



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

BOARD OF DIRECTORS

<u>City of Stockton</u> Kimberly Warmasley Dan Wright, Chair Alt. Susan Lenz	<u>Public Member</u> Mike Morowit	<u>San Joaquin County</u> Katherine M. Miller Chuck Winn Alt. Tom Patti
<u>City of Manteca</u> Gary Singh, Vice-Chair Charlie Halford	<u>Executive Director</u> Chris Elias	<u>City of Lathrop</u> Paul Akinjo Diane Lazard

BOARD MEETING – In Person

Council Chamber – City Hall

425 N. El Dorado Street, Stockton

THURSDAY, MAY 26, 2022
9:00 A.M.

1. CALL TO ORDER / ROLL CALL

2. PLEDGE TO FLAG

3. CONSENT ITEMS

3.1) Approve Minutes from the April 21, 2022, Board Meeting

4. NEW BUSINESS

4.1) Public Hearing to approve the Annual Engineer's Report and Budget for the Operations and Maintenance (O&M) for the Flood Protection Restoration Assessment District, and order the levy and collection of O&M Assessments within the District for Fiscal Year 2022/2023

4.2) Authorization to enter into a funding agreement with the Department of Water Resources for "Phase 4" of the Regional Flood Management Program

4.3) Authorization to enter into a Memorandum of Understanding for an Inter-basin Transfer of excess federal credits generated from completed Flood Control Projects in Central Valley

5. BRIEFINGS

6. ORAL REPORT FROM EXECUTIVE DIRECTOR

7. PUBLIC COMMENTS

8. BOARD QUESTIONS, COMMENTS, ACTIONS

9. CLOSED SESSION

9.1) ANTICIPATED LITIGATION Pursuant to Government Code Section 54956.9(d)(2):
One Case

10. 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 April 21, 2022

STOCKTON, CALIFORNIA

AMENDED AGENDA: The Board was unaware that they would not have a quorum at the time the agenda was posted.

Motion: To approve Director Halford to participate virtually to establish a quorum.
Moved by: Director Morowit, Seconded by Director Winn
Vote: Motion carried 5-0
Yes: Director Akinjo, Director Halford, Director Morowit, Director Winn, Director Wright
Absent: Director Lazard, Director Miller, Director Singh, Director Warmesley

1. CALL TO ORDER / ROLL CALL 9:08 AM

Roll Call

Present:

Director Akinjo
Director Halford
Director Morowit
Director Winn
Director Wright

Absent:

Director Lazard
Director Miller
Director Singh
Director Warmesley

2. PLEDGE TO FLAG 9:10 AM

3. CONSENT ITEMS 9:11 AM

- 3.1) Approve Minutes from the March 17, 2022, Board meeting

PUBLIC COMMENT

- Dominick Gulli submitted written comments and shared comments during the meeting for all to hear.

Motion: To approve Minutes from the March 17, 2022, Board meeting
Moved by: Director Winn, Seconded by Director Morowit
Vote: Motion carried 5-0
Yes: Director Akinjo, Director Halford, Director Morowit, Director Winn, Director Wright
Absent: Director Lazard, Director Miller, Director Singh, Director Warmesley

4. NEW BUSINESS 9:14 AM

- 4.1) Approve Amendment No. 3 to the Funding Agreement with the California Department of Water Resources for Mossdale Urban Flood Risk Reduction Project (Reclamation District 17 Phase 4 Levee Improvements)

PUBLIC COMMENT

- Dominick Gulli shared public comments during the meeting for all to hear.

Motion: To approve Amendment No. 3 to the Funding Agreement with the California Department of Water Resources for Mossdale Urban Flood Risk Reduction Project (Reclamation District 17 Phase 4 Levee Improvements)

Moved by: Director Akinjo, Seconded by Director Morowit

Vote: Motion carried 5-0

Yes: Director Akinjo, Director Halford, Director Morowit, Director Winn, Director Wright

Absent: Director Lazard, Director Miller, Director Singh, Director Warmesley

5. BRIEFINGS 9:27 AM

5.1) Receive an Informational Briefing on the issuance of a Notice of Preparation for preparation of an Environmental Impact Report (EIR) for the Mossdale Urban Flood Risk Reduction Project

PUBLIC COMMENT

- None.

5.2) Informational briefing on the opportunity to enter into a Memorandum of Understanding for an Inter-Basin Transfer of Federal Credits to advance the Lower San Joaquin River Project

PUBLIC COMMENT

- Dominick Gulli submitted written comments and shared comments during the meeting for all to hear.

6. ORAL REPORT FROM EXECUTIVE DIRECTOR 10:11 AM

- Nothing to Report.

PUBLIC COMMENT

- Dominick Gulli submitted written comments.

7. PUBLIC COMMENTS 10:13 AM

PUBLIC COMMENT

- Dominick Gulli submitted written comments and shared comments during the meeting for all to hear.

8. BOARD QUESTIONS, COMMENTS, ACTIONS 10:16 AM

- Director Winn shared comments.

9. CLOSED SESSION 10:22 AM

9.1) Dominick Gulli v. San Joaquin Area Flood Control Agency Case No. STK-CV-UWM-2015-0011880

- Nothing to Report

PUBLIC COMMENT

- Dominick Gulli submitted comments in writing.

10. ADJOURNMENT 10:23 AM

The meeting adjourned at 10:23 AM. The next meeting is scheduled for May 26, 2022, at 9:00 AM.

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.



CHRIS ELIAS
EXECUTIVE DIRECTOR
SAN JOAQUIN AREA FLOOD
CONTROL AGENCY

April 21, 2022 SJAFCA Meeting Minutes

Agenda Item 4.1

May 2, 2022

TO: San Joaquin Area Flood Control Agency

FROM: Chris Elias, Executive Director

SUBJECT: **PUBLIC HEARING TO APPROVE THE ANNUAL ENGINEER'S REPORT FOR THE OPERATIONS AND MAINTENANCE (O&M) FOR THE FLOOD PROTECTION RESTORATION ASSESSMENT DISTRICT, AND ORDER THE LEVY AND COLLECTION OF O&M ASSESSMENTS WITHIN THE DISTRICT FOR FISCAL YEAR 2022/2023**

RECOMMENDATION

It is recommended the Board of Directors of the San Joaquin Area Flood Control Agency conduct a public hearing and adopt a resolution to approve the Annual Engineer's Report for the operations and maintenance for the Flood Protection Restoration Assessment District and order the levy and collection of operations and maintenance assessments within the Flood Protection Restoration Assessment District for fiscal year 2022/2023.

DISCUSSION

Background

By approving the formation of the Flood Protection Restoration Assessment District 96-1 (AD 96-1) on February 28, 1996, the Board also approved the levying of annual Operations and Maintenance (O&M) assessments to provide for the maintenance of levee improvements and detention basins constructed by SJAFCA. Each year, the Board must approve the O&M budget for the upcoming fiscal year (FY) and approve the levying of assessments as provided for in the Annual Engineer's Report for AD 96-1/Reassessment and Refunding of 2002. The annual O&M budget report was filed and available for public review on May 9, 2022. A notice of the public hearing was published in The Record on May 9, 2022.

