

BOARD OF DIRECTORS

<u>City of Stockton</u> Kimberly Warmesley Dan Wright Alt. Michael Blower	<u>Public Member</u> Steve DeBrum	<u>San Joaquin County/SJCFCWCD*</u> Paul Canepa, Vice-Chair Tom Patti Alt. Robert Rickman
<u>City of Manteca</u> Gary Singh Charlie Halford Alt. Mike Morowit	<u>Executive Director</u> Chris Elias	<u>City of Lathrop</u> Paul Akinjo, Chair Diane Lazard Alt. Jennifer Torres-O'Callaghan
*San Joaquin County Flood Control and Water Conservation District		

BOARD MEETING
Stockton City Hall
Council Chambers
425 N. El Dorado St. Stockton, CA
THURSDAY, JULY 18, 2024, 10:00 A.M.

*PLEASE NOTE: There will be a Closed Session commencing at 10:00 a.m. Following the Closed Session the open session will reconvene at 10:15 a.m., or immediately following the Closed Session, whichever is later.

1. CALL TO ORDER

2. CLOSED SESSION

- 2.1) Conference with Real Property Negotiators (Government Code Section 54956.8)
[1. Little Hog Island: APN 129-290-010 – 32 Acres; 2. Big Hog Island: APN: 071-070-01 – 65 Acres; 3. Calaveras River – Parcel 1: APN 102-010-04 – 1.71 Acres; 4. Calaveras River – Parcel 2: APN 102-010-05 – 20.19 Acres; 5. Calaveras River – Parcel 3: APN 104-010-06 – 13.97 Acres; 6. Grayson Island – APN 158-003-008 – 20.64 Acres], Agency Negotiator: [Chris Elias, Executive Director, Omar Al-Hindi, Executive Project Manager, Rebekah Green, BRI, Scott Shapiro, General Counsel] Under Negotiation: Price

RECONVENE AT 10:15 A.M.*

REPORT OUT ON CLOSED SESSION

3. ROLL CALL

4. PLEDGE TO FLAG

5. PUBLIC COMMENTS

6. CONSENT ITEMS

- 6.1) Approve Minutes from June 20, 2024, Board Meeting
- 6.2) Resolution to authorize the Executive Director to negotiate and execute Amendment No. 7 to the Consultant Services Agreement with Bender Rosenthal Incorporated (BRI) to provide right-of-way and survey services in support of the Lower San Joaquin River Reach TS30L Levee Improvement, California Project
- 6.3) Authorize the Executive Director to execute and file Notice of Exemption to support land acquisition for mitigation parcels that are identified in the compensatory mitigation plan for the San Joaquin River Basin, Lower San Joaquin River, California Project

7. NEW BUSINESS

- 7.1) Resolution to approve the proposed Operating and Capital Budgets for Fiscal Year 2024/25 for the San Joaquin Area Flood Control Agency
- 7.2) Public Hearing to approve the Annual Engineer's Report for the Operations and Maintenance (O&M) of the Flood Protection Restoration Assessment District, and Order the Levy and Collection of O&M Assessments within the District for Fiscal Year 2024/2025
- 7.3) Public Hearing to approve the Technical Memorandum for the Levee Construction and Maintenance Assessment (LCMA) District and order the Levy and Collection of Assessments within the District for Fiscal Year 2024/2025.
- 7.4) Adoption of resolution approving the Final Engineer's Report forming the Mossdale Tract Overlay Assessment District and ordering the Levy of Assessments beginning in Fiscal Year 2024-25

8. BRIEFINGS

9. ORAL REPORT FROM EXECUTIVE DIRECTOR

10. BOARD QUESTIONS, COMMENTS, ACTIONS

11. COUNSEL REPORT

12. 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) 299-4200. Requests must be made one full business day before the start of the meeting.

Agenda Item 6.1

MINUTES
SAN JOAQUIN AREA FLOOD CONTROL AGENCY
BOARD MEETING OF JUNE 20, 2024

LATHROP, CALIFORNIA

1. CALL TO ORDER 5:30 PM

2. CLOSED SESSION 5:30 PM

- 2.1) ANTICIPATED LITIGATION Pursuant to Government Code Section 54956.9(d)(2): One Case (Shimmick Construction Company, Inc.)
- 2.2) ANTICIPATED LITIGATION Pursuant to Government Code Section 54956.9 (d)(2): Two Cases

Return and report out on closed session: 6:08 PM

2.2 No action to report.

2.1 The Board had previously delegated to staff the authority to enter into a settlement, with Shimmick Construction company associated with claims arising out of the Smith Canal Gate Project. The settlement in this matter has been executed, since the last Board Meeting. Per the requirements of the Brown Act, this announces the settlement is complete. The settlement agreement is subject to public request if made.

3. ROLL CALL 6:10 PM

Present:	Absent:
Director Akinjo	None
Director Canepa	
Director DeBrum	
Director Halford	
Director Lazard	
Director Patti	
Director Singh	
Director Warmesley*	
Director Wright	

*Director Warmesley participated in the meeting via teleconference at the following location, which was open to the public: Business offices/Hilton Washington DC, 1919 Connecticut Ave Northwest, Washington, DC 20009

4. PLEDGE TO FLAG: 6:11 PM

5. PUBLIC COMMENTS 6:11 PM

None.

6. CONSENT ITEMS 6:11 PM

6.1) Approve Minutes from May 16, 2024, Board Meeting

PUBLIC COMMENTS

None.

Motion: Approve minutes from May 16, 2024, Board Meeting
Moved by: Director Patti, Seconded by Director DeBrum
Vote: Motion carried 8-0
Yes: Director Akinjo, Director Canepa, Director DeBrum, Director Halford, Director Lazard, Director Patti, Director Singh, Director Wright
Absent: None
No Vote: Director Warmesley

7. PUBLIC HEARINGS 6:13 PM

7.1) Public Hearing regarding Mossdale Tract Assessment District

Presentation overview by Seth Wurzel of Larsen Wurzel and Associates, Inc.

Board Questions / Comments: Director Canepa asked a question during the meeting for all to hear.

Public Comments: No specific requests to speak, however a member of the public came forward to speak.

Name: P.R. Sexton

Board Questions / Comments: Director Patti, Director DeBrum, and Director Wright asked questions during the meeting for all to hear.

Public Comments:

Name: Zolya Moreno

Name: Artie Valencia

Time Public Hearing Opened: 6:33 PM

Director Patti left the meeting at approximately 6:57pm, due to a prior commitment.

Final notice given to turn in ballots before close of hearing.

Motion: Approve resolution receiving Addendum No. 1 to the Preliminary Engineer's Report for the Mossdale Tract Area Overlay Assessment District (OAD) and directing contractors complete the ballot tabulation for the formation of the proposed OAD and present the results at the July 18, 2024 Board Meeting

Moved by: Director Halford, Seconded by Director DeBrum

Vote: Motion carried 8-0

Yes: Director Akinjo, Director Canepa, Director DeBrum, Director Halford, Director Lazard, Director Singh, Director Warmesley, Director Wright

Absent: Director Patti

Time Public Hearing Closed: **7:01 PM**

8. ORAL REPORT FROM EXECUTIVE DIRECTOR 7:05 PM

8.1) Relocation of Agency – Currently the agency is involved in moving its operations.

8.2) Staff requests to move approval of Agency budget for FY 2024/25 to July 2024 Board Meeting. The Board agreed to allow staff to proceed with the budget presentation in July.

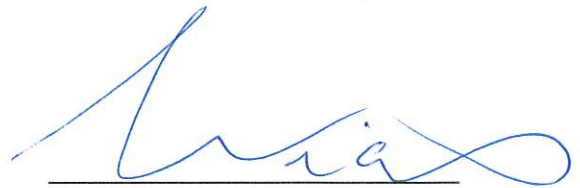
9. BOARD QUESTIONS, COMMENTS, ACTIONS 7:07 PM

Chair Akinjo thanked the staff and consultants for their work.

10. ADJOURNMENT 7:09 PM

The meeting adjourned at 7:09 pm. The next meeting is scheduled for July 18, 2024 at 10:00 am at Stockton City Hall Council Chambers.

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) 299-4200. Requests must be made one full business day before the start of the meeting.



CHRIS ELIAS
EXECUTIVE DIRECTOR
SAN JOAQUIN AREA FLOOD
CONTROL AGENCY

June 20, 2024, SJAFCA Meeting Minutes

Agenda Item 6.2

July 18, 2024

TO: San Joaquin Area Flood Control Agency

FROM: Chris Elias, Executive Director

SUBJECT: **RESOLUTION TO AUTHORIZE THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE AMENDMENT No. 7 TO THE CONSULTANT SERVICES AGREEMENT WITH BENDER ROSENTHAL INCORPORATED (BRI) TO PROVIDE RIGHT-OF-WAY AND SURVEY SERVICES IN SUPPORT OF THE LOWER SAN JOAQUIN RIVER REACH TS30L LEVEE IMPROVEMENT, CALIFORNIA PROJECT.**

RECOMMENDATION

Adopt a resolution authorizing the Executive Director to negotiate and execute Amendment No. 7 to the Consultant Services Agreement with Bender Rosenthal Incorporated (BRI) to provide right-of-way and survey services in support of the San Joaquin River Basin, Lower San Joaquin River, California Project TS30L at a not-to-exceed budget of \$20,685.

SUMMARY

The firm of BRI is currently providing right-of-way and survey services to the San Joaquin Area Flood Control Agency (SJAFCA) to advance the Lower San Joaquin Basin, Lower San Joaquin River, California Project for a budget of \$434,976. The seventh amendment to the Consultant Services Agreement is needed for BRI to provide continued survey services of the Tenmile Slough Levee (TS30L) that is necessary to advance the real estate acquisition of Elmwood Tract. The continued survey services of Elmwood Tract parcels would result in an amendment to the Consultant Services Agreement for a not-to-exceed budget of \$20,685.

DISCUSSION

PROJECT BACKGROUND

The Lower San Joaquin River Project (LSJRP) was authorized by Congress in the American Water Infrastructure Act of 2018, providing flood risk reduction benefits to north and central Stockton. The LSJRP is a partnership between the U.S. Army Corps of Engineers (USACE), Central Valley Flood Protection Board (CVFPB), and SJAFCA.

On September 20, 2018, SJAFCA's Board of Directors approved and adopted Resolution No.18-17 for the San Joaquin River Basin, Lower San Joaquin River, Ca Final Integrated Feasibility Report/Environmental Impact Statement/Environmental Impact Report.

On December 07, 2020, SJAFCA issued a Request for Proposal to outside consulting qualified firms to submit a statement of qualifications (SOQ) to perform real estate appraisal and acquisition services to support the San Joaquin River Basin, Lower San Joaquin River, California Project. SJAFCA received three statements of qualifications from the following:

- Monument Inc.
- Bender Rosenthal Incorporated (BRI)
- Open Land Pacific & Cutler, LLC.

RESOLUTION TO AUTHORIZE THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE AMENDMENT No. 7 TO THE CONSULTANT SERVICES AGREEMENT WITH BENDER ROSENTHAL INCORPORATED (BRI) TO PROVIDE RIGHT-OF-WAY AND SURVEY SERVICES IN SUPPORT OF THE LOWER SAN JOAQUIN RIVER REACH TS30L LEVEE IMPROVEMENT, SAN JOAQUIN COUNTY, CALIFORNIA PROJECT.

On March 03, 2023, SJAFCA entered into a Contractual Services Agreement with BRI to provide real estate acquisition services on the Lower San Joaquin Basin, Lower San Joaquin River, California Project. The following is a summary of original contract and amendments issued:

Contract Version	Date Executed	Purpose	Budget
Original Contract	3/3/2023	RE Acquisition of Solari Property	\$5,700
Amendment 1	5/02/2023	RE Acquisition of Solari Property	\$3,300
Amendment 2	7/13/2023	14 Mile Slough Pump Station Mitigation	\$41,790
Amendment 3	12/06/2023	Phase D Calaveras River (Left Bank) ROE's	\$29,850
Amendment 4	1/8/2024	RE Acquisition of Solari Property	\$22,101
Amendment 5	4/18/2024	RE Acquisition of TS30L	\$45,230
Amendment 6	5/16/2024	LSJR-CMP Mitigation Parcels	\$296,005.90
Total			\$434,976.90

Source: Fictitious data, for illustration purposes only

RESOLUTION TO AUTHORIZE THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE AMENDMENT No. 7 TO THE CONSULTANT SERVICES AGREEMENT WITH BENDER ROSENTHAL INCORPORATED (BRI) TO PROVIDE RIGHT-OF-WAY AND SURVEY SERVICES IN SUPPORT OF THE LOWER SAN JOAQUIN RIVER REACH TS30L LEVEE IMPROVEMENT, SAN JOAQUIN COUNTY, CALIFORNIA PROJECT.

PRESENT SITUATION

On May 15, 2024, the United States Army Corps of Engineers issued the Non-Federal Sponsors (SJAFCA, Central Valley Flood Protection Board (CVFPB)) a new take letter for the Lower San Joaquin River Reach TS30L Levee Improvement, California Project.

Due to changes between the original take letter issued by USACE on July 05, 2022, and May 15, 2024, additional right-of-way and survey services are needed in support of the Lower San Joaquin River Reach TS30L Levee Improvement, California Project.

On June 20, 2024, SJAFCA received a proposal from BRI to complete the real estate acquisition services of the Elmwood Tract parcels needed for the Lower San Joaquin River Reach TS30L Levee Improvement, California Project for a not-to-exceed fee of \$20,685.

STAFF RECOMMENDATION:

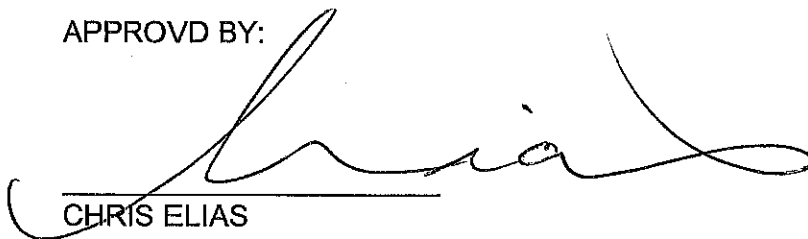
It is recommended that SJAFCA's Board of Directors approve a resolution authorizing the Executive Director to negotiate and execute Amendment No. 7 to the Consultant Services Agreement with Bender Rosenthal Incorporated (BRI) to provide right-of-way and survey services for Lower San Joaquin River Reach TS30L Levee Improvement, San Joaquin County, California Project for a not-to-exceed amount of \$20,685, making the total contractual budget at \$455,661.00.

FISCAL IMPACT

Amendment No.7 will result in not to exceed amount of \$20,685, and the amount falls within the current fiscal year 2024/2025 budget for the overall LSJR project.

PREPARED BY: Omar Al-Hindi

APPROVED BY:



CHRIS ELIAS
EXECUTIVE DIRECTOR

RESOLUTION TO AUTHORIZE THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE AMENDMENT No. 7 TO THE CONSULTANT SERVICES AGREEMENT WITH BENDER ROSENTHAL INCORPORATED (BRI) TO PROVIDE RIGHT-OF-WAY AND SURVEY SERVICES IN SUPPORT OF THE LOWER SAN JOAQUIN RIVER REACH TS30L LEVEE IMPROVEMENT, SAN JOAQUIN COUNTY, CALIFORNIA PROJECT.

Attachments

1. Amendment No.7 "Resolution to Authorize the Executive Director to Negotiate and Execute Amendment No.7 to the Consultant Services Agreement with Bender Rosenthal Incorporated (BRI) to provide Right-of-Way and Survey Services in support of the Lower San Joaquin River Reach TS30L Levee Improvement, California Project.
2. Draft Amendment No.7 to the Consultant Service Agreement with Bender Rosenthal Incorporated (BRI) for the San Joaquin River Basin, Lower San Joaquin River, California Project TS30L
3. BRI's Amendment – Survey Services for the Lower San Joaquin River Project, Reach of Tenmile Slough (TS30L)

RESOLUTION NO. SJAFCA 24-24

SAN JOAQUIN AREA
FLOOD CONTROL AGENCY

=====

AUTHORIZATION TO AUTHORIZE THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE AMENDMENT NO. 7 TO THE CONSULTANT SERVICES AGREEMENT WITH BENDER ROSENTHAL INCORPORATED (BRI) TO PROVIDE RIGHT-OF-WAY AND SURVEY SERVICES IN SUPPORT OF THE LOWER SAN JOAQUIN RIVER REACH TS30L LEVEE IMPROVEMENT, SAN JOAQUIN COUNTY, CALIFORNIA PROJECT

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

Authorize the Executive Director to:

1. Execute Amendment No. 7 to the consultant services agreement with Bender Rosenthal Incorporated (BRI) for Lower San Joaquin River Reach TS30L Levee Improvement, San Joaquin County, California Project, in the amount of \$20,685 to complete the real estate acquisition, appraisals and necessary surveys which allow the construction of this levee reach to move forward.
2. Appropriate \$20,685 to fund the tasks covered in Amendment No. 7 with a not-to-exceed total contractual budget of \$455,611.00

PASSED, APPROVED AND ADOPTED this 18th day of July 2024.

PAUL AKINJO, Chair
of the San Joaquin Area
Flood Control Agency

ATTEST:

CHRIS ELIAS, Executive Director
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



JULY 18, 2024

Bender Rosenthal Incorporated (BRI)
701 University Ave Suite 200
Sacramento, CA 95825

**AMENDMENT NO. 7 TO BENDER ROSENTHAL INCORPORATED (BRI) CONTRACT ON
THE LOWER SAN JOAQUIN BASIN, LOWER SAN JOAQUIN RIVER – CALIFORNIA
PROJECT, TS30L**

The purpose of this Amendment No. 7 to the contractual services agreement between San Joaquin Area Flood Control Agency (SJAFCA) and Bender Rosenthal Incorporated (BRI) entered on March 3, 2023 is to provide Real Estate Acquisition services for the Lower San Joaquin River (LSJR)TS30L. The additional costs to be covered by this Amendment are driven by the changes issued by the US Army Corps of Engineers Take Letter – Amendment 2 issued on May 15, 2024.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreement contained herein, the Agency and Consultant agree as follows:

1. The Scope of Work is Amended to include additional Survey Services for the LSJR, TS30L reach.
2. The payment section is amended to include an additional \$20,685.
3. All terms not defined in this Amendment No. 7 shall have the meaning ascribed to them in the Agreement. Except as otherwise provided herein, all other terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have duly executed this Amendment No. 7 as parties on the date first written above.

SJAFCA:

BENDER ROSENTHAL INCORPORATED:

CHRIS ELIAS
EXECUTIVE DIRECTOR

RENE BAUR
CHIEF EXECUTIVE OFFICER

APPROVED AS TO FORM:

SCOTT L. SHAPIRO
LEGAL COUNSEL



June 28, 2024

Omar Al-Hindi
Executive Project Manager
San Joaquin Area Flood Control Agency
22 E Weber Avenue, Suite 301
Stockton, CA 95202-2317

ORIGINAL BY EMAIL:
omar.al-hindi@stocktonca.gov

RE: **AMENDMENT - SURVEY SERVICES**
LOWER SAN JOAQUIN RIVER PROJECT, REACH 30L OF TENMILE SLOUGH (TS30L)

Dear Mr. Al-Hindi,

Bender Rosenthal Inc. (BRI) is currently providing right of way and survey services to San Joaquin Area Flood Control Agency (SJAFC) for the Lower San Joaquin River Levee Improvement Project, Reach 30L Of Tenmile Slough (TS30L). BRI understands that SJAFC is currently requesting survey services for the Elmwood Tract parcels - APNs 071-150-070 071-150-060. Mark Thomas' original scope and budget was per the Take Letter dated May 25, 2023, and stated that the Non-Federal sponsor (SJAFC) must secure a Permanent Road Easement (PRE and Mark Thomas has completed this task. An Amendment Take Letter #2 was provided to SJAFC on May 15, 2024; that stated SJAFC must secure the additional right of way needs; Temporary Construction Easement deed and a flood protection Levee Easement (FPLE).

SURVEY SERVICES

BRI subconsultant Mark Thomas will be providing Survey Services, including (1) Record Research and Boundary Survey, (2) Legal Description and Plat Map, and (3) Appraisal Exhibit. ***The complete scope and fee for these services is attached as Exhibit A.***

PROJECT SCHEDULE

Survey Services will be complete four (4) to six (6) weeks after signed contract, Notice to Proceed (NTP), PTR, proposed acquisition line and access are all provided.

FEE PROPOSAL

RIGHT OF WAY TASK	HOURS / UNIT	RATE / LUMP SUM	COST
SURVEY SERVICES (Mark Thomas - 5% markup)	1	\$20,685	\$20,685

Should you have any questions regarding this scope and fee, please reach out to Project Manager Rebekah Green at r.green@benderrosenthal.com or at (916) 978.4900, Ext. 2065.

We look forward to working with you on this project.

Sincerely,
BENDER ROSENTHAL, INC.


Renee Baur
Chief Executive Officer

**MARK THOMAS**

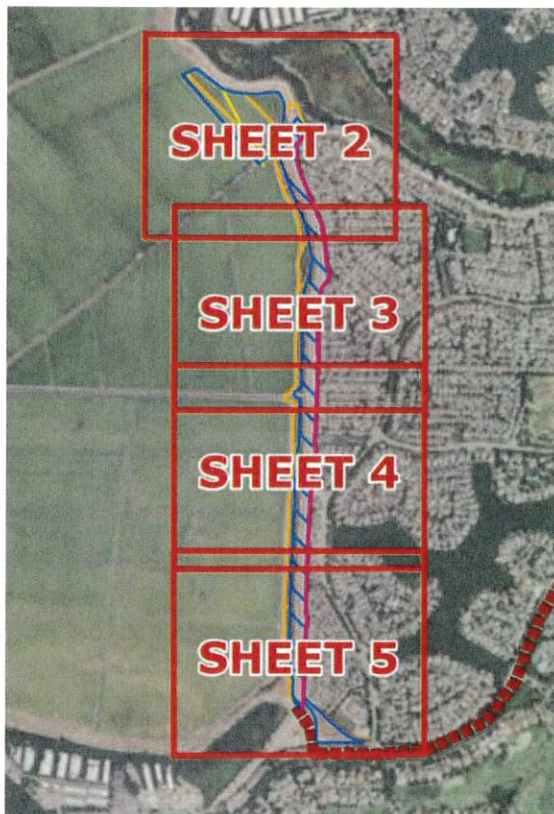
Exhibit A

Task order No. 3-Amendment 1

Scope of Services

Mark Thomas will provide survey services as outlined in this scope of work for acquisition support for the Elmwood Partners LP parcels identified in the San Joaquin Basin, Lower San Joaquin River Project, (Mitigation) Real Estate Amendment 1 "Take Letter" dated **May 15, 2024**. Mark Thomas will provide services in support of BRI conducting appraisal and acquisition services for San Joaquin Area Flood Control Agency (SJAFC) within the Elmwood Tract parcels (APN 071-150-070 & 060).

From May 15, 2024 Amendment 1 "Take Letter":



▶ January 12, 2022

Task 1 – Record Research & Boundary Survey

Mark Thomas will utilize the existing boundary survey previously completed per the original task order. Easements and encumbrances within APN 071-150-070 & 060 will be plotted based on the previously provided preliminary title report.

Task 2 – Legal Description & Plat

Mark Thomas will provide up to two (2) description accompanied by 8.5"x11" plat with APN 071-150-070 & 060 for:

1. Temporary Construction Easement (shown as Staging & TWAE in the official "Take Letter")
2. Flood Protection Levee Easement (FPLE)

The description will meet DWR Geodetic Standards and will be based on the boundary survey completed per Task 1, provided design line work, and acreage shown on the Real Estate "Take Letter" dated May 15, 2024.

It is understood by BRI and Mark Thomas that the areas shown on the legal descriptions may differ from the areas shown on the "Take Letter" due to a completed boundary survey by Mark Thomas.

Task 3 – Appraisal Exhibit

Mark Thomas will prepare up to one (1) Appraisal Exhibit for APN 071-150-060 & 070, depicting the acquisition areas, encumbrances, parcel lines, and design improvements such as access roads, wells, siphons, and other structures and design features impacting private owners. It is assumed each exhibit will be one 11x17 sheet at a suitable scale and will be shown over stock aerial photography.

Task 4 – Project Management

Mark Thomas has allocated time for project meetings, coordination with SJAFCA and other local agencies, along with billing and monthly projects reports.

Assumptions / Exclusions

- It is assumed all access will be provided by SJAFCA at no cost to Mark Thomas per mobilization.
- It is assumed SJAFCA will provide topographic information along the riverbank sufficient to approximate the OHWL / MHT along the San Joaquin River and 14-mile slough.
- It is assumed SJAFCA will provide current PTR and all supporting documents / maps at no cost to Mark Thomas.



► January 12, 2022

- It is assumed SJAFCA will provide acquisition line in AutoCAD 2022 format with datum statement sufficient to match the Mark Thomas survey.
- Record of Survey is excluded.
- Setting monuments is excluded
- Survey and delineation of exact OHWL / MHT line is excluded.

Fee Estimate

The lump sum fee for each task above is listed here:

TASK	FEE
Task 1 – Record Research & Boundary Survey	\$7,119
Task 2 – Legal Description & Plat	\$7,581
Task 3 – Appraisal Exhibit	\$3,098
Task 4 – Project Management	\$1,903
TOTAL WORK ORDER AMOUNT (+ \$200 ODCs)	\$19,700

MARK THOMAS



Sam McIntyre, LS
Sr. Survey Manager-Shareholder



COST PROPOSAL FOR PROJECT SCOPE: BRI-SJAFCA-Elmwood AM1

							TOTAL COST
	Survey Manager II \$294	Project Surveyor II \$221	Asst Surveyor II \$168	Survey Technician III \$163	Sr. Project Coordinator \$182	Total Hours	
1.0							
1.1 Record Research & Boundary Survey	4	12	8	12		36	\$7,119
1.2 Legal Description & Plat (2)	2	8	4	28		42	\$7,581
1.3 Appraisal Map	2	4		10		16	\$3,098
1.4 Project Management	4				4	8	\$1,903
						0	\$0
Subtotal Phase 1	12	24	12	50	4	102	\$19,700
TOTAL HOURS	12	24	12	50	4	102	
OTHER DIRECT COSTS: (Mileage)							\$0
TOTAL COST	\$3,528	\$5,292	\$2,016	\$8,138	\$727		\$19,700

Please note that the rates shown are for estimating purposes only.
See rate schedule for actual rates/ranges.

Agenda Item 6.3

TO: San Joaquin Area Flood Control Agency Board of Directors July 18, 2024

FROM: Chris Elias, Executive Director

SUBJECT: **AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE AND FILE NOTICE OF EXEMPTION TO SUPPORT LAND ACQUISITION FOR MITIGATION PARCELS THAT ARE IDENTIFIED IN THE COMPENSATORY MITIGATION PLAN FOR THE SAN JOAQUIN RIVER BASIN, LOWER SAN JOAQUIN RIVER, CALIFORNIA PROJECT**

RECOMMENDATION

Adopt a resolution authorizing the Executive Director to execute and file a Notice of Exemption to support acquisition of six (6) privately owned land parcels to be used for mitigation as identified in the Compensatory Mitigation Plan (CMP) for the San Joaquin River Basin, Lower San Joaquin River, California Project (LSJR Project).

SUMMARY

The United States Army Corps of Engineers (USACE), State of California, and San Joaquin Area Flood Control Agency (SJAFCA) have identified certain land parcels as promising sites for potential habitat restoration or enhancement activities that could provide compensatory mitigation for biological impacts of the LSJR Project. Some of these parcels are currently listed for sale, and yet others have been identified in the CMP as available for sale by willing landowners. SJAFCA intends to acquire these six properties in support of the overall CMP for the LSJR Project and/or other similar future projects undertaken by SJAFCA for flood risk reduction. SJAFCA has determined that approving and filing a Notice of Exemption under the California Environmental Quality Act (CEQA) provides an appropriate level of environmental review for the discretionary action to acquire in fee the titles of these properties. The potential environmental impacts of future habitat restoration or enhancement activities will require analysis in future CEQA documentation, if, and when such activities are proposed.

DISCUSSION

PROJECT BACKGROUND

SJAFCA) serves as a non-federal sponsor for the LSJR Project, which was authorized by section 1401(2) of the Water Resources Development Act (WRDA) of 1986 (Public Law 115-270). The LSJR Project is a flood risk reduction effort led by USACE aimed at reducing the risks associated with seepage, stability, overtopping, and erosion for the levees along the San Joaquin River, Calaveras River, Fourteenmile Slough, Tenmile Slough, French Camp Slough, Mosher Slough, and Duck Creek.

The LSJR Project was evaluated under CEQA in the LSJR Integrated Interim Feasibility Report/Environmental Impact Statement/Environmental Impact Report (2018 LSJR FR/EIS/EIR) (State Clearinghouse No. 2010012027), which identified that the suite of structural levee improvement measures required by the project would cause unavoidable impacts to biological resources, including wetland and riparian habitats, giant garter snake habitat, and valley elderberry longhorn beetle (VELB). The compensatory mitigation strategy proposed by the 2018

AUTHORIZATION TO APPROVE NOTICE OF EXEMPTION TO SUPPORT LAND ACQUISITION FOR MITIGATION PARCELS AS IDENTIFIED IN THE COMPENSATORY MITIGATION PLAN FOR THE SAN JOAQUIN RIVER BASIN, LOWER SAN JOAQUIN RIVER, CALIFORNIA PROJECT

LSJR FR/EIS/EIR to offset these impacts relied heavily on the purchase of mitigation bank credits; however, a lack of appropriate mitigation bank credit types and quantities needed to fulfill the project's compensatory mitigation and project schedule requirements have made credit purchase options infeasible. In addition, based on comments received from the U.S. Fish and Wildlife Service (USFWS) during the public review of the 2018 LSJR FR/EIS/EIR, USACE and SJAFCFA agreed to investigate opportunities for on- and offsite restoration that could serve as compensatory mitigation for the LSJR Project and/or other similar projects.

The Lower San Joaquin River Reach TS30L Levee Improvement Project Supplemental Environmental Impact Report (TS30L SEIR) was certified in September 2023, which analyzed the potential environmental effects of several LSJR Project changes related to TS30L (the first phase of the LSJR Project), including an evaluation of five potential biological mitigation sites to fulfill compensatory mitigation requirements. Three sites were evaluated at a project-level of detail (14-Mile Slough Pump Station, San Joaquin River West Site, and San Joaquin River East Site), and two sites were evaluated at a program-level of detail (San Joaquin River South Site and Van Buskirk Park). Additional biological mitigation sites will be required to mitigate the impacts of the LSJR Project and other similar projects, creating the need for approval for land acquisition.

PRESENT SITUATION

The following land parcels are privately owned and have been identified by USACE, SJAFCFA, USFWS, CDFW, and DWR as promising sites for potential habitat restoration and enhancement activities that could provide compensatory mitigation for biological impacts. These parcels are listed below with associated assessor's parcel numbers (APNs), approximate acreages, and an indication of whether they are currently listed for sale:

	Parcel Name	Assessor's Parcel Number (APN)	Parcel Size (Acres)
1	Calaveras River (Not listed /Willing Seller)	104-010-06	13.97
2	Calaveras River (Not listed /Willing Seller)	102-010-05	20.19
3	Calaveras River (Not listed / Willing Seller)	102-010-04	1.71
4	Grayson Island (Listed)	158-0030-008-0000	20.54
5	Little Hog Island (Listed)	129-290-010-000	34.82
6	Big Hog Island (Listed)	071-070-010-000	66.66

SJAFCFA intends to purchase the above listed potential mitigation parcels, totaling approximately 157.89 acres of land, for the purpose of preserving and/or restoring fish and wildlife habitats in support of the overall compensatory mitigation plan for the LSJR project and/or other similar future projects undertaken by SJAFCFA for flood risk improvement. The discretionary action by a public agency to acquire real estate may be considered a "project" as defined by CEQA Guidelines Section 15378. The proposed project in this case is therefore SJAFCFA's action to acquire in fee the six mitigation parcels listed above.

AGENDA ITEM 6.3

AUTHORIZATION TO APPROVE NOTICE OF EXEMPTION TO SUPPORT LAND ACQUISITION FOR MITIGATION PARCELS AS IDENTIFIED IN THE COMPENSATORY MITIGATION PLAN FOR THE SAN JOAQUIN RIVER BASIN, LOWER SAN JOAQUIN RIVER, CALIFORNIA PROJECT

If purchased, future habitat restoration activities on the mitigation parcels may consist of preserving natural features and/or earth-moving activities to develop aquatic features, modify elevations, and plant vegetation to create riparian, wetland, and shaded riverine aquatic habitats, as well as giant garter snake, special-status fish, and VELB habitats. The degree to which the mitigation parcels could properly support desired habitat types is unknown at this time, as are the type, extent, and intensity of construction activities or long-term management actions that could be needed to achieve desired habitat goals. It would currently be speculative to evaluate the potential construction and operational details of the preservation and/or restoration activities. The potential environmental impacts of such activities will require analysis in future CEQA documentation, if, and when they are proposed; however, such an evaluation will be time-intensive and the listed land parcels may no longer be available by the time such an evaluation is completed. The discussion attached as Exhibit 'A' therefore applies only to SJAFCA's real estate acquisition of the mitigation parcels and provides justification for why this acquisition is exempt from CEQA review.

STAFF RECOMMENDATION

It is recommended that SJAFCA's Board of Directors adopt a resolution authorizing the Executive Director to Execute and file a Notice of Exemption to support acquisition of six (6) privately owned land parcels to be used for biological mitigation as identified in the CMP for the LSJR project or other similar projects undertaken by SJAFCA for flood risk improvements. The Notice of Exemption will expedite the real estate acquisition process for the six (6) privately owned land parcels identified in this report. Staff will return to the Board at a later date for the approval of the real estate acquisition administrative settlements.

