

BOARD OF DIRECTORS

<u>City of Stockton</u> Michael Blower, Vice-Chair Brando Villapudua Alt. Mariela Ponce	<u>Public Member</u> Steve DeBrum	<u>San Joaquin County/SJCFCWCD*</u> Paul Canepa, Chair Mario Gardea* Alt. Robert Rickman
<u>City of Manteca</u> Gary Singh Charlie Halford Alt. Mike Morowit	<u>Executive Director</u> Darren Suen, PE	<u>City of Lathrop</u> Diane Lazard Steve Dresser Alt. Jennifer Torres-O'Callaghan
*San Joaquin County Flood Control and Water Conservation District		

BOARD MEETING
San Joaquin Council of Governments
Council Chambers
555 E Weber Ave. Stockton, CA
THURSDAY, JUNE 12, 2025, 1:00 P.M.

To participate in this meeting, Board Members must be in-person unless statutory exceptions exist.

ZOOM LINK Option:

<https://us06web.zoom.us/j/85270808063?pwd=hf7MYhJoCsDXDb0KO01VajrDzR3FM1.1>

Meeting ID: 852 7080 8063
Passcode: 615421

All callers will be muted until unmuted by the moderator. Any member of the public on the teleconference may speak during Public Comment once unmuted or you may email public comments to admin@SJAFCA.org. Two minutes will be given to each member of the public. You may also submit your public comments in writing up to 24 hours in advance of the meeting.

1. CALL TO ORDER / ROLL CALL
2. PLEDGE TO FLAG
3. PUBLIC COMMENTS
4. CONSENT ITEMS

4.1) Approve Minutes from May 8, 2025 Board Meeting

5. BRIEFINGS

- 5.1) Strategic Plan Informational Briefing
Darren Suen and LWA's Adam Riley will provide an overview of the SJAFCA Strategic Plan

6. NEW BUSINESS

- 6.1) Resolution to Approve the Proposed Operating and Capital Budgets for Fiscal Year 2025/26 for the San Joaquin Area Flood Control Agency
- 6.2) Resolution authorizing the Executive Director to execute consultant master service agreements and make awards for the implementation of the Mossdale Tract Urban Flood Risk Reduction Project.

7. PUBLIC HEARINGS

- 7.1) Public Hearing and resolution to approve the Annual Engineer's Report and authorize the levy of assessments within the Flood Protection and Restoration Project Assessment District (AD 96-1)
- 7.2) Public Hearing and resolution to approve the Annual Technical Memorandum and authorize the levy of assessments within the Levee Construction and Maintenance Assessment (LCMA) District
- 7.3) Public Hearing and resolution to approve the Annual Technical Memorandum and authorize the levy of assessments within the Mossdale Tract Overlay Assessment District (Mossdale OAD)

8. EXECUTIVE DIRECTOR REPORT

9. COUNSEL REPORT

10. BOARD COMMENTS

11. INFORMATIONAL ITEMS

- 11.1) Report on Master Services Agreements (FY 24-25)

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 4.1

**MINUTES
SAN JOAQUIN AREA FLOOD CONTROL AGENCY
BOARD MEETING OF MAY 8, 2025**

STOCKTON, CALIFORNIA

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

Present:	Absent:
Director Blower	Director Lazard
Director Canepa	Director Villapudua
Director DeBrum	
Director Dresser	
Director Gardea	
Director Halford	
Director Singh	

2. PLEDGE TO FLAG 1:03 PM

3. PUBLIC COMMENTS 1:03 PM

Dominick Gulli submitted written comments.

4. CONSENT ITEMS 1:03 PM

- 4.1) Approve Minutes from April 10, 2025, Board Meeting
- 4.2) Approve Minutes from April 18, 2025, Special Board Meeting
- 4.3) Approve Minutes from April 24, 2025 Special Board Meeting

Public Comment:

None.

Motion:	To approve Consent Items 4.1, 4.2, 4.3.
Moved by:	Director Singh, Seconded by Director Gardea
Vote:	Motion carried 7-0
Yes:	Director Blower, Director Canepa, Director DeBrum, Director Dresser, Director Gardea, Director Halford, Director Singh
Absent:	Director Lazard, Director Villapudua

5. NEW BUSINESS 1:04 PM

None.

6. INFORMATIONAL BRIEFING 1:04 PM

Audio for video starts at 1:13 PM, twelve minutes and twenty-three seconds into the video.

- 6.1) Mossdale Tract Area Urban Flood Risk Reduction Project
a. SJAFCA staff and consultant team will provide an overview of the Mossdale Tract Area Urban Flood Risk Reduction Project and the USACE Lathrop-Manteca study.

Public Comment: None.

7. ORAL REPORT FROM EXECUTIVE DIRECTOR 1:49 PM

- a. Currently seeking crediting agreements through the Upper Calaveras project partnership agreement for reimbursement for work that was done on the Stockton Metro Study. The agreement is now with the Assistant Secretary of the Army Corps for final approval. This will give SJAFCA access to \$2.7 million that Congressman Harder obtained for SJAFCA, that will go towards Phase 1.

The other agreement is for the excess credits from the Sutter Butte Flood Control Agency. SJAFCA will be purchasing these credits to lower our cost for the project. SJAFCA needed approval from the US Army Corps of Engineers on the project partnership agreement amendment that is between SJAFCA and the Central Valley Flood Protection Board. The agreement is currently with the Assistant Secretary of the Army Corps for approval, and once approved, SJAFCA will be able to use those excess credits.

- b. New Team Members – Senior Project Manager – Ryan Curry and Accounting Technician - Alicia Eberhardt.
- c. Recognition goes to the US Army Corps of Engineers and Kleinfelder for their work on the basis of design for the entire Phase 1 project, with completing 85% - 95% of the work.

8. BOARD QUESTIONS, COMMENTS, ACTIONS 1:57 PM

None.

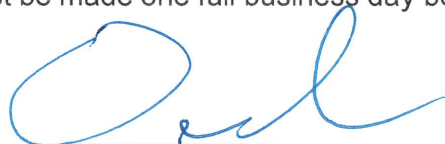
9. COUNSEL REPORT 1:58 PM

None.

10. ADJOURNMENT 1:57 PM

The meeting adjourned at 1:57pm. The next meeting will be a Regular Board Meeting to be held on June 12, 2025 at 1pm.

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DARREN SUEN
EXECUTIVE DIRECTOR
SAN JOAQUIN AREA FLOOD
CONTROL AGENCY

May 8, 2025, SJAFCA Meeting Minutes

Agenda Item 5.1

June 12, 2025

TO: San Joaquin Area Flood Control Agency Board of Directors

FROM: Darren Suen PE, Executive Director

SUBJECT: **SAN JOAQUIN AREA FLOOD CONTROL AGENCY (SJAFCA) STRATEGIC
PLAN OVERVIEW**

RECOMMENDATION

Receive informational briefing on SJAFCA Strategic Plan.

SUMMARY

The SJAFCA Strategic Plan adopted in 2019 and updated in 2024 continues to drive the organization's work and activities from which the FY25/26 budget was developed.

DISCUSSION

Executive Director and Larson-Wurzel will provide a presentation on the Strategic Plan.

Agenda Item 6.1

June 12, 2025

TO: San Joaquin Area Flood Control Agency Board of Directors

FROM: Darren Suen, Executive Director
Sylvia Razniak, Director of Finance and Human Resources

SUBJECT: **RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2025/26 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) 2025/26 budgets for SJAFCA for the following:

1. Agency Operations (Fund #55601)
2. Smith Canal Gate Project (Funds #55666)
3. Mossdale Tract Area Program (Funds #55679/55680/55681/55682)
4. Lower San Joaquin River Project (Phase 1) (Fund #55653)
5. Regional Flood Management Planning Program (Fund #55667)
6. Paradise Cut Project (Fund #55665)
7. Levee Construction & Maintenance Assessment District (Fund #55668)
8. Flood Protection Restoration District O&M Fund (Fund #55964)

DISCUSSION

Originally adopted in September 2019, the Strategic Plan sets the framework for the Agency's actions and decisions. It contains the Agency's mission statement, goals, objectives, and priority actions. SJAFCA's proposed budget and 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 capital improvement programs (CIP's) and planning programs:

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

The Agency has three assessment districts that support programs. They are:

- The Flood Protection Restoration Project (FPRP) Assessment District 96-1 (AD 96-1);
- The Levee Construction & Maintenance Assessment (LCMA) District; and,
- The Mossdale Tract Overlay Assessment District (OAD).

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2025/26 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

AD 96-1 supports an operations and maintenance program for the FPRP constructed in the 1990's by SJAFCA. The LCMA District provides funding for the LSJRP and the maintenance of levees within the San Joaquin County Flood Control and Water Conservation District Zone 9 that protect North and Central Stockton. The OAD provides funding for improvements to levees protecting the Mossdale Tract Area and, once constructed, will help fund ongoing operations and maintenance funding.