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

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

PUBLIC HEARING TO APPROVE THE ANNUAL ENGINEER'S REPORT FOR THE OPERATIONS AND MAINTENANCE (O&M) FOR THE FLOOD PROTECTION RESTORATION ASSESSMENT DISTRICT, AND ORDER THE LEVY AND COLLECTION OF O&M ASSESSMENTS WITHIN THE DISTRICT FOR FISCAL YEAR 2022/2023

(Page 2)

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

The proposed O&M budget covers expected costs for materials, equipment, consultants, contractors, personnel, and administration. These costs include channel maintenance such as levee inspection, erosion repair, weed and rodent control, herbicide spraying, graffiti removal from floodwalls and other structures, maintenance of detention basin no. 1 pumps, maintenance of levee patrol and access roads, Five Mile Slough AWCP, annual administration, consultant charges to prepare the Engineer's and Annual Levy reports, and charges by the San Joaquin County Auditor for including the assessment on the annual tax roll. The budget also includes annual allowances for items that are expected to occur over the life of the improvements, but not every year (i.e., floodwall replacement, bridge flood proofing repair, levee patrols, repair levee improvements damaged by floods, etc.).

O&M proceeds are set aside annually as follows:

- i) Floodwall replacement fund: This fund accumulates the proceeds (without interest) that are set aside annually for the future replacement of the floodwalls. Any interest generated in this fund is accumulated in the O&M surplus fund. As of April 30, 2022, the amount accumulated in this fund is \$950,000.
- ii) O&M reserve fund: This fund is primarily used to replace and repair levee improvements damaged by flooding and to provide patrols during high water events. With the exception of funds set aside for floodwall replacement, all unexpended funds in the O&M budget are accumulated in the reserve fund. As of April 30, 2022, the amount accumulated in the reserve fund is approximately \$4.66 million. This includes interest generated by the floodwall replacement fund.

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

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

Present Situation

The District submitted their proposed O&M budget to SJAFCA for FY 22 /23 (Attachment 1).

AGENDA ITEM 4.1

PUBLIC HEARING TO APPROVE THE ANNUAL ENGINEER'S REPORT FOR THE OPERATIONS AND MAINTENANCE (O&M) FOR THE FLOOD PROTECTION RESTORATION ASSESSMENT DISTRICT, AND ORDER THE LEVY AND COLLECTION OF O&M ASSESSMENTS WITHIN THE DISTRICT FOR FISCAL YEAR 2022/2023

(Page 3)

This proposal does not include aquatic weed removal costs because this work is contracted out. The District's request of \$985,000 reflects the absolute minimum amount of requested resources to adequately maintain the flood protection facilities. The District's expenditures for the past few years have been less than budgeted and this is mainly due to dry conditions which has allowed the District to reduce costs associated with high water events. It should also be mentioned that major repair costs which occurred in 2017 were paid for by the Army Corps of Engineers under PL-84-99.

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

The proposed O&M budget for FY 22/23 is \$1,225,000 and covers all the anticipated materials, equipment, consultants, contractors, personnel, and administration (see detail in the attached Engineer's Report, pages 6 and 7, Attachment 2). The FY 22/23 budget does not include funds for floodwall replacement. Previous amounts set aside for the floodwall replacement fund averaged \$44,000 annually. This capital outlay is omitted to reduce the amount appropriated from reserves to cover annual maintenance expenses.

The proposed budget utilizes the maximum assessment rate allowed for FY 22/23. The maximum assessment rate allowed has been used for the last several years. The maximum assessment rate for FY 22/23 is equal to the base rate of \$6.25 adjusted for annual inflation equal to the National Consumer Price Index (CPI). The CPI for FY 22/23 is 7.5%, therefore, the maximum assessment rate is \$6.72.

Applying the maximum assessment rate of \$6.72 to the estimated 153,864.62 MBU, will yield \$1,033,608 in O&M revenue. This revenue falls short of meeting the operating costs in the proposed \$1,242,000 O&M budget. Therefore, an appropriation in the amount of \$208,392 (\$1,242,000 - \$1,033,608) from the O&M reserve fund is needed to cover the proposed expenses in the FY 22/23 budget.

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

In summary, the FY 22/23 O&M budget includes two appropriation requests:

- 1) A one-time \$208,392 appropriation from the O&M reserve fund to cover operating costs in the proposed budget;
- 2) A \$100,000 appropriation from the O&M reserve fund authorizing the Executive Director to use these funds (up to \$100,000) to promptly deal with emergencies, or to authorize additional work needed, but not included in the O&M budget.

PUBLIC HEARING TO APPROVE THE ANNUAL ENGINEER'S REPORT FOR THE OPERATIONS AND MAINTENANCE (O&M) FOR THE FLOOD PROTECTION RESTORATION ASSESSMENT DISTRICT, AND ORDER THE LEVY AND COLLECTION OF O&M ASSESSMENTS WITHIN THE DISTRICT FOR FISCAL YEAR 2022/2023

(Page 4)

These appropriations will not affect the proposed FY 22/23 assessment rate. There are sufficient funds in the O&M reserve to cover these appropriations (as of April 30, 2022, there is approximately \$4.66 million in reserve). The following table displays a partial history of the annual assessment rates (theoretical maximum rate allowed and actual assessed) and some typical annual O&M assessments:

HISTORY OF THE ANNUAL SJAFCA O&M ASSESSMENTS										
PROPERTY TYPE	FISCAL YEAR									
	1996/97	99/2000	2002/03	2005/06	2008/09	2011/12	2014/15	2017/18	2021/22	2022/23
Theoretical Maximum Base Rate allowed	\$3.59	\$3.88	\$4.29	\$4.55	\$5.03	\$5.25	\$5.57	\$5.79	\$6.25	\$6.72
Actual Base Rate assessed	\$3.59	\$3.56	\$3.51	\$3.95	\$5.03	\$5.25	\$5.57	\$5.79	\$6.25	\$6.72
Single Family Home between 1000 and 2000 sf (1.25 MBU)	\$4.49	\$4.45	\$4.39	\$4.94	\$6.29	\$6.56	\$6.96	\$7.24	\$7.81	\$8.40
Grocery Store on 1 acre parcel (12.30 MBU)	\$44.16	\$43.79	\$43.17	\$48.59	\$61.87	\$64.58	\$68.51	\$71.22	\$76.88	\$82.66
Office Building on 2 acre parcel (18.375 MBU)	\$65.97	\$65.42	\$64.50	\$72.58	\$92.43	\$96.47	\$102.35	\$106.39	\$114.84	\$123.48

By adopting the proposed resolution at the conclusion of the public hearing, the Board will approve the Annual Report for the Flood Protection Restoration Assessment District and order the levy and collection of annual O&M assessments for FY 22/23.

PREPARED BY:



APPROVED:
CHRIS ELIAS
EXECUTIVE DIRECTOR

CE:JN:lr

Attachments:

1. The San Joaquin County Public Works Department Proposed O&M budget for FY 22/23.
2. 2022/2023 Engineer's Annual Report – Prepared by Willdan Financial Services.



SAN JOAQUIN
—COUNTY—
Greatness grows here.



Department of Public Works

Kris Balaji, Director of Public Works

Fritz Buchman, Deputy Director/Development

David Tolliver, Deputy Director/Operations

Najee Zarif, Deputy Director/Engineering

Kristi Rhea, Business Administrator

April 8, 2022

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

SUBJECT: SAN JOAQUIN AREA FLOOD CONTROL AGENCY 2022-23 PROPOSED
OPERATIONS & MAINTENANCE BUDGET

Dear Mr. Elias:

The San Joaquin County Public Works Department (County) is pleased to submit the attached Fiscal Year 2022-23 budget proposal for your consideration. The proposed 2022-23 Operations and Maintenance (O&M) Budget for cost-shared flood protection facilities reflects no change in the level of maintenance or budget request.

As shown on the attached table, total expenditures for the past several years have been significantly less than our budget request because the drought allowed us to reduce our operation and maintenance activities. The high flows of 2017 caused some minor erosions, which have required extra effort, but the Army Corps of Engineers is repairing the more serious erosions under PL84-99, which is helping to reduce costs. We are aware that budgeted maintenance costs continue to exceed the O&M revenue available from annual assessments. Therefore, the County's request for FY 2022-23 does not even include normal increases in actual labor and equipment operating costs.