FISCAL IMPACT

Prior Board action to enter into a Consultant Services Agreement with BRI includes the scope and budget for authorizing the Executive Director to execute and file a Notice of Exemption to support acquisition of the six (6) privately owned land parcels as identified in the CMP for the LSJR Project. Therefore, no additional costs will be incurred as a result of executing and filing a Notice of Exemption to support acquisition of the six privately owned land parcels to be used for biological mitigation as identified in the CMP for the LSJR project or other similar projects undertaken by SJAFCA for flood risk improvements.

STRATEGIC PLAN CONSISTENCY ANALYSIS

Authorizing the Executive Director to execute and file a Notice of Exemption to support real estate acquisition of six (6) privately owned land parcels to be used for biological mitigation as identified in the CMP for the LSJR project or other similar projects undertaken by SJAFCA for flood risk improvements, implementing 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."

AGENDA ITEM 6.3

AUTHORIZATION TO APPROVE NOTICE OF EXEMPTION TO SUPPORT LAND ACQUISITION FOR MITIGATION PARCELS AS IDENTIFIED IN THE COMPENSATORY MITIGATION PLAN FOR THE SAN JOAQUIN RIVER BASIN, LOWER SAN JOAQUIN RIVER, CALIFORNIA PROJECT

PREPARED BY: OMAR AL-HINDI, EXECUTIVE PROJECT MANAGER

APPROVED BY:



CHRIS ELIAS
EXECUTIVE DIRECTOR

Attachments:

1. Exhibit 'A', Discussion and Rationale for CEQA Exemption
2. CEQA Guidelines, Appendix 'E' Notice of Exemption

Project: Land Acquisition of Mitigation Parcels Identified in the Lower San Joaquin River Project Compensatory Mitigation Plan**Subject: Discussion and Rationale for CEQA Exemption****Background:**

The San Joaquin Area Flood Control Agency (SJAFCA) serves as a non-federal sponsor for the San Joaquin River Basin, Lower San Joaquin River, California Project (LSJR Project), which was authorized by section 1401(2) of the Water Resources Development Act (WRDA) of 2018 (Public Law 115-270). The LSJR Project is a flood risk reduction effort led by the United States Army Corps of Engineers (USACE) aimed at reducing the risks associated with seepage, stability, overtopping, and erosion for the levees along the San Joaquin River, Calaveras River, 14- Mile Slough, Tenmile Slough, French Camp Slough, Mosher Slough, and Duck Creek.

The LSJR Project was evaluated under CEQA in the LSJR Integrated Interim Feasibility Report/Environmental Impact Statement/Environmental Impact Report (2018 LSJR FR/EIS/EIR)(State Clearinghouse No. 2010012027), which identified that the suite of structural levee improvement measures required by the project would cause unavoidable impacts to biological resources, including wetland and riparian habitats, giant garter snake habitat, and valley elderberry longhorn beetle (VELB). The compensatory mitigation strategy proposed by the 2018 LSJR FR/EIS/EIR to offset these impacts relied heavily on the purchase of mitigation bank credits; however, a lack of appropriate mitigation bank credit types and quantities needed to fulfill the project's compensatory mitigation and project schedule requirements have made credit purchase options infeasible. In addition, based on comments received from the U.S. Fish and Wildlife Service (USFWS) during the public review of the 2018 LSJR FR/EIS/EIR, USACE and SJAFCA agreed to investigate opportunities for on and offsite restoration that could serve as compensatory mitigation for the LSJR Project and/or other similar projects.

In response to these and other factors, the Lower San Joaquin River Reach TS_30_L Levee Improvement Project Supplemental Environmental Impact Report (TS_30_L SEIR) was certified in September 2023, which analyzed the potential environmental effects of several LSJR Project changes related to TS_30_L (the first phase of the LSJR Project), including an evaluation of five potential biological mitigation sites to fulfill compensatory mitigation requirements. Three sites were evaluated at a project-level of detail (14-Mile Slough Pump Station, San Joaquin River West Site, and San Joaquin River East Site), and two sites were evaluated at a program-level of detail (San Joaquin River South Site and Van Buskirk Park).

Additional biological mitigation sites may be required to mitigate the impacts of the LSJR Project and other similar projects; the real estate purchase of such land parcels is the topic of this discussion.

Project Location/Description:

Six privately owned land parcels have currently been identified by USACE and SJAFCA as promising sites for potential habitat restoration and enhancement activities that could provide compensatory mitigation for biological impacts of the LSJR Project and/or other similar projects. These parcels are listed below with associated assessor's parcel numbers (APNs) and approximate acreages:

1. Calaveras River, APN 104-010-06, 13.97 Acres
2. Calaveras River, APN 102-010-05, 20.19 Acres
3. Calaveras River, APN 102-010-04, 1.71 Acres
4. Grayson Island, APN 158-0030-008-0000, 20.54 Acres
5. Little Hog Island, APN 129-290-010-000, 34.82 Acres
6. Big Hog Island, APN 071-070-010-000, 66.66 Acres

SJAFCA intends to purchase the above listed potential mitigation parcels, totaling approximately 157.89 acres of land, for the purpose of preserving and/or restoring fish and wildlife habitats in support of the overall compensatory mitigation plan for the LSJR Project and/or other similar future projects undertaken by SJAFCA for flood risk improvement. The discretionary action by a public agency to acquire real estate may be considered a “project” as defined by CEQA Guidelines Section 15378. The proposed project in this case is therefore SJAFCA’s action to acquire in fee the six mitigation parcels listed above.

If purchased, future habitat restoration activities on the mitigation parcels may consist of preserving natural features and/or earth-moving activities to develop aquatic features, modify elevations, and plant vegetation to create riparian, wetland, and shaded riverine aquatic habitats, as well as giant garter snake, special-status fish, and VELB habitats. The degree to which the mitigation parcels could properly support desired habitat types is unknown at this time, as are the type, extent, and intensity of construction activities or long-term management actions that could be needed to achieve desired habitat goals. It would currently be speculative to evaluate the potential construction and operational details of the preservation and/or restoration activities; the potential environmental impacts of such activities will require analysis in future CEQA documentation if and when they are proposed.

The discussion below therefore applies only to SJAFCA’s real estate acquisition of the mitigation parcels and provides justification for why this acquisition is exempt from CEQA review.

Common Sense Exemption Discussion

CEQA Guidelines Section 15061(b)(3) outlines a “common sense exemption” that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

The proposed project to acquire the titles of six land parcels is not associated with construction or operational activities. In the future, existing habitats on the properties may be preserved and/or restoration actions may be undertaken, but the specific nature of such activities is unknown at this time, and it would be speculative to describe or analyze what they may (or may not) entail. The processing of the transfer of title for these lands to SJAFCA would have no associated reasonably foreseeable effects on the environment and is therefore exempt from CEQA under the common sense exemption.

Categorical Exemption Discussion

Section 21084 of the Public Resources Code requires the CEQA Guidelines to include a list of classes of projects that have been determined not to have a significant effect on the environment;

these classes of projects are laid out in Sections 15300 through 15332 of the CEQA Guidelines and are considered categorically exempt from the provisions of CEQA. A brief discussion of the below-listed applicable Class 13 and Class 25 categorical exemptions, as well as the exceptions to categorical exemptions per Section 15300.2 (Exceptions) of the CEQA Guidelines, is provided below.

- Class 13. Acquisition of Lands for Wildlife Conservation Purposes
- Class 25. Transfers of Ownership of Interest in Land to Preserve Existing Natural Conditions and Historical Resources

Class 13 consists of the acquisition of lands for fish and wildlife conservation purposes, including preservation of fish and wildlife habitat or preservation of land in its natural condition. Class 25 consists of the transfers of ownership of interest in land in order to preserve open space, habitat, or historical resources. Examples include but are not limited to the acquisition, sale, or other transfer of areas to preserve the existing natural conditions or allow restoration of natural conditions, including plant or animal habitats.

SJAFCA intends to acquire the titles of six potential mitigation parcels for the purpose of preserving and/or restoring fish and wildlife habitats in support of the overall compensatory mitigation plan for the LSJR Project and other similar future projects undertaken by SJAFCA for flood risk improvement. The existing habitat conditions on the mitigation parcels are unknown, and therefore a discussion of the specific actions required to support desired habitats would be speculative, but the purpose of the land acquisition is to preserve and/or restore the land in its natural condition to support fish and wildlife habitat.

Exceptions to Categorical Exemptions

CEQA Guidelines Section 15300.2 lists circumstances in which categorical exemptions may not apply to typically exempt classes of projects. The following section discusses why the proposed project is not subject to any of the exceptions, such that a categorical exemption is appropriate.

(a) Location.

Classes 13 and 25 are qualified by consideration of where the project is to be located—a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. The proposed project consists of the acquisition in fee of six private land parcels. No unusual circumstances have been identified in or around the land parcels that would result in the acquisition, sale, or transfer of the properties leading to significant physical environmental impacts.

(b) Cumulative Impact.

All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant. Due to the nature of land acquisition, no known successive projects of the same type and place would occur concurrent with the proposed project. The land parcels could not be acquired by another entity concurrent with their acquisition by SJAFCA. The acquisition of the mitigation parcels would not have a cumulative

contribution to similar, successive projects in the project area and therefore is not subject to this exception.

(c) Significant Effect.

A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances. No unusual circumstances have been identified in or around the land parcels that would result in significant environmental impacts.

(d) Scenic Highways.

A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. The nature of the proposed project (real estate acquisition of the mitigation parcels) would not damage scenic resources. In addition, none of the potential mitigation parcels are located within the corridor of an officially designated state scenic highway. Grayson Island (parcel number 6) is the closest to a designated state scenic highway; it is located approximately 2 miles east of State Route 160 on Sherman Island and is not visible from the highway.

(e) Hazardous Waste Sites.

A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code (the Cortese List). None of the mitigation parcels are located on a site included on the Cortese List.

(f) Historical Resources.

A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource. The real estate acquisition of the mitigation parcels is not associated with construction or operational activities and will therefore not have any physical impact on the environment, including historical resources.

Notice of Exemption

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044

County Clerk

County of: _____

From: (Public Agency): _____

(Address)

Project Title: _____

Project Applicant: _____

Project Location - Specific: _____

Project Location - City: _____ Project Location - County: _____

Description of Nature, Purpose and Beneficiaries of Project: _____

Name of Public Agency Approving Project: _____

Name of Person or Agency Carrying Out Project: _____

Exempt Status: **(check one):**

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
- ☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
- ☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- ☐ Categorical Exemption. State type and section number: _____
- ☐ Statutory Exemptions. State code number: _____

Reasons why project is exempt: _____

Lead Agency _____

Contact Person: _____ Area Code/Telephone/Extension: _____

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: _____ Date: _____ Title: _____

Signed by Lead Agency Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: _____

RESOLUTION NO. SJAFCA 24-25

**SAN JOAQUIN AREA
FLOOD CONTROL AGENCY**

=====

AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE AND FILE NOTICE OF EXEMPTION TO SUPPORT LAND ACQUISITION FOR MITIGATION PARCELS THAT ARE IDENTIFIED IN THE COMPENSATORY MITIGATION PLAN FOR THE SAN JOAQUIN RIVER BASIN, LOWER SAN JOAQUIN RIVER, CALIFORNIA PROJECT

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

Authorize the Executive Director to:

1. Execute and file the Notice of Exemption (Attachment #2) to support land acquisition for mitigation parcels that are currently listed for sale and as identified as available for sale by willing landowner in the compensatory mitigation plan for the San Joaquin River Basin, Lower San Joaquin River, California Project.

PASSED, APPROVED AND ADOPTED this 18TH day of JULY 2024.

PAUL AKINJO, Chair
of the San Joaquin Area
Flood Control Agency

ATTEST:

CHRIS ELIAS, Executive Director
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 7.1

July 18, 2024

TO: San Joaquin Area Flood Control Agency Board of Directors

FROM: Chris Elias, Executive Director
Sylvia Razniak, Finance & Admin Manager

SUBJECT: **RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY**

RECOMMENDATION

It is recommended the Board of Directors of the San Joaquin Area Flood Control Agency (SJAFCA or the Agency) receive information and adopt a resolution approving the following proposed fiscal year (FY) 2024/25 budgets for SJAFCA for the following:

1. Agency Operations (Fund #55601)
2. Lower San Joaquin River Project (Phase 1) (Fund #55653)
3. Mossdale Tract Area Program (Funds #55679/55680/*Future Fund # for OAD*)
4. Regional Flood Management Planning Program (Fund #55667)
5. Paradise Cut Project (Fund #55665)
6. Smith Canal Gate Project (Funds #55654/55666)
7. Levee Construction & Maintenance Assessment District (Fund #55668)

DISCUSSION

The SJAFCA Board of Directors adopted its Strategic Plan in September 2019. In January 2022, the Board updated its Strategic Plan to set the framework for the Agency's actions and decisions. It contains the Agency's mission statement, goals, objectives, and priority actions. SJAFCA's work directly supports each priority action and in turn its overall mission to, "Reduce and manage the region's flood risk." SJAFCA staff is presenting to the Board proposed combined budgets supporting Agency Operations and the following five capital improvement programs (CIP's):

- Lower San Joaquin River Project (Phase 1);
- Mossdale Tract Area Program;
- Regional Flood Management Planning;
- Paradise Cut Project; and,
- Smith Canal Gate Project.

The Agency currently has two additional programs that are funded with special benefit assessments and these programs include:

- AD 96-1 Flood Protection Restoration Project (FPRP) O&M Program; and,
- Levee Construction & Maintenance Assessment (LCMA) District

The budget for AD 96-1 FPRP will be handled separately as part of the annual approval of the levy of assessments. This program budget will be considered by the Board separately on this Agenda. The LCMA District was formed by the Board on June 8, 2023. The Annual

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

Budget for FY 2024/25 is presented herein for the Board's consideration as part of this recommendation.

An additional assessment district, the Mossdale Tract Overlay Assessment District (OAD), is recommended for formation and the levy of assessments in FY 2024/25 by staff as part of a separate item on this Agenda. The recommended CIP budget for FY 2024/25 is reflective of this recommendation.

Each of the seven budgets for consideration by the Board at this time are addressed in a separate section within this report. A comprehensive view of the Agency's budget will be presented by staff and consultants during the meeting.

1. Agency Operations (Fund 55601)

On July 20, 2023, the Board adopted SJAFCA Resolution No. 23-20 approving the Agency's proposed budget for FY 23/24 (Exhibit A & summarized in Table 1). Also, shown in Exhibit A is the updated final budget for the fiscal year.

As of June 30, 2024, with an estimated 100 percent of the FY lapsed, the Agency has spent about 92% of the total operating budget (Table 1). Overall operating costs are 10 percent under the projected budget.

TABLE 1 – SUMMARY OF FISCAL YEAR 2023/24 BUDGET & ACTUALS (Fund 55601)

	FY 23/24 Budget	23/24 Expenses As of 7/9/24	
SJAFCA/CITY Employee Services	\$1,280,059	\$1,095,019	86%
Professional Services	414,000	\$475,939	115%
Materials & Supplies	204,290	\$216,942	106%
Other Expenses	106,993	\$102,257	96%
Approved Operating Budget:	\$2,005,342	\$1,890,156	94%

The proposed FY 24/25 budget is also reflected in **Exhibit A** and is summarized in Table 2 below. Exhibit A presents the Agency's anticipated expenditures for general administration, operations, and support costs for existing capital improvement projects. The proposed FY 24/25 expenditure budget has been updated to accommodate a significant change in how the Agency's will operate given the relocation of the Agency's office to a new location and the change in how administrative support services, such as IT and others are procured by the Agency.

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

**TABLE 2 - FISCAL YEAR 2024/25 SJAFCA
PROPOSED OPERATING EXPENDITURE
BUDGET SUMMARY (Fund 55601)**

	FY 24/25 Proposed Budget
SJAFCA Employee Services	\$1,501,910
Professional Services	573,500
Materials & Supplies	243,090
Other Expenses	114,500
Proposed Operating Budget:	\$2,433,000

Funding for the Proposed FY 24/25 Budget

The Agency's Operating budget is supported through the allocation of costs to the Agency's program / project related funds. Because SJAFCA's mission of "Reducing and managing the region's flood risk" is achieved through the advancement of programs and projects, as was the case with last year's budget, staff has incorporated an allocation of its operating budget to program budgets. The attached Exhibit B shows the allocation that, with the approval of the Operating Budget by the Board, would be incorporated into Program Budgets by staff. The allocation of costs has been adjusted relative to last year's approved allocation. The relative level of activity has changed between programs warranting an adjustment to the allocation. Further, with the assignment of Project Management staff to projects, a portion of the staff-related expenses (payroll and benefits) is allocated based on the tracking of staff time to certain projects. Further, certain grant funded programs have varying provisions with respect to the allowable cost recovery for General Overhead & Administrative expenses through the grants. The proposed allocation of the Operating Budget to SJAFCA's Projects and Program Budgets, with reference to their primary funds, is shown in Table 3 below.

TABLE 3 – OPERATING FUND COST ALLOCATION SUMMARY

Fund	No.	Allocation %
General	55601	5%
O&M	55694	10%
Smith Canal	55666	5%
Mossdale	55679	35%
LSJR	55653	33%
RFMP	55667	2%
Paradise Cut	55665	10%

Note – the above allocation represents a high-level summary of the allocation of GO&A expenses. The allocation of certain staff time and employee benefits varies from the allocations noted here. Refer to Exhibit B for additional details.

AGENDA ITEM 7.1

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

Operating Fund Cost Allocations:

SJAFCA Operating Fund (Fund 55601). The SJAFCA Operating Fund balances are made up of assets that were derived from the Flood Protection Restoration Project (FPRP) completed in 1998, the unexpended bond proceeds for that project, fees collected by both the City of Stockton and County of San Joaquin for the Agency's former equalization fee program, and reimbursement received from the U.S. Army Corps of Engineers (USACE) for the original flood control improvements. In addition to earned interest, some funding from in-County local agencies was received to help pay the local share of costs for the Lower San Joaquin River Feasibility Study. Revenues received from local agencies and through Funding Agreements reimbursed the Agency for some of the costs it incurred to support these projects.

Over the last several years, the Reserve Fund balances have been used to pay for the Agency's operating costs as well as work that supported some of the Agency's capital improvement projects, such as the Lower San Joaquin River Feasibility Study (LSJRFS), the recertification of the Bear Creek and Calaveras River levee reaches, and to advance funds for the Smith Canal Gate project before the Smith Canal Area Assessment District was established. With the FY 2020/21 through the 2023/24 budgets, as described above, the Agency allocated its operating costs (the General & Administrative expenses) to minimize the amount of reserves used to fund operating expenses. With the passage of the LCMA District last year, the Agency is now able to allocate funding from the LCMA District to support the GO&A activities of SJAFCA. The available funding from the LCMA District that is utilized to support the ongoing flood protection services for Zone 9 that SJAFCA provides can support a portion of the operating costs of the Agency.

Operations and Maintenance (O&M) Fund (Fund 55694). The O&M Fund accounts for money collected annually through the Agency's O&M assessment. The levy of this assessment provides resources for ongoing maintenance of the Agency's FPRP improvements. Each year, the Board reviews the Annual Engineer's Report and establishes the O&M assessments. The O&M budget for FY 24/25 is presented to the Board as a separate item (Agenda Item 7.2). The allocation approach discussed above and shown in Exhibit B allocates up to \$243,300 of GO&A expenses to the O&M fund. This allocation is covered by the amount allocated for SJAFCA's administration budget of \$298,500 which is included in the O&M Budget for the FPRP (Item 7.2).

Smith Canal Gate Project (Funds 55666/55654). These funds account for money collected annually for the Smith Canal Gate Project. The allocation approach discussed above, and shown in Exhibit B, would allocate up to \$121,650 of GO&A expenses to the Smith Canal Project fund. Funding for this would come from funds authorized to advance the Smith Canal Project (grant funding from DWR) and its

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

associated maintenance (the Levee Construction and Maintenance Assessment District).

Mossdale Tract Fund (Fund 55679/55680). These funds were created as part of a Board-approved action on February 26, 2018 (SJAFCA Resolution 18-06), to address flood protection for the Mossdale Tract Area. The local sources of funding include previously funded forgivable loans from member agencies: City of Stockton, San Joaquin County, City of Lathrop and City of Manteca, a Regional Development Impact Fee program the Mossdale Tract Enhanced Infrastructure Financing District (EIFD) formed on July 21, 2022. Additional funding has been provided through an Urban Flood Risk Reduction (UFRR) program grant from DWR for a feasibility study, preliminary design and environmental review of the Project. Program activities are also funded from a grant from the Bay Area Council. Additional funding will also come from an expected amendment to the UFRR Program Grant with DWR allocating State funding for the implementation of improvements to the Mossdale Tract Levees. Further, additional funding will also come from the newly formed Mossdale Tract Area Overlay Assessment District expected to be formed as part of separate Board Action during this meeting. All of these funds are used to pay for activities to advance the Mossdale Tract Program. As a multi-year capital project, unexpended prior year funding authorized by the Board under this program rolls forward to future fiscal years. The allocation approach discussed above and shown in Exhibit B would allocate up to \$851,550 of GO&A expenses to the Mossdale fund. The additional funding requested under this item, discussed later in this report, reflects this GO&A allocation.

Lower San Joaquin River Phase 1 (Federal) Project (Fund 55653). As further discussed below, staff and consultants of the Agency are currently working with the USACE, DWR and CVFPB to advance the Lower San Joaquin River Project. This work includes advancing, in earnest, the first increment toward construction, design of subsequent increments as well as advancing the non-federal sponsor obligations including land acquisition. With this effort, and consistent with the approach described above, like last year, staff proposes to incorporate an allocation of GO&A costs to the Lower San Joaquin River Project. The allocation would be \$802,890. Funding for this would come from fund balances in Lower San Joaquin River Federal Project Fund and revenues from the recently approved LCMA District

Regional Flood Management Plan (Fund 55667). With the execution of the RFMP grant during FY 20/21 staff established Fund 55667 to track and account for the RFMP Program. The program funded by DWR has been extended, most recently in April, to add additional time and funding through FY 25/26. The budget request last year reflected an allocation of GO&A expenses for FY 22/23. The budget request for FY 24/25, which is reflected later in this report, includes an additional year of GO&A expenses of up to \$48,660 consistent with the proposed allocation noted in Exhibit B.

Paradise Cut (Fund 55665). SJAFCA has executed an Agreement with DWR during FY 2023/24 to advance the Paradise Cut Feasibility Study. The agreement is now effective and working will continue through FY 24/25. Consistent with the Agency's

AGENDA ITEM 7.1

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

practice of allocating operating expense to projects, the allocation of GO&A expense to this fund would be approximately \$243,020.

Operating Budget. The Agency's Operating Budget as summarized above in Table 1 and presented in Exhibit A for FY 24/25 totals \$2,433,000. This is about 21% higher than the total budget from FY 23/24 and takes into consideration the change in staffing and administrative cost as a result of the Agency's relocation to a new physical location and the provision of support services. Staff has prepared the Operating Budget utilizing consistent categories as prior years. These categories of expenses are described further below:

- **SJAFCA/CITY Employee Services.** This category includes salary and benefits for 8 SJAFCA positions: Executive Director, Deputy Executive Director, Executive Project Manager, Senior Civil Engineer, Accounting & Finance Administrator, and administrative support staff (2). One position is a City of Stockton position and the balance are Agency positions. City of Stockton costs include an allocation of salary and benefits for administration and City payroll services. The total allocation of resources to support these staffing costs is \$1,501,910.
- **Professional Services.** These expenses include professional services such as legal counsel, federal and State advocacy efforts, technical consultants, and annual auditing services as well as temporary staffing costs. The total allocation for Other Services is \$573,500.
- **Materials and Supplies.** This category includes expenses for general office supplies, computer software, the maintenance of the Agency's office scanner/copier equipment. This category also includes equipment rental, computer technology support, postage, mailing, duplicating services, file storage and vehicle costs. Rent for Agency's new full service office space. The anticipated cost for Materials and Supplies is \$243,090.
- **Other Expenses.** This category includes costs for travel, parking, training and staff development, professional memberships, permits/certifications, website development and maintenance. This category also includes the Agency's general liability insurance premiums and association memberships. The total anticipated cost for Other Expenses is \$114,500.

The Operating Budget illustrated in Exhibits A and B (summarized in Tables 2 and 3) includes the full costs for the proposed positions and the allocations to the Projects and Programs supporting the Agency's mission. The Agency's Annual Operating Budget and GO&A allocation policy are reviewed annually and adjustments are made as part of the Budget Approval process for the following year.

Capital Improvement Program (CIP) Budget

As further described above, the Agency now has 5 capital programs that support flood protection projects. The matrix below describes the current and planned sources of funding for those programs:

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

	Smith Canal	Mossdale Tract	Lower San Joaquin River Phase 1	Regional Planning	Paradise Cut
Funding Sources	- LCMA Assessments (including Bond Revenues) - EIP/UFRR Grants - Allocation of Agency Reserves	- Local Funding Agreements - DWR Grant funding - The Mossdale Regional Levee Impact Fee - Climate Resiliency Grant - EIFD - Mossdale Tract Overlay Assessment (including Bond Revenues)	- SJAFCA Fund Reserves - Local Funding Agreements - Federal Reimbursement - LCMA Assessment Revenues	- RFMP Grant (DWR)	- DWR Grant

These programs and their associated Capital Budget augmentation requests are described further below.

2. Smith Canal Gate Project (Fund 55666)

As noted in the matrix above, funding for the Smith Canal Gate Project has included grant revenues from the DWR, an allocation of agency reserves, assessments from the Smith Canal Area Assessment District (SCAAD) and proceeds from the sale of Bonds secured by assessments. SCAAD assessment levies began in FY 14/15 and have now ceased with the passage of the LCMA District. The Agency has issued new Bonds and redeemed the SCAAD bonds effectively replacing the SCAAD with the LCMA District. The last year SJAFCA levied the SCAAD Assessments was FY 22/23. The first year the Agency levied LCMA Assessments was FY 23/24.

In year's past, the annual CIP budget for the Smith Canal Project was approved by the Board as part of the annual SCAAD assessment levy authorization. Because the SCAAD Assessment is no longer levied, as was the case last year, the annual capital budget for the Smith Canal Project has been incorporated as part of the recommended omnibus CIP approval shown here. The total estimated expenditures for the Smith Canal Gate Project are \$96.968 Million. No additional augmentation is requested at this time. The Project has completed construction and Project closeout activities, including the process of starting up Operations and Maintenance activities, are extending into Fiscal Year 2024/25. The total expenditure budget for the Project was previously approved with prior authorizations. Table 4 below summarizes the authorized CIP budget and is reflective of prior adjustments between budget categories and updated actual costs. The budget categories align the expenditures with the appropriate categories of the DWR grant funding.

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

TABLE 4 – SMITH CANAL GATE CIP BUDGET SUMMARY (Fund 55666)

FY 2023/24 SMITH CANAL GATE Program CIP Budget	Approved Budget thru FY 22/23	Estimated Expenses thru 7/9/2024	Budget balance as of 7/9/2024	Proposed Budget Realignment	Budget thru FY 24/25
EXPENDITURES					
Design Phase	\$6,672,358	\$6,672,358	\$0	\$0	\$6,672,358
Supplemental Engineering	\$2,477,651	\$2,481,283	(\$3,632)	\$0	\$2,477,651
Independent Review	\$403,381	\$203,381	\$200,000	\$0	\$403,381
Project Management	\$4,803,603	\$4,359,680	\$443,923	\$0	\$4,803,603
Construction	\$60,280,447	\$49,029,538	\$11,250,910	\$0	\$60,280,447
Construction Management	\$18,660,472	\$16,086,981	\$2,573,491	\$0	\$18,660,472
Real Estate Contingency	\$360,000	\$290,573	\$69,427	\$0	\$360,000
Real Estate Acquisition	\$450,000	\$450,000	\$0	\$0	\$450,000
Public Outreach	\$118,710	\$68,090	\$50,620	\$0	\$118,710
Environmental Mitigation	\$2,724,726	\$2,724,726	\$0	\$0	\$2,724,726
Recreational Enhancements	\$17,500	\$17,500	(\$0)	\$0	\$17,500
TOTAL EXPENDITURES	\$96,968,849	\$82,384,109	\$14,584,739	\$0	\$96,968,849

The sources of funding for the Smith Canal Gate Project are summarized in Table 5 below. All of these sources have been secured and are in place and available to fund the Smith Canal Gate Project.

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

TABLE 5 – SMITH CANAL GATE SUMMARY OF FUNDING SOURCES

FY 2023/24 SMITH CANAL GATE Program CIP Revenues	Amount	Date / Note
State Funding (secured)		
Design Phase (Prop 1E)	\$2,412,500	September-12
Construction Phase (Prop 1E)	\$22,309,666	October-17
Amendment 1 (Prop 1E)	\$13,562,092	October-19
Amendment 3 (General Fund)	\$2,000,000	May-22
Amendment 4 (Legislative)	\$18,000,000	November-22
Total State Funding	\$58,284,258	
Local Funding (secured)		
SCAAD Revenues	\$14,793,130	Reflects 9 years of assessments
Net Financing (Proceeds less Debt Service)	\$18,380,871	2020 Bond proceeds less debt service paid
SJAFCA Allocation of Reserves	\$5,000,000	Allocation of Agency reserves (June 2021)
Allocation of LCMA Revenues	\$860,000	Allocated in FY 2023/24 [1]
Total Local Funding	\$39,034,002	
Total Funding	\$97,318,260	

[1] Represents approved allocation of 2023/24 revenues from LCMA District for the Smith Canal Project based on amount of revenues that would have otherwise been available if the SCAAD had remained in place through 23/24. Actual fund transfer has not yet taken place, however, the available fund balance in the LCMA fund is reflective of this transfer.

The recommended Board Action includes approval of expenditures for Smith Canal Funds and for the activities needed to continue to advance the Smith Canal Gate Project. The budget is fully funded.

During FY 2024/25, the Smith Canal Gate Project implementation will be completed the Agency will be closing out the Project's funding agreement with DWR. SJAFCA will be transitioning the Project into its long-term Operations and Maintenance phase during the Fiscal Year. Funding for the Operations and Maintenance of the Gate will come from the LCMA District. The budget for this funding is reflected as part of the LCMA budget presented within this report for this Fiscal Year. The Agency may, in future years, present this budget separately once it determines how best to track the Operations and Maintenance activities for completed components of the Lower San Joaquin River Project.

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

3. Mossdale Tract Program (Funds 55769/55680)

To date, the Mossdale Tract Program has been supported by the following funding sources:

- Advanced funding from Member Agencies;
- A Regional Development Impact Fee program;
- A grant from DWR under its Urban Flood Risk Reduction Program to advance a Feasibility Study, Preliminary Design and Environmental review; and,
- A grant from the Bay Area Council to support Climate Resiliency.

During FY 2022/23, the Agency completed the formation of an Enhanced Infrastructure Financing District (EIFD) and helped establish the new Public Financing Authority to govern the EIFD. To further accomplish the goal of achieving an Urban Level of Flood Protection for the Mossdale Tract Area, during Fiscal Year 2023/24, the Agency advanced the successful formation of the Mossdale Tract Overlay Assessment District (OAD). Formation of the OAD is presented as a separate item on this July 18, 2024 Agenda.

On July 20, 2023 the SJAFCA Board approved the last budget augmentation to the previously approved CIP budget to fund the Mossdale Tract Program through FY 2023/24. The following discussion describes the work covered in the proposed augmentation to cover activities through FY 2024/25 and the status of current efforts.

Prior board approvals of budget for the Mossdale Tract Program involved a series of actions to create the financial infrastructure to allow SJAFCA to continue the efforts to advance 200-Year flood protection for the Mossdale Tract area started by the Cities of Lathrop & Manteca. These actions included funding to:

- 1) Transition of the Urban Flood Risk Reduction (UFRR) Program Feasibility Study, Design and Permitting Agreement with DWR from Lathrop to SJAFCA;
- 2) Completion of the UFRR Feasibility Study and approval of a scope amendment to the UFRR Agreement;
- 3) Completion of an Administrative Draft Environmental Impact Report, development of a 35% Basis of Design Report and supporting design drawings, and development of multi-benefit features and restoration design.
- 4) Advance efforts to achieve an Urban Level of Flood Protection including Adequate Progress Annual Reporting, Technical Support, and Local Funding Program Implementation for the Mossdale Tract Basin including an update to the Development Impact Fee Program, the formation of the Mossdale Tract Enhanced Infrastructure Financing District and the formation of Mossdale Tract Overlay Assessment District.

These efforts to advance an ULOP continue along with the additional items described below.

Phase 2 of the Lower San Joaquin River Project, known as the Lathrop & Manteca Feasibility Study, in partnership with the USACE and the State of California (CVFPB), is cost-shared (50% Federal, 25% State of California and 25% SJFACA), is well underway. A Feasibility Cost Share Agreement was executed between USACE, the CVFPB and SJAFCA on

AGENDA ITEM 7.1

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

September 30, 2022 for a \$7 million - 4 ½ year feasibility study. To date, \$1,750,000 in federal funding and \$1,080,000 in State funding and \$970,000 in SJAFCA funding has been received to advance the Study.

The budget augmentation presented herein provides support for continued engagement in the Study with USACE to work towards a favorable determination of federal interest along with the pursuit of federal and State funding. The budget also reflects the anticipated execution of a 6th Amendment to the State UFRR Funding Agreement allocating an additional \$75,000,000 of State Funding to advance implementation of flood risk reduction improvements and ecosystem restoration components identified in the finalized UFRR Feasibility study. Implementation efforts include completion of the CEQA as well as the design and permitting of the Dryland Levee.

As it relates to the implementation of the Local Funding Program for the Mossdale Tract Area, the budget augmentation presented herein provides funding for the ongoing administration of the current in place funding sources as well as and the first year's implementation of the recently approved Overlay Assessment District.