The budgets for AD 96-1 and the LCMA District are provided as separate items within this budget report and presented for approval. The recommended CIP budget for FY 2025/26 for the Mossdale Tract Program is reflective of the Mossdale OAD.

Additional details regarding the budgets for each of the three assessment districts are included within separate items on this Agenda for consideration by the Board as part of the respective actions considering approval of the levy of assessments.

Each of the eight 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 18, 2024, the Board adopted SJAFCA Resolution No. 24-21 approving the Agency's proposed budget for FY 24/25 (Exhibit A & summarized in Table 1). Also, shown in Exhibit A is the updated final budget for the fiscal year.

As of approximately May 19, 2025, with an estimated 88 percent of the FY elapsed, the Agency has spent about 81% of the total operating budget (Table 1). Overall operating costs are 19 percent under the projected budget.

TABLE 1 – SUMMARY OF FISCAL YEAR 2024/25 BUDGET & ACTUALS (Fund 55601)

	FY 24/25 Budget	24/25 Expenses As of 5/19/25	
SJAFCA Employee Services	\$1,501,910	\$1,204,536	80%
Professional Services	\$573,500	\$550,817	96%
Materials & Supplies	\$243,090	\$132,556	55%
Other Expenses	\$114,500	\$76,112	66%
Approved Operating Budget:	\$2,433,000	\$1,964,021	81%

The proposed FY 25/26 budget is also reflected in **Exhibit A** and is summarized in Table 2 below. Exhibit A represents the Agency's anticipated expenditures for general administration, operations, and support costs for existing capital improvement projects. The proposed FY 25/26 expenditure budget has been updated to more accurately reflect operating costs given the Agency's office relocation at the beginning of FY 24/25. The budget reflects how administrative support services are provided to the Agency.

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2025/26 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

TABLE 2 - FISCAL YEAR 2025/26 SJAFCA
PROPOSED OPERATING EXPENDITURE
BUDGET SUMMARY (Fund 55601)

	FY 25/26 Proposed Budget
SJAFCA Employee Services	\$2,125,000
Professional Services	582,500
Materials & Supplies	342,500
Other Expenses	130,000
Proposed Operating Budget:	\$3,180,000

Staffing

The FY 2025/26 Operating Budget reflects the addition of three new staff members, two of which were hired in FY 2024/25, bringing the total staffing of the Agency to 11 Full Time Equivalent Positions (FTE's). Table 2 lists the positions authorized with the Board's approval of the proposed FY 2025/26 Operating Budget.

TABLE 3 - FISCAL YEAR 2025/26 SJAFCA
STAFFING SUMMARY

Position	FTE Count
Executive Director	1
Deputy Executive Director	1
Director of Finance & Human Resources	1
Advisor	0.5
Civil Engineer	1
Project Manager	3
Real Estate Advisor	0.5
Administrative Assistant	1
Accounting Technician	2
Total FTE's	11

Funding for the Proposed FY 2025/26 Operating 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, SJAFCA allocates a portion of its Operating Budget to program budgets. The attached Exhibit B shows the proposed allocation to be incorporated into the various program budgets.

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2025/26 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

Currently, SJAFCA allocates costs to programs by directly billing all overhead and administrative costs to programs. Where applicable for grant funded programs, SJAFCA submits direct allocated overhead costs to granting agencies for reimbursement. The proposed operating budget includes funding for the development of a grant compliant indirect cost allocation plan (ICAP) to support the Agency's development of an indirect cost burden rate to support streamlined and efficient overhead cost recovery from grant funded programs.

For budgeting purposes, 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 budgeted 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. This approach, coupled with the development of an ICAP will support the recovery of operating costs from capital projects and programs. The proposed allocation of the Operating Budget to SJAFCA's project and program budgets, with reference to their primary funds, is shown in Table 3 below.

TABLE 4 – OPERATING FUND COST ALLOCATION SUMMARY

Fund	No.	Allocation %
General	55601	5%
O&M	55694	10%
Smith Canal	55666	5%
Mossdale	55679	35%
LSJR	55653	35%
RFMP	55667	2%
Paradise Cut	55665	8%

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 as well as an allocation of annual funding from the LCMA District.

Operations and Maintenance (O&M) Fund (Fund 55694). The O&M Fund accounts for money collected annually through the FPRP AD 96-1 O&M assessment. As noted previously, each year, the Board reviews the Annual Engineer's Report and establishes the O&M assessments. The O&M budget for FY 2025/26 is presented within this report and is consistent with the Budget presented within the Annual Engineer's Report supporting the Agency's annual authorization to levy assessments

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2025/26 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

within AD 96-1 to be considered by the Board separately on this Agenda (Agenda Item 7.1). The allocation approach discussed above and shown in Exhibit B allocates up to \$318,000 of General Overhead and Administration (GO&A) expenses to the fund.

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 \$159,000 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 associated maintenance funded by the LCMA District.

Mossdale Tract Fund (Fund 55679/55680/55681/55682). These funds were created as part of a Board-approved actions 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), and the Mossdale Tract Overlay Assessment District (OAD). Additional funding is provided through an Urban Flood Risk Reduction (UFRR) program grant from DWR for a feasibility study, preliminary design and environmental review of the Project and early implementation actions. All of these revenues are used to pay for activities to advance the Mossdale Tract Program. As a multi-year capital program, unexpended prior year funding authorized by the Board under this program would roll forward to future fiscal years. The allocation approach discussed above and shown in Exhibit B allocates up to \$1,113,000 of GO&A expenses to the Mossdale Program. 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 the first increment of construction, design of subsequent increments, and non-federal sponsor obligations, including land acquisition. With this effort, and consistent with the approach described above, like last year, staff proposes to allocate \$1,113,000 of GO&A costs to the Lower San Joaquin River Project. Funding for this would come from fund balances in Lower San Joaquin River Federal Project Fund, revenues from the LCMA District, and funding from agreements with the Department of Water Resources as a cost sharing partner with SJAFCA.

Regional Flood Management Plan (Fund 55667). To support the RFMP grant program, staff established Fund 55667 to track and account for costs subject to reimbursement by DWR. The program has been extended several times to add additional time and funding and the latest phase extends through FY 2026/27. The budget request for FY 2025/26 includes an allocation of up to \$63,600 of GO&A expenses consistent with the proposed allocation noted in Exhibit B.

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2025/26 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

Paradise Cut (Fund 55665). SJAFCA executed a funding Agreement with DWR during FY 2023/24 to advance the Paradise Cut Feasibility Study. An amendment adding additional funding has been approved during FY 2024/25. Work under the agreement will continue through FY 2025/26. The allocation of GO&A expense to this fund for FY 2025/26 is approximately \$254,400.

Operating Budget. The Agency's Operating Budget summarized above in Table 1 and presented in Exhibit A for FY 2025/26 totals \$3,180,000. This represent a 31% increase over the budget for FY 2024/25 and takes into consideration both increases in staffing and increases in overhead cost as a result of the Agency's relocation. Staff prepared the Operating Budget utilizing consistent categories as prior years. These categories of expenses are described further below:

- **SJAFCA Employee Services.** This category includes salary and benefits for the 11 FTE positions listed in Table 2 above. 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 Staffing budget is \$2,125,000.
- **Professional Services.** These expenses include services such as legal counsel, federal and State advocacy efforts, technical consultants, and annual auditing services as well as temporary staffing costs. The total Professional Services budget is \$582,500.
- **Materials and Supplies.** This category includes expenses for general office supplies, computer software, maintenance of the Agency's scanner/copier equipment. This category also includes equipment rental, computer technology support, postage, mailing, duplicating services, file storage and vehicle costs, and office rent. The Materials and Supplies budget is \$342,500.
- **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 insurance premiums and association memberships. The Other Expense budget is \$130,000.

The Operating Budget illustrated in Exhibits A and B (summarized in Tables 2 and 4) includes the full costs for the proposed positions and the allocations to the Projects and Programs supporting the Agency's mission.

Capital Improvement Program (CIP) Budget

As further described above, the Agency now has 5 capital programs that support the Agency's flood risk reduction mission. 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 2025/26 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 financing) - DWR Grant funding - Allocation of Agency Reserves	- Local Funding Agreements - DWR Grant funding - Mossdale Regional Levee Impact Fee - Climate Resiliency Grant - EIFD - Mossdale Tract Overlay Assessment (including financing)	- SJAFCA Fund Reserves - Local Funding Agreements - DWR Project Partner Agreement - Federal Reimbursement - LCMA Assessment Revenues	- RFMP Grant (DWR)	- DWR Grant - Local Funding

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 and bond proceeds from the former Smith Canal Area Assessment District (SCAAD). SCAAD assessment levies began in FY 14/15 and ceased with the passage of the LCMA District in 2023. The Agency issued new Bonds and redeemed outstanding SCAAD bonds effectively replacing the SCAAD with the LCMA District. The last year SJAFCA levied SCAAD Assessments was FY 2022/23. The first year the Agency levied LCMA Assessments was FY 2023/24.