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

Please feel free to call me at 468-3031, if you have any questions in this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "David Tolliver".

DAVID TOLLIVER
Deputy Director/Operations

Attachment

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

COUNTY OF SAN JOAQUIN 2022-2023 PROPOSED BUDGET

Assessment District No. 96-1 Flood Protection System

Fund - 21116

Department - 2910000000

	APPR BUDGET 2020-21	ACTUAL 2020-21	ESTIMATED 2021-22	RCMND BUDGET 2022-23
Expenditures				
6201005600 GENERAL OFFICE SUPPLIES	0	0	0	0
6206000300 COMMUNICATIONS CELL PHONE	0	0	0	0
6211000000 MAINTENANCE EQUIPMENT	0	0	0	0
6214000000 RENTS & LEASES -EQUIPMENT	0	0	0	0
6214000200 EQUIPMENT RENTAL-COUNTY OWNED	100,000	165,740	175,000	75,000
6220001000 AUDITOR'S PAYROLL & A/P CHARGES	0	134	150	0
6221000000 PROFESSIONAL SERVICES	0	1,346		
6221004000 PROFESSIONAL SVS-COUNTY	0	0	0	0
6221020000 ALLOCATED SERVICE DEPT COSTS	0	0	0	159,000
6226001600 LICENSES & PERMITS	0	0	0	0
6226003000 MATERIALS	110,000	10,518	25,000	50,000
6226003100 LABOR	775,000	797,671	675,000	701,000
6226101800 SPECIAL DEPARTMENT EXPENSE-SAFETY	0	0	0	0
6240000000 CLOTHING & PERSONAL SUPPLIES	0	0	0	0
6269000000 SMALL TOOLS & INSTRUMENTS	0	0	0	0
SERVICES AND SUPPLIES	985,000	975,409	875,150	985,000
6451000000 EQUIPMENT	0	0	0	0
CAPITAL EXPENDITURES	0	0	0	0
TOTAL EXPENDITURES	985,000	975,409	875,150	985,000



San Joaquin Area Flood Control Agency

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

**2022/2023 ENGINEER'S ANNUAL REPORT
FOR THE OPERATION AND MAINTENANCE**

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

www.willdan.com



TABLE OF CONTENTS

<u>I. OVERVIEW</u>	<u>1</u>
A. INTRODUCTION	1
B. COMPLIANCE WITH CURRENT LEGISLATION	1
<u>II. ANNUAL ASSESSMENT</u>	<u>2</u>
A. DEFINITION OF OPERATION AND MAINTENANCE	2
B. OPERATION AND MAINTENANCE BENEFIT	3
C. CALCULATION OF ANNUAL MAINTENANCE AND OPERATION ASSESSMENT	4
D. PROPOSED BUDGET FOR FISCAL YEAR 2022/2023	6
E. CALCULATION OF ASSESSMENT RATE FOR FISCAL YEAR 2022/2023	8
<u>III. METHOD AND FORMULA OF ASSESSMENT SPREAD</u>	<u>8</u>
A. CALCULATION OF BENEFIT UNITS	8
B. IMPROVEMENT BENEFIT	9
C. EQUIVALENT DWELLING UNITS	11
D. LAND BENEFIT	13
E. EXEMPT	14
F. ASSESSMENT DISTRICT BOUNDARY FACTOR	15
<u>IV. DESCRIPTION OF WORKS OF IMPROVEMENTS</u>	<u>15</u>
<u>APPENDIX A — SAMPLE BENEFIT UNIT CALCULATIONS</u>	<u>17</u>
<u>APPENDIX B — LAND USE CLASSIFICATIONS</u>	<u>18</u>
<u>APPENDIX C – DIAGRAM OF ASSESSMENT DISTRICT</u>	<u>19</u>
<u>APPENDIX D — 2022/2023 COLLECTION ROLL</u>	<u>20</u>

I. OVERVIEW

A. INTRODUCTION

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

This Engineer’s Annual Report (“Report”) describes the District, any changes to the District, the method of apportionment established at the time of formation, and the proposed assessments for Fiscal Year 2022/2023. The proposed assessments are based on the estimated cost to maintain the improvements that provide a special benefit to properties assessed within the District. Each parcel within the District is assessed proportionately for the special benefits provided to the parcel from the improvements.

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

Following consideration of all public comments and written protests at an annual noticed public hearing, and review of the Engineer’s Annual Report, the Board of Directors for the Agency may order amendments to the Report or confirm the Report as submitted. Following final approval of the Report, and confirmation of the assessments, the Board will order the levy and collection of assessments for Fiscal Year 2022/2023. In such case, the assessment information will be submitted to the San Joaquin County Auditor/Controller, and included on the property tax roll for each parcel in Fiscal Year 2022/2023.

B. COMPLIANCE WITH CURRENT LEGISLATION

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

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

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

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

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

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

The proposed assessment for Fiscal Year 2022/2023 may be less than or equal to the maximum assessment rate previously approved and adopted by the Agency. Future assessments that exceed the previously approved schedule of adjustments, including the clearly defined formula for inflation adjustment that was adopted by the Agency prior to November 6, 1996, will be subject to the substantive and procedural requirements of the California Constitution Article XIID Section 4.

// ANNUAL ASSESSMENT

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

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

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

A. DEFINITION OF OPERATION AND MAINTENANCE

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

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

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

B. OPERATION AND MAINTENANCE BENEFIT

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

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

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



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

C. CALCULATION OF ANNUAL MAINTENANCE AND OPERATION ASSESSMENT

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

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

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

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

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

Fiscal Year	Base Year Rate	Calendar Year CPI	CPI Adjustment	Maximum Assessment Rate	Assessment Rate Applied
1996-97	N/A	N/A	N/A	\$3.5900	\$3.59
1997-98	\$3.5900	3.30%	\$0.1185	\$3.7085	\$3.59
1998-99	\$3.7085	1.70%	\$0.0630	\$3.7715	\$3.60
1999-00	\$3.7715	2.95%	\$0.1113	\$3.8828	\$3.56
2000-01	\$3.8826	2.70%	\$0.1048	\$3.9874	\$3.54
2001-02	\$3.9874	3.90%	\$0.1555	\$4.1429	\$3.53
2002-03	\$4.1429	3.50%	\$0.1450	\$4.2879	\$3.51
2003-04	\$4.2879	1.10%	\$0.0472	\$4.3351	\$3.49
2004-05	\$4.3351	1.90%	\$0.0824	\$4.4174	\$3.95
2005-06	\$4.4174	3.00%	\$0.1325	\$4.5500	\$3.95
2006-07	\$4.5500	4.00%	\$0.1820	\$4.7320	\$4.25
2007-08	\$4.7320	2.10%	\$0.0994	\$4.8314	\$4.36
2008-09	\$4.8314	4.30%	\$0.2078	\$5.0392	\$5.03
2009-10	\$5.0392	0.00%	\$0.0000	\$5.0392	\$5.03
2010-11	\$5.0392	2.60%	\$0.1310	\$5.1702	\$5.17
2011-12	\$5.1702	1.60%	\$0.0827	\$5.2529	\$5.25
2012-13	\$5.2529	2.90%	\$0.1523	\$5.4052	\$5.40
2013-14	\$5.4052	1.60%	\$0.0865	\$5.4917	\$5.49
2014-15	\$5.4917	1.60%	\$0.0879	\$5.5796	\$5.57
2015-16	\$5.5796	0.00%	\$0.0000	\$5.5796	\$5.57
2016-17	\$5.5796	1.40%	\$0.0781	\$5.6577	\$5.65
2017-18	\$5.6577	2.50%	\$0.1414	\$5.7991	\$5.79
2018-19	\$5.7991	2.10%	\$0.1218	\$5.9209	\$5.92
2019-20	\$5.9209	1.60%	\$0.0947	\$6.0156	\$6.01
2020-21	\$6.0156	2.50%	\$0.1504	\$6.1660	\$6.16
2021-22	\$6.1660	1.40%	\$0.0863	\$6.2523	\$6.25
2022-23	\$6.2523	7.50%	\$0.4689	\$6.7213	\$6.72

The Fiscal Year 2022/2023 Maximum Assessment Rate allowed is \$6.7213

The Fiscal Year 2022/2023 Assessment Rate proposed is \$6.72.