As previously presented in 2022, SJAFCA executed an agreement in 2020 with the Bay Area Council for a \$200,000 Climate Resiliency Challenge grant and in 2021, after completion of the initial scope of work with the Council, SJAFCA received an additional \$100,000 to help complete the second phase. In 2023, SJAFCA authorized this additional match of \$100,000 for total grant funding of \$300,000. The FY 2024/25 Mossdale Budget reflects this level of funding and associated scope of work.

The recommended budget augmentation for Fiscal Year 2024/25 summarized in Table 6 below for the proposed Mossdale Tract Fund addresses the following categories of costs:

UFRR Feasibility Study (Phase 1)

- Work by Peterson Brustad Inc. / R&F, Inc. (*Note – The State feasibility study portion of the UFRR Agreement was completed in 2021, expenses incurred in excess of the budget were tracked under this prior Phase and have now been recategorized as part of the UFRR Preliminary Design grant as requested by DWR. The budget adjustments presented here reflect the realignment of the budget to reflect actual costs as requested by DWR.*)

Program Management

- Staff Support & Allocated Overhead
- Consulting Support
- Legal Support
- Strategic Planning and Implementation
- Public Outreach

Local Funding Implementation

- Funding Implementation including Regional Development Impact Fee, EIFD & Overlay Assessment District

AGENDA ITEM 7.1

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

- ULOP Adequate Progress Report and Financing Plan updates
- Budget Support and funding Administration Services

Project Implementation

(Note – As presented as part of this CIP Budget, four sub-categories for Project Implementation have now been identified for additional budget clarity and transparency.)

State / Local – UFRR Project

- Preliminary Design, Environmental Review (CEQA), Project Management, ROW Planning and Support, and Public Outreach (partially cost shared with DWR under the UFRR Grant)
- Manteca Dryland Levee extension design and permitting
- Mitigation / Restoration Site development for implementation

UFRR Phase 3 – Project Construction

- As a continuation of the UFRR Project and the allocation of additional State funding for Construction as part of the 6th Amendment to the UFRR Agreement, an additional sub-category has been added. This category reflects Project Management/Coordination efforts, Right of Way Acquisition Construction Management, and Construction.

Federal State / Local – Lathrop Manteca Study

- Federal Program Consultation Phase 2 Feasibility Study Coordination, design team support and Public Outreach
- Direct Cost Share Payments to USACE

Climate Resiliency Grant

- Program Admin and Grant Management, Plan Formulation and Final Report / Case Study preparation.

In summary, the budgeted costs for the Mossdale Tract fund are summarized in Table 6 as follows:

**RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR
FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY**

TABLE 6 – MOSSDALE TRACT FY 2024/25 CIP BUDGET SUMMARY
(Funds 55769/55680)

FY 2024/25 Mosssdale Tract Program CIP Budget Expenditures	Approved Budget Through 23/24	Expended through 7/9/2024	Budget Balance through 6/19/2024*	Proposed Budget Augmentation	Proposed Budget Through 24/25
UFRR Feasibility Study (Phase 1)	\$1,341,759	\$338,404	\$1,003,355	-\$983,000	\$358,759
Program Management	\$4,080,171	\$4,110,493	-\$30,322	\$1,266,700	\$5,346,871
Local Funding Implementation	\$2,336,649	\$1,550,837	\$785,812	\$0	\$2,336,649
Project Implementation (State/Local UFRR Project - CEQA/Prelim Design)	\$5,229,745	\$5,148,620	\$81,125	\$2,792,800	\$8,022,545
Project Implementation (State/Local UFRR Project - Construction)	\$0	\$0	\$0	\$3,350,000	\$3,350,000
Project Implementation (Fed/State/Local – Lathrop Manteca Project)	\$1,794,748	\$1,599,167	\$195,581	\$1,033,500	\$2,828,248
Climate Resiliency	\$300,000	\$214,210	\$85,790	\$0	\$300,000
TOTAL EXPENDITURES	\$15,083,072	\$12,961,731	\$2,121,341	\$7,460,000	\$22,543,072

The above expenses would represent the total cumulative Capital Improvement Program (CIP) budget for the Mosssdale Tract Program through FY 2024/25. Further, as is the case with all CIP budgets, if the above budget is not expended through FY 2024/25, the budget would roll over to the next fiscal year.

The requested budget augmentation of \$7.4 million focuses on additional efforts to do the following; finalize the CEQA Environmental Impact Report for the project, continue design of the Dryland Levee Extension, initiate project permitting, plan for real estate acquisition, and advance the project toward construction, continue to earnestly advance efforts on the Lathrop Manteca Federal Feasibility Study to garner Federal Interest, maintain Adequate Progress, and administer the existing program features by sharing in the Agency's operational costs.

The revenues supporting the expenditure budget come from multiple sources. These include:

- The UFRR funding agreement with State of California assigned from the City of Lathrop to SJAFCA, including the bank of local credit as a result of prior local investment by the Cities of Lathrop and Manteca
- SJAFCA's funding agreements with its members structured in the form of loans. The funding was received in FY 17/18 and is available to fund all project efforts. These loans will be repaid once the future local funding mechanisms are in place and able to provide sufficient cash flow to cover future project expenses.
- Development Impact Fee revenues collected and transmitted to SJAFCA pursuant to a

AGENDA ITEM 7.1

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

collection agreement with each member land use agency.

- Transfer of EIFD Revenues from the Mossdale Tract EIFD Public Financing Authority pursuant to a Memorandum of Understanding between SJAFCA and the PFA.
- Revenues from the Mossdale Tract Overlay Assessment District.
- Grant funding from the Bay Area Council's Climate Resilience Challenge.

A summary of the estimated revenues covering the budgeted expenses detailed are shown in Table 7 below.

TABLE 7 – MOSSDALE TRACT FY 2024/25 CIP REVENUES

FY 2024/25 Mossdale Tract Program CIP Budget Revenues	Approved Budget Through 23/24	Actual through 6/19/2024*	Budget Balance through 6/19/2024	Proposed Budget Augmentation	Proposed Budget Through 24/25
DWR UFRF Funding	\$3,250,000	\$2,411,581	-\$838,419	\$2,500,000	\$5,750,000
Levee Impact Fees	\$10,755,697	\$14,526,391	\$3,770,694	\$3,770,694	\$14,526,391
Member Agency Seed Funding	\$310,000	\$310,000	\$0	\$0	\$310,000
Climate Resiliency Grant Funding	\$300,000	\$250,000	-\$50,000	\$0	\$300,000
Mossdale EIFD PFA Funding	\$800,000	\$2,778,465	\$1,978,465	\$1,978,465	\$2,778,465
Fund Interest Earned	\$98,034	\$574,823	\$476,789	\$476,789	\$574,823
Mossdale Overlay Assessment District	\$0	\$0	\$0	\$2,200,000	\$2,200,000
TOTAL REVENUES	\$15,513,731	\$20,851,261	\$5,337,530	\$10,925,949	\$26,439,680

The recommended Board Action includes approval of additional funding for the Mossdale Tract Funds and for the activities needed to continue to advance the Mossdale Tract Program. The budget is fully funded.

4. Lower San Joaquin River Project (Fund 55653)

The overall estimated cost for the Lower San Joaquin River Project (LSJRP) is approximately \$1.4 billion. This project is expected to be implemented in several increments over a decade or more timeframe. The first increment of the LSJRP, TS_30_L, Tenmile Slough, is designed and is out for bid with construction starting in 2025.

Design started on the next increment, Shima Tract Phase A, which will extend into 2025, and several other increments of the program will start designs this upcoming fiscal year, including Calaveras River Left Bank, Duck Creek/French Camp Slough. As such, USACE plans to spend \$35M in the upcoming Federal fiscal year and requires cost sharing and land acquisition and utility relocations from the non-Federal Sponsors (SJAFCA and DWR).

To generate funding for the Local Share of the Design efforts back in September 2018, the Board authorized the Executive Director to execute cost share agreements for the LSJRP

AGENDA ITEM 7.1

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

with the local stakeholder agencies impacted by the Feasibility Study. This was the same approach taken to fund the local share of the Feasibility Study. However, at the same time, SJAFCA had been working to receive a \$10.06 million reimbursement for completed work on the prior Federal project. This money was received in July 2019. Around that time, staff met with the local agencies to discuss cost share agreements, and at the same time the Board had been discussing the identification of a local funding mechanism to set up full local share of entire authorized LSJRP. In lieu of executing cost share agreements, SJAFCA authorized the use of a portion (up to \$3.14 million) of the \$10.06 million in funds (now part of SJAFCA's reserves) to match the Federal FY 2020 Funding allocated for the Project. The remaining funding, after an allocation to the Smith Canal Project (noted above), was to be focused on developing the long-term funding needed to generate the remaining local share of the overall LSJRP. SJAFCA used this funding to partner with the San Joaquin County Flood Control and Water Conservation District to advance the successful formation of the LCMA District which was completed in June 2023. At the same time the Board approved the formation of the LCMA District, the Board authorized the sale of Assessment Revenue bonds to both redeem and defease the outstanding SCAAD Assessment Revenues bonds, but also generate project proceeds of \$5.0 million. The sale of these was completed on August 2, 2023.

Since Federal Fiscal Year 2020, USACE has appropriated \$107M toward the design and construction of the Lower San Joaquin River Project. SJAFCA's cost share obligation for the project is 10.5%, which can come in the form of credit for in-kind work, credit for land, easements, rights-of-way, relocations and disposal areas (LERRD), and cash. SJAFCA's approach is to continue to fully leverage Smith Canal credit and in-kind work credit to minimize cash outlays. The project's priority remains the planned delivery of the first increment of construction at Ten Mile Slough in the Brookside neighborhood (TS_30_L) and working with USACE to advance other increments of the project, at Shima Tract, Calaveras, and San Joaquin River at Van Buskirk. Funding for SJAFCA FY24/25 continues to support land acquisition requirements, project support and consulting services, and all cash contributions which may be requested by USACE. The augmentation to the previously approved fiscal year 2023/2024 budget of \$10.83 million, which includes additional authorizations made in mid-2023/24, for continued support of the LSJRP is \$6.82 million brings the total authorization for the project up to \$17.64 million.

Funding for the continued advancement of the LSJRP comes from several sources.

- Remaining fund balances from the previous federal reimbursement.
- Grant funding from the State of California DWR as the result of an amendment to the Smith Canal Gate Project UFRF Funding Agreement in the amount of \$2,501,182 specifically for the purpose of supporting advancing of the LSJRP.
- A cash advance from the State of California in the amount of \$900,000 under the Local Project Partnership Agreement for the LSJRP.
- Revenues from the LCMA District as well as proceeds from the sale Assessment Revenue Bonds secured by the assessments.

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

The budget summarized in Table 8 below takes into consideration the updated approach for budgeting the LSJRP by Phase of implementation, presented at the 2023/24 Mid-Year Budget as well, and the funding requirements needed to continue to support implementation of the Lower San Joaquin Federal Project Phase 1 Project.

TABLE 8 – LOWER SAN JOAQUIN RIVER PROJECT
FY 2023/24 CIP BUDGET SUMMARY (Fund 55653)

	Approved Budget Through 23/24	Expended through 6/26/2024*	Budget Balance through 6/6/2024*	Proposed Budget Augmentation	Proposed Budget Through 24/25
Overall Program Management					
Program Admin, Staff Support & Legal	\$1,139,886	\$1,570,280	(\$430,394)	\$971,790	\$2,111,676
Assessments & Financing Efforts	\$500,000	\$581,382	(\$81,382)	\$99,073	\$599,073
USACE Payments	\$0		\$0	\$3,675,000	\$3,675,000
Property Acquisition (LERRDS)	\$0		\$0	\$1,020,000	\$1,020,000
Subtotal Overall Program Management	\$1,639,886	\$2,151,662	(\$511,776)	\$5,765,862	\$7,405,748
TS 30L					
Project Admin, Eng. & Environ.	\$763,386	\$650,504	\$112,882	(\$57,996)	\$705,390
USACE Payments	\$3,904,000	\$3,903,744	\$256	(\$256)	\$3,903,744
Property Acquisition (LERRDS)	\$4,254,000	\$1,475,000	\$2,779,000	(\$1,748,932)	\$2,505,068
Subtotal TS 30L	\$8,921,386	\$6,029,249	\$2,892,137	(\$1,807,183)	\$7,114,203
Shima Tract Levee					
Project Admin, Eng. & Environ.	\$202,386	\$113,131	\$89,255	\$551,821	\$754,207
USACE Payments	\$0	\$0	\$0	\$0	\$0
Property Acquisition (LERRDS)	\$63,000	\$81,472	(\$18,472)	\$2,017,800	\$2,080,800
Subtotal Shima Tract Levee	\$265,386	\$194,603	\$70,783	\$2,569,621	\$2,835,007
Calaveras River - Left Bank					
Project Admin, Eng. & Environ.	\$0	\$4,287	(\$4,287)	\$4,287	\$4,287
Property Acquisition (LERRDS)	\$0	\$27,797	(\$27,797)	\$33,747	\$33,747
Subtotal Calaveras River - Left Bank	\$0	\$32,083	(\$32,083)	\$38,033	\$38,033
Duck Creek & French Camp Slough					
Project Admin, Eng. & Environ.	\$0	\$0	\$0	\$140,000	\$140,000
Property Acquisition (LERRDS)	\$0	\$0	\$0	\$500,000	\$500,000
Subtotal Duck Creek & French Camp Slough	\$0	\$0	\$0	\$640,000	\$640,000
TOTAL EXPENDITURES	\$10,826,658	\$8,407,598	\$2,419,060	\$7,206,334	\$18,032,992

Table 9 below details the funding sources available for the above noted expenditure budget. With the increase in spending, additional funding from the LCMA District is proposed to be allocated to the Project to meet the additional expenditure requirements.

AGENDA ITEM 7.1

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

**TABLE 9 – LOWER SAN JOAQUIN RIVER PROJECT
PROGRAM FUNDING SOURCES**

FY 24/25 Proposed Lower San Joaquin Project (LSJRP) Funding Sources	
	Amounts Secured
Prior Allocation of SJAFCA Reserves (2021/22)	\$3,140,000
Smith Canal Gate UFRR Grant Amendment (State Share Amount)	2,501,182
Local Project Partnership Agreement with State of California (LPPA) Cash Advance from DWR	900,000
Levee Construction and Maintenance Assessment Bond Proceeds	5,000,000
FY 2024/25 Allocation of Levee Construction and Maintenance Assessment Revenues	\$6,500,000
Total LSJRP CIP Funding:	\$18,041,182

5. Regional Flood Management Planning (Fund 55667)

Money received for the first two Phases of Regional Flood Management Planning (RFMP) was used to reimburse the Agency for its efforts to provide critical information about local flood management needs and priorities as part of the 2017 Central Valley Flood Protection Plan (CVFPP) update. As an extension of RFMP efforts, in 2020/21 DWR advanced a third phase of regional planning to support the 2022 CVFPP update. Staff worked with the State to put this grant in place and support the Agency's projects. Staff finalized a scope of work and budget with DWR for the Phase 3 RFMP Grant and the grant was approved for \$850,000 for approximately 3-Years of work. Last year, SJAFCA executed a grant agreement for an additional \$260,000 for a "2023 round" of RFMP funding (i.e., a 4th phase). The State has identified an additional funding source for a future 5th phase with an estimated amount of funding of approximately \$315,000. The cumulative authorizations previously approved by the Board totaled \$1,396,000 based on prior budget estimates from DWR. Given the proposed 5th phase of funding, an augmentation of an additional \$29,000 is needed to align the budget with the total funding authorized by DWR. Because the scope of the additional funding from DWR is still being negotiated with DWR, staff's proposal is to augment the overall program and implement adjustments between program items to align the authorized spending once the scope is approved by DWR.

Table 10 below presents the current approved budget, the estimated expenses incurred through June 30, 2024, and the updated budget based on the expected spending moving forward. The budget includes funding for the allocated agency General and Administrative Services as described further above.

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

TABLE 10 – RFMP FY 2024/245 CIP BUDGET SUMMARY (Fund 55667)

	Budget through FY 23/24	Estimated Expenses through July, 9 2024	Remaining Budget	Budget Realignment for 23/24	Final Total Budget	Remaining after updated Final Budget
RFMP - 1 - PROGRAM MANAGEMENT [1]	\$448,550	\$611,521	(\$162,971)	\$281,000	\$729,550	\$118,029
RFMP - 2 - COMMUNICATION AND ENGAGEMENT	\$119,718	\$78,030	\$41,688	(\$40,000)	\$79,718	\$1,688
RFMP - 3 - RFMP ACT UPDATES CVFPP	\$104,985	\$84,199	\$20,786	(\$20,000)	\$84,985	\$786
RFMP - 4 - FINAN. PLANG. & FUNDING SUPPOR	\$75,544	\$60,563	\$14,981	(\$14,000)	\$61,544	\$981
RFMP - 5 - REGIONAL GOVERNANCE	\$15,000	\$16,502	(\$1,502)	\$2,000	\$17,000	\$498
RFMP - 6 - MULTI BENEFIT OPP. & PARF TRAC	\$111,686	\$95,769	\$15,916	(\$15,000)	\$96,686	\$916
RFMP - 7 - REGIONAL CLIMATE RESILIENCE	\$139,367	\$56,013	\$83,355	(\$83,000)	\$56,367	\$355
RFMP - 8 - INSTITUTIONAL BARRIERS	\$178,000	\$175,537	\$2,463	(\$2,000)	\$176,000	\$463
RFMP - 9 - NFIP RELATED ACTIVITIES	\$4,000	\$2,667	\$1,333	(\$1,000)	\$3,000	\$333
RFMP - 10 - REGION SPECIFIC ACTIVITIES	\$124,150	\$25,560	\$98,590	(\$98,000)	\$26,150	\$590
RFMP - 11 - WATER RESOURCE PORTFOLIO 25.4	\$75,000	\$0	\$75,000	(\$10,000)	\$65,000	\$65,000
Budget Augmentation for Phase 5 [2]	\$0	\$0	\$0	\$29,000	\$29,000	\$29,000
TOTAL	\$1,396,000	\$1,206,360	\$189,640	\$29,000	\$1,425,000	\$218,640

[1] Includes allocated Agency overhead.

[2] Budget allocation to be refined further to support administration of RFMP Funding Agreement activities and administration with DWR.

Original Budget	\$1,396,000
Estimated Expenses through 6/24	-\$1,206,360
Remaining Budget	\$189,640
Net Budget Augmentation [1]	\$29,000
Adjusted Remaining Budget	\$218,640
Prior expenses	\$1,206,360
plus Adjusted Remaining Budget	\$218,640
Final Total Budget	\$1,425,000
[1] Previously approved budget was based on estimated additional funding from DWR. The net budget augmentation reflects a finalized estimate for cumulative DWR funding for RFMP Activities since 2020.	

6. Paradise Cut Program (Fund 55665)

In December 2021, the Board directed and authorized staff to enter into a funding agreement with the DWR to fund the combined Paradise Cut Expansion and South Delta Restoration Project (Paradise Cut). The work would be funded by Proposition 68 under DWR's System Wide Flood Risk Reduction (SWFRR) program. The goal of the grant is to advance Phase 3 of the Paradise Cut Project. The scope of work entails establishment of a Technical Review Panel, Outreach and Engagement, the preparation of a Feasibility Study and the preparation of Preliminary Engineering and Landscapes Designs to facilitate the development of engineers cost estimate (10%) for the preferred alternative including landscape-scale plans for multiple-benefit ecosystem restoration in the Project footprint.

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

In December 2021, it was reported that the term of the grant was expected to run from June 2022 through June 2024, however, execution of the Grant was delayed. The Board approved an updated agreement and delegated authority for the Grant's execution in April 2023. Initial work by SJAFCA and the consulting team has been funded through the RFMP Program. In April 2024 the Board authorized the execution of Master Services Agreements with various consultants obligating \$2,997,536 of Task Orders. As a result of the delayed execution of agreements, minimal expenses have been incurred during FY 2023/24. The overall budget for the program remains \$3,000,000 and the budget for the Program was approved in FY 2022/23. No augmentation is requested this year. The budget presented and previously approved is summarized in Table 10 below. As a CIP budget, the budget will roll forward to FY 2024/25. The Agency's allocable portion of overhead is included within the Program Management budget.

TABLE 11 – PARADISE CUT FY 2024/25 CIP BUDGET SUMMARY (Fund 55665)

Scope of Work Elements	Estimated Costs
Task 1 - Project Management and Administration	\$425,000
Task 2 - Technical Review Panel	\$175,000
Task 3 - Strategic Outreach and Local Engagement	\$350,000
Task 4 - Feasibility Study	\$1,750,000
Task 5 - Preliminary Engineering and Landscape Designs	\$300,000
TOTAL	\$3,000,000

The scope of work detailed above is supported by a grant from DWR under its Systemwide Flood Risk Reduction (SWFRR) Program for \$3.0 million. Additional funding in the amount of \$10,000 was provided by the Southern Delta Levee Protection and Channel Maintenance JPA. Cash flow funding has been made available through the authorization of up \$1,000,000 of temporary fund transfers (i.e. a loan) authorized in April 2024 from the Mossdale fund.

7. Levee Construction & Maintenance Assessment District (Fund 55668)

On June 15, 2023, after a successful Proposition 218 Property Owner protest ballot proceeding, the SJAFCA Board approved the formation of the LCMA District. During the Mid-Year Budget Update, the Board received an updated budget from Staff which reflected a more refined budget based on actual expenditures and information from the successful sale of Assessment Revenue Bonds. Table 12 below presents a comparison of the projected actual expenditures relative to the approved budget for Fiscal Year 2023/24 as well as estimate of the budget for Fiscal Year 2024/25. The Budgeted revenues for Fiscal Year 2024/25 reflect

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

a 2.93% escalation rate¹ which is the maximum annual assessment escalation authorized within the approved Engineer's Report. The approval of this budget would be consistent with the requested authorization to levy assessments the maximum annual authorized rate for FY 2024/25 presented as a separate item on this agenda.

The LCMA Assessment Revenues are authorized to provide funding Levee Improvement and Maintenance services. Funding from assessment for Fiscal Year 2024/25 will be utilized for the following:

- To provide funding directly to SJAFCA and Zone 9 of the San Joaquin Flood Control and Water Conservation District to support Levee Operations and Maintenance and Flood Control Improvements within the Zone 9;
- To provide funding to SJAFCA to support the Operations and Maintenance of the Smith Canal Gate;
- To provide funding to SJAFCA to support the local sponsor obligations of the Lower San Joaquin River Phase 1 Project;
- To pay debt service on Bonds Issued by SJAFCA secured by LCMA Assessment Revenues; and,
- To fund the administrative costs of the Assessment District.

Additional details regarding the budget for ongoing Smith Canal Gate Operations and Maintenance as shown as part of the FY 2024/25 LCMA Budget are shown in Table 13. As noted previously, the Agency may, in future years, present the Smith Canal Gate operations and maintenance budget separately once it determines how best to track these activities for completed components of the Lower San Joaquin River Project.

¹ The authorized escalation rate is based on change in the February to February CPI-W Index for All Items in San Francisco-Oakland-Hayward geography, not seasonally adjusted (base year 1982-84=100)

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

**TABLE 12 – LEVEE CONSTRUCTION & MAINTENANCE ASSESSMENT DISTRICT
FY 2023/24 BUDGET TO ACTUAL COMPARISON & FY 2024/25 BUDGET (Fund 55668)**

	Approved Budget Fiscal Year 23/24	Estimated Actuals Through Fiscal Year 23/24		Proposed Budget Fiscal Year 24/25
REVENUES				
Direct Assessments [1]	\$7,519,066	\$7,547,470		\$7,738,100
Bond Proceeds (Project Fund Deposit)	\$5,000,000	\$5,000,000		\$0
*Bond Proceeds (Costs of Issuance Fund)	\$304,388	\$304,388		\$0
Total Revenues	\$12,823,454	\$12,851,858		\$7,738,100
EXPENDITURES				
Assessment Administration	\$166,000	\$72,647		\$168,000
Bond Issuance Fees & Expenses	\$291,323	\$291,323		\$0
O&M Services				
O&M Services - Direct Transfer to Zone 9	\$841,000	\$0		\$841,000
O&M Services - SJAFCA Support for Zone 9	\$477,000	\$0		\$518,500
Subtotal O&M Services	\$1,318,000	\$0		\$1,359,500
Levee Construction Services				
Smith Canal Gate [2]	\$860,000	\$860,000		\$606,700
Lower San Joaquin River Project Expenditures	\$5,000,000	\$6,000,000		\$6,500,000
Estimated Debt Service (2023 Bonds)	\$1,900,000	\$1,717,109		\$1,714,537
Subtotal Construction Services	\$7,760,000	\$8,577,109		\$8,521,237
TOTAL EXPENDITURES	\$9,535,323	\$8,941,079		\$10,348,737
NET FUND BALANCE CHANGE	\$3,288,131	\$3,910,779		(\$2,610,637)
ESTIMATED BEGINNING BALANCE	\$0	\$0		\$3,910,779
ENDING BALANCE	\$3,288,131	\$3,910,779		\$1,300,142

[1] FY 2023/24 Actuals include interest earned on the fund balance to date.

[2] FY 2024/25 for Smith Canal Gate reflects O&M Start-Up (one year allocation). See Additional detail Table 13 for Smith Canal Gate Operating Expenses for FY 2024/25

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

TABLE 13 – LEVEE CONSTRUCTION & MAINTENANCE ASSESSMENT DISTRICT SMITH CANAL GATE FY 2024/25 OPERATIONS & MAINTENANCE BUDGET

FY 2024/25 SCG 1ST-Year O&M Cost Estimate (From LCMA) Program Budget	Budget Through 24/25
EXPENDITURES	
County O&M Estimated Request	\$350,000
<i>One Time Start Up Cost Details</i>	
Parking Lot Re-Surface	\$20,000
Generator Procurement	\$60,000
Electronic Communications Interface	\$25,000
Miscellaneous / Other Items	\$60,000
One Time Start Up Costs	\$165,000
<i>10-Yr Recurrent Interval Set Asides</i>	
Stop Log Install	\$34,900
Miscellaneous Repairs / Inspections	\$34,900
Permitting (Balance Not Funded w/ Project)	\$21,900
Total Reserve Set Asides	\$91,700
Subtotal FY 2024/25 SCG O&M Services	\$606,700

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

FISCAL IMPACT

Summary

The estimated Agency operating fund carry over Fund balance at the beginning of FY 23/24 is expected to be approximately \$1.8 million. The proposed FY 24/25 budget anticipates total operating costs to be \$2.433 million with the majority of these costs (95%) allocated to SJAFA's projects.

By approving the attached Omnibus Budget Resolution (Exhibit C) attached to this staff report, the Board will adopt and approve the Agency's proposed FY 24/25 operating budget, associated allocation approach to capital programs and the supporting capital budgets for the Lower San Joaquin River Project, Smith Canal Gate Project, Mossdale Tract Area Program, Regional Flood Management Planning Program, Paradise Cut Project, and Levee Construction & Maintenance Assessment District reflected with this staff report.

STRATEGIC PLAN CONSISTENCY ANALYSIS

Consideration of the FY 2024/25 budget process is consistent with the Mission and Goals of the Board-adopted Strategic Plan. Specifically, it is consistent with the *Goal #1, "to Plan for and Implement System Resilience"*, and to *Goal #3, "Facilitate Funding Structures that are most Beneficial to Local Interests."*

PREPARED BY: Sylvia Razniak, Finance & Admin Manager



APPROVED:
CHRIS ELIAS
EXECUTIVE DIRECTOR

SR:smw

Attachments

Exhibit A – FY 24/25 General and Admin Budget
Exhibit B – FY 24/25 Operating Budget and Proposed Allocation to Programs
Exhibit C – FY 24/25 Budget Resolution

SAN JOAQUIN AREA FLOOD CONTROL AGENCY
General Overhead and Administrative Budget (Actual FY 23/24 and Proposed FY 24/25)

EXHIBIT A

	FY 23/24 Approved Budget	FY 23/24 thru 6/24/23	FY 23/24 Projected	FY 24/25 Proposed Budget
700 AGENCY MANAGEMENT - GO&A				
7-30401 SALARIES & WAGES	1,036,900	\$872,915	\$14,349	1,226,700.00
7-30402 BENEFITS	220,828	\$198,984	\$3,271	248,710.00
7-30403 PAYROLL TAX EXPENSE	12,000	\$10,964	\$180	12,000.00
7-30404 WORKER'S COMP. INSURANCE	6,264	\$7,991	\$131	8,500.00
7-30405 PAYROLL PROCESSING EXPENSE	4,067	\$4,165	\$68	6,000.00
Subtotal SJAFCA/City Employees Services	\$1,280,059	\$1,095,019	\$18,000	\$1,501,910
7-30600 AUDIT EXPENSE	16,000	\$111,200	\$1,828	\$150,000
7-40600 OUTSIDE STAFFING SERVICES	35,000	\$0	\$0	\$0
7-50100 PROFESSIONAL SERVICES - AGENCY	363,000	\$317,010	\$5,211	\$423,500
Subtotal Professional Services	\$414,000.00	\$428,210	\$1,828	\$573,500
7-40100 GENERAL OFFICE EXPENSES	203,290	\$216,417	\$3,558	\$242,090
7-40500 MISCELLANEOUS	1,000	\$525	\$9	\$1,000
Subtotal Materials & Supplies	\$204,290.00	\$216,942	\$3,566	\$243,090
7-40200 INSURANCE BOND & MALPRACTICE	45,743	\$46,097	\$758	\$46,000
7-40400 MEMBERSHIPS & LICENSE RENEWALS	23,000	\$24,857	\$409	\$30,000
7-40700 PERMITS & CERTIFICATIONS	10,000	\$2,129	\$35	\$5,000
7-40800 PUBLICATIONS & LEGAL NOTICES	1,000	\$0	\$0	\$500
7-30800 COMMUNICATIONS	4,740	\$4,634	\$76	\$7,000
7-60100 REPAIRS & MAINTENANCE EQUIPMENT		\$5,000	\$82	
7-60200 TRANSPORTATION & TRAVEL	16,000	\$14,341	\$236	\$19,000
7-60300 WEBSITE HOSTING	6,510	\$5,040	\$83	\$7,000
Subtotal Other Expenses	\$106,993	\$102,098	\$1,678	\$114,500
Total 700 - AGENCY MANAGEMENT - GO&A (Rounded)	\$2,005,342	\$1,842,268	\$25,073	\$2,433,000

SAN JOAQUIN AREA FLOOD CONTROL AGENCY
General Overhead and Administrative Budget (Proposed FY 24/25 Allocation to Programs)

EXHIBIT B

	General 55601 5%	O&M 55694 10%	Smith Canal 55666 5%	Mossdale 55679 35%	LSJR Fed 55653 33%	RFMP 55667 2%	Paradise Cut 55665 10%	FY 24/25 Proposed Budget
700 AGENCY MANAGEMENT - GO&A								
7-30400 ADMINISTRATIVE CHARGES								
7-30401 SALARIES & WAGES	61,335	122,670	61,335	429,345	404,811	24,534	122,670	1,226,700
7-30402 BENEFITS	12,435	24,871	12,435	87,048	82,074	4,974	24,871	248,710
7-30403 PAYROLL TAX EXPENSE	600	1,200	600	4,200	3,960	240	1,200	12,000
7-30404 WORKER'S COMP. INSURANCE	425	850	425	2,975	2,805	170	850	8,500
7-30405 PAYROLL PROCESSING EXPENSE	300	600	300	2,100	1,980	120	600	6,000
Total 7-30400 ADMINISTRATIVE CHARGES	\$ 75,095.50	\$ 150,191.00	\$ 75,095.50	\$ 525,668.50	\$ 495,630.30	\$ 30,038.20	\$ 150,191.00	\$ 1,501,910.00
7-30600 AUDIT EXPENSE								
7-30610 AUDITORS CHARGES	1,250	2,500	1,250	8,750	8,250	500	2,500	25,000
7-30620 AUDITORS DRCT ASSMT SERV CHARGE	6,250	12,500	6,250	43,750	41,250	2,500	12,500	125,000
Total 7-30600 AUDIT EXPENSE	\$ 7,500.00	\$ 15,000.00	\$ 7,500.00	\$ 52,500.00	\$ 49,500.00	\$ 3,000.00	\$ 15,000.00	\$ 150,000.00
7-30800 COMMUNICATIONS	350	700	350	2,450	2,310	140	700	7,000
7-40100 GENERAL OFFICE EXPENSES								
7-40110 AUTOMOTIVE EQUIP RENTAL	2,750	5,500	2,750	19,250	18,150	1,100	5,500	55,000
7-40120 COMPUTER / TECH / OPER SUPPORT	2,500	5,000	2,500	17,500	16,500	1,000	5,000	50,000
7-40140 PRINT-STORAGE	250	500	250	1,750	1,650	100	500	5,000
7-40150 POSTAGE & GENERAL	50	100	50	350	330	20	100	1,000
7-40160 OFFICE LIABILITY INSURANCE	50	100	50	350	330	20	100	1,000
7-40170 OFFICE RENT	3,150	6,300	3,150	22,050	20,790	1,260	6,300	63,000
7-40180 MATERIALS & SUPPLIES	1,500	3,000	1,500	10,500	9,900	600	3,000	30,000
7-40190 INDIRECT COSTS ALLOCATION	1,855	3,709	1,855	12,982	12,240	742	3,709	37,090
Total 7-40100 GENERAL OFFICE EXPENSES	\$ 12,104.50	\$ 24,209.00	\$ 12,104.50	\$ 84,731.50	\$ 79,889.70	\$ 4,841.80	\$ 24,209.00	\$ 242,090.00
7-40200 INSURANCE BOND & MALPRACTICE	2,300	4,600	2,300	16,100	15,180	920	4,600	46,000
7-40400 MEMBERSHIPS & LICENSE RENEWALS	1,500	3,000	1,500	10,500	9,900	600	3,000	30,000
7-40500 MISCELLANEOUS	50	100	50	350	330	20	100	1,000
7-40700 PERMITS & CERTIFICATIONS	250	500	250	1,750	1,650	100	500	5,000
7-40800 PUBLICATIONS & LEGAL NOTICES	25	50	25	175	165	10	50	500

SAN JOAQUIN AREA FLOOD CONTROL AGENCY
General Overhead and Administrative Budget (Proposed FY 24/25 Allocation to Programs)

EXHIBIT B

	General 55601 5%	O&M 55694 10%	Smith Canal 55666 5%	Mossdale 55679 35%	LSJR Fed 55653 33%	RFMP 55667 2%	Paradise Cut 55665 10%	FY 24/25 Proposed Budget
700 AGENCY MANAGEMENT - GO&A								
7-50100 PROFESSIONAL SERVICES - AGENCY								
7-50110 HR & ORGANIZATIONAL SERVICES	1,450	2,900	1,450	10,150	9,570	580	2,900	29,000
7-50120 LEGAL CONSULTATION - GENERAL	5,250	10,500	5,250	36,750	34,650	2,100	10,500	105,000
7-50130 LEGISLATIVE CONSULTING	3,625	7,250	3,625	25,375	23,925	1,450	7,250	72,500
7-50140 LEGISLATIVE ADVOCACY	9,600	19,200	9,600	67,200	63,360	3,840	19,200	192,000
7-50150 DC ADVOCACY EXPENSE	500	1,000	500	3,500	3,300	200	1,000	10,000
7-50160 PUBLIC OUTREACH	750	1,500	750	5,250	4,950	300	1,500	15,000
Total 7-50100 PROFESSIONAL SERVICES - AGENCY	\$ 21,175.00	\$ 42,350.00	\$ 21,175.00	\$ 148,225.00	\$ 139,755.00	\$ 8,470.00	\$ 42,350.00	\$ 423,500.00
7-60100 REPAIRS & MAINTENANCE EQUIPMENT	0	0	0	0	0	0	0	0
7-60200 TRANSPORTATION & TRAVEL								
7-60210 TRAVEL - GENERAL	350	700	350	2,450	2,310	140	700	7,000
7-60220 TRAVEL - STAFF DEVELMPT / CONF	600	1,200	600	4,200	3,960	240	1,200	12,000
Total 7-60200 TRANSPORTATION & TRAVEL	\$ 950.00	\$ 1,900.00	\$ 950.00	\$ 6,650.00	\$ 6,270.00	\$ 380.00	\$ 1,900.00	\$ 19,000.00
7-60300 WEBSITE HOSTING	350	700	350	2,450	2,310	140	700	7,000
Total 700 AGENCY MANAGEMENT - GO&A	\$ 121,650.00	\$ 243,300.00	\$ 121,650.00	\$ 851,550.00	\$ 802,890.00	\$ 48,660.00	\$ 243,300.00	\$ 2,433,000.00

RESOLUTION NO. SJAFCA 24-21

SAN JOAQUIN AREA
FLOOD CONTROL AGENCY

=====

**RESOLUTION TO APPROVE THE PROPOSED OPERATING FUND AND CAPITAL BUDGETS
FOR FISCAL YEAR 2024/25 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY**

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

1. That the San Joaquin Area Flood Control Agency's 2024-2025 Proposed Operating Fund Budget, a copy of which is attached as Exhibit "A" and Exhibit "B," is incorporated by this reference and hereby approved and adopted.
2. That the San Joaquin Area Flood Control Agency's 2024-2025 Proposed Capital Improvement Program budget augmentations and adjustments as described in the supporting July 18, 2024 staff report are incorporated by this reference and hereby approved and adopted.
3. That any new appropriations and/or adjustments to the Agency's 2024-2025 fiscal year budget will be brought back before the Board for consideration and approval.

