outlined within Task A of our Scope of Services for the ***not-to-exceed fee of \$123,500***. If the SJAFCA Board decided to pursue the formation of a special district upon completion of Task A, a detailed work plan and fee will be submitted to SJAFCA specific to Task B, which will incorporate the findings and recommendations from Task A.

Please note the following.

- The fee above includes our attendance at up to nine in-person meetings to be held during Task A: three onsite team meetings; four Board meetings including a Project Briefing, Declaration of Intent, Public Hearing/Ballot Tabulation, and the follow-up Ballot Result/Formation; and two public/property owner workshops. The format of the meetings (in-person or video conference) will be adjusted as needed in order to comply with the California stay at home order and possible travel disruptions due to COVID-19.
- Telephone conference calls are not considered “meetings” for the purpose of our proposal and are not limited by our scope of services.
- We will invoice SJAFCA monthly based on percentage of project completion.
- This fee does not include costs associated with mailing and postage.

Reimbursable Expenses

Willdan will be reimbursed for out-of-pocket expenses. Examples of reimbursable expenses include, but are not limited to the following:

- Postage;
- Travel expenses;
- Mileage (current federal prevailing rate);
- Maps, electronic data provided from the county and/or other applicable resources; and
- Copying (currently 6¢ per copy).

Any additional expense for reports or from outside services will be billed to SJAFCA. Charges for meeting and consulting with counsel, SJAFCA, or other parties regarding services not listed in the scope of work above or outside our field of expertise will be at our then-current hourly rates (see the “Additional Services” section on the following page).

In the event that a third party requests any documents, Willdan may charge said party for providing such documents in accordance with Willdan’s applicable rate schedule.

Additional Services

Additional services may be authorized by SJAFCA and will be billed at our then-current hourly overhead consulting rates. Our current hourly rates are listed in the table below.

Willdan Financial Services Hourly Rate Schedule	
Position	Hourly Rate
Group Manager	\$250
Managing Principal	\$240
Principal Engineers	\$211
Principal Consultant	\$210
Senior Project Manager	\$185
Project Manager	\$165
Senior Project Analyst	\$135
Senior Analyst	\$125
Analyst II	\$110
Analyst I	\$100

Agenda Item 4.3

September 17, 2020

TO: San Joaquin Area Flood Control Agency

FROM: Chris Elias, Executive Director

SUBJECT: **AGREEMENT WITH NEW INDEPENDENT FINANCIAL AUDIT FIRM**

RECOMMENDATION

Adopt a resolution by the Board of Directors of the San Joaquin Area Flood Control Agency (SJFCA) authorizing the Executive Director to enter into a three-year Agreement with Schwartz, Giannini, Lantsberger and Adamson Accountancy Corporation for financial auditing services starting with fiscal year 19/20, with an option for renewal each of two years ending June 30, 2024 and June 30, 2025.

DISCUSSION

Background

Each year an independent audit of SJAFCA's financial records is performed by a Certified Public Accounting firm.

In 2011, at the recommendation and selection by the Auditor of the County of San Joaquin, the S J A F C A executed a contract with the public accounting firm of Brown Armstrong Certified Public Accountants (BACPA) for auditing services. BACPA has been providing the financial auditing services to SJAFCA ever since. SJAFCA has been highly satisfied with the services provided by BACPA.

Present Situation

SJAFCA has been in contract with the same Audit Firm for nearly 10 years. The Government Finance Officers Association (GFOA) recommends that agencies engage the same auditor by entering into multiyear agreements, or a series of one-year contracts, for a term of at least five years. A multiyear agreement allows for greater continuity and enables a new auditor to spread initial start-up costs over multiple years, potentially reducing costs in the initial years. However, after this term, the GFOA recommends a full, competitive selection process and a rotation of auditors after each multiyear agreement, provided there is adequate competition among qualified auditors. Contracting with a new audit firm not only brings a fresh perspective, but it also reflects good practice. In general, agencies are encouraged to re-advertise for auditing services every five to eight years.