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

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

D. PROPOSED BUDGET FOR FISCAL YEAR 2022/2023

Item Descriptions		
San Joaquin County Operation and Maintenance Budget:		
Rents & Leases – Equipment Use of San Joaquin County Flood Control and Water Conservation District equipment to perform operation and maintenance activities and provide emergency services, if needed Equipment Rental County Owned	\$75,000	\$75,000
Professional Services – County Services provided for bridge parapet wall accident repair	\$0	\$0
Materials Includes expenses for vegetation management materials, rodent control materials, and materials and supplies unique to operation and maintenance activities	\$50,000	\$50,000
Labor Costs Services provided by San Joaquin County Flood Control and Water Conservation District for operation and maintenance activities and to provide emergency activities, if needed Allocated Service Department Costs Operation and Maintenance	\$159,000 \$701,000	\$860,000
Miscellaneous Expense -	\$0	\$0
Fixed Asset Funds needed to acquire additional equipment for the Agency	\$0	\$0
SUB-TOTAL SAN JOAQUIN COUNTY OPERATION AND MAINTENANCE BUDGET		\$985,000

Aquatic Weed Control Program – Five Mile Slough This program is conducted in an approximate 5,100 ft lineal section of Five Mile Slough and is managed by SJAFCA; work during FY 22-23 will be carried out by a professional contractor Contractor – herbicide application; compliance and monitoring and reporting	\$57,000	\$57,000
SUB-TOTAL SJAFCA OPERATION AND MAINTENANCE BUDGET		\$57,000
<u>SJAFCA Administration Budget:</u> Contribution To Capital Outlay Reserve (future floodwall replacement) Property Tax Administration Charges Charges by the County Tax Collector for the collection of property assessments. Administration Costs Annual General and Administration and Engineer's Report SUB-TOTAL SJAFCA ADMINISTRATION BUDGET	\$0 \$10,000 \$190,000	 \$200,000
TOTAL OPERATION AND MAINTENANCE BUDGET FY 2022/2023		<u>\$1,242,000</u>
For FY 2022/2023, there are \$1,242,000 of appropriations available to the district as follows: FY 2022-2023 Assessment to be levied FY 2022-2023 Agency Reserve Appropriation for FY 2021/22 Budget FY 2022-2023 Agency Reserve Appropriation for Emergencies or Additional Work		 \$1,033,608 \$208,392 \$100,000
TOTAL FY 2022/2023 APPROPRIATION		<u>\$1,342,000</u>

- (1) Assessment to be levied may be slightly different from total amount on preliminary roll due to the rounding of assessment to even pennies as required by San Joaquin County.
- (2) The surplus appropriation of \$208,392 is needed to cover the difference between the amount collected by the O&M assessments and the additional amount requested by the District in the proposed FY 2022/2023 budget.
- (3) The surplus appropriation of \$100,000 will allow the Executive Director, without additional Board Authorization, to promptly deal with emergencies, or to authorize additional work not included in the budget.



The appropriations in the budget are funded from the unexpended balance in the O&M reserve, carried forward from previous year's O&M assessments. No increase in the current annual assessment charge is either required or made. The result of this request to the Engineer's Report will not affect the proposed FY 2022/2023 assessment rate of \$6.72 per Maintenance Benefit Unit.

E. CALCULATION OF ASSESSMENT RATE FOR FISCAL YEAR 2022/2023

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

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

- The Total Maintenance Benefit Units (MBU's) that are estimated for the District in Fiscal Year 2022/2023 are 153,864.62 **MBU's**.
- Based on the estimated budget and the surplus appropriation for Fiscal Year 2022/2023, the assessment rate for Fiscal Year 2022/2023 is approximately \$6.72 per Maintenance Benefit Unit.

III. METHOD AND FORMULA OF ASSESSMENT SPREAD

A. CALCULATION OF BENEFIT UNITS

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

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

Improvement BUs + Land BUs = Total BUs

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

The BUs assigned or calculated for each parcel for construction and installation of the improvements was based on the land use for the parcel as shown on the records of the San Joaquin County Assessor's office at the time of formation. Recognizing that under the 1913 Act, the assessment on each parcel may not be increased once it has been levied without further public hearings and property owner approval, the District was formed and the assessments

approved provided for annual adjustments to the assessments for operation maintenance of the improvements. The annual operation and maintenance assessment rate was established at \$3.59 per Maintenance Benefit Unit (MBU) plus an annual escalator equal to the National Consumer Price Index (CPI). However, the assessment formula approved also established that the operation and maintenance assessment applied to each parcel would be recalculated annually based on the current development status or land use of each parcel. Therefore, if the development status or land use of a particular parcel changed from the previous year, the MBU's and the resulting assessment would change to more accurately reflect the parcel's current proportional benefit from the District improvements.

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

B. IMPROVEMENT BENEFIT

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

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

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

The degree to which each developed property will benefit in relationship to any other property is based upon the intensity of development on the parcel (i.e., the percentage of the total parcel area which has or is allowed to have improvements constructed thereon) and the relative risk of loss of those improvements in relation to other land uses. The following describes the benefit relationship rational established in the original Engineer's Report.

Intensity of Development — Based upon an average parcel size of 1/6 acre for single-family development and a typical building footprint of about 1,600 sq. ft., the intensity of development on single-family residential parcels is approximately 20 percent. By comparison, a review of land use data within the Agency's sphere of influence showed that on retail/service commercial

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

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

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

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

occur. Also, since the cost of flood insurance is based on the value of improvements to be insured, it would cost the single-family property owner more to purchase flood insurance per 100 square feet of single-family residential improvements in comparison to 100 square feet of manufacturing/industrial improvements; therefore, the single-family residential property would receive a greater benefit.

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

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

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

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

Therefore, the improvement benefit formula is summarized as:

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

C. EQUIVALENT DWELLING UNITS

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

- **Single-family Residential** — Since the single-family residential (SFR) parcel is the most common land use and represents over 70 percent of the assessable parcels within the District, it is used as the standard and is assigned one (1) EDU. Other improved land uses are converted to EDU's by comparing them to the SFR. Included in the SFR category are condominiums, mobile homes not in mobile home parks and agricultural-residential parcels.
- **Multi-Family Residential** — Multi-family residential improved land uses are equated to the SFR land use based upon the number of dwelling units per parcel. Studies have consistently shown that the average apartment unit's relative size and population density compared to

the typical size and impacts of single-family units is approximately 80 percent as much as a single-family residence. By virtue of their reduced size, each multi-family residential unit receives a lesser benefit or enhancement per unit to property values and therefore benefits less per unit than a single-family residence. Also, a review of parcel data finds that flood protection benefits do not increase proportionately as the number of units increase on a Multi-Family Residential (MFR) parcel, due to the nature of the building layouts and the fact that the value per unit generally decreases as the number of unit's increases.