PASSED, APPROVED AND ADOPTED this 18TH day of July, 2024.

PAUL AKINJO, 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 7.2

July 18, 2024

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) OF THE FLOOD PROTECTION RESTORATION ASSESSMENT DISTRICT, AND ORDER THE LEVY AND COLLECTION OF O&M ASSESSMENTS WITHIN THE DISTRICT FOR FISCAL YEAR 2024/2025**

RECOMMENDATION

It is recommended that 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 of 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 2024/2025.

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 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 1, 2024. A notice of the public hearing was published in The Record on July 1, 2024.

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 except for 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 before 2006 and after several years of costly mechanical removal, the Agency re-started an aquatic spray program in Fall of 2019. Implementing the aquatic spray was expected to reduce the cost of the AWCP in this slough.

PUBLIC HEARING TO APPROVE THE ANNUAL ENGINEER'S REPORT FOR THE OPERATIONS AND MAINTENANCE (O&M) OF THE FLOOD PROTECTION RESTORATION ASSESSMENT DISTRICT, AND ORDER THE LEVY AND COLLECTION OF O&M ASSESSMENTS WITHIN THE DISTRICT FOR FISCAL YEAR 2024/2025

(Page 2)

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

The proposed O&M budget covers the expected costs such as 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 the pumps on detention basin no. 1, maintenance of levee patrol and access roads, AWCP in Five Mile Slough, 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 expected to occur over the life of the improvements, but not every year (i.e., floodwall replacement, bridge floodproofing 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) set aside annually for the future replacement of the floodwalls. Any interest generated in this fund is accrued in the O&M surplus fund. As of March 31, 2024, the amount accrued in this fund is \$950,000.
- ii) O&M reserve fund: This fund is primarily used to replace and/or repair levee improvements damaged by flooding and provide patrols during high water events. Excepting funds set aside for floodwall replacement, all unexpended funds in the O&M budget are accrued in the reserve fund. As of March 31, 2024, the amount accumulated in the reserve fund is approximately \$5.8 million. This includes interest generated by the floodwall replacement fund.

To apportion the costs of the O&M activities to those parcels that benefit, a method of assigning Maintenance Benefit Unit(s) (MBU) was developed. MBU is assigned to each parcel based on 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 yearly cost per MBU is established by dividing the annual O&M budget by the total number of MBUs 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 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 its proposed O&M budget to SJAFCA for FY 24/25 (Attachment 1).

AGENDA ITEM 7.2

PUBLIC HEARING TO APPROVE THE ANNUAL ENGINEER'S REPORT FOR THE OPERATIONS AND MAINTENANCE (O&M) OF THE FLOOD PROTECTION RESTORATION ASSESSMENT DISTRICT, AND ORDER THE LEVY AND COLLECTION OF O&M ASSESSMENTS WITHIN THE DISTRICT FOR FISCAL YEAR 2024/2025

(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 maintain the flood protection facilities. The District's expenditure for the past few years has been less than budgeted 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 in 2017, were paid for by the U.S. Army Corps of Engineers under PL-84-99.

Like prior years, annual budgeted maintenance costs exceed revenues from the annual levy of AD 96-1 assessments. The District and Agency staff worked together in 2023 to provide additional funding for Zone 9 (the District's assessment district for O&M activities) by forming the Levee Construction and Maintenance Assessment (LCMA) District on June 15, 2023. The allocation of funding to Zone 9 from LCMA is included as part of the recommended approval of the Agency's Annual Budget as a separate item (Item 7.1) on this Agenda.

The proposed O&M budget for FY 24/25 is \$1,352,900 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 24/25 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 24/25. The maximum assessment rate has been used for the last several years. The maximum assessment rate for FY 24/25 is the base rate of \$7.15 adjusted for annual inflation equal to the National Consumer Price Index (CPI). The CPI for FY 24/25 is 3.1%, therefore, the maximum assessment rate is \$7.37 ($\7.15×1.031).

Applying the maximum assessment rate of \$7.37 to the estimated 154,733.71 MBU, will yield \$1,139,345 in O&M revenue (the difference in the yield shown is due to the rounding down to the nearest even penny for the tax rolls). This revenue falls short of meeting the operating costs in the proposed \$1,352,900 O&M budget. Therefore, an appropriation of \$213,555 ($\$1,352,900 - \$1,139,345$) from the O&M reserve fund is needed to cover the proposed expenses in the FY 24/25 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 deal with emergencies promptly, or additional work needed, but not included in the O&M budget. Any unused portion of the requested appropriations is returned to the O&M reserve fund at the end of each fiscal year.

In summary, the FY 24/25 O&M budget includes two appropriation requests:

- 1) A one-time \$213,555 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

AGENDA ITEM 7.2

PUBLIC HEARING TO APPROVE THE ANNUAL ENGINEER'S REPORT FOR THE OPERATIONS AND MAINTENANCE (O&M) OF THE FLOOD PROTECTION RESTORATION ASSESSMENT DISTRICT, AND ORDER THE LEVY AND COLLECTION OF O&M ASSESSMENTS WITHIN THE DISTRICT FOR FISCAL YEAR 2024/2025

(Page 4)

Director to use these funds (up to \$100,000) to deal with emergencies, or additional work needed, but not included in the O&M budget.

These appropriations will not affect the proposed FY 24/25 assessment rate. There are sufficient funds in the O&M reserve to cover these appropriations (as of March 31, 2024, there is approximately \$5.8 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	2000/01	2004/05	2008/09	2012/13	2016/17	2023/24	2024/25
Theoretical Maximum Base Rate allowed	\$3.59	\$3.99	\$4.42	\$5.03	\$5.40	\$5.65	\$7.15	\$7.37
Actual Base Rate assessed	\$3.59	\$3.54	\$3.95	\$5.03	\$5.40	\$5.65	\$7.15	\$7.37
Single Family Home between 1000 and 2000 sf (1.25 MBU)	\$4.49	\$4.43	\$4.94	\$6.29	\$6.75	\$7.06	\$8.94	\$9.21
Grocery Store on 1 acre parcel (12.30 MBU)	\$44.16	\$43.54	\$48.59	\$61.87	\$66.42	\$69.50	\$87.95	\$90.65
Office Building on 2 acre parcel (18.375 MBU)	\$65.97	\$65.05	\$72.58	\$92.43	\$99.23	\$103.82	\$131.38	\$135.42

By adopting the proposed resolution after 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 24/25.

PREPARED BY: Juan Neira



APPROVED:
CHRIS ELIAS
EXECUTIVE DIRECTOR

CE:JN:lr

Attachments:

1. San Joaquin County Public Works Department Proposed FY 24/25 O&M budget.
2. 2024/2025 Engineer's Annual Report – Prepared by Willdan Financial Services.

AGENDA ITEM 7.2



SAN JOAQUIN
—COUNTY—
Greatness grows here.



Department of Public Works

Fritz Buchman, Director

Alex Chetley, Deputy Director - Development

Kristi Rhea, Deputy Director - Administration

David Tolliver, Deputy Director - Operations

Najee Zarif, Deputy Director - Engineering

March 26, 2024

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 2024-25
PROPOSED OPERATIONS & MAINTENANCE BUDGET**

Dear Mr. Elias,

The San Joaquin County Public Works Department (County) is pleased to submit the attached Fiscal Year 2024-25 budget proposal for your consideration. The proposed 2024-25 Operations and Maintenance (O&M) Budget for cost-shared flood protection facilities reflects the successful Proposition 218 effort to increase our maintenance assessment revenue.

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 and 2023 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 requesting \$985,000 for the FY 2024-25 budget year for the 96-1 budget. In addition, this budget year the County is adding the O&M responsibilities at the Smith Canal Gate budgeted at \$350,000 and the Levee Construction and Maintenance Assessment (LCMA) at \$841,000. See attachment. The FY 2024-25 total budget request is \$2,176,000. 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 2024-25 does not 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.

Please feel free to call me at (209) 468-3031, if you have any questions in this matter.

Sincerely,



DAVID TOLLIVER
Deputy Director/Operations

Attachment

- c: Fritz Buchman, Director of Public Works
- Alex Chetley, Deputy Director of Development Services
- Eric Ambriz, Channel Maintenance Superintendent

COUNTY OF SAN JOAQUIN 2024-2024 PROPOSED BUDGET

Assessment District No. 96-1 Flood Protection System

Fund - 21116

Department - 2910000000

	ACTUAL 2022-23	APPR BUDGET 2023-24	ESTIMATED 2023-24	RCMND BUDGET 2024-25
Expenditures				
6201005600 GENERAL OFFICE SUPPLIES	72	0	0	0
6206000300 COMMUNICATIONS CELL PHONE	0	0	0	0
6211000000 MAINTENANCE EQUIPMENT	0	15,000	10,000	15,000
6214000000 RENTS & LEASES -EQUIPMENT	0	0	0	0
6214000200 EQUIPMENT RENTAL-COUNTY OWNED	60,849	70,000	42,000	70,000
6220001000 AUDITOR'S PAYROLL & A/P CHARGES	0	0	0	0
6221000000 PROFESSIONAL SVS				100,000
6221004000 PROFESSIONAL SVS-COUNTY	0	0	0	0
6221312400 PROFESSIONAL SVS SMITH CANAL GATE	0	0	0	350,000
6221312500 PROFESSIONAL SVS LCMA	0	0	0	841,000
6221020000 ALLOCATED SERVICE DEPT COSTS	145,663	160,000	159,000	160,000
6221020900 COUNTY COUNSEL LEGAL SVS	203	0	0	0
6226001600 LICENSES & PERMITS	0	0	0	0
6226003000 MATERIALS	16,228	50,000	30,000	50,000
6226003100 LABOR	272,881	680,000	460,000	555,000
6226101800 SPECIAL DEPARTMENT EXPENSE-SAFETY	0	0	0	0
6240000000 CLOTHING & PERSONAL SUPPLIES	0	0	0	0
6269000000 SMALL TOOLS & INSTRUMENTS	0	10,000	5,000	10,000
SERVICES AND SUPPLIES	495,824	985,000	706,000	2,151,000
6451000000 EQUIPMENT	0	0	0	0
CAPITAL EXPENDITURES	0	0	0	0
6810250100 SJAFCA Flood Wall Repair	0	0	14,000	25,000
PUBLIC WORKS FLOOD WALL REPAIR	0	0	14,000	25,000
TOTAL EXPENDITURES	495,824	985,000	720,000	2,176,000



San Joaquin Area Flood Control Agency

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

**2024/2025 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 2024/2025	6
E. CALCULATION OF ASSESSMENT RATE FOR FISCAL YEAR 2024/2025	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 — 2024/2025 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 2024/2025. 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 2024/2025. 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 2024/2025.

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 2024/2025 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
2023-24	\$6.7213	6.40%	\$0.4302	\$7.1515	\$7.15
2024-25	\$7.1515	3.10%	\$0.2217	\$7.3731	\$7.37

The Fiscal Year 2024/2025 Maximum Assessment Rate allowed is \$7.3731.

The Fiscal Year 2024/2025 Assessment Rate proposed is \$7.37.

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 2024/2025

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 Maintenance Equipment Rental County Owned Small Tools and Instruments	 \$15,000 \$70,000 \$10,000	\$95,000
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	 \$160,000 \$680,000	\$840,000
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 23-24 will be carried out by a professional contractor Contractor – herbicide application; compliance and monitoring and reporting	\$57,900	\$57,900
SUB-TOTAL SJAFCA OPERATION AND MAINTENANCE BUDGET		\$57,900
<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 \$11,500 \$298,500	\$310,000
TOTAL OPERATION AND MAINTENANCE BUDGET FY 2024/2025		<u>\$1,352,900</u>
For FY 2024/2025, there are \$1,242,000 of appropriations available to the district as follows: FY 2024/2025 Assessment to be levied FY 2024/2025 Agency Reserve Appropriation for FY 2024/2025 Budget FY 2024/2025 Agency Reserve Appropriation for Emergencies or Additional Work		\$1,139,345 \$213,555 \$100,000
TOTAL FY 2024/2025 APPROPRIATION		<u>\$1,452,900</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 \$213,555 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 2024/2025 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 2024/2025 assessment rate of \$7.15 per Maintenance Benefit Unit.

E. CALCULATION OF ASSESSMENT RATE FOR FISCAL YEAR 2024/2025

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 2024/2025 are 154,733.71 **MBU's**.
- Based on the estimated budget and the surplus appropriation for Fiscal Year 2024/2025, the assessment rate for Fiscal Year 2024/2025 is approximately \$7.37 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
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	(1DU x 1EDU/DU) x .8 x 1 = 0.8 BU	1.05
Single-family Res. 1000 > ftprint > 2000	All parcels = .25 BU	(1DU x 1EDU/DU) x 1 x 1 = 1.0 BU	1.25
Single-family Res. ftprint > 2000 sf	All parcels = .25 BU	(1DU x 1EDU/DU) x 1.2 x 1 = 1.2 BU	1.45
Agricultural Res.	All parcels = .25 BU	(1DU x 1EDU/DU) x 1 x 1 = 1.0 BU	1.25
3-Unit Apartment 1/2 acre parcel	.5ac x 1.5BU/ac = .75 BU	(3DU x .8EDU/DU) x 1 x .9 = 2.16 BU	2.91
11 Unit Apt. 3/4 acre parcel	.75ac x 1.5BU/ac = 1.125BU	[(4DU x .8EDU/DU) + (7DU x .6EDU/DU)] x 1 x .9 = 6.66 BU	7.785
41 Unit Apt. 3 acre parcel	3ac x 1.5BU/ac = 4.5 BU	[(4DU x .8EDU/DU) + (16DU x .6EDU/DU) + (21DU x .4EDU/DU)] x 1 x .9 = 19.8 BU	23.58
Grocery Store 1 acre parcel	1ac x 1.5BU/ac = 1.5 BU	(1ac x 6EDU/ac) x 2 x .9 = 10.8 BU	12.3
Regional Shopping 5 acre parcel	1ac x 1.5BU/ac + 3ac x .375BU/ac + 1ac x .125BU/ac = 2.75BU	[(1ac x 6EDU/ac) + (3ac x 1.5EDU/ac) + (1ac x 0.5EDU/ac)] x 2 x .9 = 19.8 BU	22.55
Service Station 1/4 acre parcel	.25ac x 1.5BU/ac = .375BU	(1/4ac x 6EDU/ac) x 2 x .9 = 2.7 BU	3.075
Office Building 2 acre parcel	1ac x 1.5BU/ac + 1ac x .375BU/ac = 1.875BU	[(1ac x 6EDU/ac) + (1ac x 1.5EDU/ac)] x 2 x 1.1 = 16.5 BU	18.375
Church 2 acre parcel	1ac x 1.5BU/ac + 1ac x .375BU/ac = 1.875BU	[(1ac x 6EDU/ac) + (1ac x 1.5EDU/ac)] x 1.5 x 1.1 = 12.375BU	14.25
Industrial Building 10 acre parcel	1ac x 1.5BU/ac + 3ac x .375BU/ac + 6ac x .125BU/ac = 3.375BU	[(1ac x 6EDU/ac) + (3ac x 1.5EDU/ac) + (6ac x 0.5EDU/ac)] x 2 x .7 = 18.9 BU	22.275
Vacant SFR	All parcels = .25 BU	No imp. benefit = 0 BU	0.25
Vacant 1 acre parcel	1ac x 1.5BU/ac = 1.5 BU	No imp. benefit = 0 BU	1.5
Mobile Home Park 2 acre parcel	1ac x 1.5BU/ac + 1ac x .375BU/ac = 1.875BU	All parcels = 1 BU	2.875
Golf Course 20 acre parcel	1ac x 1.5BU/ac + 3ac x .375BU/ac + 16ac x .125BU/ac = 4.625 BU	All parcels = 1 BU	5.625
Vacant 40 acre parcel	1ac x 1.5BU/ac + 3ac x .375BU/ac + 36ac x .125BU/ac = 7.125 BU	No imp. benefit = 0 BU	7.125
Agricultural (Williamson Act or General Plan)	Not assessed	Not assessed	0.0

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

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 — 2024/2025 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 2024/2025.

RESOLUTION NO. SJAFCA 24-20

**SAN JOAQUIN AREA
FLOOD CONTROL AGENCY**

=====

**RESOLUTION TO APPROVE THE ANNUAL ENGINEER'S REPORT FOR THE
OPERATIONS AND MAINTENANCE (O&M) OF 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 2024-2025**

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, 2024, and ending June 30, 2025, 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, 2024, and ending June 30, 2025.

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 \$213,555 transfer from the O&M reserve fund to cover the additional funding requested by the District in the proposed FY 2024-2025 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 2024-2025 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 18TH day of July 2024.

PAUL AKINJO, 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 7.3

July 18, 2024

TO: San Joaquin Area Flood Control Agency Board of Directors

FROM: Chris Elias, Executive Director

SUBJECT: **PUBLIC HEARING TO APPROVE THE TECHNICAL MEMORANDUM FOR THE LEVEE CONSTRUCTION & MAINTENANCE ASSESSMENT (LCMA) DISTRICT AND ORDER THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE DISTRICT FOR FISCAL YEAR 2024/2025**

RECOMMENDATION

It is recommended that the Board of Directors of the San Joaquin Area Flood Control Agency conduct a public hearing and upon conclusion of the public hearing adopt a resolution (Attachment 1) to approve the Technical Memorandum for the Levee Construction & Maintenance Assessment (LCMA) District (Attachment 2), which describes the Fiscal Year 2024/25 Annual Budget and Assessment, and orders the levy and collection of assessments within the LCMA District for fiscal year 2024/25.

DISCUSSION

Background

The San Joaquin Flood Control and Water Conservation District (District), was formed through State legislation in 1956 to construct, operate, maintain and plan flood control, water supply, drainage, and groundwater recharge projects. On December 19, 1961, the San Joaquin County Board of Supervisors, acting as the governing body of the District, created Zone 9 to provide for maintenance of existing channels, levees, and associated structures. Zone 9, with funding from a combination of property taxes and property assessments, provides for the operation and maintenance of 112 miles of levees and 119 miles of channels originally constructed by the United States Army Corps of Engineers (referred to as project levees and project channels). The Water Resources Division in the Department of Public Works administers the District and Zone 9 Special District budgets, and the Channel Maintenance Division performs the operations and maintenance activities.

San Joaquin Area Flood Control Agency (Agency) was established in 1995 with the primary goal of restoring a 100-year level of flood protection to the greater Stockton metropolitan area. To prevent the Federal Emergency Management Agency from placing the majority of the area within a Special Flood Hazard Area, the Agency planned, designed and constructed a suite of projects including the construction of floodwalls and improvements to approximately 40 miles of existing levees, 12 miles of new levees, modifications to 24 bridges, and the construction of two major detention basins and pump stations. The Agency formed an Assessment District (AD 96-1) in 1996 to fund the local share of these improvements and to provide funding for their long-term operations and maintenance needs. Currently, SJAFCA passes the funding generated from AD 96-1 to the Channel Maintenance Division to perform the incremental operations and maintenance activities created with the Agency's project.

In September 2019, due to identified shortfalls in funding for ongoing Operations and Maintenance, the District began an evaluation to assess the feasibility of implementing a new benefit assessment. Through a separate effort, in September 2020, the Agency began evaluating

PUBLIC HEARING TO APPROVE THE TECHNICAL MEMORANDUM FOR THE LEVEE CONSTRUCTION & MAINTENANCE ASSESSMENT (LCMA) DISTRICT AND ORDER THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE DISTRICT FOR FISCAL YEAR 2024/2025

(Page 2)

the feasibility of implementing a new assessment to generate funding for the local share of the Federally authorized Lower San Joaquin River Project (LSJRP). As a result of delays in these efforts due to the COVID 19 Pandemic and the identified overlap in efforts and beneficiaries, in July 2022 the District and the Agency executed an MOU to combine the individual efforts to form a single assessment district to fund operations, maintenance, repair, replacement and rehabilitation (OMRR&R or O&M) of the District maintained levees in Zone 9 as well as the Agency's flood risk reduction projects, including the LSJRP.

On June 15, 2023, after the conclusion of a voter approved Proposition 218 election, the Board adopted SJAFCA Resolution No. 23-16 approving the Final Engineer's Report and authorizing the formation of the Levee Construction and Maintenance Assessment (LCMA) District. The LCMA District was created as a single funding mechanism to both provide funding for the local cost share of the Lower San Joaquin River Phase 1 Project and the maintenance of the improved levees as well as provide additional funding for the Operations and Maintenance of District Zone 9 levees. Assessments are to be levied annually on all parcels within the District, commencing fiscal year (FY) 2023/24, through the submittal of an assessment roll to the San Joaquin County Tax Collector. As part of the formation of the LCMA District in June 2023, the Board authorized the first year's levy of assessments on properties within LCMA District. The purpose of this item is to authorize the levy of assessments for Fiscal 2024/25.

Present Situation

In compliance with Proposition 218, parcels within the LCMA District are assessed for the improvements and services that specially benefit each parcel. The special benefit provided to properties within the District is based on avoidance of flood damage to structures, contents of structures, and land. Annual costs are distributed across the properties within the District in proportion to in proportion to the flood protection benefits (flood damages avoided) provided by the improvements and ongoing maintenance of the existing and improved levees. These flood damage reduction benefits are relative to i) depth of flooding; ii) type of land use (residential, commercial, industrial, etc.); and iii) parcel acreage. Reference is made to the Final Engineer's Report and the attached Technical Memorandum for the benefit calculation and assessment methodology for the District for fiscal year 2024/25. These documents are available for public inspection in the office of the Secretary of the Board and can also be viewed online at www.sjafca.com. A notice of the public hearing was published in The Record on July 9, 2024.

The determination and assessment of the special benefits is described within the Final Engineer's Report. The assessment is made up of two components of service – Levee O&M Services and Levee Capital Services. The annual budget for these services is described within a separate item on this Agenda considering the Operating and Capital Budget Budgets for Fiscal Year 2024/25 and is further restated here.

Table 1 below presents a comparison of the projected actual expenditures relative to the approved budget for Fiscal Year 2023/24 as well as a budget for Fiscal Year 2024/25. The Budgeted

PUBLIC HEARING TO APPROVE THE TECHNICAL MEMORANDUM FOR THE LEVEE CONSTRUCTION & MAINTENANCE ASSESSMENT (LCMA) DISTRICT AND ORDER THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE DISTRICT FOR FISCAL YEAR 2024/2025

(Page 3)

revenues for Fiscal Year 2024/25 reflect a 2.93% escalation rate¹ which is the maximum annual assessment escalation authorized within the approved Engineer's Report. Whereas, consistent with Government Code §53739, the Board may levy the Assessment in future years without conducting a new ballot proceeding so long as the Assessment is within the stated inflation-adjusted Assessment Rate authorized by the original balloting proceeding.

Funding from the levy of assessments within LCMA District for Fiscal Year 2024/25 will be utilized consistent with the authorized services for the following:

- To provide funding directly to SJAFCA and Zone 9 of the San Joaquin Flood Control and Water Conservation District to support Levee Operations and Maintenance and Flood Control Improvements within the Zone 9. On March 26, 2024, the County's Department of Public Works transmitted a request for funding from the LCMA District in the amount of \$841,000 for Fiscal Year 2024/25 (Including within Attachment 2). This amount has been included with the LCMA Budget shown in Table 1 below;
- To provide funding to SJAFCA to support the Operations and Maintenance of the Smith Canal Gate. Within the same March 26, 2024 letter, the County's Department of Public Works indicated a budget need of \$350,000 to fund the initial year's O&M of the Smith Canal Gate;
- To provide funding to SJAFCA to support the local sponsor obligations of the Lower San Joaquin River Phase 1 Project;
- To pay debt service on Bonds Issued by SJAFCA secured by LCMA Assessment Revenues; and,
- To fund the administrative costs of the Assessment District.

Table 2 below provides, additional details regarding the budget for ongoing Smith Canal Gate Operations and Maintenance.

¹ The authorized escalation rate is based on change in the February to February CPI-W Index for All Items in San Francisco-Oakland-Hayward geography, not seasonally adjusted (base year 1982-84=100)

PUBLIC HEARING TO APPROVE THE TECHNICAL MEMORANDUM FOR THE LEVEE CONSTRUCTION & MAINTENANCE ASSESSMENT (LCMA) DISTRICT AND ORDER THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE DISTRICT FOR FISCAL YEAR 2024/2025

(Page 4)

**TABLE 1 – LEVEE CONSTRUCTION & MAINTENANCE ASSESSMENT DISTRICT
FY 2023/24 BUDGET TO ACTUAL COMPARISON & FY 2024/25 BUDGET**

	Approved Budget Fiscal Year 23/24	Estimated Actuals Through Fiscal Year 23/24		Proposed Budget Fiscal Year 24/25
REVENUES				
Direct Assessments [1]	\$7,519,066	\$7,547,470		\$7,738,100
Bond Proceeds (Project Fund Deposit)	\$5,000,000	\$5,000,000		\$0
*Bond Proceeds (Costs of Issuance Fund)	\$304,388	\$304,388		\$0
Total Revenues	\$12,823,454	\$12,851,858		\$7,738,100
EXPENDITURES				
Assessment Administration	\$166,000	\$72,647		\$168,000
Bond Issuance Fees & Expenses	\$291,323	\$291,323		\$0
O&M Services				
O&M Services - Direct Transfer to Zone 9	\$841,000	\$0		\$841,000
O&M Services - SJAFCA Support for Zone 9	\$477,000	\$0		\$518,500
Subtotal O&M Services	\$1,318,000	\$0		\$1,359,500
Levee Construction Services				
Smith Canal Gate [2]	\$860,000	\$860,000		\$606,700
Lower San Joaquin River Project Expenditures	\$5,000,000	\$6,000,000		\$6,500,000
Estimated Debt Service (2023 Bonds)	\$1,900,000	\$1,717,109		\$1,714,537
Subtotal Construction Services	\$7,760,000	\$8,577,109		\$8,521,237
TOTAL EXPENDITURES	\$9,535,323	\$8,941,079		\$10,348,737
NET FUND BALANCE CHANGE	\$3,288,131	\$3,910,779		(\$2,610,637)
ESTIMATED BEGINNING BALANCE	\$0	\$0		\$3,910,779
ENDING BALANCE	\$3,288,131	\$3,910,779		\$1,300,142

[1] FY 2023/24 Actuals include interest earned on the fund balance to date.

[2] FY 2024/25 for Smith Canal Gate reflects O&M Start-Up (one year allocation). See Additional detail Table 13 for Smith Canal Gate Operating Expenses for FY 2024/25

PUBLIC HEARING TO APPROVE THE TECHNICAL MEMORANDUM FOR THE LEVEE CONSTRUCTION & MAINTENANCE ASSESSMENT (LCMA) DISTRICT AND ORDER THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE DISTRICT FOR FISCAL YEAR 2024/2025

(Page 5)

**TABLE 2 – LEVEE CONSTRUCTION & MAINTENANCE ASSESSMENT DISTRICT
SMITH CANAL GATE FY 2024/25 OPERATIONS & MAINTENANCE BUDGET**

FY 2024/25 SCG 1ST-Year O&M Cost Estimate (From LCMA) Program Budget	Budget Through 24/25
EXPENDITURES	
County O&M Estimated Request	\$350,000
<i>One Time Start Up Cost Details</i>	
Parking Lot Re-Surface	\$20,000
Generator Procurement	\$60,000
Electronic Communications Interface	\$25,000
Miscellaneous / Other Items	\$60,000
One Time Start Up Costs	\$165,000
<i>10-Yr Recurrent Interval Set Asides</i>	
Stop Log Install	\$34,900
Miscellaneous Repairs / Inspections	\$34,900
Permitting (Balance Not Funded w/ Project)	\$21,900
Total Reserve Set Asides	\$91,700
Subtotal FY 2024/25 SCG O&M Services	\$606,700

PUBLIC HEARING TO APPROVE THE TECHNICAL MEMORANDUM FOR THE LEVEE CONSTRUCTION & MAINTENANCE ASSESSMENT (LCMA) DISTRICT AND ORDER THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE DISTRICT FOR FISCAL YEAR 2024/2025

(Page 6)

The FY 2024/25 assessment collection will assess approximately 94,172 parcels and will generate approximately \$7,738,141 for the LCMA District. The table below provides the estimated range of annual assessment rates for the parcels within the LCMA District and the number of parcels in each rate range. The exact amounts levied may vary based on the finalized assessor's role for Fiscal Year 2024/25:

TABLE 3 – LEVEE CONSTRUCTION & MAINTENANCE ASSESSMENT DISTRICT
FISCAL YEAR 2024/25 ASSESSMENTS

RANGE	\$2-\$100	>\$100-\$200	>\$200-\$400	>\$400-\$800	>\$800
NO. OF PARCELS	73,728	12,342	6,482	1,037	583

By adopting the attached resolution at the conclusion of the public hearing, the Board will adopt a resolution to approve the Technical Memorandum for the LCMA Assessment District and order the levy and collection of assessments within the District for FY 2024/25.

PREPARED BY: Seth Wurzel, Larsen Wurzel & Associates, Inc.



APPROVED:
CHRIS ELIAS
EXECUTIVE DIRECTOR

Attachments:

1. RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY APPROVING THE TECHNICAL MEMORANDUM AND ORDERING OF THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE LEVEE CONSTRUCTION AND MAINTENANCE ASSESSMENT DISTRICT FOR FISCAL YEAR 2024-25
2. Technical Memorandum - Engineer's Annual Report – Prepared by Larsen Wurzel & Associates, Inc.