The total expenditure budget for the Smith Canal Gate Project remains \$96.968 Million. No additional augmentation is requested. Construction of the Project is substantially complete and Project closeout activities, including the process of starting up Operations and Maintenance, will extend into Fiscal Year 2025/26. Table 4 below summarizes the authorized CIP budget, actual costs through approximately May 15, 2025, and proposed adjustments between budget categories to reflect actual costs incurred and projected closeout related expenses. The budget categories align expenditures with the appropriate categories of cost within the DWR grant agreement.

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2025/26 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

TABLE 5 – SMITH CANAL GATE CIP BUDGET SUMMARY (Fund 55666)

FY 2025/26 SMITH CANAL GATE Program CIP Budget	Approved Budget FY 24/25	Estimated Expenses 5/15/2025	Budget Balance 5/15/2025	Proposed Budget Realignment	Proposed Budget FY 25/26
EXPENDITURES					
Design Phase	\$6,672,358	\$6,672,358	\$0	\$0	\$6,672,358
Supplemental Engineering	\$2,477,651	\$2,481,283	(\$3,632)	\$3,632	\$2,481,283
Independent Review	\$403,381	\$203,381	\$200,000	(\$120,000)	\$283,381
Project Management	\$4,803,603	\$4,658,963	\$144,640	(\$94,640)	\$4,708,963
Construction	\$60,280,447	\$60,111,625	\$168,822	\$1,501,178	\$61,781,625
Construction Management	\$18,660,472	\$15,803,334	\$2,857,138	(\$1,370,715)	\$17,289,757
Real Estate Contingency	\$360,000	\$415,588	(\$55,588)	\$80,545	\$440,545
Real Estate Acquisition	\$450,000	\$450,000	\$0	\$0	\$450,000
Public Outreach	\$118,710	\$80,628	\$38,082	\$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	\$93,619,386	\$3,349,462	\$0	\$96,968,849

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

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2025/26 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

TABLE 6 – SMITH CANAL GATE SUMMARY OF FUNDING SOURCES

FY 2025/26 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
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 2023/24.

The recommended Board Action includes approval of expenditures for the Smith Canal Project and the activities needed to continue closeout of the construction phase and transition the completed project to long-term Operations and Maintenance. During FY 2025/26, SJAFCA will continue efforts to closeout the Project's funding agreement with DWR and work with the County on the O&M transition. Funding for O&M will come from the LCMA District. Budget for O&M is reflected as part of the LCMA District budget presented within this report as well as the related action (Item 7.2) authorizing the levy of LCMA District assessments.

3. Mossdale Tract Program (Funds 55769/55680/55681/55682)

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

- Advanced funding from Member Agencies;
- The Mossdale Tract Area Regional Development Impact Fee;
- The Mossdale Tract Overlay Assessment District;
- The Mossdale Tract Enhanced Infrastructure Financing District;
- A grant from DWR under its Urban Flood Risk Reduction Program to advance a feasibility study, preliminary design, environmental review and implementation; and,

AGENDA ITEM 6.1

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2025/26 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

- A grant from the Bay Area Council to support Climate Resiliency.

On July 18, 2024, the Board approved the last augmentation to the Mossdale Tract Program budget through FY 2024/25. The following discussion describes the work covered in the proposed augmentation to cover activities through FY 2025/26 and the status of current efforts.

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) and well underway. A Feasibility Cost Share Agreement was executed between USACE, the CVFPB and SJAFCA on September 30, 2022, for a \$7 million - 4 ½ year feasibility study. To date, \$2,220,000 in federal funding and \$1,500,000 in State funding and \$1,380,000 in SJAFCA funding has been authorized 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 additional federal and State funding.

The budget augmentation presented also reflects the execution of the 6th Amendment to the State UFRR Funding Agreement which allocated 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, the design and permitting of the Dryland Levee and restoration sites, as well as acquisition of necessary rights of way.

The recommended budget augmentation for Fiscal Year 2025/26 summarized in Table 6 below for the proposed Mossdale Tract Fund addresses the following categories of costs:

UFRR Feasibility Study (Phase 1)

- Reflects prior completed work. No further work is expected under this category.

Program Management

- Staff Support & Allocated Overhead
- Consultant Support
- Legal Support
- Strategic Planning and Implementation
- Legislative Advocacy
- Public Outreach

Local Funding Implementation / Administration

- Ongoing administration of the Regional Development Impact Fee, EIFD & Overlay Assessment District
- ULOP Adequate Progress Reporting and Financing Plan updates / implementation

AGENDA ITEM 6.1

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2025/26 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

- Budget support and administrative support services

Project Implementation

State / Local – UFRR Project – CEQA / Preliminary Design

- DWR Grant administration
- 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

- Project Management, USACE coordination and crediting, Stakeholder Outreach, Independent Review
- Right of Way Planning, Acquisitions and Relocations
- Final Design plans and specifications,
- Permits & Approvals
- Dryland Levee Construction Management and Construction
- Ecosystem restoration improvement planning, permitting, design, right of way planning and acquisition

Federal / State / Local – Lathrop Manteca Study

- Federal Program consultation and 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 and grant closeout.

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

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TABLE 7 – MOSSDALE TRACT FY 2025/26 CIP BUDGET SUMMARY
(Funds 55679/55680/55681/55682)

FY 2025/26 Mosssdale Tract Program CIP Budget Expenditures	Approved Budget 2024/25	Estimated Expenses 5/15/2025	Budget Balance 5/15/2025	Proposed Budget Augmentation	Proposed Budget 2025/26
UFRR Feasibility Study (Phase 1)	\$358,759	\$329,065	\$29,694	\$0	\$358,759
Program Management	\$5,346,871	\$4,861,624	\$485,247	\$1,743,759	\$7,090,630
Local Funding Implementation / Administration	\$2,336,649	\$1,886,226	\$450,423	\$79,000	\$2,415,649
Project Implementation (State/Local UFRR Project - CEQA/Prelim Design)	\$8,022,545	\$5,746,046	\$2,276,500	\$450,000	\$8,472,545
Project Implementation (State/Local UFRR Project - Construction)	\$3,350,000	\$501,519	\$2,848,481	\$8,500,000	\$11,850,000
Project Implementation (Fed/State/Local – Lathrop Manteca Project)	\$2,828,248	\$2,241,551	\$586,697	\$940,300	\$3,768,548
Climate Resiliency	\$300,000	\$230,620	\$69,380	\$0	\$300,000
TOTAL EXPENDITURES	\$22,543,072	\$15,796,651	\$6,746,422	\$11,713,059	\$34,256,131

The above budget represents the total cumulative Capital Improvement Program (CIP) budget for the Mosssdale Tract Program through FY 2025/26. Further, as is the case with all CIP budgets, if the above budget is not expended through FY 2025/26, any remaining budget rolls over to the next fiscal year.

The requested budget augmentation of \$11.7 million focuses on the following additional efforts; finalize the CEQA Environmental Impact Report for the project, continue design of the Dryland Levee Extension, initiate project permitting, plan for and acquire necessary real estate for borrow, mitigation and restoration, and advance the project toward construction. The budget also continues to 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 DWR;
- SJAFCA's funding agreements with its members structured in the form of loans. This

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funding was received in FY 2017/18 and is available to fund all project efforts. The loans will be repaid once all 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 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 (reference Item 7.3 on this Agenda).
- 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 8 below.

TABLE 8 – MOSSDALE TRACT FY 2025/26 CIP REVENUES

FY 2025/26 Mossdale Tract Program CIP Budget Revenues	Approved Budget 2024/25	Estimated Revenues 5/15/2025	Budget Balance 5/15/2025	Proposed Budget Augmentation	Proposed Budget 2025/26
DWR UFRR Funding	\$5,750,000	\$3,999,502	-\$1,750,498	\$2,545,000	\$8,295,000
Levee Impact Fees	\$14,526,391	\$18,402,105	\$3,875,714	\$3,875,714	\$18,402,105
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	\$2,778,465	\$4,171,548	\$1,393,083	\$4,221,535	\$7,000,000
Fund Interest Earned	\$574,823	\$936,451	\$361,628	\$361,628	\$936,451
Mossdale Overlay Assessment District	\$2,200,000	\$1,175,363	-\$1,024,637	\$2,302,156	\$4,502,156
TOTAL REVENUES	\$26,439,679	\$29,244,969	\$2,805,290	\$13,306,033	\$39,745,712

The recommended Board Action includes approval of additional funding 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 \$1.954 billion (USACE Total Project Cost Estimate Update 2024). This project is expected to be implemented in several increments over more than a decade. The first increment of the LSJRP, TS_30_L, is now under construction. Design on the next increment, Shima Tract Phase A continues, and several other increments of the program have started design including five design packages for Duck Creek/French Camp Slough. As such, USACE has

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approximately \$100M available and requires cost sharing, land acquisition, and utility relocations from the non-Federal Sponsors (SJAFCA and DWR).

To generate funding for the Local Share of the LSJRP, SJAFCA partnered with the San Joaquin County Flood Control and Water Conservation District to advance the formation of the LCMA District which was successfully formed 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 not only redeem the outstanding SCAAD Assessment Revenues bonds but also generate proceeds of \$5.0 million to advance the LSJRP. The bond sale was completed on August 2, 2023.