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

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

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

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

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

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

Parcel Size	Equivalent Dwelling Unit Formula
More than four (4) acres	0.5 EDU/Acre for each acre over four (4) acres

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

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

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

D. LAND BENEFIT

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

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

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

For the City of Stockton, the San Joaquin County Assessor's Roll indicates that over 70 percent of the parcels of land are single-family residences (SFR's) and that the average land value for an average SFR located on 1/6 acre is between 20 and 30 percent of the total value of property. Therefore, 0.25 BU is assigned to each single-family residential parcel of land. Since the development potential of a SFR parcel is restricted to one house, no matter how big the parcel,



the Benefit Units assigned to the land will not vary as parcel size increases for single-family residential parcels of land.

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

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

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

E. EXEMPT

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

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



Hazard Areas on the previous FIRM's; these parcels are considered to have no benefit and will not be assessed.

F. ASSESSMENT DISTRICT BOUNDARY FACTOR

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

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

IV. DESCRIPTION OF WORKS OF IMPROVEMENTS

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

The improvements consist of, but are not limited to:

- A. Flood protection improvements including the construction, strengthening and/or raising the height of levees, flood walls and wing levees; construction and/or improvements to detention basins and reservoirs; improvements to bridges, roadways and access ways; channel improvements; and related improvements along, but not limited to, the following waterways:
 - Bear Creek - confluence with Disappointment Slough to Tully Road.
 - Paddy Creek - confluence with Bear Creek to approximately Jack Tone Road.
 - Bear Creek - approximately 700 downstream of Interstate 5 to confluence with Paddy Creek.
 - Paddy Creek - confluence with Bear Creek to confluence with South Paddy Creek.
 - South Paddy Creek - confluence with Paddy Creek to approximately Jack Tone Road.
 - Mosher Creek & Mosher Creek Diversion - confluence with Bear Creek to approximately 6300 feet upstream of Highway 88.



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

Appendix A — SAMPLE BENEFIT UNIT CALCULATIONS

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

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

Appendix B — LAND USE CLASSIFICATIONS

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



Appendix C – DIAGRAM OF ASSESSMENT DISTRICT

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

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

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

Appendix D — 2022/2023 COLLECTION ROLL

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

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

A listing of parcels of land, and the proposed assessment amount to each parcel for the Operation and Maintenance of the improvements is provided under a separate cover and by reference is made part of this report. For current ownership of each parcel of land, reference is made to the most recent equalized tax roll for the County of San Joaquin, which is by reference also made part of this report. The assessment amount for each parcel pursuant to approval of this report shall be submitted to the San Joaquin County Tax Collector for collection on the property tax bill for Fiscal Year 2022/2023.

RESOLUTION NO. SJAFCA 22-10

**SAN JOAQUIN AREA
FLOOD CONTROL AGENCY**

=====

**RESOLUTION TO APPROVE THE ANNUAL ENGINEER'S REPORT FOR THE
OPERATIONS AND MAINTENANCE (O&M) FOR THE FLOOD PROTECTION
RESTORATION ASSESSMENT DISTRICT, AND ORDER THE LEVY AND
COLLECTION OF OPERATIONS AND MAINTENANCE ASSESSMENTS
WITHIN THE FLOOD PROTECTION RESTORATION ASSESSMENT DISTRICT
FOR FISCAL YEAR 2022-2023**

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

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

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

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

- i. The land within the District will be benefited by the operation, maintenance and servicing of the improvements located within the boundaries of the District;
- ii. The District includes all of the lands so benefited; and,
- iii. The net amount to be assessed upon the lands within the District for the fiscal year commencing July 1, 2022, and ending June 30, 2023, is apportioned by a formula and method which fairly distributes the net amount among all eligible parcels in proportion to the benefits to be received by each parcel from the improvements and services.

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

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

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

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

7. That the adoption of this Resolution constitutes the District levy for the fiscal year commencing July 1, 2022 and ending June 30, 2023.

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

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

- a. A one-time \$208,392 transfer from the O&M reserve fund to cover the additional funding requested by the District in the proposed FY 2022-2023 budget.
- b. A \$100,000 appropriation from the O&M reserve fund authorizing the Executive Director to use these funds (up to \$100,000) to promptly deal with emergencies, or to authorize additional work needed, but not included in the O&M budget.

These appropriations will not affect the proposed fiscal year 2022-2023 assessment rate and will be funded from the unexpended balance in the O&M reserve fund carried forward from the previous years' O&M assessments.

PASSED, APPROVED AND ADOPTED this 26TH day of May 2022.

DAN WRIGHT, 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 4.2

May 26, 2022

TO: San Joaquin Area Flood Control Agency

FROM: Chris Elias, Executive Director

SUBJECT: **AUTHORIZATION TO ENTER INTO A FUNDING AGREEMENT WITH THE DEPARTMENT OF WATER RESOURCES FOR “PHASE 4” OF THE REGIONAL FLOOD MANAGEMENT PROGRAM**

RECOMMENDATION

It is recommended that the Board of Directors of the San Joaquin Area Flood Control Agency approve and adopt a resolution to authorize and direct the Executive Director to file an application and execute a funding agreement with the California Department of Water Resources (DWR) to obtain State funds through the Regional Flood Management Planning (RFMP) Program.

DISCUSSION

Background

As part of Senate Bill 5, the Central Valley Flood Protection Plan (CVFPP) called for DWR to work with local agencies throughout the Central Valley of California to prepare Regional Flood Management Plans. SJAFCA was the local lead for the Lower San Joaquin River and Delta South region. This “Phase 1” RFMP effort began in 2012 and, at that time, the Executive Director was authorized by the SJAFCA Board to coordinate with regional stakeholders, prepare an application package to submit to DWR, and sign a funding agreement to take part in the RFMP efforts. SJAFCA entered into a Directed Funding Agreement with DWR for \$1,653,181 for flood management planning on June 1, 2013.

Consultant costs associated with this effort were funded 100% by a DWR grant and SJAFCA also contributed in-kind costs through staff time. This effort was a bottom-up planning process for local stakeholders to identify flood protection projects and establish local priorities in formulating a regional plan to implement and align with the State’s 2017 CVFPP. The result of that effort can be found on SJAFCA’s web site here: <https://www.sjafca.com/ljsjrdsrfmp.php>.

In 2015, DWR approved an amendment to the existing funding agreement in the amount of \$160,000 for “Phase 2” of the RFMP Program and extended the term to June 30, 2017. The purpose of the “Phase 2” RFMP Program was to continue the progress from the “Phase 1” regional plans and to support work towards achieving more effective ways of governance and overcoming institutional barriers between local stakeholders.

In May 2019, new guidelines were released for DWR’s RFMP Program to initiate “Phase 3” of the Program. In June 2020, SJAFCA executed a new funding agreement with DWR for \$850,000 to implement “Phase 3” of RFMP Program. The purpose of the “Phase 3” RFMP

AUTHORIZATION TO ENTER INTO A FUNDING AGREEMENT WITH THE DEPARTMENT OF WATER RESOURCES FOR “PHASE 4” OF THE REGIONAL FLOOD MANAGEMENT PROGRAM

(Page 2)

Program was not only to promote local involvement in DWR’s 2022 CVFPP Update, but it also served to incentivize regional participation in further developing and implementing activities that align with CVFPP goals of improved public safety, environmental stewardship, and economic stability. Prior phases of the RFMP Program focused on the development of regional projects; the updated guidelines expanded the scope of activities which align CVFPP investment strategies and implementation with the long-term vision and specific goals for flood risk reduction in the Lower San Joaquin and South Delta Region.

SJAFCA has provided input on behalf of the Lower San Joaquin River and Delta South region to DWR as they have published and released their draft 2022 CVFPP Update for public comment. SJAFCA has also been able to advance the planning and conceptual development of regional priorities during “Phase 3” of the RFMP program. The 2022 CVFPP Update is planned for completion by the end of 2022.