RESOLUTION NO. SJAFCA 24-23

SAN JOAQUIN AREA
FLOOD CONTROL AGENCY

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN JOAQUIN AREA FLOOD
CONTROL AGENCY APPROVING THE TECHNICAL MEMORANDUM AND ORDERING OF
THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE LEVEE CONSTRUCTION
AND MAINTENANCE ASSESSMENT DISTRICT FOR FISCAL YEAR 2024-25**

WHEREAS, the San Joaquin Area Flood Control Agency (the "Agency") is a joint powers agency that was created in May 1995 between the City of Stockton ("Stockton"), San Joaquin County ("County") and the San Joaquin County Flood Control and Water Conservation District ("SJCFWCWD"), for the purpose of providing flood protection services for the City of Stockton and surrounding unincorporated areas of the County;

WHEREAS, in January of 2018 Stockton, the County, the SJCFWCWD, the City of Lathrop ("Lathrop"), and the City of Manteca ("Manteca") executed an Amended and Restated Joint Exercise of Powers Agreement to reform the Agency by adding Lathrop and Manteca as members;

WHEREAS, the SJCFWCWD maintains a system of 119 miles of flood control channels and 112 miles of flood control levees ("Project channels" and "Project levees," respectively) in accordance with agreements with the United States Army Corps of Engineers ("USACE") and the California Department of Water Resources ("DWR");

WHEREAS, On June 15, 2023, after the conclusion of a voter approved Proposition 218 election, the Board adopted SJAFCA Resolution No. 23-16 establishing the Levee Construction and Maintenance Assessment District ("LCMA Assessment District") to fund the cost of constructing levee and flood control improvements incident to the LSJRP either directly or in partnership with the USACE, as well as costs of the operation and maintenance of levees and flood control facilities (collectively, the "Services");

WHEREAS, the Services provide special benefits to certain parcels in North and Central Stockton and the surrounding area (collectively, the "Properties") within the proposed boundaries of the LCMA Assessment District;

WHEREAS, the boundaries of the LCMA Assessment District area include all the Properties that receive special benefit from the Services, while excluding properties not receiving special benefits from the Services and any incidentally-benefited properties in adjacent areas;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Joaquin Area Flood Control Agency as follows:

1. The above recitals are true and correct and are incorporated into this Resolution by this reference.
2. The Board, by separate resolution approved on July 18, 2023 approved the Fiscal Year 2024-25 Annual Budget for the LCMA Assessment District.

3. The Technical Memorandum dated July 18, 2024 prepared by Larsen Wurzel & Associates, Inc. ("Memorandum"), 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.

4. That following notice duly given, the Board of Directors has held a full and fair public hearing regarding the LCMA Assessment 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.

5. That based upon its review of the Memorandum, 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 LCMA Assessment District is specially benefited by the improvements and operation, maintenance and servicing of the improvements financed by the District;
- ii. The LCMA Assessment District includes all of the lands so specially benefited; and,
- iii. The net amount to be assessed upon the lands within the LCMA Assessment District for the fiscal year commencing July 1, 2024, and ending June 30, 2025, is apportioned by a formula and method which fairly distributes the net amount among all eligible parcels in proportion to the special benefits received by each parcel from the improvements and services.

6. The levy of assessments within LCMA Assessment District for Fiscal Year 2024/25 will be utilized to fund the Services as follows:

- i. To provide funding directly to SJAFCA and Zone 9 of the San Joaquin Flood Control and Water Conservation District to support Levee Operations and Maintenance and Flood Control Improvements within the Zone 9;
- ii. To provide funding to SJAFCA to support the Operations and Maintenance of the Smith Canal Gate;
- iii. To provide funding to SJAFCA to support the local sponsor obligations of the Lower San Joaquin River Phase 1 Project;
- iv. To pay debt service on Bonds Issued by SJAFCA secured by LCMA Assessment Revenues; and,
- v. To fund the administrative costs of the LCMA Assessment District.

7. 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 Memorandum, and such levies shall be collected at the same time and in the same manner as the County taxes are collected.

8. 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 items described in Section 6.

9. That the adoption of this Resolution constitutes the LCMA Assessment District levy for the fiscal year commencing July 1, 2024, and ending June 30, 2025.

10. 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.

PASSED, APPROVED AND ADOPTED this 18th day of July, 2024.

PAUL AKINJO, 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



LARSEN WURZEL
& Associates, Inc.

2450 Venture Oaks Way, Suite 240 • Sacramento, CA 95833

www.larsenwurzel.com

Technical Memorandum

San Joaquin Area Flood Control Agency

July 18, 2024

*Fiscal Year 2024/25 Levee Construction & Maintenance Assessment District
Administration*

Prepared for: San Joaquin Area Flood Control Agency Board of Directors

Prepared by: Seth Wurzel, CGFM

Assessment District History

The Levee Construction & Maintenance Assessment (LCMA) District was formed in June 2023 by the San Joaquin Area Flood Control Agency (Agency) to levy a special benefit assessment to fund operations, maintenance, repair, replacement and rehabilitation (OMRR&R or O&M) of San Joaquin Flood Control and Water Conservation District Zone 9 (Zone 9) maintained levees as well as flood risk reduction projects, including the Federally Authorized Lower San Joaquin River Project (LSJRP), to ensure continued Federal Emergency Management Agency (FEMA) accreditation of levees providing 100-year protection into the future (collectively the “Services”).

The LSJRP consists of 23 miles of levee improvements and two closure structures. Construction of one of those closure structures, the Smith Canal Gate (SCG), was advanced early by SJAFCA and is a critical component of the implementation and funding approach defined in the Final Engineer’s Report. As further described within the Final Engineer’s Report, because of the relationship between the LSJRP, the SCG, and the previously formed Smith Canal Area Assessment District¹ (SCAAD), as part of the formation of the LCMA District, SJAFCA’s actions included; 1) The cessation future levies of SCAAD assessments on properties located within that District, and 2) the refunding of SCAAD Bonds as part the issuance of LCMA Bonds. Further, as it relates to the SCG, revenues from the LCMA District would be utilized to fund the remaining local share of the SCG and funding its ongoing O&M.

Commencing in Fiscal Year 2023/24, LCMA District revenues collected are being used to 1) fund Zone 9 related O&M expenses, 2) pay debt service payments for the bonds issued to finance the authorized facilities, 3) pay for the administration of the District, and 4) while the LSJRP is being designed and constructed, directly fund local sponsor obligations on a pay-as-you-go basis.

Fiscal Year 2024/25 Budget

To fund the services discussed above funding from the levy of assessments within LCMA District for Fiscal Year 2024/25 will be utilized as follows:

- To provide funding directly to SJAFCA and Zone 9 of the San Joaquin Flood Control and Water Conservation District to support Levee Operations and Maintenance and Flood Control Improvements within the Zone 9. On March 26, 2024, the County’s Department of Public Works transmitted a request

¹ The SCAAD was formed to raise funding for the local share of the SCG and its ongoing Operations & Maintenance.

for funding from the LCMA District in the amount of \$841,000 for Fiscal Year 2024/25 (Attachment 1). This amount has been included with the LCMA Budget shown in Table 1 below;

- To provide funding to SJAFCA to support the Operations and Maintenance of the Smith Canal Gate. Within the same March 26, 2024 letter, the County's Department of Public Works indicated a budget need of \$350,000 to fund the initial year's O&M of the Smith Canal Gate
- To provide funding to SJAFCA to support the local sponsor obligations of the Lower San Joaquin River Phase 1 Project;
- To pay debt service on Bonds Issued by SJAFCA secured by LCMA Assessment Revenues; and,
- To fund the administrative costs of the Assessment District.

Table 1 presents the FY 2024/25 Budget consistent with the description above. **Table 2** provides additional details to support the budget presented in Table 1.

Annual Assessment

Assessment Methodology

The special benefit conveyed to a parcel from Levee Capital and O&M Services (in terms of Levee Benefit Units) is based on the flood damage reduction received by the parcel due to the decreased likelihood of flooding caused by a levee failure.

The methodology for calculating Levee Capital and O&M Benefit Units for each parcel utilizes the following property characteristics:

1. The size (acreage) of each parcel;
2. The Land Use Category assigned to each parcel;
3. The average structure size (square footage) per acre for each Land Use Category or sub-Category;
4. The depth of flooding from each breach scenario affecting the parcel;
5. The Relative Land Damage Rate per acre;
6. The Structure Damage Rate per square foot;
7. Whether the parcel was located within the prior SCAAD Assessment; and
8. Length of levee represented by each breach scenario (for Levee O&M Services for Zone 9 Project levees only).

Reference is made to the Final Engineer's Report dated June 15, 2023 for the tables depicting factors utilized for determining Levee Capital and O&M Benefit Units.

Table 1
Levee Construction & Maintenance Assessment District
Fiscal Year 2024/25 Budget

Item	Amount
REVENUES	
Estimated Assessment Revenues [1]	\$7,738,100
Total Revenues	
EXPENDITURES	
Assessment Administration [2]	\$168,000
O&M Services	
O&M Services - Direct Transfer to SJCFWCD Zone 9	\$841,000
O&M Services - SJAFCA provided Support for Zone 9	\$518,500
Subtotal O&M Services	\$1,359,500
Levee Construction Services	
Smith Canal Gate O&M and Start Up Costs [3]	\$606,700
Lower San Joaquin River Project Expenditures	\$6,500,000
Debt Service (2023 AR Bonds)	\$1,714,537
Subtotal Construction Services	\$8,821,237
Total Expenses	\$10,348,737
Net Fund Balance Change	(\$2,610,637)
ESTIMATED FUND BALANCE (6/30/24)	\$3,910,779
ESTIMATED ENDING BALANCE (6/30/2025)	\$1,300,142

[1] Based on Board of Approval of the full allowable FY 2024/25 Escalation

[2] Assessment Administration includes the County Auditor Controller's cost of enrolling the direct charge on the secured tax roll, LWA's cost of preparing the roll and direct billing and KFC cost of outreach to property owners.

[3] Reference Table 2.

Table 2
Levee Construction & Maintenance Assessment District
Fiscal Year 2024/25 Smith Canal First Year O&M Budget

Item	Amount
EXPENDITURES	
County O&M Estimated Request	\$350,000
<i>One Time Start Up Cost Details</i>	
Parking Lot Re-Surface	\$20,000
Generator Procurement	\$60,000
Electronic Communications Interface	\$25,000
Miscellaneous / Other Items	\$60,000
<i>One Time Start Up Costs</i>	\$165,000
10-Yr Recurrent Interval Set Asides	
Stop Log Install	\$34,900
Miscellaneous Repairs / Inspections	\$34,900
Permitting (Balance Not Funded w/ Project)	\$21,900
<i>Total Reserve Set Asides</i>	\$91,700
Subtotal FY 2024/25 SCG O&M Services	\$606,700

Assessment Rate

The maximum proportional assessment rate for parcels within the LCMA District is shown in **Table 3** below.

Table 3
Levee Capital and Maintenance Assessment (LCMA)
Initial Proposed Assessment Rate Calculation - FY 2023/24

FY 2023/24 Budget	Total Benefit Units	Proposed FY 2023/24 Assessment Rate
A	B	C = A / B
Reference Table 4	Reference Table 10 & 12 [1]	
\$7,684,000	5,431,715,195	\$0.001415

Source: Table 14 in the Final Engineer's Report

Assessment Calculation

Using the parcel assessment equations presented in the Final Engineer's Report and supporting LBU equations as well as parcel attributes including parcel size, average structure size, relative land damage rate per acre, structure damage rate per square foot, and the initial proposed assessment rate, an individual parcel's assessment can be calculated.

The following list of steps are taken to calculate a parcel's assessment:

- Step 1 – Determine the Parcel Size, Land Use, Breach Name, Representative Levee Length.
- Step 2 – Using the Final Engineer's Report **Table 7**, determine the Average Structure Size.
- Step 3 – Using Final Engineer's Report **Table 8**, determine the Relative Land Damage Rate per Acre.
- Step 4 – Using Final Engineer's Report **Table 9**, determine the Structure Damage Rate per Square Foot.
- Step 5 – Using Final Engineer's Report **Table 10**, determine the Contents Damage Rate per Square Foot.
- Step 6 – Calculate the Parcel OBU using **Equation 1** in the Final Engineer's Report.
- Step 7 – Calculate the Parcel CBU using **Equation 2** in the Final Engineer's Report.
- Step 8 – Determine if the parcel is within the previous SCAAD boundaries and add SCAAD Factor.
- Step 9 – Calculate the Parcel LBU using **Equation 3** in the Final Engineer's Report.

Step 10 – Calculate the parcel assessment using **Equation 3** in the Final Engineer’s Report.

Step 11 – Round down to the closest multiple of \$0.02. Raise up to \$ 2.00 if it is less than the minimum²

Annual Escalation

To ensure that SJAFCA can provide the needed services over time, it is important to allow for an increase of the assessment over time to address the rising costs of labor, supplies, and materials. The Assessment Engineer has determined that an appropriate escalation factor is a factor that is reflective of rising labor costs and goods over time. Therefore, beginning in FY 2024/25, the maximum authorized assessment may be increased subject to an annual inflationary escalator pursuant to Government Code § 53739 (b), based on the annual change in the Consumer Price Index February to February CPI-W for San Francisco-Oakland-Hayward all Items, with Base Period 1982-84 = 100, published by the U.S. Department of Labor, Bureau of Labor Statistics, subject to a minimum of zero percent and a maximum of 4% in any given year. The adjustment to the maximum authorized assessment would be applied to the prior year’s annual assessment rate.

The Annual Escalation, for Fiscal Year 2024/25 as determined by the change in the referenced CPI Index is shown in **Table 4** below.

² Assessments are rounded down to the closest multiple of \$0.02 as required by the San Joaquin County Assessor’s office for submission of the special assessment roll for collection on County Property Tax Bills.

Table 4
Levee Construction & Maintenance Assessment District
Assessment Rate Escalation

Item	Escalation Factor [1]	\$ / LBU
Initial Maximum Proportional Assessment Rate - FY 2023/24		\$0.001415
Maximum Proportional Assessment Rate - FY 2024/25	1.0293	\$0.001456

[1] Based on the annual change in the Consumer Price Index February to February CPI-W for San Francisco-Oakland-Hayward all Items, with Base Period 1982-84 = 100, published by the U.S. Department of Labor, Bureau of Labor Statistics, subject to a minimum of zero percent and a maximum of 4% in any given year.

Minimum Assessment

The Agency has determined that the collection of very small annual assessments can result in a net loss to the Agency due to the costs of processing. In light of the legal obligation to ensure that property owners pay assessments in proportion to the special benefit they receive, the Agency has determined that waiving those very small assessments is not legally permissible. The Agency has therefore set a minimum assessment at \$2.00. The minimum annual assessment will be \$2.00 per parcel to reflect the cost to administer the Assessment Roll. All annual assessments calculated to be less than \$2.00 will be raised to the \$2.00 minimum. If the additional revenue collected by the SJAFCA due to the minimum assessment exceeds the cost to administer the Assessment Roll, the funds will be added to the reserve fund for the LCMA's Services.

Duration of the Assessment

As the assessment was approved by property owners in an assessment ballot proceeding conducted pursuant to Article XIIID Section 4 of the State Constitution and Government Code § 53750, et. seq., and subsequently approved by the SJAFCA Board of Directors, the assessment can be levied annually commencing FY 2023/24. The Executive Director will establish the assessment rate each year and while the assessment is only effective for that year, the assessment may be continued each year without another ballot proceeding with approval of the SJAFCA Board of Directors. The annual budget for Levee Capital Services will be collected by SJAFCA for 30 years following a final bond issuance which is expected in 2038. The budget for Levee O&M services will be collected each year that Levee O&M Services are provided, which is expected to be in perpetuity. On-going annual assessments cannot be increased without property owner approval, except for the annual escalation as described above.

Appeal Process

Any property owner who believes his or her property should be reclassified and the assessment adjusted may file a written appeal with the SJAFCA Executive Director. Any such appeal is limited to correction of an assessment during the then-current fiscal year and future years.

All appeals must include a statement of reasons why the property should be reclassified and may include supporting evidence. On the filing of any such appeal, the Executive Director will direct staff to promptly review the appeal and any information provided by the property owner and may investigate and assemble additional evidence necessary to evaluate the appeal. If the Executive Director finds that the assessment should be modified, the appropriate changes will be made to the assessment roll for the following fiscal year. Any such changes approved after the assessment roll has been filed with the County for collection, will not result in a refund of the current or any prior year's assessments paid before the appeal was filed unless so directed by the Executive Director.

District Boundary

The LCMA District Boundary encompasses all properties that receive a special benefit from Levee Capital and O&M Services as described in the Final Engineer's Report. Properties receiving special benefit from the Levee O&M Services were identified through the flood breach analyses prepared by R&F Engineering (R&F). Properties receiving special benefit from the Levee Capital Services were identified from a combination of floodplain mapping sources. The analyses completed by R&F have been documented and incorporated into the Final Engineer's Report as **Appendix C**. The Final Assessment Diagram is on file at SJAFCA's office.

Assessment Roll

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 LCMA District.

A listing of parcels of land, and the proposed assessment amount to each parcel is provided under a separate cover and by reference is made part of this Memorandum. For current ownership of each parcel of land, reference is made to the most recent equalized tax roll for the County of San Joaquin. The assessment amount for each parcel pursuant to approval of this Memorandum shall be submitted to the San Joaquin County Tax Collector for collection on the property tax bill for Fiscal Year 2024/25.

Summary of Assessments

The assessment for all parcels in the LCMA District by general land use category is summarized in **Table 5** below.

SJAFCA Fiscal Year 2024/25
Levee Construction & Maintenance Assessment District Administration
July 18, 2024

Table 5
San Joaquin Area Flood Control Agency
Levee Construction and Maintenance Assessment
Summary of Assessment FY 2024/25

Land Use Category	Parcel Count	Assessment Rates / Parcel			Total Assessments
		Average	95th Percentile	Maximum	
Agricultural	767	\$14.21	\$76.27	\$534.90	\$10,898
Blended	107	\$1,685.13	\$9,707.20	\$26,515.78	\$180,309
Commercial	3,379	\$252.66	\$1,279.34	\$12,067.90	\$853,737
Industrial	960	\$523.69	\$2,569.05	\$20,168.44	\$502,742
Mobile Home	143	\$38.98	\$90.49	\$2,407.20	\$5,575
Multi-Family Residential	5,834	\$141.99	\$369.80	\$17,170.76	\$828,345
Open Space	2,533	\$3.02	\$5.46	\$289.00	\$7,658
Open Space - Developed	3,403	\$4.54	\$16.53	\$157.62	\$15,455
Rural Residential	1,071	\$7.71	\$25.77	\$663.44	\$8,252
School	167	\$804.23	\$4,077.34	\$10,740.68	\$134,306
Single-Family Residential	75,808	\$68.47	\$248.01	\$823.56	\$5,190,862
Total All Land Uses	94,172				\$7,738,141



LARSEN WURZEL
& Associates, Inc.

2450 Venture Oaks Way, Suite 240 • Sacramento, CA 95833

www.larsenwurzel.com

Attachment 1

**March 26, 2024, the County's Department of Public Works
Request for LCMA and Smith Canal Funding**



SAN JOAQUIN
—COUNTY—

Greatness grows here.



Department of Public Works

Fritz Buchman, Director

Alex Chetley, Deputy Director - Development

Kristi Rhea, Deputy Director - Administration

David Tolliver, Deputy Director - Operations

Najee Zarif, Deputy Director - Engineering

March 26, 2024

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 2024-25
PROPOSED OPERATIONS & MAINTENANCE BUDGET**

Dear Mr. Elias,

The San Joaquin County Public Works Department (County) is pleased to submit the attached Fiscal Year 2024-25 budget proposal for your consideration. The proposed 2024-25 Operations and Maintenance (O&M) Budget for cost-shared flood protection facilities reflects the successful Proposition 218 effort to increase our maintenance assessment revenue.

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 and 2023 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 requesting \$985,000 for the FY 2024-25 budget year for the 96-1 budget. In addition, this budget year the County is adding the O&M responsibilities at the Smith Canal Gate budgeted at \$350,000 and the Levee Construction and Maintenance Assessment (LCMA) at \$841,000. See attachment. The FY 2024-25 total budget request is \$2,176,000. 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 2024-25 does not 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.

Please feel free to call me at (209) 468-3031, if you have any questions in this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "David Tolliver", written over the word "Sincerely,".

DAVID TOLLIVER
Deputy Director/Operations

Attachment

c: Fritz Buchman, Director of Public Works
Alex Chetley, Deputy Director of Development Services
Eric Ambriz, Channel Maintenance Superintendent

COUNTY OF SAN JOAQUIN 2024-2024 PROPOSED BUDGET

Assessment District No. 96-1 Flood Protection System

Fund - 21116

Department - 2910000000

	ACTUAL 2022-23	APPR BUDGET 2023-24	ESTIMATED 2023-24	RCMND BUDGET 2024-25
Expenditures				
6201005600 GENERAL OFFICE SUPPLIES	72	0	0	0
6206000300 COMMUNICATIONS CELL PHONE	0	0	0	0
6211000000 MAINTENANCE EQUIPMENT	0	15,000	10,000	15,000
6214000000 RENTS & LEASES -EQUIPMENT	0	0	0	0
6214000200 EQUIPMENT RENTAL-COUNTY OWNED	60,849	70,000	42,000	70,000
6220001000 AUDITOR'S PAYROLL & A/P CHARGES	0	0	0	0
6221000000 PROFESSIONAL SVS				100,000
6221004000 PROFESSIONAL SVS-COUNTY	0	0	0	0
6221312400 PROFESSIONAL SVS SMITH CANAL GATE	0	0	0	350,000
6221312500 PROFESSIONAL SVS LCMA	0	0	0	841,000
6221020000 ALLOCATED SERVICE DEPT COSTS	145,663	160,000	159,000	160,000
6221020900 COUNTY COUNSEL LEGAL SVS	203	0	0	0
6226001600 LICENSES & PERMITS	0	0	0	0
6226003000 MATERIALS	16,228	50,000	30,000	50,000
6226003100 LABOR	272,881	680,000	460,000	555,000
6226101800 SPECIAL DEPARTMENT EXPENSE-SAFETY	0	0	0	0
6240000000 CLOTHING & PERSONAL SUPPLIES	0	0	0	0
6269000000 SMALL TOOLS & INSTRUMENTS	0	10,000	5,000	10,000
SERVICES AND SUPPLIES	495,824	985,000	706,000	2,151,000
6451000000 EQUIPMENT	0	0	0	0
CAPITAL EXPENDITURES	0	0	0	0
6810250100 SJAFCA Flood Wall Repair	0	0	14,000	25,000
PUBLIC WORKS FLOOD WALL REPAIR	0	0	14,000	25,000
TOTAL EXPENDITURES	495,824	985,000	720,000	2,176,000

Agenda Item 7.4

July 18, 2024

TO: San Joaquin Area Flood Control Agency Board of Directors

FROM: Chris Elias, Executive Director
Seth Wurzel, Larsen Wurzel & Associates, Inc.

SUBJECT: **ADOPTION OF RESOLUTION APPROVING FINAL ENGINEER'S REPORT, FORMING THE MOSSDALE TRACT OVERLAY ASSESSMENT DISTRICT AND ORDERING THE LEVY OF ASSESSMENTS BEGINNING IN FISCAL YEAR 2024-25**

RECOMMENDATION

Upon receipt of the certified results from the tabulation of the protest ballot proceeding from Larsen Wurzel & Associates, Inc. (LWA), it is recommended that the Board of Directors of the San Joaquin Area Flood Control Agency (SJAFCA) adopt a resolution approving the Final Engineer's Report and the formation of the Mosssdale Tract Overlay Assessment District (OAD) and ordering the levy of assessments beginning in Fiscal Year 2024-25.

DISCUSSION

Background

On June 20, 2024, SJAFCA held a meeting of the Board of Directors to conduct the required public hearing for the proposed assessment district formation. Upon the conclusion of the public hearing, the SJAFCA Board directed the OAD Contractors to complete the ballot tabulation and present the results of the tabulation at this July 18, 2024 Board meeting.

Present Situation

The tabulation of the assessments ballots was completed, following the close of the public hearing, on June 21st in the Council Chambers at Lathrop City Hall in Lathrop. A copy of the Final Tabulation Report prepared by LWA is included as Attachment 1.

As shown in the Final Tabulation report, a majority protest against the Mosssdale Tract OAD formation did not exist. As such, it is recommended that the Board adopt a resolution, approving the Final Engineer's Report, forming the Mosssdale Tract Overlay Assessment District and ordering the levy of assessment beginning in Fiscal Year 2024-25. Attachment 2 to this staff report presents Resolution 24-22 (the Resolution of Formation) that reflects the results of LWA's certified ballot tabulation results. Formation of the Mosssdale Tract OAD is pursuant to Article XIII D of the California Constitution, Proposition 218 Omnibus Implementation Act, Government Code § 53750 et seq., and the Benefit Assessment Act of 1982, Government Code § 54703 et seq.

Next Steps: Final Engineer's Report, Boundary Map and CEQA Notice of Exemption

On April 18, 2024, the Board adopted Resolution No. 24-07 approving the Boundaries of the Mosssdale Tract OAD and preliminarily approving the San Joaquin Area Flood Control Agency Mosssdale Tract Overlay Assessment District Preliminary Engineer's Report dated March 18, 2024.

The Preliminary Engineer's Report's title and date has been updated to be a Final Engineer's Report with an approval date of July 18, 2024 (Attachment 3). Further, the information presented in Addendum No. 1 that was transmitted to the Board and made available to the public at the hearing on June 20, 2024 has been incorporated into the Final Engineer's Report. As required by Proposition 218, the Engineer's Report has been prepared by a Registered Professional Engineer certified by the State of California. The Final Engineer's Report reflects this requirement as it has been signed and stamped by a California Registered Professional Civil Engineer. The Final Engineer's Report also includes the finalized Benefit Assessment Roll for fiscal year 2024-25 under a separate cover which has not been attached to the staff report (due to its size and number of pages) but is on file with the Clerk of the Board.

ADOPTION OF RESOLUTION APPROVING FINAL ENGINEER'S REPORT, FORMING THE MOSSDALE TRACT OVERLAY ASSESSMENT DISTRICT AND ORDERING THE LEVY OF ASSESSMENTS BEGINNING IN FISCAL YEAR 2024-25

The Boundary Map approved as part of Resolution No. 24-07 is ordered to be filed with the Secretary of the Agency and recorded in the Book of Maps of Assessment and Community Facilities Districts by the County Recorder as part of the Resolution of Formation.

Finally, Agency Staff will cause an applicable CEQA notice of exemption to be filed with the County Clerk pursuant to Public Resources Code § 21080(b)(8) [California Code of Regulations §15273].

FISCAL IMPACT

With the approval of the Resolution of Formation and the ordering of the levy of assessments commencing in Fiscal Year 2024-25, the Agency would experience a positive fiscal impact by increasing its revenues by approximately \$2,240,000 per year. All additional revenue would be utilized by SJAFCA to advance flood control improvements in the Mossdale Tract Area. This would be accomplished through the use of assessments revenues on a pay-as-you-go basis, and, in the future, the issuance of debt secured by future assessments to advance flood protection improvements to achieve an Urban Level of Flood Protection for the Mossdale Tract Area.

The revenues associated with the Mossdale Tract OAD are reflected in the Agency's Mossdale Tract Area CIP FY 2024/25 budgets which are expected to be presented to the Board at this July Board meeting.

Strategic Plan Consistency Analysis

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

APPROVED BY:



CHRIS ELIAS
EXECUTIVE DIRECTOR

ADOPTION OF RESOLUTION APPROVING FINAL ENGINEER'S REPORT, FORMING THE MOSSDALE TRACT OVERLAY ASSESSMENT DISTRICT AND ORDERING THE LEVY OF ASSESSMENTS BEGINNING IN FISCAL YEAR 2024-25

Attachments:

1. San Joaquin Area Flood Control Agency - Mossdale Tract Overlay Assessment District Ballot Proceeding Tabulation - Final Report dated June 24, 2024 prepared by Larsen Wurzel & Associates, Inc.
2. RESOLUTION 24-22 OF THE BOARD OF DIRECTORS OF THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY APPROVING FINAL ENGINEER'S REPORT, FORMING THE MOSSDALE TRACT OVERLAY ASSESSMENT DISTRICT AND ORDERING LEVY OF ASSESSMENTS BEGINNING IN FISCAL YEAR 2024-25
3. San Joaquin Area Flood Control Agency Final Engineer's Report Formation of: Mossdale Tract Overlay Assessment District (Mossdale OAD) prepared by Willdan Financial Services dated July 18, 2024

[Note – due to the number of pages, the listing of Assessments, included with the Engineer's Report is on file with the Clerk of the Board and is available online at www.sjafca.org/OAD]

Final Report

San Joaquin Area Flood Control Agency

June 24, 2024

Mossdale Tract Overlay Assessment District

Ballot Proceeding Tabulation

Prepared for: San Joaquin Area Flood Control Agency Board of Directors

Prepared by: Seth Wurzel, CGFM

Larsen Wurzel & Associates, Inc. (LWA) has performed the tasks described in the San Joaquin Area Flood Control Agency (SJAFCA) Mossdale Tract Overlay Assessment District Ballot Tabulation Process & Procedures transmitted to the SJAFCA Board of Directors on June 20, 2024 as summarized below. These procedures were prepared to govern the tabulation of ballots in favor of and opposition to the proposed Mossdale Tract Overlay Assessment District (OAD) as performed by LWA on June 21, 2024. LWA makes no representation regarding the sufficiency of these procedures described below for any other purpose other than for the purpose for which they have been prepared.

The procedures related to the ballot proceeding for the OAD performed are summarized as follows:

- 1) A data processing system was prepared for the efficient preparation, production and subsequent tabulation of the ballots.
- 2) Mailed return ballots were delivered directly to the Lathrop City Hall located at 390 Towne Centre Drive, Lathrop, California, 95330. Hand delivered returned ballots were received by the City of Lathrop at the same address until 5:00 PM on June 20, 2024. Hand delivered ballots were also received at the Public Hearing which took place in the Council Chambers at Lathrop City Hall. All mailed and hand return ballots were stored in secured locations and remained sealed in their return envelopes until the start of the tabulation process on June 21, 2024 at approximately 8:20 AM, which was after the close of the Public Hearing on June 20, 2024.
- 3) LWA attended the Public Hearing and at the close of the balloting period, all ballots cast and received prior to the close of the Public Hearing remained stored at Lathrop City Hall and on the morning of June 21, 2024 were transferred into LWA's custody to be included within the ballot tabulation.
- 4) LWA directed the canvass of all ballots received from the total potential 19,065 ballots issued pursuant to the Ballot Tabulation Process & Procedures transmitted to the Board of Directors on June 20, 2024. In summary, the tabulation criteria included the following steps:
 - a) Opening / Sorting: LWA directed the opening and sorting of all ballots into three categories, Valid Yes Votes, Valid No Votes and Invalid Votes. A ballot was considered valid if it contained a signature on the ballot and a clear indication of a "yes" or "no" vote. As ballots were sorted, an additional confirmation of the original sorting and preliminary validation (yes or no and signature) took place. Any ballot with no clear indication of yes or no, left unsigned, or significantly marred, was initially considered invalid and subject to further review by Agency Counsel. Agency Counsel provided the final determination of all Ballots to be considered Invalid. All replacement ballots issued (as

indicated by the fact they were printed on colored paper) were also separated and sorted throughout this process in the same manner as original issued (white) ballots.

- b) **Scanning/Data Entry:** Prior to scanning the valid ballots, ballots of the same type (same color and vote) were batched into groups of up to 100 ballots. A unique batch ID was assigned to each ballot and the attributes of the batch (color and vote) were recorded. Each batch and each ballot had a unique ballot identification bar coded number and the batch bar code and ballot bar code were scanned into the ballot tabulation software using a high-speed scanning machine. The high-speed scanning machine scanned each ballot twice with two separate scanners and recorded the number of ballots scanned by each scanner. If the number of scans recorded by each scanner did not equal 100 (or a lesser number of ballots in the batch), then the entire batch was scanned again until the two scans recording the data matched and the number of scans equaled 100 or the number of ballots expected to be in the batch. Once the original ballots were scanned, the replacement ballots were scanned in the same manner and entered into the tabulation software. During this process, any valid replacement ballot vote cast for an original ballot already tabulated was overwritten and the original vote was not counted. Ballots that were damaged and/or could not be run through scanning machine were scanned into the software by hand twice and the two sets of scanned data were compared to ensure that all ballots were counted.
 - c) **Data Validation:** Once the data entry was completed and all differences from the two sets of scans were reconciled, preliminary results of the tabulation were tested. Of the 2,335 valid ballots received, 249 ballots (approximately 10% of the tabulated ballots) were run through a verification process. The physical information on the ballots was compared to the results in the data processing system to ensure that the information in the program matched the physical ballot information. The results from the verification process matched the data within the software, thus the process was considered certifiable according to the established procedures.
 - d) Invalid ballots were also scanned into the system to record the count and the weight of invalid ballots cast as well as the reason for invalidation.
- 5) As part of the ballot tabulation calculations, each valid yes or no vote was multiplied by the amount of the property owner's proposed assessment to determine the weight of each vote.
 - 6) LWA summed all of the valid weighted yes votes and all of the valid weighted no votes in order to determine which response had the most weighted vote.
 - 7) The canvass of the assessment ballots submitted by property owners is now complete and LWA can report the results of the tabulation process as determined by the performance of procedures and criteria summarized above. The results of the tabulation process are as follows:

San Joaquin Area Flood Control Agency
Mossdale Tract Overlay Assessment District
 Summary of Ballot Proceeding Tabulation Results

All Ballots

Total Ballots:	19,065
Valid Ballots Returned:	2,335
Invalid Ballots Returned:	95
Total Ballots Returned:	2,430
Ballots Not Returned:	16,635
% of Ballots Returned:	12.75%
Total Assessment of All Ballots:	\$2,243,197.32
Total Assessment of All Valid Ballots Returned:	\$458,106.48
% of Assessment Returned:	20.42%

Valid Ballots

	<u>Number</u>	<u>Returned</u>	<u>Total Assessment</u>	<u>Percent of Valid Total</u>
All Ballots	2,335	100.00%	\$458,106.48	100.00%
Yes Votes	1,434	61.41%	\$344,283.70	75.15%
No Votes	901	38.59%	\$113,822.78	24.85%

Invalid Ballots

	<u>Number</u>	<u>Total Assessment</u>	<u>Percent of Invalid Total</u>
All Invalid Ballots	95	\$23,457.78	100.00%
Vote Not Marked	13	\$1,057.30	4.51%
Unofficial Ballot	0	\$0.00	0.00%
No Signature	6	\$324.84	1.38%
Marred/Destroyed	1	\$102.86	0.44%
Both Votes Marked	4	\$141.14	0.60%
Duplicate	71	\$21,831.64	93.07%
Other	0	\$0.00	0.00%

A total of 2,430 assessment ballots were returned and received prior to the close of the public hearing on June 20, 2024. 95 of these ballots were determined to be invalid based on the following. 24 ballots were declared invalid in that they were not marked with a "yes" or "no," were marked with both a "yes" and a "no," were not signed, were not returned in the security envelope, or for some other reason. A total of 71 ballots were declared invalid as they were either, A) received and determined to be void as a result of a replacement ballot having been issued that voided the original ballot (quantity of 25), or B) tabulated but then their initial tabulation was replaced through the receipt of a valid duplicate replacement ballot having been issued (quantity of 46). This left 2,335 valid ballots remaining to determine the outcome of the tabulation process.