Since Federal Fiscal Year 2020, USACE has appropriated \$152M 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 (WIK), credit for land, easements, rights-of-way, relocations and disposal areas (LERRDs), and cash. SJAFCA's approach to funding its cost share obligation and minimizing cash outlays includes:

- WIK credit for the completion of the Smith Canal Gate Project;
- Participation in the inter-basin transfer of WIK credit between the Sutter Basin Project and the Lower San Joaquin River with the State and Sutter Butte Flood Control Agency (SBFCA);
- Acquiring LERRD's; and,
- Making cash payments to the USACE in partnership with the State.

The FY 2025/26 budget continues to support land acquisition requirements, project management and consultation services, payments to SBFCA for the inter-basin credit transfer, and all cash contributions which may be requested by USACE. The FY 2025/26 budget augmentation of \$2.96 million to the previously approved fiscal year 2024/25 budget of \$18.03 million brings the total authorization for the LSJRP up to \$20.99 million.

Funding for the budgeted expenditures 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 UFRR 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.

The budget summarized in Table 9 below reflects an approach of budgeting the LSJRP by USACE's planned phases of implementation. Tracking costs in this manner will streamline SJAFCA's submission of WIK and LERRDs crediting packages to the USACE.

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TABLE 9 – LOWER SAN JOAQUIN RIVER PROJECT
FY 2025/26 CIP BUDGET SUMMARY (Fund 55653)

FY 2025/26 Lower San Joaquin River Project (Phase 1) Program CIP Budget	Approved Budget FY 24/25	Estimated Expenses 5/15/2025	Budget Balance 5/15/2025	Proposed Budget Augmentation	Proposed Budget FY 25/26
Overall Program Management					
Program Admin, Staff Support & Legal	\$2,211,676	\$2,586,586	(\$374,910)	\$2,088,324	\$4,300,000
Assessments & Financing Efforts	\$599,073	\$129,473	\$469,600	(\$469,600)	\$129,473
NFS Cash Contributions	\$3,360,000	\$3,903,744	(\$543,744)	\$4,744,000	\$8,104,000
Federal Credit Payments	\$0	\$0	\$0	\$900,000	\$900,000
Property Acquisition (LERRDS)	\$1,020,000	\$564,553	\$455,447	\$145,000	\$1,165,000
Subtotal Overall Program Management	\$7,190,749	\$7,184,357	\$6,392	\$7,407,724	\$14,598,473
TS 30L					
Project Admin, Engineering & Env.	\$705,390	\$740,263	(\$34,873)	\$146,610	\$852,000
Property Acquisition (LERRDS)	\$2,505,068	\$1,778,737	\$726,331	(\$358,068)	\$2,147,000
USACE Payments	\$3,903,744	\$0	\$3,903,744	(\$3,903,744)	\$0
Subtotal TS 30L	\$7,114,202	\$2,519,000	\$4,595,203	(\$4,115,202)	\$2,999,000
Shima Tract Levee					
Project Admin, Engineering & Env.	\$754,207	\$226,786	\$527,421	\$74,793	\$829,000
Property Acquisition (LERRDS)	\$2,080,800	\$92,841	\$1,987,959	(\$636,800)	\$1,444,000
Subtotal Shima Tract Levee	\$2,835,007	\$319,626	\$2,515,381	(\$562,007)	\$2,273,000
Calaveras River - Left Bank					
Project Admin, Engineering & Env.	\$9,287	\$9,679	(\$392)	\$15,713	\$25,000
Property Acquisition (LERRDS)	\$33,747	\$30,441	\$3,306	\$0	\$33,747
Subtotal Calaveras River - Left Bank	\$43,034	\$40,120	\$2,914	\$15,713	\$58,747
14 Mile Slough					
Project Admin, Engineering & Env.	\$210,000	\$199,714	\$10,286	\$0	\$210,000
Property Acquisition (LERRDS)	\$0	\$52,893	(\$52,893)	\$54,000	\$54,000
Subtotal 14 Mile Slough	\$210,000	\$252,607	(\$42,607)	\$54,000	\$264,000
Duck Creek & French Camp Slough					
Project Admin, Engineering & Env.	\$140,000	\$8,390	\$131,610	\$161,000	\$301,000
Property Acquisition (LERRDS)	\$500,000	\$0	\$500,000	\$0	\$500,000
Subtotal Duck Creek & French Camp Slough	\$801,000	\$8,390	\$631,610	\$161,000	\$801,000
TOTAL EXPENDITURES	\$18,032,992	\$10,324,100	\$7,708,892	\$2,961,228	\$20,994,220

Table 10 below details the funding sources available for the above expenditure budget. With the increase in spending, additional funding from the LCMA District is proposed to be allocated to the Project to meet the expenditure requirements.

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**TABLE 10 – LOWER SAN JOAQUIN RIVER PROJECT
PROGRAM FUNDING SOURCES**

FY 2025/26 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
FY 2025/26 Allocation of Levee Construction and Maintenance Assessment Revenues	\$3,000,000
Total LSJRP CIP Funding:	\$21,041,182

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. In 2023, SJAFCA executed a grant agreement for an additional \$260,000 for a "2023 round" of RFMP funding (i.e., a 4th phase). During FY 2023/24, the State identified an additional funding source for a future 5th phase with an estimated amount of funding of approximately \$315,000 bringing the cumulative authorizations approved by the Board to \$1,425,000. During FY 2024/25, SJAFCA and DWR approved a 5th Phase of RFMP funding at \$356,667, which represents an additional \$41,667 more than previously authorized in June 2024. Given this finalized 5th phase of funding, an augmentation of an additional \$41,667 is needed to align the budget with the total funding authorized by DWR.

Table 11 below presents the current approved budget, the estimated expenses incurred through May 15, 2025, and the updated budget based on the expected spending moving forward.

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TABLE 11 – RFMP FY 2025/26 CIP BUDGET SUMMARY (Fund 55667)

FY 2025/26 RFMP Program CIP Budget	Approved Budget FY 24/25	Estimated Expenses 5/15/2025	Budget Balance 5/15/2025	Proposed Budget Augmentation	Proposed Budget FY 25/26
RFMP - 1 - PROGRAM MANAGEMENT	\$758,550	\$734,972	\$23,578	\$40,022	\$798,572
RFMP - 2 - COMMUNICATION & ENGAGEMENT	\$79,718	\$78,030	\$1,688	\$13,061	\$92,779
RFMP - 3 – CVFPP UPDATES	\$84,985	\$84,199	\$786	\$21,905	\$106,890
RFMP - 4 - FINAN. PLANG. & FUNDING SUPPORT	\$61,544	\$67,636	(\$6,092)	\$6,092	\$67,636
RFMP - 5 - REGIONAL GOVERNANCE	\$17,000	\$16,502	\$498	(\$498)	\$16,502
RFMP - 6 - MULTI BENEFIT OPP. & PARF TRAC	\$96,686	\$95,769	\$917	\$5,891	\$102,577
RFMP - 7 - REGIONAL CLIMATE RESILIENCE	\$56,367	\$56,013	\$354	\$10,916	\$67,283
RFMP - 8 - INSTITUTIONAL BARRIERS	\$176,000	\$175,537	\$463	(\$463)	\$175,537
RFMP - 9 - NFIP RELATED ACTIVITIES	\$3,000	\$2,667	\$333	(\$333)	\$2,667
RFMP - 10 - REGION SPECIFIC ACTIVITIES	\$26,150	\$25,560	\$590	\$10,074	\$36,224
RFMP - 11 - WATER RESOURCE PORTFOLIO 25.4	\$65,000	\$0	\$65,000	(\$65,000)	\$0
TOTAL	\$1,425,000	\$1,336,884	\$88,116	\$41,667	\$1,466,667

Original Budget	\$1,425,000
Estimated Expenses through 5/15/25	-\$1,336,884
Remaining Budget	\$88,116
Net Budget Augmentation [1]	\$41,667
Adjusted Remaining Budget	\$129,783
Prior Expenses	\$1,336,884
plus Adjusted Remaining Budget	\$129,783
Final Total Budget	\$1,466,667
[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 is 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,

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Outreach and Engagement, the preparation of a Feasibility Study and the preparation of Preliminary Engineering and Landscapes Designs to facilitate the development of an engineer's cost estimate (10%) for the preferred alternative including landscape-scale plans for multiple-benefit ecosystem restoration in the Project footprint.

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. In April 2024 the Board authorized the execution of Master Services Agreements with various consultants obligating the full budget for the Program. As a result of the delayed execution of agreements, minimal expenses had been incurred during FY 2023/24. In FY 2024/25, the program began advancing in earnest. During the course of delivering the study, additional scope of work was identified and requested by DWR and additional funding has been allocated through an amendment to the DWR funding agreement. The South Delta Water Agency and Central Delta Water Agency provided \$40,000 to support the project. The total available funding is now \$4,015,000. To align the authorized budget to the available funding, an augmentation to the Board approved budget is needed. Table 12 below presents the approved CIP budget, an estimate of expenses incurred through May 15, 2025 and the proposed augmentation through FY 2025/26. The Agency's allocable portion of overhead is included within the Program Management budget.