In accordance with the GFOA's recommendation of entering into a multi-year audit contract of, at least, five years, staff issued a Request for Proposal (RFP) on July 31, 2020. The RFP was also posted on SJAFCA's website and distributed to 10 financial audit services firms throughout the Stockton/San Joaquin County area who had shown interest in providing this type of service to the agency.

Two proposals were received by the August 24, 2020 deadline. The two agencies were interviewed by our selection panel on August 28, 2020.

The proposals were reviewed and evaluated based on technical qualifications and proposed fees, using the following criteria mostly similar to those used by the California Municipal Finance Officers Association: :

1. Professional qualifications of the key members of the engagement team and the firm
2. Size and structure of the firm
3. Demonstrated skills (high level of competency) and credentials of personnel
4. Capability of handling all aspects of the engagement and providing on-going support and technical assistance throughout the year
5. Related experience with comparable government agencies
6. Ability to provide continuity of staff from year to year
7. Thoroughness of the auditor's proposed scope of services
8. Clearly defined schedule of the audit engagement plan and completion dates for key parts of the audit
9. Reasonableness and competitiveness of the fee schedule

Both firms have extensive experience with a long list of governmental audit clients throughout California. Their proposals also indicate a thoughtful approach to the audit and financial report preparation process; depth of knowledge in the various aspects of governmental accounting; use technology to make the audit process more effective, which allows the firms to manage audit documentation electronically.

While the fee charged for auditing service is clearly an important factor, it is neither required nor desirable that it be the only factor considered in the evaluation of a professional services contract. The independent auditor plays an important role in testing and evaluating SJAFCA's system of internal controls and overall financial management for signs of strength and weakness and reporting the results. They can also serve as a valuable resource as government financial reporting continues to evolve and governmental financial management becomes more complex and legally constrained.

given SJAFCA's recent return to the municipal bond market to finance growing capital improvement projects. Relevant experience, creative approaches to the auditing process, technical knowledge, and the communication skills to share it with their clients become even more important criteria when viewed in this larger perspective. Based on thorough evaluation of the proposals, information gathered during the interviews with the two auditing engagement teams, staff concluded that Schwartz, Gianinni, Lantsberger and Adamson Accountancy Corporation is the best choice to provide the auditing services to SJAFCA. The Engagement Manager and Principal is a Certified Public Accountant and Certified Fraud Examiner with 20 year of Experience. The firm has many years of industry experience with Special Districts, Reclamation Districts, Local Governments; and has both Public and Private industry experience as well as extensive experience with regulatory matters. Schwartz, Gianinni, Lantsberger and Adamson has also assisted SJAFCA with year-end financial reviews for the past 5 years and is familiar with the agency's financial statements

FISCAL IMPACT

Should the Board of Directors approve entering into a three year agreement with the option of extending the terms two (2) additional one year period thereafter with Schwartz, Gianinni, Lantsberger and Adamson, total fiscal impact for the three years is \$43,500.

PREPARED BY: Doug Clark, Accounting Manager

A handwritten signature in blue ink, appearing to read "Chris", is written over a horizontal line.

APPROVED:
CHRIS ELIAS
EXECUTIVE DIRECTOR

CE:dc

RESOLUTION NO. SJAFCA 20-27

SAN JOAQUIN AREA
FLOOD CONTROL AGENCY

=====

**AUTHORIZE EXECUTIVE DIRECTOR TO ENTER INTO A SERVICE
AGREEMENT WITH SCHWARTZ, GIANNINI, LANTSBERGER AND
ADAMSON FOR AGENCY ANNUAL FINANCIAL AUDIT.**

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

1. Authorize the Executive Director to enter into a three-year Agreement with Schwartz, Giannini, Lantsberger and Adamson Accountancy Corporation for financial auditing services starting with fiscal year 19/20, with an option for renewal each of two years ending June 30, 2024 and June 30, 2025.

PASSED, APPROVED AND ADOPTED this 17th day of September 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

**End of Agenda
Packet**