Present Situation

Now that new 2022 CVFPP Update is nearing completion, DWR is beginning to roll out “Phase 4” of the RFMP Program. SJAFCA has taken the role of the lead agency for the Lower San Joaquin River and Delta South RFMP region for all of the previous rounds of the RFMP program and is positioned to continue this role with the upcoming “Phase 4” RFMP Program. Presented with this opportunity, staff requests the Board’s continued authorization of the Executive Director to file a funding application and to enter into a subsequent funding agreement with the California Department of Water Resources (DWR).

DWR indicates that they have \$1.9M in initial funding secured for the RFMP program through California Proposition 68 “The California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018” Bond funds, and they plan to distribute this evenly to the six (6) RFMP Regions.

The “Phase 4” RFMP funding is intended to assist the regions with continued coordination and continued progress towards the flood risk reduction priorities that were identified in the CVFPP. The funding agreement would be executed in mid-2022 and would remain in place for the next 3-4 years until DWR begins the next CVFPP cycle with their 2027 Update.

Staff has been in touch with DWR to gain clarity about expectations on the activities that can be included in the “Phase 4” scope of work and how the efforts of our region can be coordinated towards achieving a beneficial outcome for multiple stakeholders. Some of these broad scope ideas include efforts related to continued development of 2022 CVFPP recommendations, financial planning for flood risk reduction projects being implemented in the Region, advancement of multi-benefit projects and programmatic mitigation opportunities, regional climate resilience planning on the lower San Joaquin River and

Mormon Slough systems, and involvement in activities related to the Governor’s Water Resilience Portfolio initiative.

FISCAL IMPACT

Immediate impact. Coordination efforts with DWR and initial scoping activities in preparation for the "Phase 4" RFMP program can be fully funded through SJAFCA's existing "Phase 3" RFMP funding agreement with DWR. Because these costs are 100% reimbursable by DWR, no additional financial impact is anticipated to SJAFCA for the coordination and scoping activities leading up to the "Phase 4" RFMP funding agreement.

Future impact. Consultant services and SJAFCA staff time needed for implementation of the "Phase 4" RFMP scope of work under a Directed Funding Agreement from DWR will be 100% reimbursable. The Agency pays for services upfront and is reimbursed less a retention. Retention for this funding agreement is expected be 5% of reimbursable costs submitted and is released after project completion.

STRATEGIC PLAN CONSISTENCY ANALYSIS

Consideration of this request for authorization of the Executive Director to apply for and execute Regional Flood Management Program funding agreement with DWR implements the Mission and Goals of the Board-adopted Strategic Plan. Specifically, it is consistent with the Agency mission statement of "Reduce and Manage the Region's Flood Risk", Goal #1, "Plan for and Implement System Resiliency"; Goal #3, "Facilitate Funding Structures That Are Most Beneficial to Local Interests"; and Goal #4, "Support Appropriate, Mutually Beneficial Partnerships."

SUMMARY

Approval of a resolution today would authorize the Executive Director to prepare the necessary data, apply for Regional Flood Management Program funding, and execute a funding agreement with the California Department of Water Resources. There is no anticipated financial impact to the Agency for submitting a proposal as it is a reimbursable activity through the Agency's existing RFMP Agreement with DWR. Staff will report back to the Board the results of the proposal submittal and the Directed Funding Agreement, if executed.

PREPARED BY:
Chris Elias, Executive Director



APPROVED:
CHRIS ELIAS
EXECUTIVE DIRECTOR

Attachment

1. Draft Resolution Authorizing Application for Funding from the California Department of Water Resources and Designating A Representative to Execute the Agreement and Any Amendments thereto, for the Regional Flood Management Planning (RFMP) Program

AGENDA ITEM 4.2

RESOLUTION NO. 22-11

SAN JOAQUIN AREA FLOOD CONTROL AGENCY

A RESOLUTION AUTHORIZING APPLICATION FOR FUNDING FROM THE DEPARTMENT OF WATER RESOURCES AND DESIGNATING A REPRESENTATIVE TO EXECUTE THE AGREEMENT AND ANY AMENDMENTS THERETO, FOR THE REGIONAL FLOOD MANAGEMENT PLANNING (RFMP) PROGRAM

WHEREAS, the San Joaquin Area Flood Control Agency (SJAFCA) intends to apply for Regional Flood Management Planning Program funding from the California Department of Water Resources; and

WHEREAS, the SJAFCA is authorized to enter into an agreement with the California Department of Water Resources and the State of California;

WHEREAS, the SJAFCA is a Joint Powers Authority between the cities of Stockton, Lathrop, Manteca, San Joaquin County, and San Joaquin County Flood Control and Water Conservation District, with responsibility for flood management in the area protected by the facilities of the State Plan of Flood Control and is willing to participate in, coordinate, and collaborate with other interested parties in the Lower San Joaquin River and Delta South Region that are participating in regional flood risk management; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of SJAFCA as follows:

1. That pursuant and subject to all of the terms and provisions of the California Proposition 68 "The California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018" Bond Law, application by this Agency be made to the California Department of Water Resources to obtain funding for regional flood management planning activities for the Lower San Joaquin River and Delta South Region.
2. The Executive Director of SJAFCA, or designee is hereby authorized and directed to prepare the necessary data, make investigations, sign, and file such application and any subsequent funding agreements with the California Department of Water Resources.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the San Joaquin Area Flood Control Agency on this 26 day of May, 2022.

DAN WRIGHT, Chair
San Joaquin Area Flood Control Agency
Board of Directors

ATTEST:

CHRIS ELIAS, Secretary
San Joaquin Area Flood Control Agency

APPROVED AS TO FORM:

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

Agenda Item 4.3

May 26, 2022

TO: Board of Directors of the San Joaquin Area Flood Control Agency

FROM: Chris Elias, Executive Director
Scott Shapiro, General Counsel

RECOMMENDATION: AUTHORIZATION TO ENTER INTO A MEMORANDUM OF UNDERSTANDING FOR AN INTER-BASIN TRANSFER OF EXCESS FEDERAL CREDITS GENERATED FROM COMPLETED FLOOD CONTROL PROJECTS IN CENTRAL VALLEY

RECOMMENDATION

Authorize staff to negotiate and enter into a Memorandum of Understanding (MOU) with the Sutter Butte Flood Control Agency (SBFCA) for an inter-basin transfer of federal credits generated from completed flood control projects to advance the Lower San Joaquin River Project.

SUMMARY

At its meeting on April 21, 2022, the Board of Directors received information, and provided feedback on the proposal to have the San Joaquin Area Flood Control Agency ("SJAFC") participate in an inter-basin transfer of excess federal credits from SBFCA to advance the Lower San Joaquin River Flood Risk Reduction Project. After receiving feedback from the Board, staff would like to enter into the MOU which will create the opportunity to purchase unused credit from SBFCA at a cost that would be lower than full cash payment for the nominal value of the excess credit. The attached MOU lays out a process for evaluating, negotiating, and pricing those credits.

BACKGROUND

SJAFC is engaged in numerous flood risk reduction efforts in the San Joaquin River Watershed, including its role as a non-Federal sponsor (along with the State of California) for the Federally authorized Lower San Joaquin River Flood Risk Reduction Project ("San Joaquin Project"). The San Joaquin Project was authorized by the America's Water Infrastructure Act of 2018 ("AWIA 2018") (Public Law 115-270) Title I, Subtitle D, Section 1401. In its role as a non-Federal sponsor, SJAFC is obligated to pay a cost share to the Federal government for the San Joaquin Project. SJAFC's cost share is approximately 10% of the project costs.