TABLE 12 – PARADISE CUT FY 2024/25 CIP BUDGET SUMMARY (Fund 55665)

FY 2025/26 Paradise Cut Program CIP Budget	Approved Budget FY 2024/25	Estimated Expenses 5/15/2025	Budget Balance 5/15/2025	Proposed Budget Augmentation	Proposed Budget FY 2025/26
Task 1 - Project Management and Administration	\$425,000	\$689,091	(\$264,091)	\$773,935	\$1,198,935
Task 2 - Technical Review Panel	\$175,000	\$39,399	\$135,601	\$0	\$175,000
Task 3 - Strategic Outreach and Local Engagement	\$350,000	\$160,490	\$189,510	(\$105,190)	\$244,810
Task 4 - Feasibility Study	\$1,750,000	\$1,046,560	\$703,440	\$45,170	\$1,795,170
Task 5 - Preliminary Engineering and Landscape Designs	\$300,000	\$33,786	\$266,214	\$181,085	\$481,085
Task 6 - Governance	\$0	\$0	\$0	\$75,000	\$75,000
Task 7 - Scoping Phase 4	\$0	\$0	\$0	\$45,000	\$45,000
Total	\$3,000,000	\$1,969,325	\$1,030,675	\$1,015,000	\$4,015,000

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. Table 13 presents a comparison of the projected actual expenditures relative to the approved budget for Fiscal Year 2024/25 as well as estimate of the budget for Fiscal Year 2025/26. The

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Budgeted Assessment Revenues for Fiscal Year 2025/26 reflect 2.71% escalation rate¹ which is the maximum allowable annual assessment escalation rate 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 2025/26 presented as a separate item on this agenda (Item 7.2).

The LCMA Assessment Revenues are authorized to provide funding Levee Improvement and Maintenance services. Funding from assessment for Fiscal Year 2025/26 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 Start Up and Operations and Maintenance of the Smith Canal Gate;
- To provide funding to SJAFCA to support the local sponsor obligations of the LJSRP;
- 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 the start-up of Smith Canal Gate Operations and Maintenance shown within the FY 2025/26 LCMA Budget are shown in Table 14.

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)

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**TABLE 13 – LEVEE CONSTRUCTION & MAINTENANCE ASSESSMENT DISTRICT
FY 2024/25 BUDGET TO ACTUAL COMPARISON & FY 2025/26 BUDGET (Fund 55668)**

FY 2025/26 LCMA District Program Budget	Approved Budget FY 2024/25	Estimated Actuals 5/15/2025	Proposed Budget FY 2025/26
REVENUES			
Direct Assessments	\$7,519,066	\$4,126,142	\$7,971,000
Interest	\$0	\$246,511	
Total Revenues	\$7,519,066	\$4,126,142	\$7,971,000
EXPENDITURES			
Assessment Administration	\$528,000	\$142,649	\$170,000
O&M Services			
O&M Services - Direct Transfer to Zone 9	\$841,000	\$91,570	\$889,000
O&M Services - SJAFCA Support for Zone 9	\$518,500	\$518,500	\$509,800
Subtotal O&M Services	\$1,359,500	\$610,070	\$1,398,800
Levee Construction Services			
Smith Canal Gate [1]	\$606,700	\$0	\$661,700
Lower San Joaquin River Project Allocation	\$6,500,000	\$3,000,000	\$3,000,000
Estimated Debt Service (2023 Bonds)	\$1,714,537	\$639,769	\$1,717,165
Subtotal Construction Services	\$8,821,237	\$3,639,769	\$5,378,865
TOTAL EXPENDITURES	\$10,708,737	\$4,392,488	\$6,947,665
NET FUND BALANCE CHANGE	(\$3,189,671)	(\$266,346)	\$1,024,335
ESTIMATED BEGINNING BALANCE [2]	\$5,284,226	\$5,284,226	\$2,341,066
ENDING BALANCE	\$2,094,555	\$5,017,880	\$3,364,401

[1] FY 2025/26 for Smith Canal Gate expenses O&M Start-Up (one year allocation). See Additional detail for Operating Expenses for FY 2025/26

[2] FY 2024/25 Starting fund balance per finalized Audit. FY 2025/26 Starting fund balance includes interest earned on the fund balance to date not previously budgeted.

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TABLE 14 – LEVEE CONSTRUCTION & MAINTENANCE ASSESSMENT DISTRICT SMITH CANAL GATE FY 2025/26 OPERATIONS & MAINTENANCE BUDGET

FY 2025/26 LCMA District Smith Canal Gate O&M Details	Approved Budget FY 2024/25	Estimated Actuals 5/15/25	Proposed Budget FY 2025/26
EXPENDITURES			
County O&M Estimated Request	\$350,000	\$0	\$350,000
<i>One Time Start Up Cost Details</i>			
Parking Lot Re-Surface	\$20,000	\$0	\$0
Generator Procurement	\$60,000	\$0	\$0
Electronic Communications Interface	\$25,000	\$0	\$0
Miscellaneous / Other Items	\$60,000	\$0	\$0
Property Liability Insurance	\$0	\$0	\$100,000
Interim O&M	\$0	\$0	\$120,000
One Time Start Up Costs / Interim O&M	\$165,000	\$0	\$220,000
<i>10-Yr Recurrent Interval Set Asides</i>			
Stop Log Install	\$34,900	\$34,900	\$34,900
Miscellaneous Repairs / Inspections	\$34,900	\$34,900	\$34,900
Permitting (Balance Not Funded w/ Project)	\$21,900	\$21,900	\$21,900
Total Reserve Set Asides	\$91,700	\$91,700	\$91,700
Subtotal SCG O&M Services	\$606,700	\$91,700	\$661,700

8. Flood Protection Restoration District O&M (AD 96-1) (Fund #55964)

SJAFCA approved the formation of the Flood Protection Restoration Assessment District 96-1 (AD 96-1) on February 28, 1996 to finance both the local share of the Flood Protection Restoration Project and provide ongoing funding for its Operations and Maintenance. After the completion of the FPRP and the retirement of bonds issued to finance the improvements, the assessment is levied solely to fund long term operations, maintenance and replacement of the improvements. Additional details regarding specific operations and maintenance

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activities are provided in the Engineer's Report supporting a separate item on this Agenda (Item 7.1) which would authorize the FY 2025/26 levy of AD 96-1 assessments.

Table 15 below presents a comparison of the projected actual expenditures relative to the approved budget for Fiscal Year 2024/25 as well as the proposed budget for Fiscal Year 2025/26. Budgeted revenues for Fiscal Year 2025/26 reflect an authorized 3.0% escalation rate which is the maximum annual assessment escalation authorized within the approved Engineer's Report. The Board's approval of the budget would be consistent with the requested authorization to levy assessments at the maximum annual authorized rate for FY 2025/26.

As shown in Table 15, the budgeted expenditures, based upon the projected cost of maintaining the improvements as requested by San Joaquin County Public Works, the entity tasked with maintaining the improvements, exceed the available revenues. As such, the budget request includes an allocation from reserves of \$192,245 to fund the projected FY 2025/26 O&M services and administration budget. In addition, an additional authorization of up to \$100,000 from reserves is requested in the event of an emergency. To the extent that the actual costs of Operations and Maintenance do not fully utilize the available revenues from the assessments then the additional appropriations would not be utilized and the appropriation would expire at the end of the Fiscal Year.

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TABLE 15 – FLOOD PROTECTION & RESTORATION ASSESSMENT DISTRICT
2025/26 OPERATIONS & MAINTENANCE BUDGET

FY 2025/26 FPRP AD 96-1 Program Budget	Approved Budget FY 2024/25	Estimated Actuals 5/15/2025		Proposed Budget FY 2025/26
REVENUES				
Direct Assessments	\$1,139,345	\$604,893		\$1,176,255
Interest	\$0	\$155,999		\$0
Reserve Appropriation - for Budget	\$213,555	\$0		\$192,245
Reserve Appropriation - for Emergencies	\$100,000	\$0		\$100,000
Total Revenues	\$1,452,900	\$760,892		\$1,468,500
EXPENDITURES				
Agency Management / Administration	\$310,000	\$129,165		\$329,500
O&M Services				
O&M Services - San Joaquin County O&M Budget	\$985,000	\$395,980		\$985,000
Aquatic Weed Control Program - 5 Mi Slough	\$57,900	\$825		\$54,000
Subtotal O&M Services	\$1,042,900	\$396,805		\$1,039,000
Emergency Budget	\$100,000	\$0		\$100,000
TOTAL EXPENDITURES	\$1,452,900	\$525,970		\$1,468,500
NET FUND BALANCE CHANGE	\$0	\$234,922		\$0
ESTIMATED BEGINNING BALANCE [1]	\$6,626,380	\$6,626,380		\$6,782,379
ENDING BALANCE	\$6,626,380	\$6,861,302		\$6,782,379

[1] FY 2024/25 Starting fund balance per finalized Audit. FY 2025/26 Starting fund balance includes interest earned on the fund balance to date not previously budgeted.