After the valid ballots were weighted according to the proportional financial obligation of the affected property, the tabulation concluded that 75.15% of the valid ballots were cast in support of the proposed Assessment. Since a majority protest, as defined by Article XIII D of the California Constitution, did not exist, the Board may take action to approve the formation of the OAD as described in the Engineer's Report to pay the costs and expenses of the services identified therein.

With the transmittal of this report, LWA certifies that it has completed the canvass of the protest ballots submitted for the proposed Mossdale Tract Overlay Assessment District pursuant to the process and procedures submitted to the Board on June 20, 2024.

This report is intended solely for the information and use of the San Joaquin Area Flood Control Agency and its management and is not intended to be and should not be used by anyone other than these specified parties.

Larsen Wurzel & Associates, Inc.



June 24, 2024

RESOLUTION NO. SJAFCA 24-22

SAN JOAQUIN AREA
FLOOD CONTROL AGENCY

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN JOAQUIN AREA FLOOD
CONTROL AGENCY APPROVING FINAL ENGINEER'S REPORT, FORMING THE
MOSSDALE TRACT OVERLAY ASSESSMENT DISTRICT AND ORDERING LEVY OF
ASSESSMENTS BEGINNING IN FISCAL YEAR 2024-25**

WHEREAS, the San Joaquin Area Flood Control Agency (the "Agency") is a joint powers agency that was created in May 1995 between the City of Stockton ("Stockton"), San Joaquin County ("County") and the San Joaquin County Flood Control and Water Conservation District ("SJCFWCWD"), for the purpose of providing flood protection services for the City of Stockton and surrounding unincorporated areas of the County;

WHEREAS, in January of 2018 Stockton, the County, the SJCFWCWD, the City of Lathrop ("Lathrop"), and the City of Manteca ("Manteca") executed an Amended and Restated Joint Exercise of Powers Agreement to reform the Agency by adding Lathrop and Manteca as members;

WHEREAS, in February 2018, SJAFCA, as part of the reformulation of the Agency's Joint Exercise of Powers Agreement to include the Cities of Lathrop and Manteca as members of the Agency, assumed the role of Local Flood Management Agency ("LFMA") as part of the efforts to provide Urban Level of Flood Protection to the area that includes the community of Weston Ranch in south Stockton, south to the City of Lathrop and west to the western portions of the City of Manteca commonly referred to as the "Mossdale Tract Area." In its role as LFMA, SJAFCA has advanced a funding program to generate the funds needed to implement improvements to the levee system protecting the Mossdale Tract Area ("the Project") to ensure the levees can meet Urban Levee Design Criteria ("ULDC") and the Area can achieve an Urban Level of Flood Protection ("ULOP");

WHEREAS, on June 28, 2018, in its role as LFMA, the Agency transmitted its first Annual Report of Adequate Progress toward Urban Level of Flood Protection to the Central Valley Flood Protection Board pursuant to Government Code §65007 (a)(5). The Annual Adequate Progress Report includes the details of a funding and financing plan to generate the needed local funding for the Project. The Annual Adequate Progress Report identified three new funding mechanisms to generate the local funding; a Regional Development Impact Fee program; an Enhanced Infrastructure Financing District; and the Mossdale Tract Overlay Assessment District ("Mossdale Tract OAD");

WHEREAS, in September 2019, the Agency entered into a contract with Willdan Financial Services to provide Assessment Engineering Services for the proposed Mossdale Tract OAD to provide a portion of the funding for ULOP related improvements and services;

WHEREAS, the Agency now plans to establish the Mossdale Tract OAD to fund a portion of the costs of constructing 200-year improvements to the levee and flood control system providing protection to Mossdale Tract Area, and ensure proper maintenance and operation of the related levees and flood control facilities (collectively, the "Services");

WHEREAS, the Services will provide special benefits to certain land in the Mossdale Tract Area (the “Properties”) within the proposed boundaries of the Mossdale Tract OAD;

WHEREAS, the Agency has engaged the firm of Willdan Financial Services, to have a registered professional engineer certified by the State of California prepare a detailed Engineer's Report (“Engineer's Report”) establishing a methodology to determine and apportion the special benefits received by the Properties from the Services and to allocate the costs of the Services in proportion to said special benefits;

WHEREAS, the proposed boundaries of the Mossdale Tract OAD area include all the Properties that receive special benefit from the Services, while excluding properties not receiving special benefits from the Services and any incidentally-benefited properties in adjacent areas;

WHEREAS, the Board of Directors of the Agency has determined to undertake proceedings pursuant to the Benefit Assessment Act of 1982, Government Code section 54703 et. seq. (“Act”) to establish the Mossdale Tract OAD and to levy assessments to pay costs of the Services for the Properties to be included within the Mossdale Tract OAD boundary;

WHEREAS, the imposition of a new special assessment is subject to constitutional procedural requirements, including a ballot procedure involving the owners of the parcels proposed to be assessed;

WHEREAS, on April 18, 2024, the Board of Directors of the Agency adopted Resolution No. 24-07, which:

- Proposed forming the Mossdale Tract OAD and levying a special benefit assessment;
- Identified the Mossdale Tract OAD's proposed boundary;
- Preliminarily approved the Engineer's Report;
- Fixed the time of a public hearing to hear public comment on the proposed Mossdale Tract OAD and special benefit assessment; and,
- Directed the Agency's consultants and staff to undertake the procedural and approval processes including the mailing of notices and ballots which are necessary for the establishment of the Mossdale Tract OAD and levying of a special assessment proportional to the special benefits to be provided by the Services;

WHEREAS, also on April 18, 2024, the Board of Directors of the Agency adopted Resolution No. 24-08, which adopted Proposition 218 procedures to be followed in the implementation of the provisions of Proposition 218 relating to the proposed Mossdale Tract OAD (the “218 Procedures”), and the 218 Procedures have been followed in connection with the activities directed by Resolution No. 24-07;

WHEREAS, during May and June of 2024 the Agency conducted an assessment ballot proceeding pursuant to Proposition 218 in which the landowners that would be specially benefited by the Services were provided by mail with notice of the proposed special assessment and public hearing and also provided the opportunity to complete a ballot as to whether the Agency should form the proposed Mossdale Tract OAD and levy the assessment;

WHEREAS, on June 20, 2024, the Board received a report from Staff and Consultants which included as Attachment 1 Addendum No. 1 to the San Joaquin Area Flood Control Agency Preliminary Engineer's Report Formation of Mossdale Tract Overlay Assessment District prepared by Willdan Financial Services dated April 18, 2024;

WHEREAS, as part of the assessment ballot proceeding, the Board of Directors of the Agency held a public hearing on June 20, 2024 at 6:00 PM in the City Council Chambers, Lathrop City Hall, located at 390 Towne Centre Dr., Lathrop, California for the purpose of receiving comments on and protests to the proposed benefit assessment and for accepting new or changed ballots from specially benefited landowners; and

WHEREAS, during the public hearing, the Board of Directors of the Agency heard and considered all public comments.

WHEREAS, on June 20, 2024, upon the conclusion of the public hearing, the Board of Directors of the Agency adopted Resolution No. 24-19 receiving Addendum No. 1 to the Preliminary Engineer's Report for the Mossdale Tract Overlay Assessment District and directing the tabulation of the ballots for the formation of the Mossdale Tract Overlay Assessment District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Joaquin Area Flood Control Agency as follows:

1. **Recitals.** The above recitals are true and correct and are incorporated into this Resolution by this reference.

2. **Ballot Proceeding.** A total of 2,430 assessment ballots were returned and received prior to the close of the public input portion of the public hearing on June 20, 2024. Of the assessment ballots returned, 2,335 assessment ballots were deemed valid, and 95 assessment ballots were declared invalid in that they were either not marked with a "Yes" or "No", were marked with both a "Yes" and a "No", were not signed, or for some other reason. In addition, ballots that were mutilated in such a way where the property ownership and barcode information was illegible or missing were excluded from the tabulation counts above.

3. **Ballot Tabulation.** The canvass of the assessment ballots submitted by property owners is complete and was certified by the Larsen Wurzel & Associates, Inc., and the votes cast were as follows:

Total Number of Valid Ballots Received: 2,335
Total Mossdale Tract OAD Amount of Valid Ballots: \$458,106.48

Total Number of Valid "Yes" Votes: 1,434
Total Weighted Value of "Yes" Votes: \$344,283.70
Total Weighted Percentage of "Yes" Votes: 75.15%

Total Number of Valid "No" Votes: 901
Total Weighted Value of "No" Votes: \$113,822.78
Total Weighted Percentage of "No" Votes: 24.85%

Total Number of "Invalid" Ballots: 95
Total Mossdale Tract OAD Amount of "Invalid" Ballots: \$23,457.78

After the ballots were weighted according to the proportional financial obligation of the affected property, the tabulation shows that 75.15% of the valid ballots were cast in support of the Mossdale Tract OAD formation. Since a majority protest, as defined by Article XIII D of the California Constitution, did not exist, the Board may levy the assessment as described in the Final Engineer's Report to pay the costs and expenses of the Services identified therein.

4. **Final Engineer's Report.** The Final Engineer's Report for the Mossdale Tract OAD, which reflects the information in Addendum No. 1 presented at the June 20, 2024 public hearing, together with the diagram of the Mossdale Tract OAD contained therein, and the proposed Benefit Assessment Roll for fiscal year 2024-25 contained therein, has been presented to the Board of Directors at this meeting and is incorporated herein by reference, are hereby confirmed and approved.

5. **Findings.** That based on the oral and documentary evidence, including the Final Engineer's Report, offered and received at the public hearing, the Board finds and determines that: (a) each of the several assessed lots and parcels of land within the Mossdale Tract OAD will be specially benefited by the Services (as described in the Final Engineer's Report) in at least the amount of the benefit assessment apportioned against such lots and parcels of land, respectively; and (b) there is substantial evidence to support, and the weight of the evidence is in favor of, this finding and determination as to special benefit to property within the LCMA Assessment District from the Services to be financed with assessment proceeds.

6. **Mossdale Tract OAD Formation.** The Mossdale Tract OAD is hereby formed, and assessments consistent with the Final Engineer's Report, as modified by successful appeals, are hereby levied, pursuant to the Act.

7. **Annual Levy of Assessments.** The first assessments to be levied on property in the Mossdale Tract OAD will be for fiscal year 2024-25 with authorized maximum assessment.

8. **Authorized Services.** The Services to be financed with assessment proceeds described in the Final Engineer's Report are hereby ordered.

9. **Maximum Assessment Adjustment per CPI.** As described in the Final Engineer's Report, to ensure that the Agency can provide the needed Services over time the Board of Directors of the Agency will have the authority, pursuant to Government Code Section 53739 (b), to levy the assessment within a designated range on an annual basis. The designated range will be from a minimum assessment, up to and including the authorized maximum assessment, as adjusted annually based on the CPI as described below.

Beginning in Fiscal Year 2025-26, the maximum authorized assessment may be increased subject to an annual inflationary escalator, based on the annual change in the Consumer Price Index February to February CPI-W for the San Francisco-Oakland-Hayward all Items, with Base Year 1982-84 = 100, published by the U.S. Department of Labor, Bureau of Labor Statistics, subject to a minimum of 0% and a maximum of 4% in any given year as described in the "Annual Inflationary Adjustment (Assessment Range Formula)" section of the Final Engineer's Report.

10. **Filing of Map & Collection of Assessment.** SJAFCA staff is directed to file or cause to be filed the diagram of Mossdale Tract OAD, the Final Engineer's Report and a certified copy of this Resolution with the Auditor/Controller of San Joaquin County. Upon such filing, commencing in Fiscal Year 2024-25 and each year thereafter upon approval by the Board of Directors of the Agency, the County/Auditor Controller shall enter on the County tax roll opposite

each lot or parcel of land in the Mossdale Tract OAD the amount of assessment thereupon as shown in the Final Engineer's Report and described in this Resolution. The benefit assessment shall be collected at the same time and in the same manner as County ad valorem taxes are collected and all laws providing for the collection and enforcement of County ad valorem taxes shall apply to the collection and enforcement of the assessments. After collection by the County Tax Collector, the net amount of the assessments, after deduction of any compensation due the County for collection, shall be paid to the Agency for the purposes of the Mossdale Tract OAD.

11. **Separate Fund Requirement.** The monies representing assessments collected shall be deposited in a separate fund or funds designated for the Mossdale Tract OAD. Amounts deposited to such fund(s) shall be expended only for the Services that specially benefit the lands within the Mossdale Tract OAD as described in the Final Engineers Report.

12. **Administrative Corrections.** The assessment, as it applies to any parcel, may be corrected, cancelled or a refund granted as appropriate, by order of the Board of Directors or by order of the Executive Director of the Agency. Any such corrections, cancellations or refunds shall be limited to current or future fiscal years and shall not be granted retroactively. The Agency may adopt, in the future, as the need arises, additional policies or procedures as needed to efficiently and effectively administer the Mossdale Tract OAD.

13. **CEQA Compliance.** The creation of the assessment funding mechanism is exempt from CEQA because it provides a funding mechanism in support of future actions which will be separately analyzed as projects under CEQA. Agency staff is directed to prepare and file or cause to be filed a Notice of Exemption to that effect with the proper office.

14. **Proposition 218 Compliance.** The assessment is in compliance with all laws pertaining to it, including Article XIII-D of the California Constitution (Proposition 218), and as described in the Final Engineers Report, the assessment is being levied without regard to property valuation.

PASSED, APPROVED AND ADOPTED this 18th day of July, 2024.

PAUL AKINJO, 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



San Joaquin Area Flood Control Agency

Final Engineer's Report

Formation of: Mossdale Tract Overlay Assessment District (Mossdale OAD)

Commencing Fiscal Year 2024/2025

Intent Meeting: April 18, 2024

Public Hearing: June 20, 2024

**JULY 2024
PREPARED BY
WILLDAN FINANCIAL SERVICES**

27368 Via Industria
Suite 200
Temecula, CA 92590
T. 951.587.3500 | 800.755.6864
F. 951.587.3510 | 888.326.6864

Property Tax Information Line
T.866.807.6864

www.willdan.com



ENGINEER'S REPORT AFFIDAVIT

San Joaquin Area Flood Control Agency

Formation of the

Mossdale Tract Overlay Assessment District

Fiscal Year 2024/2025

County of San Joaquin, State of California

This Engineer's Report ("Report") and the enclosed descriptions and diagrams outline the San Joaquin Area Flood Control Agency ("SJAFCA" or "Agency") proposed formation and establishment of annual assessments for the Mossdale Tract Overlay Assessment District (hereinafter referred to as "District") commencing with fiscal year 2024/2025. Said District incorporates each lot, parcel, and subdivision of land within San Joaquin County that receives special benefit from the construction and operation of flood risk reduction components in and adjacent to the Mossdale Tract Area within the boundaries of said District as defined by the District Diagram contained herein as Part IV and adopted at the time of the passage of the Resolution of Intention. Reference is hereby made to the San Joaquin County Assessor's maps for a detailed description of the lines and dimensions of each lot, parcel, and subdivision of land within said territory and District. The undersigned respectfully submits the enclosed Report that includes a general description of the plans and specifications, method of apportionment, budget and proposed special benefit assessments associated therewith as directed by the SJAFCA Board of Directors ("Board") and pursuant to the provisions of the Benefit Assessment Act of 1982, being Chapter 6.4 of the California Government Code, commencing with Section 54703.

Dated this 18th day of July, 2024.

Willdan Financial Services
Assessment Engineer
On Behalf of San Joaquin Area Flood Control Agency

By: _____

Jim McGuire
Principal Consultant, Project Manager

By: _____

Tyrone Peter
PE # C 81888



Table of Contents

Introduction.....	1
Background.....	3
Legislative Authority	3
Ballot Proceedings.....	6
Engineer’s Report	6
Part I — Plans and Specifications	9
District Overview	9
Project Location	9
Project Objectives	10
Proposed Project.....	10
Part II — Estimate of Costs	14
Proposed Project Budget	15
Proposed Project Funding	16
Financing Plan / Assessment Budget	16
Authorized Term / Use of Revenues.....	17
Part III — Method of Apportionment	18
Benefit Analysis.....	18
Assessment Methodology (Special Benefit Calculations).....	21
Annual Inflationary Adjustment (Assessment Range Formula)	34
Appeals Process.....	34
Part IV — Assessment Roll	36
PART V — ASSESSMENT DIAGRAM	37

Introduction

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

On November 16, 2017, the Joint Exercise of Powers Agreement was amended to include the Cities of Lathrop and Manteca to address the requirements of California Senate Bill 5 within the area known as the Mossdale Tract. SJAFCA has a nine member Board of Directors with one (1) member of the San Joaquin County Flood Control and Water Conservation District; one (1) member of the San Joaquin County Board of Supervisors; two (2) members from Stockton City Council; two (2) members from Lathrop City Council; two (2) members from Manteca City Council; and one (1) member of the public.

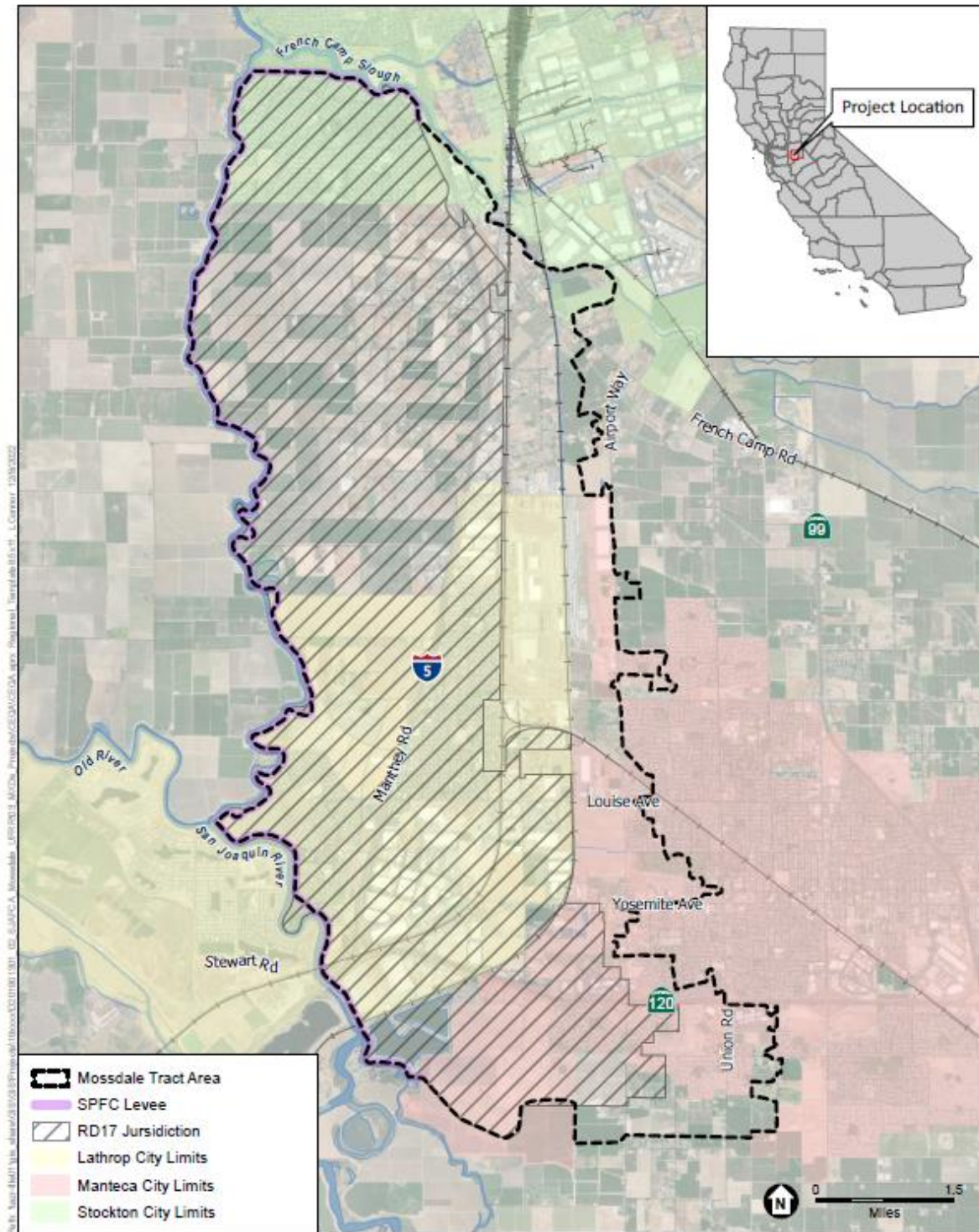
Following flooding disasters prompted by Hurricanes Katrina and Sandy, the Federal Emergency Management Agency (FEMA) and the US Army Corps of Engineers (USACE) embarked upon a comprehensive reevaluation of local flood risk and flood protection. FEMA has undertaken a Map Modernization Program that has resulted in a levee recertification program with new and more stringent levee standards. Other challenges involve State legislation that went into effect in 2007 (Senate Bill 5), which requires 200-year level of flood protection for urban or urbanizing areas¹ within California's Central Valley.

SB 5 defines Urban Level of Flood Protection (ULOP) as the "level of protection that is necessary to withstand flooding that has a 1-in-200 chance of occurring in any given year using criteria consistent with, or developed by, the California Department of Water Resources." Senate Bill 5 requires all cities and counties within the Sacramento-San Joaquin Valley, as defined in California Government Code § 65007(h), to make findings related to ULOP or the national Federal Emergency Management Agency (FEMA) standard of flood protection before: (1) entering into a development agreement for any property that is located within a flood hazard zone; (2) approving a discretionary permit or other discretionary entitlement, or a ministerial permit that would result in the construction of a new residence, for a project that is located within a flood hazard zone; or (3) approving a tentative map, or a parcel map for which a tentative map was not required, for any subdivision that is located within a flood hazard zone (see California Government Code § 65865.5, 65962, and 66474.5).

State and USACE levee standards and criteria continue to evolve and impact SJAFCA's priorities going forward. For the Mossdale Tract Area, SJAFCA continues to work with San Joaquin County, local cities (Stockton, Lathrop, and Manteca), and Reclamation District No. 17 ("RD 17") to address flood protection issues, levee standards and levee requirements that meet both State and Federal regulatory requirements (see Figure 1 on page 2 for a general overview illustration of the Mossdale Tract Area).

¹ Government Code § 65007 (l) and (h) define Urban Areas as developed areas where there are 10,000 or more residents and Urbanizing Areas as developed areas, or an area outside a developed area that is planned or anticipated to have 10,000 residents or more within the next 10 years.

FIGURE 1 — MOSSDALE TRACT AREA GENERAL OVERVIEW



SOURCE: MAXAR, 2021; KSN, 2022; PBI, 2022; ESA, 2022

Mossdale Tract Area Urban Flood Risk Reduction Project

Background

The Mossdale Tract Area is surrounded by approximately 19 miles of continuous levees that provide protection from floodwaters of streams, creeks, rivers, and bypasses that empty into the Sacramento-San Joaquin Delta, and from extreme high tides. The levees are operated and maintained by the local reclamation district, RD 17. The Mossdale Tract Area covers approximately 22,400 acres and is bounded by French Camp Slough to the north, the San Joaquin River to the west, and the Walthall Slough to the south. The Mossdale Tract Area spans an area that incorporates portions of the cities of Stockton, Lathrop, and Manteca that are highly urbanized, as well as portions of unincorporated San Joaquin County. RD 17 levees protect residential, commercial, industrial, as well as agricultural properties and they do not currently provide 200-year flood protection as required by Senate Bill 5.

The existing plan, as reported by SJAFCA annually since 2018 to the Central Valley Flood Protection Board, for meeting state requirements includes two components:

- RD 17's recently completed Levee Seepage Repair Project (LSRP); and
- Levee Improvements to achieve 200-year flood protection (the SJAFCA Project or Project).

In general, the SJAFCA Project consists of a fix-in-place levee improvement project and an extension of the existing dryland levee in Manteca.

The estimated Project cost is approximately \$472.87 million with funding expected to come from the following sources:

- State Funding in the form of Grants to SJAFCA and cash contributions to the United States Army Corp of Engineers (USACE);
- Federal Funding in the form of implementation and construction of facilities by the USACE; and,
- Local Funding sources including, but not limited to:
 - ✓ Direct funding from the Cities of Stockton, Lathrop, and Manteca (Cities), and San Joaquin County;
 - ✓ The Mossdale Tract Area Regional Urban Level of Flood Protection Levee Impact Fee Program adopted by SJAFCA, the Cities and San Joaquin Count;
 - ✓ The Mossdale Tract Enhanced Infrastructure Financing District (EIFD); and,
 - ✓ The Mossdale Tract Overlay Assessment District (the focus of this Report).

Legislative Authority

Pursuant to the provisions of the Joint Exercise of Powers Act, Govt. Code Section 6500 et seq. ("JEP Act"). Agencies formed pursuant to the JEP Act may provide financing for any of their members or other local agencies in the State of California in connection with the acquisition, construction, improvement, and maintenance of public capital improvements, working capital requirements or insurance programs of such members or other local agencies.

Pursuant to the provisions of the Benefit Assessment Act of 1982, Government Code sections 54703-54719, ("1982 Act"), and in compliance with the substantive and procedural requirements

of the California State Constitution Article XIII D ("California Constitution"), the Board of Directors ("Board") of SJAFCA proposes to form and levy special benefit assessments for the district to be designated as:

Mossdale Tract Overlay Assessment District

(hereafter referred to as "District"), which includes all lots and parcels of land within portions of the cities of Lathrop, Manteca, and Stockton as well as portions of unincorporated San Joaquin County that receive a particular and distinct benefit (special benefit) from the operation, program planning, design, construction, installation, implementation, and maintenance of the proposed fix in place and potential levee setback improvements and the dryland levee extension to achieve and maintain 200-year ULOP for the Mossdale Tract Area, including related incidental expenses, and collectively referred to as "Project Services."

As required pursuant to Section 54716 of the 1982 Act, this Engineer's Report has been prepared in connection with the formation of said District and the levy and collection of annual assessments authorized pursuant to Section 54710.5 of the 1982 Act to finance the cost of installation and improvement of facilities related thereto, commencing in fiscal year 2024/2025.

The Board proposes to form the District, and annually levy and collect special benefit assessments on the San Joaquin County tax roll or directly bill properties owners to fund a portion of the improvement costs and expenses that are deemed necessary and essential requirements to minimize potential flood risks and provide a distinct and particular benefit to those assessed properties.

This Engineer's Report has been prepared on behalf of SJAFCA for the purpose of creating a new local funding mechanism to enhance flood protection facilities and services in the Mossdale Tract Area. It describes the funding objectives, apportionment methodology, formation process and collection of a new special benefit assessment district proposed to fund in part the flood control improvements and expenses to be constructed and installed to achieve and maintain 200-year Urban Level of Flood Protection ("ULOP") for the Mossdale Tract Area.

1982 Act

Section 54710(a) of the 1982 Act permits any local agency which is authorized by law to provide flood control may impose a benefit assessment pursuant to this chapter to finance the maintenance and operation costs of flood control services. In addition to maintenance and operation costs, Section 54710.5 authorizes agencies to finance the cost of installation and improvement of flood control facilities:

"Any local agency which is authorized by law to provide drainage services or flood control services may, in addition to imposing a benefit assessment for the purposes authorized pursuant to Section 54710, impose such an assessment to finance the cost of installation and improvement of facilities."

Other provisions of 1982 Act worth noting include the following:

Section 54711 outlines certain prerequisites that must be met for the levy of benefit assessments:

- (1) *"The amount of the assessment imposed on any parcel of property shall be related to the benefit to the parcel which will be derived from the provision of the service..."*
- (2) *"The annual aggregate amount of the assessment shall not exceed the estimated annual cost of providing the service..."*
- (3) *"The revenue derived from the assessment shall not be used to pay the cost of any service other than the service for which the assessment was levied..."*

Pursuant to Section 54716(a) an engineer's report shall be prepared and filed with the clerk of the local agency and contain all of the following information:

- (1) *"A description of the service proposed to be financed through the revenue derived from the assessment."*
- (2) *"A description of each lot or parcel of property proposed to be subject to the benefit assessment..."*
- (3) *"The amount of the proposed assessment for each parcel."*
- (4) *"The basis and schedule of the assessment."*

California Constitution

The costs of the proposed improvements addressed in this Report have been identified and allocated to the parcels within the boundaries of the District based on proportional special benefits as outlined by Article XIII D of the California Constitution.

Article XIII D Section 2(d) defines District as follows:

"District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service."

Article XIII D Section 2(i) defines Special Benefit as follows:

"Special benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute "special benefit."

Article XIII D Section 4(a) defines proportional special benefit assessments as follows:

"An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

Ballot Proceedings

Pursuant to the provisions of Article XIID, Section 4 of the California Constitution, the SJAFCA Board shall call for and conduct a property owner protest ballot proceeding (referred to as "Ballot Proceeding") for the proposed levy of the new assessments and the assessment range formula presented and described in this Report. In conjunction with this Ballot Proceeding, the Board will conduct a noticed public hearing to consider public testimonies, comments, and written protests regarding the levy of the proposed new assessments. Upon conclusion of the public hearing, property owner protest ballots received will be opened and tabulated to determine whether a majority protest exists:

"A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property."

After completion of the ballot tabulation, the Board will confirm the results of the balloting. If a majority protest exists for the proposed new assessment, further proceedings to implement the new assessment for the District shall be abandoned. If tabulation of the ballots indicate that majority protest does not exist for the assessment and the assessment range formula (inflationary adjustment) presented in the ballots and described in the Report, the Board may adopt this Report (as submitted or amended), approve the assessment diagram, and confirm the assessments rate for fiscal year 2024/2025 ("Initial Maximum Assessment") and the assessment range formula (inflationary adjustment). Either in the same resolution or by a separate resolution, the Board may order the levy and collection of the District assessments commencing with fiscal year 2024/2025 as approved, and such assessments shall be submitted to the San Joaquin County Auditor/Controller for inclusion on the property tax roll for each affected parcel or be directly billed to the property owner if the County does not bill the parcel on the secured roll.

Engineer's Report

This Engineer's Report ("Report") has been prepared pursuant to Section 54716 of the 1982 Act and presented to the SJAFCA Board for its consideration and approval. This Report describes:

- The boundaries of the District that incorporates each lot or parcel of property determined to receive special benefit from the Project Services;
- An estimate of the total costs to fund the Project Services;
- The methodology for levying an assessment upon parcels that receive special benefit from the Project Services as defined within this Report; and,
- The levy and collection of the annual assessments to fund in part the costs and expenses to provide for the Project Services.

The budgeted expenses and assessments described in this Report are based on the anticipated annual funding required to support special benefit expenses associated with Project Services including incidental expenses associated with the formation and administration of the District. This Report does not address additional flood control improvements that may be installed and/or expanded within the Mossdale Tract Area by RD 17, nor significant modifications to or extension of the levee improvements and/or services identified in this Report.

The word “parcel,” for the purposes of this Report, refers to an individual property assigned its own Assessor's Parcel Number (APN) by the San Joaquin County Assessor's Office. The San Joaquin County Auditor-Controller uses APNs and specific Fund Numbers to identify properties to be assessed on the tax roll for the District special benefit assessments.

If any section, subsection, sentence, clause, phrase, or portion of this Engineer's Report is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of the Engineer's Report and each section, subsection, subdivision, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions might subsequently be declared invalid or unconstitutional.

This Report consists of five (5) parts:

Part I

Plans and Specifications: This section provides an overall description of the Mossdale Tract Overlay Assessment District and the Project Services to be funded in part by the District's annual assessments. The assessments outlined in this Report are based on these improvements, materials, equipment, services, and activities authorized by the 1982 Act and that provide special benefit to the properties to be proportionally assessed. More detailed information regarding the specific improvements, facilities, operations, maintenance, services, and activities (specific plans and specifications) for the District are on file in the offices of SJAFCA and by reference are made part of this Report.

Part II

Estimate of Costs: An estimate of the total costs to fund the proposed Project and an estimate of the annual special benefit costs to be assessed to fund in part that Project. The budget outlined in this section includes an estimate of SJAFCA's overall program costs including the costs associated with Project planning and program administration as well as the direct costs of the improvements needed to achieve ULOP. The budget also provides a summary of the Project funding sources including USACE's portion of the Project (federal funding); state funding; and the local funding sources which includes, but is not limited to, Levee Impact Fees; EIFD Revenues; and Assessment Revenues from this District. Those Project Services and any other costs determined to be of general benefit shall not be assessed as special benefit costs and will be funded by one of the other revenue sources (Levee Impact Fees and/or EIFD Revenues) available to SJAFCA or its member agencies.

Part III

Method of Apportionment: This section includes a discussion of the general and special benefits associated with the Project Services to be provided within the District and outlines the method of calculating each parcel's proportional special benefit and corresponding assessment.