The Sutter Butte Flood Control Agency ("SBFCA") is engaged in numerous flood risk reduction efforts in the Feather River Watershed, including its role as a non-Federal sponsor (along with the State of California) for the Federally authorized Sutter Basin Flood Risk Reduction Project ("Sutter Basin Project"). The Sutter Basin Project was authorized by the Water Resources Reform and Development Act of 2014 ("WRRDA 2014") (Public Law 113-121), Title VII, Section 7002(2) and amended by the Water Infrastructure Improvements for the Nation Act of 2016 ("WIIN 2016") (Public Law 114-322) Title I, Subtitle C, Section 1305

The Sutter Basin Project has been completed, and due to construction advanced by SBFCA and the State of California for which the Federal government did not pay a cost share at the time of construction, SBFCA and the State of California have accumulated excess Federal credits. Under Federal law a federal credit may be used to pay a local cost share on the project for which the money was advanced. SBFCA, with assistance from the State of California, has advanced an

effort to perfect the existing Federal credits so that they are recognized by the Federal government.

Section 1020 of WRRDA 2014, as amended by Section 1166 of WIIN 2016, provides authority for the Federal government to approve a comprehensive plan submitted by a non-Federal sponsor to allow for the transfer of excess credit from one authorized project to another. The State of California, with assistance from SBFCA, has advanced an effort to get permission to transfer excess Federal credits from the Sutter Basin Project to the San Joaquin Project.

DISCUSSION

The State of California desires to transfer its excess Federal credits that it holds from its investment in the Sutter Butte Project and apply those credits to its cost share obligations for the Lower San Joaquin River Project. SBFCA would like to sell its excess Federal credits and SJAFCA is a logical purchaser due to the efforts of the State of California to transfer credits from the Sutter Butte Project to the San Joaquin Project. Further, it makes sense for SJAFCA to purchase those credits if in doing so it can effectuate a cost savings for the region.

The attached Memorandum of Understanding ("MOU") establishes the intent of the two Parties to work collaboratively to explore and effectuate the transfer of credits and includes the following guiding principles:

- The Parties each intend to work in good faith and in a collaborative manner to effectuate the transfer of the excess Federal credits for each of their benefits.
- The MOU lays out a timeline for working together.
- SBFCA will commit to bear its own costs to perfect the credits and to work diligently in its efforts to perfect the credits and to timely respond to requests from SJAFCA or the State of California for information regarding the process.
- SJAFCA will commit to bear its own costs on issues related to providing information on the San Joaquin Project and to timely respond to requests from SBFCA or the State of California for information regarding the process.
-
- SBFCA and SJAFCA will agree to meet, no later than three months prior to the expected date for approval by the Federal government of the comprehensive plan submitted by the State of California to the Federal government. At that time SBFCA and SJAFCA will intend to negotiate the cost of the sale and purchase of Federal Credits and any other remaining terms associated with the transfer of credits and

NEXT STEPS

Following approval of the MOU, pursuant to a feedback from the Board at the April meeting, staff will seek to engage an expert that could help on pricing of the credits to be transferred. After reaching tentative agreement on the negotiated value for the excess credits, staff will return to the Board for update, review and consideration of the terms and conditions of related transaction and the MOU.

FISCAL IMPACT

There is no cost associated with this item until a mutually agreeable value of the excess credit is established for consideration by the Board of Directors.

STRATEGIC PLAN CONSISTENCY ANALYSIS

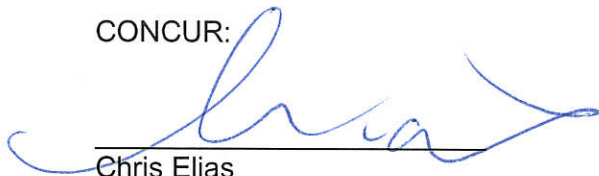
Consideration of this request for authorization of the Executive Director to enter a MOU with the Sutter Butte Flood Control Agency (SBFCA) for an inter-basin transfer of federal credits generated from completed flood control projects to advance the Lower San Joaquin River Project. implements the Mission and Goals of the Board-adopted Strategic Plan. Specifically, it is consistent with the Agency mission statement of "Reduce and Manage the Region's Flood Risk", Goal #1, "Plan for and Implement System Resiliency"; Goal #3, "Facilitate Funding Structures That Are Most Beneficial to Local Interests"; and Goal #4, "Support Appropriate, Mutually Beneficial Partnerships."

SUBMITTED BY:



Scott L. Shapiro, Legal Counsel

CONCUR:

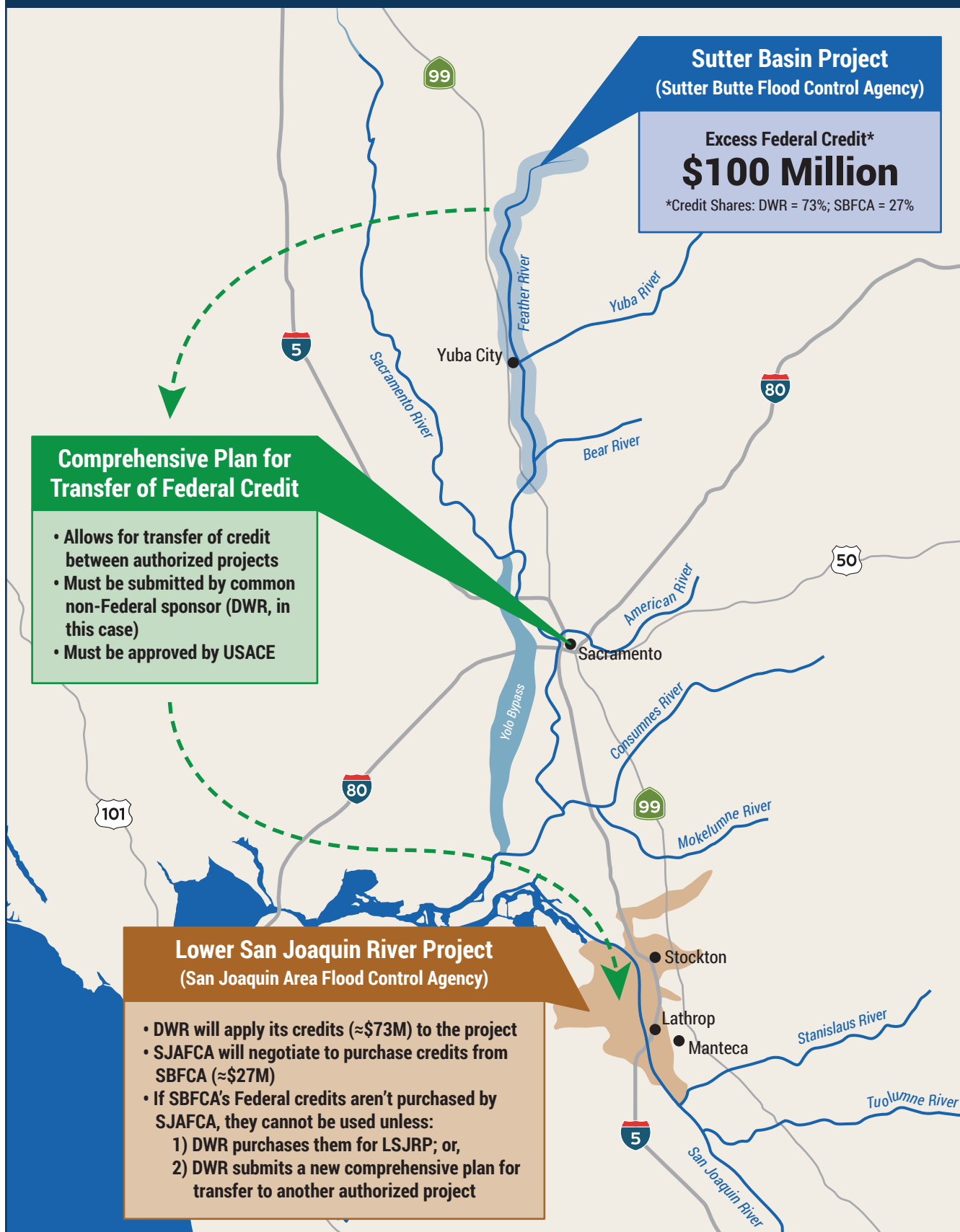


Chris Elias
Executive Director

Attachments

1. Map Illustrating Potential Transfer of Credits from SBFCA to SJAFCA
2. Memorandum of Understanding Regarding the Perfection and Transfer of Credits As Between the Sutter Butte Flood Control Agency and the San Joaquin Area Flood Control Agency