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2025/26 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

FISCAL IMPACT

Summary

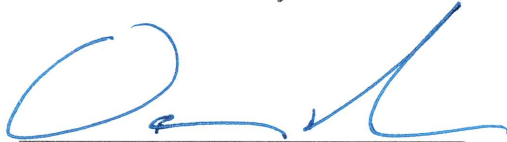
The estimated Agency operating fund carry over Fund balance at the beginning of FY 2025/26 is projected to be approximately \$2.26 million. The proposed FY 2025/26 budget anticipates total operating costs to be \$3.18 million with the majority of these costs (95%) allocated to SJAFCA's programs and projects.

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 2025/26 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 and Paradise Cut Project. In addition, the Board would be approving the budgets for the Levee Construction & Maintenance Assessment District, Mossdale Tract Overlay Assessment District and Flood Protection Restoration Project AD 96-1 Assessment District also reflected with this staff report.

STRATEGIC PLAN CONSISTENCY ANALYSIS

Consideration of the FY 2025/26 budget 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, Director of Finance and Human Resources



APPROVED:
DARREN SUEN
EXECUTIVE DIRECTOR

SR:smw

Attachments

Exhibit A – FY 25/26 General and Admin Budget
Exhibit B – FY 25/26 Operating Budget and Proposed Allocation to Programs
Exhibit C – FY 25/26 Budget Resolution

SAN JOAQUIN AREA FLOOD CONTROL AGENCY
General Overhead and Administrative Budget (Actual FY 24/25 and Proposed FY 25/26)

EXHIBIT A

	FY 24/25 Approved Budget	FY 24/25 thru 5/19/25	FY 24/25 Projected Remaining	FY 25/26 Proposed Budget
700 AGENCY MANAGEMENT - G&A				
7-30401 SALARIES & WAGES	1,226,700	\$974,428	\$112,126	1,742,000.00
7-30402 BENEFITS	248,710	\$201,215	\$23,154	350,100.00
7-30403 PAYROLL TAX EXPENSE	12,000	\$12,757	\$1,468	17,000.00
7-30404 WORKER'S COMP. INSURANCE	8,500	\$4,314	\$496	6,400.00
7-30405 PAYROLL PROCESSING EXPENSE	6,000	\$11,822	\$1,360	9,500.00
Subtotal SJAFCA/City Employees Services	\$1,501,910	\$1,204,536	\$138,604	\$2,125,000
7-30600 AUDIT EXPENSE	150,000	\$136,463	\$15,703	\$45,000
7-50100 PROFESSIONAL SERVICES - AGENCY	423,500	\$414,354	\$47,679	\$537,500
Subtotal Professional Services	\$573,500.00	\$550,817.22	\$63,381.71	\$582,500.00
7-40100 GENERAL OFFICE EXPENSES	242,090	\$131,731	\$15,053	\$339,500
7-40500 MISCELLANEOUS	1,000	\$825	\$95	\$3,000
Subtotal Materials & Supplies	\$243,090.00	\$132,556	\$15,148	\$342,500
7-40200 DIRECTORS & OFFICERS INSURANCE	46,000	\$30,558	\$3,516	\$46,000
7-40400 MEMBERSHIPS & LICENSE RENEWALS	30,000	\$25,823	\$2,971	\$34,000
7-40700 PERMITS & CERTIFICATIONS	5,000	\$0	\$0	\$5,000
7-40800 PUBLICATIONS & LEGAL NOTICES	500	\$0	\$0	\$1,000
7-30800 COMMUNICATIONS	7,000	\$6,389	\$735	\$12,000
7-60100 REPAIRS & MAINTENANCE EQUIPMENT	0	\$0	\$0	\$0
7-60200 TRANSPORTATION & TRAVEL	19,000	\$7,950	\$915	\$25,000
7-60300 WEBSITE HOSTING	7,000	\$5,393	\$621	\$7,000
Subtotal Other Expenses	\$114,500	\$76,112	\$8,758	\$130,000
Total 700 - AGENCY MANAGEMENT - G&A (Rounded)	\$2,433,000	\$1,964,021	\$225,892	\$3,180,000

SAN JOAQUIN AREA FLOOD CONTROL AGENCY
General Overhead and Administrative Budget (Proposed FY 25/26 Allocation to Programs)

EXHIBIT B

	General 55601 5%	O&M 55694 10%	Smith Canal 55666 5%	Mossdale 55679 35%	LSJR Fed 55653 35%	RFMP 55667 2%	Paradise Cut 55665 8%	FY 25/26 Proposed Budget
700 AGENCY MANAGEMENT - G&A								
7-30400 ADMINISTRATIVE CHARGES								
7-30401 SALARIES & WAGES	87,100	174,200	87,100	609,700	609,700	34,840	139,360	1,742,000
7-30402 BENEFITS	17,505	35,010	17,505	122,535	122,535	7,002	28,008	350,100
7-30403 PAYROLL TAX EXPENSE	850	1,700	850	5,950	5,950	340	1,360	17,000
7-30404 WORKER'S COMP. INSURANCE	320	640	320	2,240	2,240	128	512	6,400
7-30405 PAYROLL PROCESSING EXPENSE	475	950	475	3,325	3,325	190	760	9,500
Total 7-30400 ADMINISTRATIVE CHARGES	\$ 106,250.00	\$ 212,500.00	\$ 106,250.00	\$ 743,750.00	\$ 743,750.00	\$ 42,500.00	\$ 170,000.00	\$ 2,125,000.00
7-30600 AUDIT EXPENSE								
7-30610 AUDITORS CHARGES	1,750	3,500	1,750	12,250	12,250	700	2,800	35,000
7-30620 AUDITORS DRCT ASSMT SERV CHARGE	500	1,000	500	3,500	3,500	200	800	10,000
Total 7-30600 AUDIT EXPENSE	\$ 2,250.00	\$ 4,500.00	\$ 2,250.00	\$ 15,750.00	\$ 15,750.00	\$ 900.00	\$ 3,600.00	\$ 45,000.00
7-30800 COMMUNICATIONS	600	1,200	600	4,200	4,200	240	960	12,000
7-40100 GENERAL OFFICE EXPENSES								
7-40110 AUTOMOTIVE EQUIP RENTAL	2,750	5,500	2,750	19,250	19,250	1,100	4,400	55,000
7-40120 COMPUTER / TECH / OPER SUPPORT	6,000	12,000	6,000	42,000	42,000	2,400	9,600	120,000
7-40140 PRINT-STORAGE	2,750	5,500	2,750	19,250	19,250	1,100	4,400	55,000
7-40150 POSTAGE & GENERAL	50	100	50	350	350	20	80	1,000
7-40160 OFFICE LIABILITY INSURANCE	75	150	75	525	525	30	120	1,500
7-40170 OFFICE RENT	3,850	7,700	3,850	26,950	26,950	1,540	6,160	77,000
7-40180 MATERIALS & SUPPLIES	1,500	3,000	1,500	10,500	10,500	600	2,400	30,000
Total 7-40100 GENERAL OFFICE EXPENSES	\$ 16,975.00	\$ 33,950.00	\$ 16,975.00	\$ 118,825.00	\$ 118,825.00	\$ 6,790.00	\$ 27,160.00	\$ 339,500.00

SAN JOAQUIN AREA FLOOD CONTROL AGENCY
General Overhead and Administrative Budget (Proposed FY 25/26 Allocation to Programs)