Part IV

Assessment Roll: The Assessment Roll contains a listing of each Assessor's Parcel Number to be assessed within the District for special benefits received ("Balloted Assessment") commencing in fiscal year 2024/2025. The Balloted Assessment amount for each parcel is based on the parcel's calculated proportional special benefit as outlined in "Part II – Method of Apportionment" and the annual assessment rate established by the estimated costs (budget) in "Part III – Estimate of Costs" of this Report. Due to the number of parcels within the District (over 23,000 parcels), the Assessment Roll for fiscal year 2024/2025 has been filed electronically with the SJAFCA Board Clerk rather than displayed in this Report and by reference the listing of the APNs and the corresponding assessment amounts are made part of this Report.

Part V

Assessment Diagram: This section of the Report contains a diagram showing the boundaries of the District, which incorporates the parcels determined to receive special benefits from the Project Services. The diagram also provides a visual depiction of the location and extent of the proposed project levees. Parcel identification, the lines, and dimensions of each lot, parcel, and subdivision of land within the District are shown on the San Joaquin County Assessor's Parcel Maps and shall include any subsequent lot line adjustments or parcel changes therein. Reference is hereby made to the San Joaquin County Assessor's Parcel Maps for a detailed description of the lines and dimensions of each lot and parcel of land within the District.

Part I — Plans and Specifications

District Overview

The primary flood risk in the Mossdale Tract Area is from geotechnical failure or outflanking of the existing levees. Levee overtopping is also a risk during large floods, which are anticipated to increase in both intensity and frequency over time due to the effects of climate change. Geotechnical failures caused by through-levee seepage or under-seepage are typically sudden and unpredictable and can produce large volumes of high velocity flood flows. These failures come with little warning, with minimal time for evacuation and emergency actions. Overtopping and flanking floods are much more predictable, so evacuation is more effective for these failure mechanisms.

The Mossdale Tract Area high water events generally occur during the winter months when colder air and water temperatures significantly increase the risk of death by exposure. The probability of unexpected levee failure (coupled with the consequence of basin-wide flooding) presents a continued threat to public safety, property, and critical infrastructure in the Mossdale Tract Area. To address this concern, in cooperation with and funding from the State of California, SJAFCA completed an Urban Flood Risk Reduction study (UFRR Study) of alternatives and has commenced the environmental review and preliminary design of the preferred flood risk reduction Project for the area which was identified as being at risk of flooding from a 200-year flood event, with this risk being significantly increased under future climate conditions. The UFRR Study included technical evaluations of hydraulics, geotechnical conditions, cost estimates of potential alternatives, levee performance, multi-benefit features, and others. The UFRR Study selected features of three initial alternatives to develop a hybrid alternative that could be evaluated and compared with the initial three alternatives. The California Department of Water Resources ("DWR") and local stakeholders each provided input for "Alternative 4". The differences were minor, but important, so Alternative 4 was presented with four minor permutations, represented as Alternatives 4a through 4d. The final selected alternative in the UFRR Study (Alternative 4a) is the proposed Project summarized below to be analyzed in an Environmental Impact Report (EIR), the preparation of which is ongoing and scheduled to be completed in 2025.

Separately, on September 30, 2022, SJAFCA executed a Feasibility Study Cost Share Agreement (FCSA) with the USACE to evaluate the Federal Interest in an array of alternatives to provide enhanced flood protection to the Lathrop and Manteca area. While Federal interest in the Mossdale Program is being evaluated, given the level of study and evaluation completed to date by SJAFCA and the State, SJAFCA continues to advance design and permitting of certain common features of the UFRR Study preferred alternative that will overlap with what is expected to be improvements authorized by Congress and constructed by USACE.

Project Location

The Mossdale Tract Area (proposed District) covers approximately 22,400 acres and includes RD 17 (16,110 acres), portions of the Cities of Stockton, Lathrop, Manteca, and unincorporated San Joaquin County (see Figure 1 on page 2 for a general overview of the jurisdictions within the Mossdale Tract Area). The existing RD 17 levee system is comprised of Federal Project levees (also referred to as State Plan of Flood Control [SPFC]) along the San Joaquin River and French Camp Slough, which form the west and north borders of RD 17, and a dryland levee to the south. The land generally slopes east to west and south to north, and there is no levee along the east

side of the RD 17 jurisdiction, so the interior drainage watershed extends to the east of RD 17. The proposed project area includes the SPFC levees, RD 17's dryland levee, the Mossdale Tract Area, and areas to the south and west along the San Joaquin River identified for the potential development of ecosystem restoration features.

The territory within the Mossdale Tract Overlay Assessment District is narrowly defined to include those parcels within San Joaquin County that have been identified as parcels that will receive a reduced flood risk as a result of the implementation of Project Services and the related flood control infrastructure improvements. The boundaries of the District and the parcels therein are based on hydrologic and hydraulic mapping (i.e., floodplain mapping), incorporating each of the parcels that have been identified as receiving a reduced risk of potential flood damages as a result of uncontrolled riverine flooding. Based on the floodplain mapping data, the District includes approximately 22,115 parcels located in portions of the cities of Lathrop, Manteca, Stockton, and unincorporated areas of San Joaquin County that are protected from flooding by the Project Services.

Project Objectives

To comply with State and Federal requirements, the overall objective of the proposed Project is to provide increased public safety benefits by improving and expanding flood risk reduction infrastructure to achieve a 200-year Urban Level of Flood Protection ("ULOP") for the Mossdale Tract Area. Objectives include:

- Modernize the flood risk reduction infrastructure to accommodate future performance and climate change resiliency goals identified in the Central Valley Flood Protection Plan and in SJAFCAs adopted Climate Change Adaptation Policy.²
- Improve long-term operations, maintenance, repair, rehabilitation, and replacement (OMRR&R) over time.

Proposed Project

The proposed Project would include the construction and operation of flood risk reduction components in and adjacent to the Mossdale Tract Area. As an outcome of the UFRR Study, preliminary plans have been developed to achieve the stated Project objectives. Each of the preliminary identified components, as conceptualized in the UFRR Study, are described in more detail in the following. It should be noted that, as the identified Project advances through environmental review and design, the current identified components of the Project may change and be refined to meet the stated Project Objectives. Project Services include the final designed Project to be implemented, that meets the stated Project Objectives. The Project described herein and by reference, including all attributes of the Project such as cost estimates and schedule for implementation, is reflective of the best information currently available to SJAFCAs and the assessment engineer.

² San Joaquin Area Flood Control Agency Resolution No. 19-06: Resolution to Adopt Policy on Adapting Design Standards for the Mossdale Tract Area of SJAFCAs in Light of Climate Change

Flood Risk Reduction Components

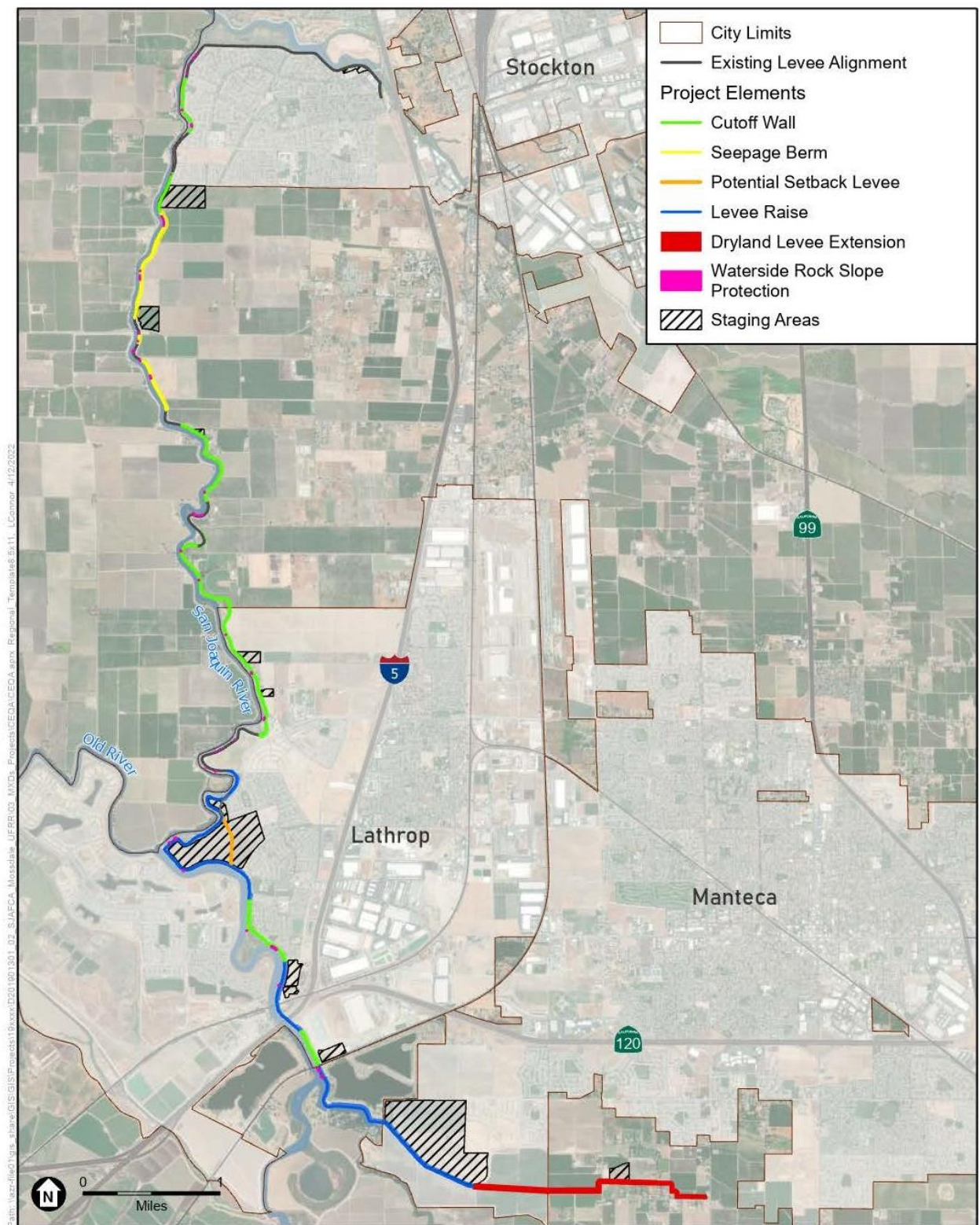
Flood risk reduction components of the proposed Project include: (1) fix in place and potential setback levee improvements; and (2) a dryland levee extension. Each of these components, along with associated construction techniques are described in detail below. Details of the Project sites are described in **Table 1** below and illustrated in **Figure 2** on page 12 that follows.

TABLE 1 — PROJECT FEATURES

Project ID	Main Project Feature	Station Begin	Station End	Length (feet)
1	Cutoff Wall	119+50	148+00	2,850
2	Cutoff Wall	172+45	192+00	1,955
3	Seepage Berm	190+50	247+00	5,650
4	Seepage Berm	255+50	259+50	400
5	Seepage Berm	270+00	297+75	2,775
6	Cutoff Wall	311+00	362+50	5,150
7	Cutoff Wall	388+00	518+50	13,050
8.a	Levee Raise @ San Joaquin River / Cutoff Wall	570+00	758+00	18,800
8.b	Levee Raise / Floodwall @ San Joaquin River	758+00	769+01	1,101
8.c	Levee Raise / Floodwall @ San Joaquin River	770+75	778+50	775
8.d	Levee Raise @ San Joaquin River / Cutoff Wall	778+50	799+61	2,111
8.e	Levee Raise @ San Joaquin River	799+79	822+80	2,301
9 ⁽¹⁾	Cutoff Wall	-	-	-
10 ⁽²⁾	Cutoff Wall	-	-	-
11	Levee Raise @ Walthall Slough	822+80	853+96	3,116
12	Levee Raise & Seepage Berm @ Dryland Levee	853+96	908+60	5,464
13 ⁽³⁾	Erosion Repairs	-	-	-
14 ⁽⁴⁾	Right-of-Way Acquisition	-	-	-
15	Dryland Levee Extension	908+60	1030+50	12,190
Notes: (1) Project ID 9 consists of a cutoff wall and is included as a component of Project ID 8.a. (2) Project ID 10 consists of a cutoff wall and is included as a component of Project ID 8.d. (3) Project ID 13 consists of various erosion repair sites along the existing RD 17 levee. The individual erosion repair sites have been incorporated into the other adjacent projects. (4) Project ID 14 consists of right-of-way acquisition for existing RD 17 facilities in order to comply with ULDC requirements. It does not include a construction component.				

Source : Environmental Science Associates (ESA) 2022

FIGURE 2 — PROJECT LEVEES



SOURCE: MAXAR, 2021; KSN, 2022; PBI, 2022; ESA, 2022

Mossdale Tract Area Urban Flood Risk Reduction Project

Fix in Place and Potential Setback Levee Improvements

The fix in place levee improvements that would be constructed, operated, and maintained within the levee rights-of-way and easements under the proposed Project currently include:

- Reconstruction (raising and widening) or replacement of the existing dryland levee, including the construction of seepage control measures such as a drained seepage berm or cutoff wall, and reconstruction of pipe penetrations that cross the levee.
- Installation of a traditional soil-bentonite slurry cutoff wall of varying depth along portions of the existing levee alignment.
- Installation of a drained seepage berm of varying width along portions of the existing levee alignment.
- Placement of riprap rock slope protection on the waterside of the levee along portions of the existing levee alignment.
- Removal of high hazard encroachments.
- Reconstruction of pipe penetrations that cross the levee.
- Raising the height of levee along portions of the existing levee alignment and extension of the landside toe to meet levee slope design standards.
- Construction of a dryland levee extension, including the construction of seepage control measures such as a drained seepage berm or cutoff wall.
- Construction of a potential setback levee to meet ULOP standards at a designated sharp bend in the San Joaquin River and connecting to existing levee segments.

Part II — Estimate of Costs

In January 2018, after the SJAFCA Joint Exercise of Powers Agreement was amended to include the Cities of Lathrop and Manteca, SJAFCA took over the role of the Local Flood Management Agency (LFMA) for the Mossdale Tract Area and the associated responsibility for annually reporting on the status of Adequate Progress toward ULOP for the Area to the CVFPB. Government Code §65007 (a) et. seq. defines Adequate Progress and sets forth the requirement of the LFMA to annually report to the CVFPB. The definition of Adequate Progress includes the requirement that revenues (i.e., sources of funding) have been identified to support implementation of the flood protection facilities. SJAFCA has interpreted this requirement to mean that its Annual Reports must present a financing plan that lays out and demonstrates that the identified revenues are sufficient to cover the costs of implementing the Project that has been developed to meet appropriate standard of protection within the identified schedule.

SJAFCA's most recent "Mossdale Tract Program: 2023 Annual Adequate Progress Report Update for Urban Level of Protection" ("Annual APR") being prepared will identify the costs and sources of revenues for the overall program being advanced by SJAFCA. The costs of the program, which make up the Project, sources of revenues, as well as the financing plan presented in Annual APR are hereby incorporated into this Engineer's Report by reference. The Project costs presented in the Annual APR are summarized below.

Proposed Project Budget

The following table (**Table 2**) summarizes the Mossdale Tract Program Costs identified activities and improvements included within the Project Services.

TABLE 2: MOSSDALE TRACT PROGRAM COSTS

Project Budget Costs	
ULOP Program Planning & Implementation	
Pre-Project Expenses (Actuals)	\$ 3,200,000
SJAFCA Program Management	\$ 3,600,000
Funding Implementation	\$ 1,500,000
Feasibility Study & Planning	\$ 3,200,000
Subtotal: ULOP Program Planning & Implementation	\$ 11,500,000
SJAFCA ULOP Project Costs	
Soft Costs including Administration	\$ 90,610,000
Construction Costs	\$ 183,500,000
Right-of-Way	\$ 94,900,000
Contingency	\$ 59,690,000
Multi-Benefit Improvements	\$ 44,170,000
Subtotal: SJAFCA ULOP Project Costs	\$ 472,870,000
Total: ULOP Program Planning & Project Costs	\$ 484,370,000
(less) USACE Implemented Improvements	\$ (248,800,000)
Net SJAFCA ULOP Project Costs	\$ 235,570,000

Proposed Project Funding

The following table (**Table 3**) summarizes the Project Funding Sources identified within the Annual APR to pay the Project Costs and provide Project Services. The Project Funding Sources include the assessment revenues to be generated by the District as well as the proceeds of debt planned to be incurred by SJAFCA (assumed to be Assessment Revenue Bonds) net of the associated principal and interest costs (i.e., debt service carry).

TABLE 3: PROJECT FUNDING SOURCES

Project Funding Sources	
Non-Local / State Funding	
State UFRR Funding (PED Only)	\$ 3,800,000
State Funding (BCP - 0000743)	\$ 75,000,000
State Funding (Future Share of NFS -LPPA)	\$ 35,000,000
Subtotal: Non-Local / State Funding	\$ 113,800,000
SJAFCA Project Funding	
Developer Advances / City Funding	\$ 3,560,000
Development Fee Program	\$ 67,350,000
SJAFCA Overlay Assessment District	\$ 33,370,000
Net EIFD Revenues	\$ 21,640,000
Future Assessment Overlay Financing (Bond Proceeds)	\$ 31,890,000
Assessment Overlay Financing (Debt Service Carry)	\$ (25,320,000)
Subtotal: SJAFCA Project Funding	\$ 132,490,000
Total: Project Funding Sources	\$ 246,290,000
Net SJAFCA ULOP Project Costs	\$ (235,570,000)
Total Project Sources less Uses	\$ 10,720,000

Financing Plan / Assessment Budget

The Annual APR presents a plan prepared for the implementation of the Program. The Annual APR identified the following underlying financing plan assumptions.

- SJAFCA has established the following funding mechanisms:
 - ✓ A Regional DIF program collecting revenues in 2018 and updated in 2022.
 - ✓ A new EIFD covering the properties directly benefiting from the project. The EIFD has a base year of fiscal year 2021/2022 and started receiving revenues in fiscal year 2022/2023.

- The District would be in place to commence collecting revenues in fiscal year 2024/2025.

The above revenues would be utilized, on a pay-as-you-go basis, to fund the design, federal feasibility study cost share, work in kind, right of way acquisition, and advance improvements. State Grant Funding would be available from the Department of Water Resource to cost share match the above soft costs and implementation action ahead of Federal authorization and USACE construction of improvements.

SJAFCA would approve the issuance of bonds leveraging District revenues in fiscal year 2025/26. The proceeds from the bond would be used to fund land acquisition and construction costs of Dryland Levee and advance improvements in partnership with State Grant funding.

Based on the Cash Flow Analysis included within the Annual APR, which is based on a schedule of expenses and available revenues, given the best available information at the time of formation of the District, the resulting budget needed to come from the District in fiscal year 2024/25 is \$2,265,000. This amount of revenue would provide the needed revenues on an annual basis going forward, to ensure that the Project's projected expenditures needs can be met to provide Project Services.

Authorized Term / Use of Revenues

Because the financing plan assumption contemplates the use of debt financing, the District revenues secured to meet cash flow and debt service needs must be authorized through the final year of the term of the financing. Because a Bond issuance is expected to take place in fiscal year 2025/26, the assessments will be levied through fiscal year 2055/56. The assessments would cease to be levied after July 1, 2056.

Assessment revenues, after the completion of the Project, would be utilized to fund both debt service (principal and interest) as well as the annual costs of administration of the District and ongoing operations and maintenance of the Project improvements.

Part III — Method of Apportionment

Benefit Analysis

The nearly twelve and a half miles (12.39 miles) of proposed fix in place and potential setback levee improvements (cutoff walls, seepage berms, and raised levees along the San Joaquin River; and the two miles (2.31 miles) dryland levee extension levees to the south are the first line of defense against riverine flooding from the San Joaquin River for the Mossdale Tract Area . The proposed project levee improvements and services are intended to provide a level of flood protection that is necessary to withstand flooding that has a 1-in-200 chance of occurring in any given year using criteria consistent with, or developed by, the California Department of Water Resources and which will ultimately reduce potential flooding and damage to properties within the District boundaries.

The analysis and findings outlined in this Report and the resulting method of apportionment and assessment rate structure is focused on establishing a reasonable and appropriate benefit nexus (both general and special benefits) consistent with the provisions of the 1982 Act, Proposition 218 (Article XIII D of the California Constitution), and case law regarding assessments. The method of apportionment and resulting proportional special benefit assessments for this District are based on the premise that the proposed Project Services are necessary and essential to minimize potential flood risks and associated flood damages to the land, structure, and contents of parcels within the Mossdale Tract Area . Therefore, the formulas used for calculating assessments as described herein reflect both the composition and characteristics of each parcel within the District, the reduced flood level and the resulting calculated flood damage reduction benefits to those parcels that directly result from the Project Services to be funded in part by the special benefit assessments.

To levy an assessment for these property-related flood control services, the California Constitution requires the local agency imposing the assessment (SJAFCA) to comply with the following:

- Identify and include in the District all parcels that will have special benefits conferred on them by the improvements, facilities and/or services.
- Only special benefits are assessable, and the agency shall separate the general benefits from the special benefits conferred on a parcel.
- Calculate the proportional special benefit for each parcel in relationship to the entirety of the capital cost, the maintenance, and operation expenses of a public improvement, and/or the cost of the property related service being funded.
- No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.

Special Benefit

Essentially, the primary function of SJAFCA and the Mossdale Tract Overlay Assessment District is to provide a collective and coordinated benefit funding source to support a portion of the cost to construct and enhance the levee improvements, necessary to ensure reduced potential flood damages to structures, the contents of those structures, and the land associated with the parcels within the Mossdale Tract Area that receive a particular and distinct benefit from the Project Services. As previously noted, the District boundary has been narrowly defined based on

floodplain mapping data to include each identified parcel that will receive a reduced risk of flood damages as a result of the Project implementation. The proposed Project Services are intended to provide 200-year protection to parcels within the District due to flood flows from the San Joaquin River or its tributaries based on the ULDC Design floodplain which includes an additional factor of safety to account for future climate uncertainty. The Project Services also incorporate necessary geotechnical improvements and expansion of the easements and/or rights-of-way along the levees that incorporate added project resiliency beyond the ULDC Design floodplain event, as prescribed in SJAFC's Climate Adaptation policy.

The special benefits to parcels (avoided flood risk) within the District associated the Project Services that complies with strict State and Federal standards and regulations include but are not limited to:

- Continued level of flood protection for the areas protected by the Project Services.
- Continued assurance of reduced potential flood damages to structures, content of those structures, and land.
- Continued avoidance of costs associated with failure to meet regulatory requirements, such as mandated flood insurance for any property with a federally backed mortgage and/or building restrictions.
- Allowance for best and full use of properties within the District by permitting local governments to implement general plans for urban and urbanizing areas with appropriate levels of flood protection.
- Protection of the local economy by creating construction jobs and related spending, sustaining property values, and allowing for responsible residential, commercial, and industrial development.
- Retention of Federal assistance during or following a flood emergency or repair of levee break.

Ultimately, both public and privately owned parcels within this narrowly defined District boundary will receive a particular and distinct benefit over and above any general benefits the Project Services provide to the general public or properties in general. It is clear the assessed parcels directly benefit from the proposed Project Services and while the majority of the funding is coming from other sources, without the proposed special benefit assessment revenue, the Project Services will lack the funding required to construct the improvements and the parcels within the District could be negatively impacted by the following:

- Greater flood risk resulting in increased risk of property damage and loss of life due to flooding.
- Loss of FEMA low-to-moderate risk flood zone designation would result in higher FEMA National Flood Insurance Program (NFIP) premiums, mandatory flood insurance, and building restrictions.
- Loss of federal assistance during or following a flood emergency, such as repair of a levee break.
- The inability to comply with Senate Bill 5 and Urban Level of Flood protection requirements resulting in development restrictions.

While properties within the District will derive substantially similar special benefits from the Project Services (improvements, services and activities necessary to ensure reduced flood damages to structures, the contents of structures, and land), the special benefit (particular and distinct benefit)

for each parcel is proportional to the potential flood damages specifically and directly related to each parcel's potential flood depth and development characteristics (i.e. land use, structure size, and land size).

General Benefit

Based on the proposed Project Services and activities to be funded by District assessments and relationship to properties to be assessed, it is evident that the improvements are necessary and directly impact developed properties, agricultural properties, as well as the potential development of properties. Furthermore, because the flood control improvements protect identifiable parcels from damage due to inundation or force by arising floodwaters, the benefits are direct and particular to those parcels (special benefit), and to none other. In addition, because the flood control improvements to be funded by the District assessments protect specific parcels (narrowly defined boundaries) from potential flood damage and the fact that the flood damage benefit for each parcel is measurable, the benefits to these assessed parcels are clearly direct and display particular benefit (proportional special benefits). However, it is also recognized that flood mitigation services and activities also directly or indirectly provide some measure of benefit to properties in general and to the public at large (general benefit) in the form of continued safe access and travel through the District area.

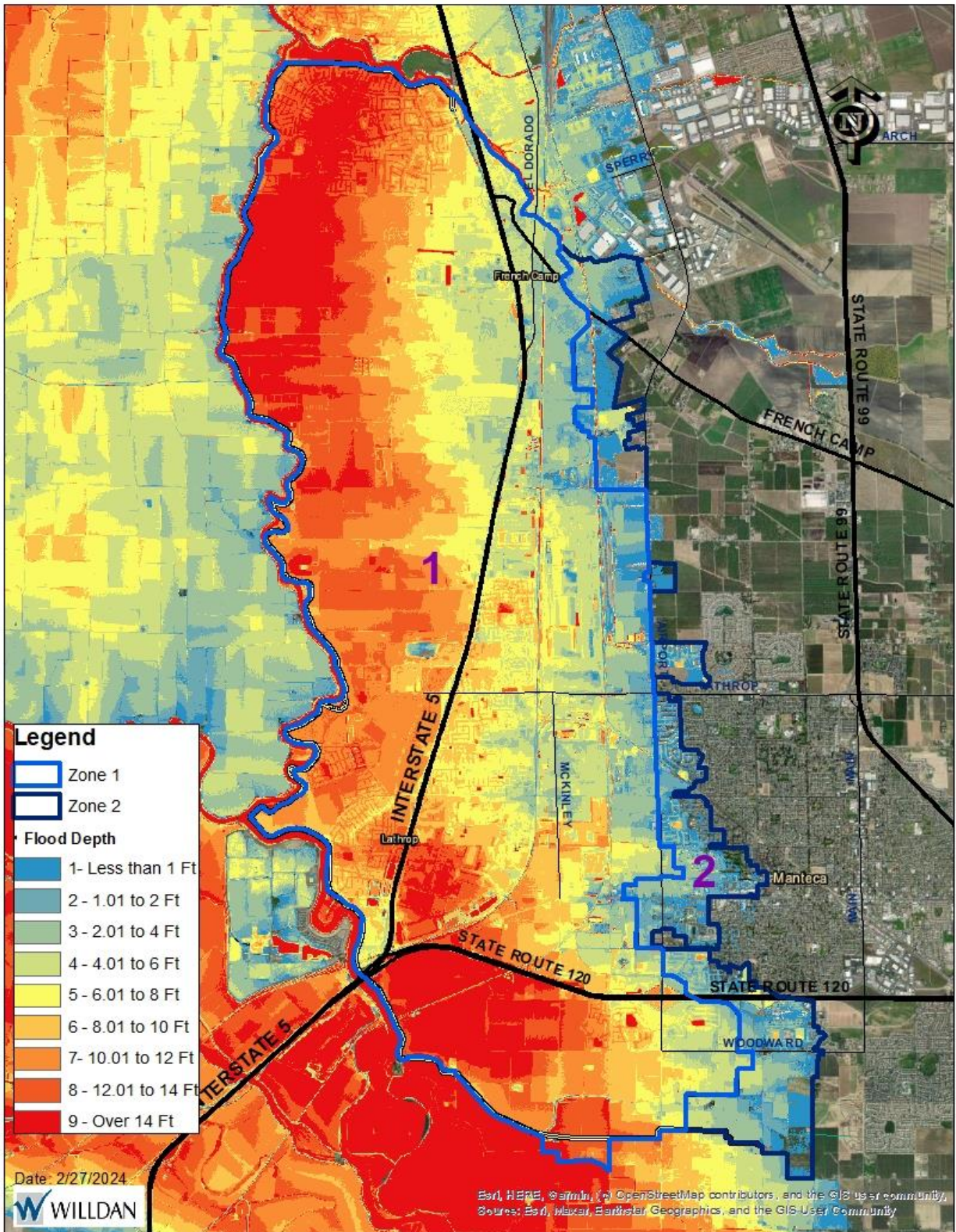
The Project Services will provide a general benefit to real property, residents, and the public generally in the form of continued safe access and travel through the District area. Prevention of flooding of public infrastructure within the District, such as roads, easements, and various rights-of-way, benefit the assessed parcels generally with respect to access and travel, and also facilitates general public services such as police and fire protection access. Protection of such infrastructure through Project Services therefore provides a general benefit both to people and properties within and outside of the District. Property associated with such public infrastructure improvements and facilities are typically not assigned Assessor's Parcel Numbers. The acreage associated with most of these public infrastructures, compared to the acreage of Assessor assigned parcels within the District, provides a reasonable and quantifiable measure of the proportional general benefit and general benefit costs associated with the Project Services.

The total net benefit parcel acreage within the District boundaries is approximately 14,317 acres of which approximately 12,820 acres are assessed County Assessor designated parcels (APNs) with the remaining 1,497 acres being comprised of common area properties (shared interest by other assessed properties), public infrastructure improvements and facilities that may include, but is not limited to: public streets, easements, rights-of-way, and other public-lands including wetlands, canals, channel ways, open spaces, preserves, and other similar restricted-use public areas or properties that are subject to the State Board of Equalization restrictions. Such properties are considered to receive no direct or quantifiable flood risk reduction from the Project Services and these 1,497 acres or approximately 10.46% of the total 14,317 acres, reflects a reasonable and quantifiable measure of the proportional general benefit both to people and properties within the District and the proportional general benefit costs associated with the Project Services. These general benefit costs shall be excluded from the special benefit assessment funding and not assessed to the parcels within the District.

Assessment Methodology (Special Benefit Calculations)

To assess benefits equitably it is necessary to calculate each property's relative share of the special benefits conferred by the funded improvements and service. The proposed flood control improvements to be constructed as part of Project Services to be funded in part by the assessments are intended to provide long-term avoidance of damage to structures, content within the structures, and land for all parcel potentially flooded based on the ULDC Design floodplain hydrology (Zone 1 parcels). However, based on SJAFCA's adopted Climate Adaptation policy and the associated resulting floodplain hydrology, additional parcels (Zone 2 parcels) could also be impacted if flood levels exceed the ULDC Design event. Consistent with the Climate Adaptation Policy, geotechnical and right of way design criteria are based on a more conservative Climate Adaptation floodplain hydrology thereby allowing for the height of the levees to be increased more readily in the future as needed based on evolving climate science and future flood flow projections. The assessment engineer has determined that the relative share of the Damages Avoided (special benefits) conferred to these Zone 2 parcels by the funded improvements and services is best reflected by the land damage associated with those parcels only. Based on combined ULDC Design floodplain and Climate Adaptation floodplain, the overall uncontrolled riverine flooding for the Mossdale Tract Area without the Project Services is illustrated in **Figure 3**, on page 22 that follows. This figure also illustrates the boundaries of Zone 1 (parcels incorporated in the District based on ULDC Design floodplain hydrology) and the boundaries of Zone 2 (parcels incorporated in the District based on Climate Adaptation floodplain hydrology).

Figure 3: Without Project Flood Depth Ranges



The Damages Avoided method of assessment apportionment is utilized in this District and establishes a Total Damages Avoided for each parcel based on the combined Structure Damage, Content Damage, and Land Damage reduction benefit calculated for each parcel in Zone 1 and Total Damages Avoided for each parcel in Zone 2 based on the Land Damage reduction benefit calculated for those parcels. The proportional special benefit calculation for each parcel considers these three factors independently. The benefit calculation can be summarized as follows:

Special Benefits = Damages Avoided

(Zone 1 Parcels)

$$\text{Damages Avoided} = \text{Structure Damage} + \text{Content Damage} + \text{Land Damage}$$

(Zone 2 Parcels)

$$\text{Damages Avoided} = \text{Land Damage}$$

Structure and Content Damage

The damage avoided to structures and the content of those structures is derived by determining the amount of flood depth reduction experienced by each particular parcel and the protection provided as a result of the Project Services.

Determining the avoided damages to structures and contents requires considering the following factors:

- Relative Structure and Content Value
- Flood Depth Reduction
- Percentage of Flood Damage Reduction
- Structure Size

Relative Structure and Content Value

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

- Residential — Physical damages to dwelling units (single-family, multifamily, and mobile homes) and to residential contents, including household items and personal property.
- Commercial — Structure value and content value damages (to commercial and public buildings), including equipment and furniture, supplies, merchandise, and other items used in the conduct of business.
- Industrial — Losses from inundation of industrial properties, including warehouses, consisting of fixtures and equipment, inventory, and structure.
- Agricultural — Non-residential structures on agricultural properties would experience damage to equipment, tools, supplies, livestock, feed, seed, chemicals, and other items used for agricultural purposes and business.

To reflect differences related to flood damages to structures and their content, Relative Structure and Content Values for residential, commercial, industrial, and agricultural structures shown in the following table (**Table 4**) are utilized. The residential, commercial, and industrial structure and content values were originally determined using USACE data developed in connection with an

American River Watershed Investigation ⁽¹⁾ and the content values for agricultural structures were derived from a related technical report ⁽²⁾. The Relative Structure Values shown in **Table 4** are used in the assessment methodology to reflect the relative structure and content value relationships between land use categories (proportional benefit). These values represent gross averages for the different land uses and do not represent assessed values or current market values for an individual structure.