TRANSFER OF FEDERAL CREDITS: SBFCA TO SJAFCA



AGENDA ITEM 4.3

**MEMORANDUM OF UNDERSTANDING
REGARDING THE PERFECTION AND TRANSFER
OF EXCESS FEDERAL CREDITS AS BETWEEN THE
SUTTER BUTTE FLOOD CONTROL AGENCY
AND THE
SAN JOAQUIN AREA FLOOD CONTROL AGENCY**

This Memorandum of Understanding (the “MOU”) is entered into by and between the San Joaquin Area Flood Control Agency (“SJAFCA”) and the Sutter Butte Flood Control Agency (“SBFCA”). This MOU shall be effective upon execution by both SJAFCA and SBFCA (the “Effective Date”).

RECITALS

WHEREAS, SBFCA is engaged in numerous flood risk reduction efforts in the Feather River Watershed, including its role as a non-Federal sponsor (along with the State of California) for the Federally authorized Sutter Basin Flood Risk Reduction Project (“Sutter Basin Project”).

WHEREAS, the Sutter Basin Project was authorized by the Water Resources Reform and Development Act of 2014 (“WRRDA 2014”) (Public Law 113-121), Title VII, Section 7002(2) and amended by the Water Infrastructure Improvements for the Nation Act of 2016 (“WIIN 2016”) (Public Law 114-322) Title I, Subtitle C, Section 1305

WHEREAS, the Sutter Basin Project has been completed, and due to construction advanced by SBFCA and the State of California for which the Federal government did not pay a cost share, SBFCA and the State of California have accumulated excess Federal credits.

WHEREAS, SBFCA, with assistance from the State of California, has advanced an effort to perfect the existing Federal credits so that they are recognized by the Federal government.

WHEREAS, Section 1020 of WRRDA 2014, as amended by Section 1166 of WIIN 2016, provides authority for the Federal government to approve a comprehensive plan submitted by a non-Federal sponsor to allow for the transfer of excess credit from one authorized project to another.

WHEREAS, the State of California, with assistance from SBFCA, has advanced an effort to get permission to transfer excess Federal credits from the Sutter Basin Project to other Federal projects.

WHEREAS, SJAFCA is engaged in numerous flood risk reduction efforts in the San Joaquin River Watershed, including its role as a non-Federal sponsor (along with the State of California) for the Federally authorized Lower San Joaquin River Flood Risk Reduction Project (“San Joaquin Project”).

WHEREAS, the Lower San Joaquin Project was authorized by the America’s Water Infrastructure Act of 2018 (“AWIA 2018”) (Public Law 115-270) Title I, Subtitle D, Section 1401.

WHEREAS, in its role as a non-Federal sponsor, SJAFCA is obligated to pay a cost share to the Federal government for the San Joaquin Project, and some portion of that cost share may be paid through the use of Federal Credits.

WHEREAS, SBFCA would like to sell excess Federal credits to SJAFCA and SJAFCA would like to purchase those credits to effect overall cost savings on the required payments for the San Joaquin Project.

WHEREAS, the State of California desires to also transfer excess Federal credits that it holds from its investment in the Sutter Butte Project and apply those credits to its cost share obligations for the San Joaquin Project.

NOW, THEREFORE, the two Parties hereby agree as follows:

AGREEMENT

1. **Statement of Shared Goals.** The Parties are each public agencies that are seeking to maximize their resources for the benefits of their residents. They each intend to work in good faith and in a collaborative manner to effectuate the transfer of the excess Federal credits for each of their benefits.
2. **Federal Credits.** The following steps and timeline are expected to apply to perfection and transfer of Federal credits:

a.	Approval of Comprehensive Plan	TBD
b.	Approval of Integral Determination Report (IDR)	TBD
c.	Approval of Lands, Easements, Rights-of-Way, Relocations and Disposal Sites (LERRD) costs	TBD
d.	Project Partnership Agreement (PPA) amendments	TBD
e.	Final Accounting	TBD

3. **Commitments and Understandings.** In furtherance of the foregoing shared goals, the Parties agree to the following commitments.
 - A. **SBFCA Commitments.** Pursuant to a contract with the State of California SBFCA has an independent obligation to perfect the Federal credits. As a result, the Parties agree that SBFCA's costs in perfecting those credits shall be born solely by SBFCA. Further, any consultant time to perform work requested by SBFCA shall be borne by SBFCA. SBFCA shall be obligated to work diligently in its efforts to perfect the credits and agrees to timely respond to requests from SJAFCA or the State of California for information regarding the process.
 - B. **SJAFCA Commitments.** Any consultant time to perform work requested by SJAFCA shall be borne by SJAFCA. This includes any information about the San Joaquin project needed by SBFCA as part of its efforts to perfect the credits. SJAFCA agrees to timely respond to requests from SBFCA or the State of California for information regarding the process.

C. **Transfer Agreement.** SBFCA and SJAFCA agree to meet, no later than three months prior to the expected date for approval by the Federal government of the Comprehensive Plan submitted by the State of California to the Federal government. At that time SBFCA and SJAFCA intend to negotiate the cost of the sale and purchase of Federal Credits and any other remaining terms associated with the transfer of credits and will work in good faith to execute a final Transfer Agreement in a timely manner.

D. **Joint Understandings Regarding Consultants.** SBFCA and SJAFCA have both independently retained Larsen Wurzel & Associates (LWA) and Downey Brand to represent them on these matters. In recognition of the potential conflict of interest from being represented by the same consultants, each has signed a conflict waiver to allow LWA and Downey Brand to do their work. In regard to this MOU, SBFCA and SJAFCA through their Executive Directors, have negotiated the terms of this MOU and LWA and Downey Brand have acted as scriveners in recording that agreement.

4. **No Third-Party Beneficiaries.** This MOU is intended solely for the benefit of the Parties and shall not be construed to create any rights for any other person or entity.
5. **Fiscal Effect.** This MOU does not obligate either party to buy or sell Federal credits. The only costs to be incurred as a result of executing this MOU are associated with the continued efforts of consultants already under contract. Any endeavor involving fiscal or funds obligation between both parties will be handled in a separate written agreement authorized by the respective governing bodies of the Parties.
6. **Amendments.** Subsequent modifications of this MOU shall not be valid or effective unless set forth in writing and signed by the two Parties.
7. **Term.** This MOU shall remain in effect from the Effective Date until such time as (i) terminated by the agreement of the Parties, (ii) replaced by a Transfer Agreement negotiated pursuant to Section 3(c) of this MOU, or (iii) the passage of three years from the Effective Date if no further work has been performed to perfect the credits.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates specified in the signature block below.

San Joaquin Area Flood Control Agency

By:

Chris Elias, Executive Director

Date

Approved as to form: Scott L. Shapiro

Date:

Sutter Butte Flood Control Agency

By: _____
Michael Bessette, Executive Director

_____ Date

Approved as to form: Scott L. Shapiro

Date: _____

DRAFT

**End of
Agenda Packet**