EXHIBIT B

	General 55601 5%	O&M 55694 10%	Smith Canal 55666 5%	Mossdale 55679 35%	LSJR Fed 55653 35%	RFMP 55667 2%	Paradise Cut 55665 8%	FY 25/26 Proposed Budget
7-40200 INSURANCE BOND & MALPRACTICE	2,300	4,600	2,300	16,100	16,100	920	3,680	46,000
7-40400 MEMBERSHIPS & LICENSE RENEWALS	1,700	3,400	1,700	11,900	11,900	680	2,720	34,000
7-40500 MISCELLANEOUS	150	300	150	1,050	1,050	60	240	3,000
7-40700 PERMITS & CERTIFICATIONS	250	500	250	1,750	1,750	100	400	5,000
7-40800 PUBLICATIONS & LEGAL NOTICES	50	100	50	350	350	20	80	1,000
7-50100 PROFESSIONAL SERVICES - AGENCY	0	0	0	0	0	0	0	0
7-50110 HR & ORGANIZATIONAL SERVICES	500	1,000	500	3,500	3,500	200	800	10,000
7-50120 LEGAL CONSULTATION - GENERAL	6,000	12,000	6,000	42,000	42,000	2,400	9,600	120,000
7-50130 LEGISLATIVE CONSULTING	3,625	7,250	3,625	25,375	25,375	1,450	5,800	72,500
7-50140 LEGISLATIVE ADVOCACY	15,000	30,000	15,000	105,000	105,000	6,000	24,000	300,000
7-50150 DC ADVOCACY EXPENSE	1,000	2,000	1,000	7,000	7,000	400	1,600	20,000
7-50160 PUBLIC OUTREACH	750	1,500	750	5,250	5,250	300	1,200	15,000
Total 7-50100 PROFESSIONAL SERVICES - AGENCY	\$ 26,875.00	\$ 53,750.00	\$ 26,875.00	\$ 188,125.00	\$ 188,125.00	\$ 10,750.00	\$ 43,000.00	\$ 537,500.00
7-60100 REPAIRS & MAINTENANCE EQUIPMENT	0	0	0	0	0	0	0	0
7-60200 TRANSPORTATION & TRAVEL	0	0	0	0	0	0	0	0
7-60210 TRAVEL - GENERAL	650	1,300	650	4,550	4,550	260	1,040	13,000
7-60220 TRAVEL - STAFF DEVELMPT / CONF	600	1,200	600	4,200	4,200	240	960	12,000
Total 7-60200 TRANSPORTATION & TRAVEL	\$ 1,250.00	\$ 2,500.00	\$ 1,250.00	\$ 8,750.00	\$ 8,750.00	\$ 500.00	\$ 2,000.00	\$ 25,000.00
7-60300 WEBSITE HOSTING	350	700	350	2,450	2,450	140	560	7,000
Total 700 AGENCY MANAGEMENT - G&A	\$ 159,000.00	\$ 318,000.00	\$ 159,000.00	\$ 1,113,000.00	\$ 1,113,000.00	\$ 63,600.00	\$ 254,400.00	\$ 3,180,000.00

RESOLUTION NO. SJAFCA 25-05

**SAN JOAQUIN AREA
FLOOD CONTROL AGENCY**

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**RESOLUTION TO APPROVE THE PROPOSED OPERATING FUND, CAPITAL AND ASSESSMENT
DISTRICT BUDGETS FOR FISCAL YEAR 2025/26 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 2025-2026 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 2025-2026 Proposed Capital Improvement Program budget augmentations and adjustments as described in the supporting June 12, 2025 staff report are incorporated by this reference and hereby approved and adopted.
3. That the San Joaquin Area Flood Control Agency's 2025-2026 proposed budgets for each of its assessment districts; the Flood Protection Restoration Project Assessment District 96-1, the Levee Construction & Maintenance Assessment District, and the Mossdale Tract Overlay Assessment District, as described in the supporting June 12, 2025 staff report are incorporated by this reference and are hereby approved and adopted.
4. That any new appropriations and/or adjustments to the Agency's 2025-2026 fiscal year budget will be brought back before the Board for consideration and approval.

PASSED, APPROVED AND ADOPTED this 12th day of June, 2025.

Paul Canepa, Chair
of the San Joaquin Area
Flood Control Agency

ATTEST:

Darren Suen, 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 6.2

June 12, 2025

TO: San Joaquin Area Flood Control Agency Board of Directors

FROM: Darren Suen, Executive Director
Glen Prasad, Deputy Executive Director

SUBJECT: **AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CONSULTANT MASTER SERVICES AGREEMENTS AND MAKE AWARDS FOR THE IMPLEMENTATION OF THE MOSSDALE TRACT URBAN FLOOD RISK REDUCTION PROJECT**

RECOMMENDATION

It is recommended the Board of Directors of the San Joaquin Area Flood Control Agency (SJAFCA or Agency) adopt resolutions to:

- Authorize the Executive Director to award and execute a new Master Services Agreement for Construction Management and Inspection Services with WSP, for the Mossdale Urban Flood Risk Reduction (UFRR) Project; and,
- Authorize the Executive Director to award the Design and Permitting Services work to KSN, Inc. for the Mossdale UFRR Project, under KSN's existing Master Services Agreement; and,
- Authorize the Executive Director to award and execute a new Master Services Agreement for Property Environmental Site Assessments with Condor Earth for the Mossdale UFRR Project.

DISCUSSION

Background

The Agency and Department of Water Resources (DWR) have collaborated over the past several years on the Mossdale UFRR Project, which is intended to provide 200-year Urban Level of Protection (ULOP) to the basin as required by current State law. The original funding agreement by DWR titled RD 17 Phase 4 Levee Improvements, established a \$10M budget for three phases of work as follows: Study (Phase 1), California Environmental Quality Act (CEQA) Documents (Phase 2), and Preliminary Engineering (Phase 3). The funding was cost-shared 50/50 between DWR (\$5M) and the Agency (\$5M). Under the Phase 1 Study, the Agency and DWR evaluated a range of alternatives and arrived at a preferred alternative, or Preferred Plan, that is presented in the final Mossdale Tract UFRR Study report (September 16, 2021). The Preferred Plan described a mutually agreeable multi-benefit alternative that serves as the basis for follow-on CEQA and design activities. The Agency and DWR have developed an amendment to the Funding Agreement for RD 17 Phase 4 Levee Improvements allowing the Agency to continue planning, design and construction efforts for the Manteca Dryland Levee and specific restoration sites. The schedule for the tasks included in the amendment is aggressive, concluding on June 30, 2029.

The overall implementation strategy includes concurrently (1) reducing flood risk by expediting construction of an extension to the Manteca Dryland Levee, and (2) seeking to secure Federal investment in flood risk reduction and ecosystem restoration in and around the Mossdale Tract through a Federal Feasibility Study. As part of the FY 2023/24 State Budget, the legislature

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CONSULTANT MASTER SERVICES AGREEMENTS AND MAKE AWARDS FOR THE IMPLEMENTATION OF THE MOSSDALE TRACT URBAN FLOOD RISK REDUCTION PROJECT

approved an allocation of \$75 Million of Fiscal Year 2023/24 & 2024/25 General Funds to augment the Agency's current UFRR Grant to advance the Mossdale UFRR Project.

Present Situation

To advance design, permitting, and construction management for the Mossdale UFRR Project, SJAFCA issued two separate Request for Proposals (RFPs) on March 28, 2025. The Design and Permitting Services RFP was released to SJAFCA's Pre-Qualified Consultant list. The Construction Management RFP was released through an open solicitation.

Design & Permitting Services: KSN was selected for Design and Permitting services. KSN will perform these design and permitting services through new task orders issued under its existing MSA previously authorized by the Board.

Construction Management Services: WSP was selected for Construction Management services. Board approval is requested to authorize the Executive Director to enter into a Construction Management Master Services Agreement with WSP.

Boundary Survey Services: To support anticipated real estate acquisitions, SJAFCA issued an RFP to its pre-qualified contractors for boundary surveying services and selected Mark Thomas & Company Inc. Mark Thomas will perform these boundary surveying services through a new task order issued under its existing MSA previously authorized by the Board.

Property Environmental Site Assessments: Also to support anticipated real estate acquisitions, SJAFCA solicited and received proposals for Phase 1 Environmental (Property) Site Assessments. Condor Earth was selected to support SJAFCA for Mossdale UFRR Property Site Assessments. Condor brings extensive local experience in Stockton, having recently completed a corridor Phase I ESA for the City's Complete Streets Project along E. Main and E. Market Streets. The firm has a strong track record delivering on time and within budget for complex, multi-parcel assessments across Northern California, including agricultural and urban properties. Board approval is requested to authorize the Executive Director to enter into a Property Environmental Site Assessment Master Services Agreement with Condor Earth.

Next Steps

SJAFCA's CEQA consultant is preparing the Public Draft Environmental Impact Report (EIR), anticipated for a 45-day public review in September 2025. Planning, design, permitting, and construction management teams will collaborate to ensure a coordinated and comprehensive EIR. KSN will initiate final levee design including utility research and relocation designs, geotechnical basis-of-design documentation, and field investigations. WSP will work closely with

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CONSULTANT MASTER SERVICES AGREEMENTS AND MAKE AWARDS FOR THE IMPLEMENTATION OF THE MOSSDALE TRACT URBAN FLOOD RISK REDUCTION PROJECT

KSN and existing consultants to maintain continuity across disciplines and project delivery. Once final design is complete, SJAFCA will release an Invitation For Bids (IFB) for construction of repairs to and the extension of the Manteca Dryland Levee. Grant management, technical work, outreach, and real estate activities will continue to advance in support of final planning, design, and property acquisition and relocation.

FISCAL IMPACT

The estimated cost of the Mossdale UFRR Project, including legacy engineering and planning work, is \$117,000,000. The state's cost share will cover 70% of eligible project costs, not to exceed \$80,000,000. The local cost share will be funded through a combination of local Enhanced Infrastructure Financing District revenues, development impact fees, and the Manteca Tract assessment.

Funds to cover WSP cost of \$338,000.00, KSN cost of \$2,375,000.00 (not including additional tasks and contingencies which could be negotiated under current and future Task Orders), and time-and-materials contracts for Condor Earth and Mark Thomas are budgeted under the Mossdale account (55679). These expenses are currently cost-shared with DWR through the UFRR Agreement. Staff will seek advance funding request from DWR to ensure SJAFCA maintains appropriate levels of funding to cash-flow the entire Mossdale Tract Area program.