TABLE 4: RELATIVE STRUCTURE AND CONTENT VALUE

Land Use	Relative Structure Value (\$/Sqft)	Relative Content Value (\$/Sqft)
Residential	60	30
Residential - Mobile Home	30	15
Commercial (Public & Private)	70	75
Industrial (Public & Private)	50	58
Agricultural	50	30

⁽¹⁾ US Army Corps of Engineers (USACE), American River Watershed Investigation, California Feasibility Report, Sacramento District, December 1991.

⁽²⁾ US Army Corps of Engineers (USACE), Draft Economic Re-evaluation Report, American River Watershed Project, Appendix D, Attachment II, Technical Report, May 2007.

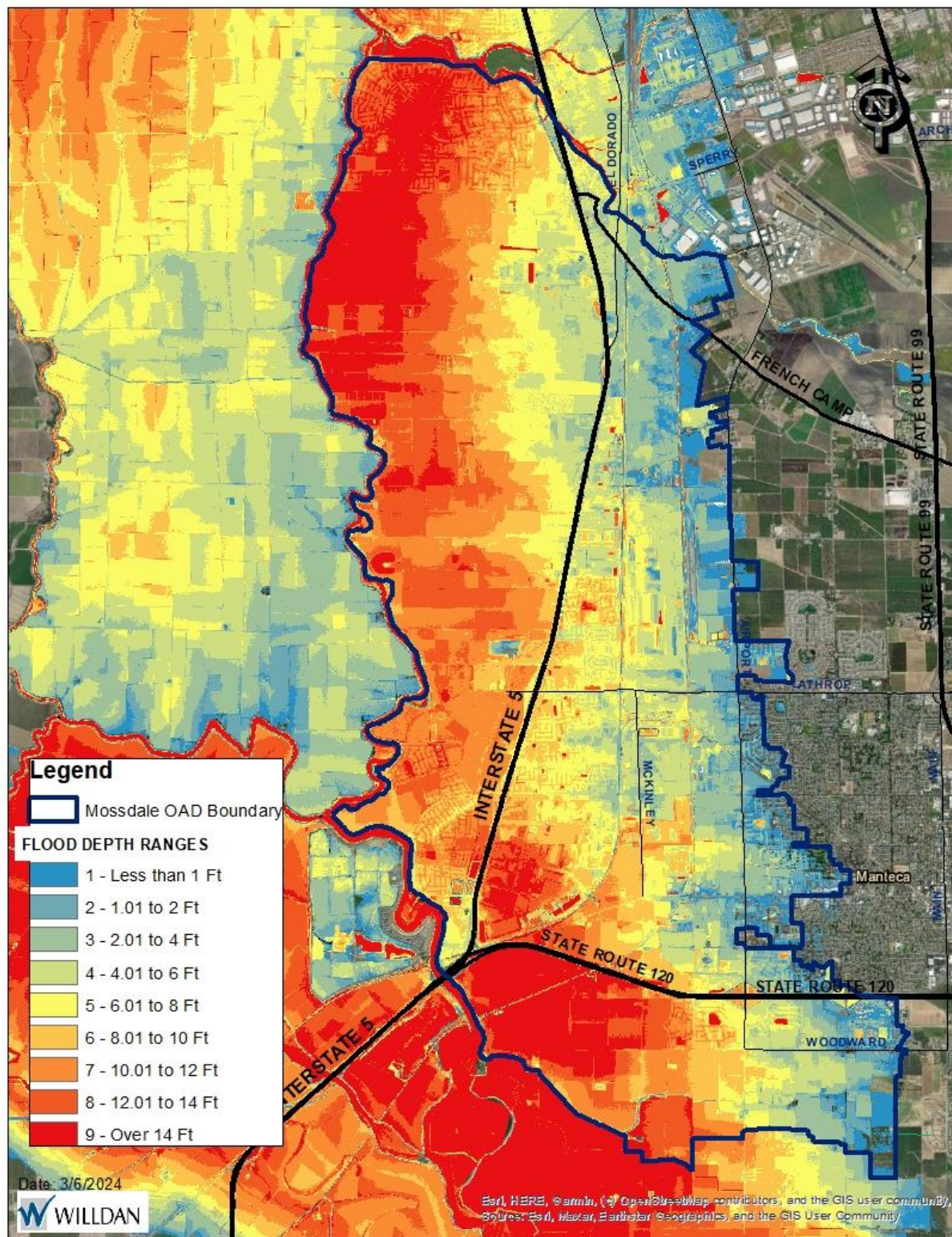
Flood Depth Reduction

The proposed Project Services for the Mossdale Tract Area will be designed to provide 200-year protection with additional project resiliency to account for future climate uncertainties. Accordingly, both the boundaries of the proposed District and the flood depth reductions attributed to the benefiting parcels within those boundaries have been determined using hydraulic models to estimate the floodplains associated with the ULDC Design event and Climate Adaptation event. The floodplain estimates were prepared by R&F Engineering, Inc., a consulting engineering firm retained by SJAFCFA to complete hydraulic modeling for the Mossdale Tract Area .

The relative flood depths of each parcel in the ULDC Design Floodplain event were determined and categorized by establishing 2-foot flood depth ranges for the Zone 1 boundary. Using the GIS information to determine parcel elevations, parcels were able to be slotted into 2-foot flood depth ranges. The overall boundaries of the District and the flood depth ranges shown in **Figure 4**, on page 25 that follows, were derived from parcel elevation data, flood elevation data, and flood depths developed by hydraulic modeling of possible levee failures along the proposed levee system. Based on this mapping and the underlying data, relative flood depths were established by grouping every parcel into one of nine flood depth ranges (flood depth ranges 1-9) based on the flood depth map.

The nine flood depth ranges include depths two feet or less (0.00 to 2.00 feet); greater than two feet and up to four feet (2.01 to 4.00 feet); greater than four feet and up to six feet (4.01 to 6.00 feet); greater than six feet and up to eight feet (6.01 to 8.00 feet); greater than eight feet and up to ten feet (8.01 to 10.00 feet); greater than ten feet and up to twelve feet (10.01 to 12.00 feet); greater than twelve feet and up to fourteen feet (12.01 to 14.00 feet); and greater than fourteen feet (14.01 feet or greater).

Figure 4: Flood Depth Ranges



Percentage of Flood Damage Reduction

The relationship between depth of flooding and damages to structure and contents is calculated for each land use category with structures (residential, commercial, industrial, and agricultural) and flood depth ranges within the District were compiled by Willdan based on Peterson Brustad Inc (PBI)'s analysis in their Mossdale Tract Area Urban Flood Risk Reduction Economic and Life Loss Evaluation, November 7, 2019. The estimated depth of flooding (Flood Depth Range) for the District parcels were determined using average elevations of the parcels and water surface elevations in the event of flooding with no improvements implemented. Structure and Content Damage Percentages for each land use category were taken directly from the 2012 Central Valley Flood Protection Plan, which originally were developed by the US Army Corps of Engineers (USACE, 2008). The relation between depth of flooding and damage to structures is illustrated in **Table 5** below and in **Table 6** on the next page for damage to contents within those structures.

TABLE 5: PERCENT DAMAGE TO STRUCTURE

Land Use	Flood Depth Ranges								
	1 Less than or equal to 1	2 1.01 to 2	3 2.01 to 4	4 4.01 to 6	5 6.01 to 8	6 8.01 to 10	7 10.01 to 12	8 12.01 to 14	9 Over 14.01
Single Family 1 Story	10.58%	27.70%	43.60%	55.90%	65.20%	71.85%	76.30%	79.00%	80.20%
Single Family 2 Story or more	7.70%	18.06%	28.85%	38.45%	46.85%	54.05%	60.05%	64.85%	67.70%
Multifamily 1 Story	10.58%	27.70%	43.60%	55.90%	65.20%	71.85%	76.30%	79.00%	80.20%
Multifamily 2 Story or more	7.70%	18.06%	28.85%	38.45%	46.85%	54.05%	60.05%	64.85%	67.70%
Mobile Home	8.00%	57.75%	96.00%	96.00%	96.00%	96.00%	96.00%	96.00%	96.00%
Commercial - Auto	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
Commercial - Grocery Store	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
Commercial - Hospital	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
Commercial - Hotel	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
Commercial - Medical	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
Commercial - Office 1 Story	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
Commercial - Office 2 Story	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
Commercial - Restaurants	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
Commercial - Fast Food	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
Commercial - Retail	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
Commercial - Service Auto	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
Commercial - Shopping Center	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
Commercial - Day Care	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
Commercial - Elder Care	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
Commercial - MISC	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
Industrial - Heavy Manufacturing	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
Industrial - Light Manufacturing	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
Industrial - Warehouse	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
Public - Fire Station	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
Public - Misc.	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
Public -GOV	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
Public - Recreation	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
SCHOOL	7.00%	24.25%	31.25%	34.20%	43.00%	51.80%	63.60%	76.40%	86.00%
Agriculture	9.33%	20.51%	28.68%	35.34%	43.04%	45.29%	47.15%	48.48%	49.92%

Source: PBI Technical Memorandum, Appendix B "Mossdale Tract Area Urban Flood Risk Reduction Economic and Life Loss Evaluation," November 7, 2019, as compiled by Willdan Financial Services. Depth Damage percent were grouped into 2-foot flood depth ranges.

TABLE 6: PERCENT DAMAGE TO CONTENTS

Land Use	Flood Depth Ranges								
	1 Less than or equal to 1	2 1.01 to 2	3 2.01 to 4	4 4.01 to 6	5 6.01 to 8	6 8.01 to 10	7 10.01 to 12	8 12.01 to 14	9 Over 14.01
Single Family 1 Story	2.80%	7.90%	13.10%	18.30%	20.65%	22.50%	22.50%	22.50%	23.40%
Single Family 2 Story or more	1.50%	5.30%	9.35%	13.70%	16.50%	18.40%	19.50%	20.50%	21.60%
Multifamily 1 Story	2.80%	7.90%	13.10%	18.30%	20.65%	22.50%	22.50%	22.50%	23.40%
Multifamily 2 Story or more	1.50%	5.30%	9.35%	13.70%	16.50%	18.40%	19.50%	20.50%	21.60%
Mobile Home	42.50%	88.50%	99.00%	99.00%	99.00%	99.00%	99.00%	99.00%	99.00%
Commercial - Auto	17.50%	85.48%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Commercial - Grocery Store	61.04%	90.86%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Commercial - Hospital	50.00%	87.75%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Commercial - Hotel	47.36%	95.67%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Commercial - Medical	50.00%	57.75%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Commercial - Office 1 Story	48.39%	98.39%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Commercial - Office 2 Story	42.89%	49.38%	55.97%	55.97%	55.97%	66.87%	68.08%	98.16%	100.00%
Commercial - Restaurants	47.36%	95.67%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Commercial - Fast Food	45.10%	93.90%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Commercial - Retail	42.71%	87.31%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Commercial - Service Auto	17.15%	85.48%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Commercial - Shopping Center	86.18%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Commercial - Day Care	76.45%	97.76%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Commercial - Elder Care	76.45%	97.96%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Commercial - Misc.	86.18%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Industrial - Heavy Manufacturing	22.44%	61.88%	88.74%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Industrial - Light Manufacturing	66.50%	94.59%	99.49%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Industrial - Warehouse	62.76%	97.21%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Public - Fire Station	68.89%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Public - Misc.	68.89%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Public -GOV	72.58%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Public - Recreation	73.97%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
SCHOOL	68.89%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Agricultural	12.89%	42.96%	87.36%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: PBI Technical Memorandum, Appendix B "Mossdale Tract Area Urban Flood Risk Reduction Economic and Life Loss Evaluation," November 7, 2019, as compiled by Willdan Financial Services. Depth Damage percent were grouped into 2-foot flood depth ranges.

The above functional relationships between flood depth and structure and content damages provides a reasonable and proportional measurement for the flood-damage reduction benefit received by developed properties as a result of the Project Services.

For example, in the case of a single story single-family residential home on a parcel that experiences a flood-depth reduction of 5 feet, the damage reduction can be determined by looking at the depth-damage percentage for a single story single-family residential structure in the range that includes 5 feet. The damage percentage at 4.01 to 6-foot range is 55.90 percent for the structure and 18.30 percent for contents.

Structure Size

Flood damages to structures and their contents are calculated for each benefiting parcel in the District using the actual structural square footage, up to one hundred thousand square feet (100,000 sf), for the first and second stories of residential structures, the first story of commercial, industrial, and agricultural structures, and appropriate structure value and depth-percent damage relationships for the particular land use. For Planned Residential, Planned Commercial, and Planned Industrial properties (collectively "Planned Development" properties) the assigned structure square footages were initially based on Development Absorption Projections (DAP) referenced in the Mossdale Tract Area Regional Urban Level of Flood Protection Levee Impact Fee Final Nexus Study, dated November 8, 2018. The assigned square footages were further updated based on the Draft Technical Memorandum for the SJAFCA Mossdale Tract Area Financing Plan Implementation, Updated Development Absorption Projections dated May 29, 2020 and further reviewed based on input by SJAFCA member land use agency community development department staff.

Upon review of the overall benefiting parcels within the District, it has been determined that less than five-tenths of a percent (0.47%) of the parcels have structures that exceed 100,000 sf and the potential flood level reduction for these parcels can vary significantly. Therefore, the Assessment Engineer has determined that the overall potential damages to structure and contents for square footages in excess of 100,000 sf becomes less a function of the building square footage and more a function of flood depth reduction and it is reasonable and appropriate to limit the square footage used to calculate proportional special benefit for structure and content damages to one hundred thousand square feet.

Structure size was determined for each benefiting parcel within the boundaries of the District based on data obtained from the County Assessor's parcel data either directly or through third party sources. For the Planned Development properties, the assigned structure square footage is based upon the Development Absorption Projections previously referenced. For those properties identified with a structure or structures, based on either aerial imagery, or assessed improvement values being assigned by the County Assessor, for which no specific structure detail information was available, the footprint of the structure or structures were measured by Willdan using GIS and available aerial imagery.

Application of Structure and Content Damage Calculation

As stated above, both the relative structure and content damage are calculated for each individual parcel in the proposed District based on the specific attributes for the parcel, i.e., land use type, structure size, and flood-depth reduction.

Structure and Content Damage Avoided = Structure Damage + Content Damage

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

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

For example, the relative structure and contents damages of a single story single-family residential structure with a square footage of 2,000 square feet (sf) located in flood depth range 4.01 to 6 foot would be calculated as follows:

$$\text{Structure Damage} = 2,000 \text{ sf} \times \$60/\text{sf} \times 55.90\% = \$67,080$$
$$+$$

$$\text{Content Damage} = 2,000 \text{ sf} \times \$30/\text{sf} \times 18.30\% = \$10,980$$

$$\text{Structure and Content Damage Avoided} = \$67,080 + \$10,980 = \$78,060$$

\$78,060 would represent the relative structure and content damage benefit experienced by the example parcel presented. This benefit plus the relative land damage benefit is used to determine the total relative benefit of the parcel proportional to other parcels in the benefit area (the District).

Land Damage

There are several factors that may contribute to the flood damage reduction benefit to land, both vacant and improved. These include, but are not limited to, avoidance of physical damage to the land during a flood, the ability to secure financing for development projects, reduced cost of flood insurance, changes to the full and best land use of the property, preservation of land values, avoidance of damage to crops or other related impacts to agricultural operations, reduced cost of improvements, and the ability to access the property. The factors that impact the land damage calculation include:

- Relative Land Damage Factor
- Parcel Size

Relative Land Damage Factor

The benefit to land in the District is proportional to the relative land value. To account for the benefit received by the land and to weight this benefit appropriately with respect to the relative structure and content damage benefit, each benefiting property in the District is assigned a relative land damage per acre or a Land Damage Factor. This Land Damage Factor is based on the average land value within a given land use classification multiplied by a land value percentage, which is a weighted ratio of the average land value within that land use classification to the total property value of those same types of properties. Benefiting parcels in the District can be categorized into five of the six broader land use classifications which have been identified for structural and content damages including residential, commercial, industrial, agricultural, and public properties. (For purposes of calculating land damages, each vacant parcel is assigned to an appropriate land use classification based on county use code designation assigned by the County Assessor's Office or other available sources and all residential properties including residential mobile homes are grouped together as residential).

$$\text{Relative Land Damage per Acre} = \text{Land Damage Factor}$$

$$\text{Land Value Percentage} = \text{Total Land Value} / \text{Total land and Improvement Value}$$

(for all parcels in each land use classification)

$$\text{Average Land Value} = \text{Total Land Value} / \text{Total Acreage}$$

(for all parcels in each land use classification)

$$\text{Land Damage Factor} = \text{Average Land Value} \times \text{Land Value Percentage}$$

Table 7 below displays the results of the above Relative Land Damage Factor per Acre or Land Damage Factor calculation for each land use calculation:

TABLE 7: RELATIVE LAND DAMAGE PER ACRE

Land Use	Relative Land Damage/Acre (\$)/acre
Residential	80,100
Commercial (Public & Private)	91,600
Industrial (Public & Private)	27,100
Argricultural	7,000
General Benefit	30,000

Source: San Joaquin County Secured Roll, July 2019 as compiled by Willdan Financial Services.

The applicable Relative Land Damage Factor per Acre above is multiplied by each parcel's acreage, up to twenty acres, to establish the parcel's land damage avoided value. These land damage factor value estimates considered land alone, exclusive of any building or structural improvements. The values derived are not actual assessed values or market values for any individual parcel of land; rather, they represent the relative value relationship between various land use classifications for the property in the benefit area (the District). Similar to the building square footage limit applied for structural and content damage reduction benefits above, based on a review of the overall benefiting parcels within the District, less than nine-tenths of a percent (0.82%) of the parcels within the District have acreage that exceed twenty acres (20.00 acres) and the potential flood level reduction for these parcels varies significantly. Therefore, the Assessment Engineer has determined that the proportional land damages for acreage in excess of 20.00 acres becomes less a function of the acreage and more a function of the parcel's flood depth reduction and the acreage used to calculate proportional special benefit has been limited to 20.00 acres.

Parcel Size

Flood damages to land are calculated for each benefiting parcel in the District using the acreage for the parcel in question and the associated land use code as identified by the respective County Assessor's records or other available sources including GIS measurements if the County Assessor's records provide no acreage information. To the extent that a parcel may only be partially within the benefit area, only the portion of the parcel's acreage in the area is included in the land damage calculation.

Application of Land Damage Calculation

As stated above, land damage is calculated for each individual parcel in the District based on the specific attributes for the parcel, i.e., land use type and parcel size/acreage.

$$\text{Land Damage Avoided} = \text{Acreage} \times \text{Relative Land Damage Factor}$$

As an example:

The Land Damage Avoided for a residential single-family property on a 7,800 square foot lot (0.179 acres) would be calculated as follows:

$$\text{Land Damage Avoided} = 0.179 \text{ Acres} \times \$80,100 / \text{Acre} = \$14,338$$

\$14,338 represents the relative Land Damage benefit experienced by the example parcel presented. This benefit plus the structure and content damage benefit are used to determine the total relative benefit of the parcel as compared to other parcels in the benefit area.

Total Proportional Flood Damage Reduction Benefit

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

$$\text{Flood Damage Reduction Benefit} = \text{Structure Damage} + \text{Content Damage} + \text{Land Damage}$$

Example:

Single Story Single-Family Residence

Parcel Acreage: 0.179 acres

Building Square Feet: 2,000

Flood Depth 5 Feet

$$\text{Structure Damage} = 2,000 \text{ sf} \times \$60/\text{sf} \times 55.90\% = \$67,080$$

+

$$\text{Content Damage} = 2,000 \text{ sf} \times \$30/\text{sf} \times 18.30\% = \$10,980$$

+

$$\text{Land Damage} = 0.179 \text{ Acres} \times \$80,100 / \text{Acre} = \$14,338$$

$$\text{Flood Damage Reduction Benefit} = \$67,080 + \$10,980 + \$14,338 = \$92,398$$

Specific to parcels identified as Planned Development (Commercial, Industrial and Residential), a fifty percent (50%) reduction has been applied to each of the calculated Flood Damage Reduction Benefits to reflect the proportional special benefit (avoided flood risk) these Planned Development parcels receive from the Project Services in light of Senate Bill 5 and Urban Level

of Flood Protection requirements. Specifically, each of these parcels receives a special benefit because OAD funding supports Adequate Progress toward an Urban Level of Flood Protection which will allow development of these parcels which will otherwise not be able to develop. The proportionate special benefit as between the parcels in this category is achieved by applying the standard calculated Flood Damage Reduction Benefits for the basin, and then applying a 50% reduction in light of the future construction. The following provides an example calculation for a Planned Residential Development parcel:

Example:

Planned Residential Development (Multifamily 1 Story)

Parcel Acreage: 1.470 acres

Building Square Feet: 5,750 (DAP)

Flood Depth: 11 Feet

Structure Damage = 5,750 sf x \$60/sf x 76.30% x 50% = \$131,617

+

Content Damage = 5,750 sf x \$30/sf x 22.50% x 50% = \$19,406

+

Land Damage = 1.470 Acres x \$80,100/Acre x 50% = \$ 58,874

Flood Damage Reduction Benefit = \$131,616 + \$19,406 + \$58,874 = \$209,897

The analysis described above was performed for every parcel in the benefit area that was determined to receive special benefit. The sum of total Flood Damage Reduction Benefit (FDRB) for all assessed parcels is calculated to be 3,083,642,343 FDRB at the time this Report was prepared.

Table 8 that follows, provides a summary breakdown of the FDRBs for both special and general benefits for fiscal year 2024/2025.

TABLE 8: FLOOD DAMAGE REDUCTION BENEFITS BY LAND USE ⁽⁵⁾

Land Use	Structure Damage Reduction Benefit	Content Damage Reduction Benefit	Land Damage Reduction Benefit	Total Damage Reduction Benefit
Agriculture	53,329	8,729	13,239,437	13,301,495
Agriculture - Single Family	2,747,386	3,312,401	7,773,507	13,833,295
Sub-Total Agriculture	2,800,715	3,321,131	21,012,944	27,134,789
Commercial Developed	65,835,779	162,441,132	62,913,811	291,190,721
Commercial Vacant	-	-	41,238,320	41,238,320
Sub-Total Commercial	65,835,779	162,441,132	104,152,131	332,429,041
Industrial Developed	180,388,248	414,259,850	38,682,153	633,330,250
Industrial Vacant	102,741	-	10,029,222	10,131,963
Sub-Total Industrial	180,490,989	414,259,850	48,711,375	643,462,214
Public Developed	56,055,923	137,426,471	68,177,309	261,659,703
Public Vacant	-	-	15,536,111	15,536,111
Sub-Total Public	56,055,923	137,426,471	83,713,421	277,195,815
Residential - Mobile Home	1,130,116	601,856	5,841,132	7,573,104
Residential - Multi Family	6,382,350	1,009,567	7,927,830	15,319,748
Residential - Single Family	1,072,620,629	173,767,278	322,555,891	1,568,943,798
Residential - Vacant	797,492	124,868	98,113,302	99,035,662
Sub-Total Residential	1,080,930,587	175,503,569	434,438,156	1,690,872,312
Planned Commercial Development	13,820,687	36,453,741	6,764,752	57,039,179
Planned Industrial Development	3,545,109	6,696,882	5,184,799	15,426,790
Planned Residential Development	5,195,620	1,198,933	7,882,357	14,276,910
Sub-Total Planned Development	22,561,416	44,349,555	19,831,908	86,742,879
Total Special Benefit	1,408,675,408	937,301,708	711,859,934	3,057,837,050
General Benefit	-	-	25,805,293	25,805,293
Grand Total	1,408,675,408	937,301,708	737,665,228	3,083,642,343

The Flood Damage Reduction Benefit data in the Table above is based on parcel information and characteristics at the time this Report was prepared and applicable to fiscal year 2024/2025.

Assessment Rate and Revenue

Proposition 218 requires assessments levied to be proportional to the benefits conferred by the improvements, facilities, and/or services provided. To ensure that the spread of assessments is proportional based upon the benefits calculated above, the annual special benefit costs of the improvements, facilities, and/or services are divided by the total benefits calculated for all benefiting parcels. The estimated Project Service revenue required annually is estimated to be \$2,265,000 (in fiscal year 2024/2025 dollars), of which approximately \$18,957 is calculated to be General Benefit costs with approximately \$2,246,430 being identified as special benefit costs. The proportional assessment rate to generate the estimated \$2,265,000 in Total Benefit Expenses (Special and General Benefits) is approximately **\$0.00073472** per Flood Damage Reduction Benefit ($\$2,265,000 / 3,083,642,343 \text{ FDRB} = \$0.00073472 \text{ per FDRB}$).

Annual Inflationary Adjustment (Assessment Range Formula)

As part of the District formation and establishment of annual assessments to fund the Project Services, the proposed assessments described in this Report and to be submitted to the property owners of record in the Ballot Proceeding shall include an annual inflationary adjustment referred to as an Assessment Range Formula. To ensure that SJAFCA can provide the needed Project Services over time, it is important to allow for an increase of the assessment over time to address the rising costs of labor, supplies, and materials that are inevitably associated with providing such improvements and activities, thereby reducing the need for additional noticing and balloting procedures simply because of inflationary factors. The Assessment Range Formula for this District is defined by the following:

Commencing in the second fiscal year (Fiscal Year 2025/2026) and each fiscal year thereafter through the 30-year term of the assessments (Fiscal Year 2054/2055), pursuant to Government Code §53739(b), the initial authorized Maximum Assessment Rate per FDRB presented in this Report for Fiscal Year 2025/2026 and establishing the ballot assessments for the District, shall be adjusted annually based on the annual change in the Consumer Price Index February to February CPI-W for San Francisco-Oakland-Hayward all Items, with Base Period 1982-84 = 100, published by the U.S. Department of Labor, Bureau of Labor Statistics, subject to a minimum of zero percent and a maximum of 4% in any given year.

Each fiscal year the Agency shall identify the annual percentage change in the CPI-W, using the difference over a 12-month period between February to February. This percentage difference shall then establish the range of increase to the maximum assessment rate allowed based on CPI. If the percentage change in the CPI is greater than four percent (4.0%), the maximum assessment rate shall be increased by four percent (4.0%). If the percentage change in the CPI is less than four percent (4.0%), the maximum assessment rate shall be increased by the percentage change in the CPI. However, if the percentage change in the CPI is negative (less than 0%) then the maximum assessment rate shall not be increased or decreased from the prior fiscal year. Therefore, the minimum annual adjustment to the Maximum Assessment Rate per FDRB is zero percent (0%) and the maximum annual adjustment is four percent (4%).

Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, SJAFCA shall use the revised index or comparable system as approved by the SJAFCA Board for determining fluctuations in inflation.

Appeals Process

Any property owner who believes his or her property should be reclassified and the assessment adjusted may file a written appeal with the SJAFCA Executive Director. Any such appeal is limited to correction of an assessment during the then-current fiscal year and future years.

All appeals must include a statement of reasons why the property should be reclassified and may include supporting evidence. On the filing of any such appeal, the Executive Director will direct staff to promptly review the appeal and any information provided by the property owner and may investigate and assemble additional evidence necessary to evaluate the appeal. If the Executive Director finds that the assessment should be modified, the appropriate changes will be made to the assessment roll for the following fiscal year. Any such changes approved after the assessment roll has been filed with the County for collection will not result in a refund of the current or any prior year's assessments paid before the appeal was filed unless so directed by the Executive Director.

Part IV — Assessment Roll

Due to the number of parcels within the proposed Mossdale Tract Overlay Assessment District, the Assessment Roll for fiscal year 2024/2025 (a listing of the parcels to be assessed for special benefit within this District along with the balloted assessment amounts) has been filed with the Clerk of the San Joaquin Area Flood Control Agency, in an electronic format and is by reference made part of this Report. The proposed Assessment Roll shall be available for public inspection in the San Joaquin Area Flood Control Agency Office during normal office hours.

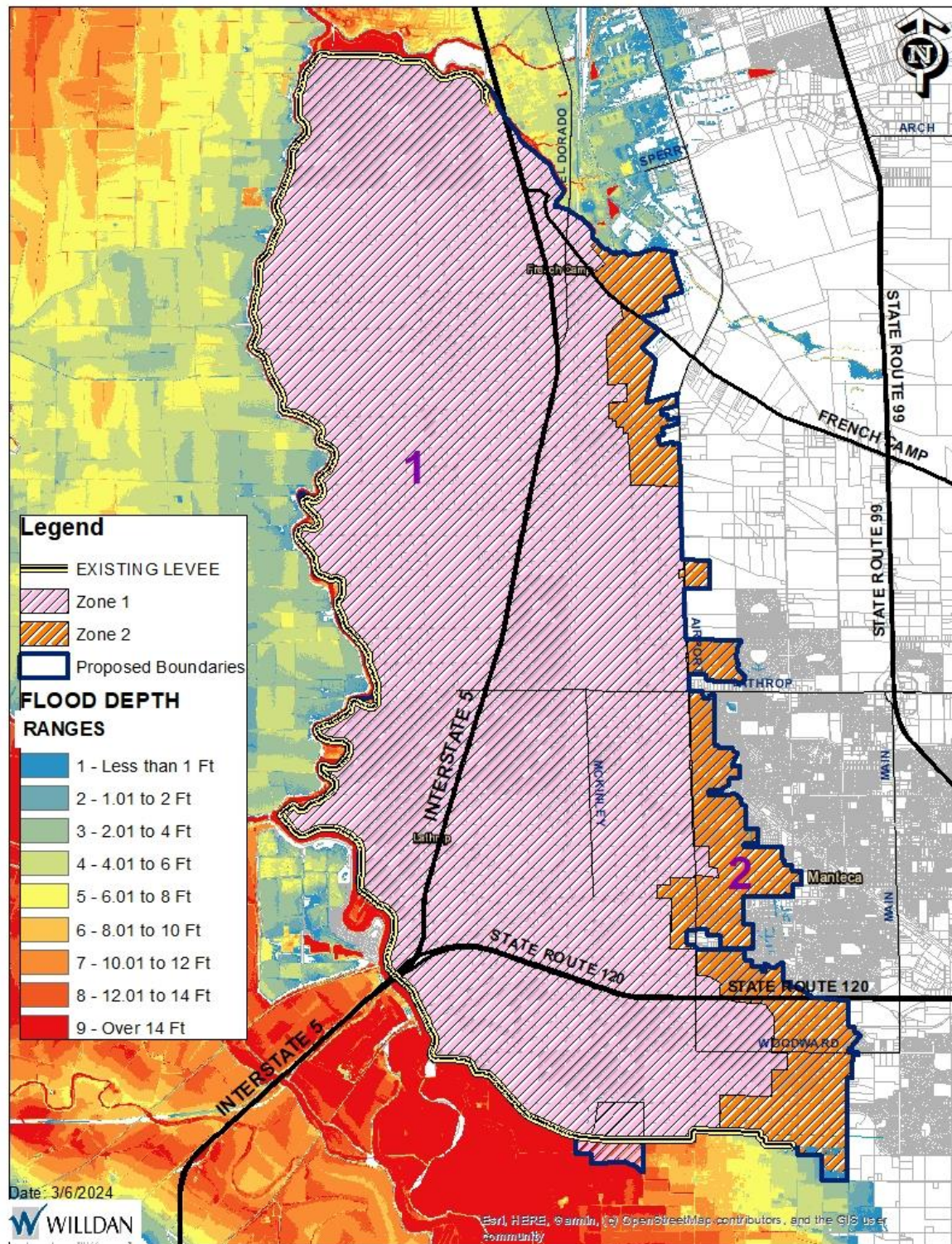
The Assessment Roll reflects all parcels identified within the District and the corresponding proportional special benefit assessment amount for fiscal year 2024/2025, which is also the amount being balloted for each parcel as part of the Ballot Proceeding. Each parcel listed on the Assessment Roll is currently shown and illustrated on the County Assessor's Roll and the County Assessor's Parcel Number Maps (APN maps). These records are, by reference, made part of this Report and shall govern for all details concerning the description of the lots and parcels. All assessments presented on the assessment roll are subject to change as a result of parcel changes made by the County including parcel splits, parcel merges or development changes that occur prior to the County Assessor's Office securing the final roll and generating tax bills for fiscal year 2024/2025.

Part V — Assessment Diagram

The territory within the Mossdale Tract Overlay Assessment District is narrowly defined to include those lots and parcels of land within the Mossdale Tract Area of San Joaquin County that have been identified as parcels receiving a reduction or elimination of potential uncontrolled riverine flooding from the San Joaquin River levees and related flood control infrastructure improvements that are to be constructed, operated, and maintained as part of the proposed Project Services. The boundary of the District and the parcels therein are based on hydrologic and hydraulic mapping (flood levels), incorporating each of the parcels within the Mossdale Tract Area that have been identified as parcels receiving a reduction or elimination of potential flood damages from inundation or force by floodwaters as a result of the construction and operation of flood risk reduction components in and adjacent to the Mossdale Tract Area which include fix in place and potential levee setback improvements as well as a dryland levee extension in Manteca.

The parcels within the District as identified on the Assessment Roll as referenced in Part IV of this Report and depicted in the Boundary and Flood Zone Diagram (Figure 5 on the following page) constitute the Assessment Diagram Mossdale Tract Overlay Assessment District. The Boundary and Flood Zone Diagram also shows the general location of the improvements associated with the Project Services for which properties identified on the Assessment Roll referenced in Part IV of this Report are being balloted for a new special benefit assessment to support a portion of Project Service costs. The parcels therein shall consist of and be dictated by the lines and dimensions as those lots, parcels and subdivisions of land listed on the Assessment Roll and shown on the San Joaquin County Assessor's parcel maps for fiscal year 2024/2025 and shall incorporate all subsequent parcel splits and merges and by reference the San Joaquin County Assessor's parcel maps are incorporated herein and made part of this Report.

Figure 5: Boundary and Zone Diagram (Assessment Diagram)



AGENDA ITEM 7.4
ATTACHMENT 3 PART B
FINAL ENGINEER'S REPORT FY 24/25
ASSESSMENT ROLL
ON FILE WITH SJAFCA AND POSTED ONLINE

www.sjafca.org

**End of
Agenda Packet**