Strategic Plan Consistency Analysis

The material found in this report is consistent with the Mission, Goals, Objectives and Priority Actions of the Board-adopted Strategic Plan. Specifically, the following Objectives and Priority Actions are supported by the activities described within this report.

Objectives –

- 1: Deliver projects and programs consistent with State and Federal regulatory requirements.
2. Identify and implement local and/or regional funding mechanisms; maximize State and Federal investment in the region for flood risk reduction efforts.
4. When appropriate, optimize partnerships and integrate flood risk reduction efforts with local maintaining agencies.
5. Identify and include system resiliency needs in project development.
7. Pursue multi-benefit approaches to incentivize investments from non-traditional funding sources and promote system resiliency and resource mitigation.

June 12, 2025
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AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CONSULTANT MASTER SERVICES AGREEMENTS AND MAKE AWARDS FOR THE IMPLEMENTATION OF THE MOSSDALE TRACT URBAN FLOOD RISK REDUCTION PROJECT

Priority Actions –

5: Urgently advance flood risk reduction for the Mossdale Tract through implementation of the Urban Flood Risk Reduction (UFRR) recommended plan.

6: Achieve 200-year level of protection in Mossdale Tract as required by State Law and present adequate progress until improvements are complete. Support approval of SB 586 or similar legislation to align the requirements of ULOP with USACE implementation of Phase 2 of the Federal Lower San Joaquin River Project (Mossdale Tract / Lathrop and Manteca Study).



DARREN SUEN
EXECUTIVE DIRECTOR

Attachments:

1. Resolution 25-09: Authorizing the Executive Director to execute consultant Master Services Agreements and make awards for the implementation of the Mossdale Urban Flood Risk Reduction (UFRR) Project.

RESOLUTION NO. SJAFCA 25-09

SAN JOAQUIN AREA
FLOOD CONTROL AGENCY

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AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CONSULTANT MASTER SERVICES AGREEMENTS AND MAKE AWARDS FOR THE IMPLEMENTATION OF THE MOSSDALE TRACT URBAN FLOOD RISK REDUCTION (UFRR) PROJECT

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

1. Authorize the Executive Director to award and execute a new Master Services Agreement for Construction Management and Inspection Services with WSP, for the Mossdale Urban Flood Risk Reduction (UFRR) Project; and,
2. Authorize the Executive Director to award and execute the Design and Permitting Services work to KSN, Inc. for the Mossdale UFRR Project, under KSN's existing Master Services Agreement; and,
3. Authorize the Executive Director to award and execute a new Master Services Agreement for Property Environmental Site Assessments with Condor Earth for the Mossdale UFRR Project.

PASSED, APPROVED AND ADOPTED this 12th day of JUNE 2025.

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

ATTEST:

DARREN SUEN, 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

June 12, 2025

TO: San Joaquin Area Flood Control Agency Board of Directors

FROM: Darren Suen, 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 2025/2026**

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 2025/2026.

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 30, 2025. A notice of the public hearing was published in The Record on May 30, 2025.

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 restarted an aquatic spray program in the Fall of 2019. Implementing the aquatic spray was expected to reduce the cost of the AWCP in this slough.

AGENDA ITEM 7.1

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 2025/2026

(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 May 13, 2025, 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 May 13, 2025, the amount accumulated in the reserve fund is approximately \$6,006,000. 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

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 2025/2026

(Page 3)

The District has submitted its proposed Operations and Maintenance (O&M) budget to SJAFCA for the fiscal year 2025/2026 (see Attachment 1). This proposal does not include costs for aquatic weed removal, as this work is contracted out. The District's request for \$985,000 represents the minimum necessary funding required to maintain the flood protection facilities.

In recent years, the District's expenditures have been lower than budgeted due to dry conditions, which have reduced costs associated with high water events. Additionally, it's important to note that the U.S. Army Corps of Engineers covered major repair costs incurred in 2017 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 and approval of the LCMA Assessment District annual levy as a separate item 5.2 on this Agenda.

The proposed O&M budget for FY 25/26 is \$1,368,500 and covers all the anticipated materials, equipment, consultants, contractors, personnel, and administration (see details in the attached Engineer's Report, pages 6 and 7, Attachment 2). The FY 25/26 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 25/26, which has been used for the last several years. The maximum assessment rate for FY 25/26 is the base rate of \$7.37 adjusted for annual inflation equal to the National Consumer Price Index (CPI). The CPI for FY 25/26 is 3.0%; therefore, the maximum assessment rate is \$7.59 ($\7.37×1.03).

Applying the maximum assessment rate of \$7.59 to the estimated 155,068.98 MBU will yield \$1,176,255 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 \$1,368,500 O&M budget. Therefore, an appropriation of \$192,245 ($\$1,368,500 - \$1,176,255$) from the O&M reserve fund is needed to cover the proposed expenses in the FY 25/26 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.

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 2025/2026

(Page 4)

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

- 1) A one-time \$192,245 appropriation from the O&M reserve fund to cover operating costs in the proposed budget.
- 2) A \$100,000 appropriation from the O&M reserve fund authorizing the Executive Director to use these funds (up to \$100,000) to deal with emergencies, or additional work needed, but not included in the O&M budget.

These appropriations will not affect the proposed FY 25/26 assessment rate. There are sufficient funds in the O&M reserve to cover these appropriations. The following table displays a partial history of the annual assessment rates (theoretical maximum rate allowed and actual assessed) and some typical annual O&M assessments:

HISTORY OF THE ANNUAL SJAFCA O&M ASSESSMENTS								
PROPERTY TYPE	FISCAL YEAR							
	1996/97	2000/01	2004/05	2008/09	2012/13	2016/17	2024/25	2025/26
Theoretical Maximum Base Rate allowed	\$3.59	\$3.99	\$4.42	\$5.03	\$5.40	\$5.65	\$7.37	\$7.59
Actual Base Rate assessed	\$3.59	\$3.54	\$3.95	\$5.03	\$5.40	\$5.65	\$7.37	\$7.59
Single Family Home between 1000 and 2000 sf (1.25 MBU)	\$4.49	\$4.43	\$4.94	\$6.29	\$6.75	\$7.06	\$9.21	\$9.49
Grocery Store on 1-acre parcel (12.30 MBU)	\$44.16	\$43.54	\$48.59	\$61.87	\$66.42	\$69.50	\$90.65	\$93.36
Office Building on 2-acre parcel (18.375 MBU)	\$65.97	\$65.05	\$72.58	\$92.43	\$99.23	\$103.82	\$135.42	\$139.47

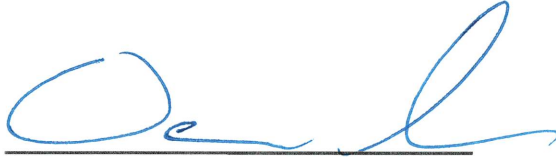
By adopting the proposed resolution after the public hearing, the Board will approve the Annual Report for the Flood Protection Restoration Assessment District and order the levy and collection of annual O&M assessments for FY 25/26.

June 12, 2025

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 2025/2026

(Page 5)

PREPARED BY: Juan Neira



APPROVED:
DARREN SUEN
EXECUTIVE DIRECTOR

DS:JN:lr

Attachments:

1. San Joaquin County Public Works Department Proposed FY 25/26 O&M budget.
2. 2025/2026 Engineer's Annual Report – Prepared by Willdan Financial Services.

RESOLUTION NO. SJAFCA 25-06

SAN JOAQUIN AREA
FLOOD CONTROL AGENCY

=====

**RESOLUTION TO APPROVE THE ANNUAL ENGINEER'S REPORT FOR THE
OPERATIONS AND MAINTENANCE (O&M) FOR THE FLOOD PROTECTION
RESTORATION ASSESSMENT DISTRICT, AND ORDER THE LEVY AND
COLLECTION OF OPERATIONS AND MAINTENANCE ASSESSMENTS
WITHIN THE FLOOD PROTECTION RESTORATION ASSESSMENT DISTRICT
FOR FISCAL YEAR 2025-2026**

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, 2025, and ending June 30, 2026, 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, 2025, and ending June 30, 2026.

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 \$192,245 transfer from the O&M reserve fund to cover the additional funding requested by the District in the proposed FY 2025-2026 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 2025-2026 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 12TH day of June 2025.

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

ATTEST:

DARREN SUEN, 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

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

**2025/2026 ENGINEER'S ANNUAL REPORT
FOR THE OPERATION AND MAINTENANCE**

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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 2025/2026. 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 2025/2026. 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 2025/2026.

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 2025/2026 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
2025-26	\$7.3731	3.00%	\$0.2212	\$7.5943	\$7.59

The Fiscal Year 2025/2026 Maximum Assessment Rate allowed is \$7.5943.

The Fiscal Year 2025/2026 Assessment Rate proposed is \$7.59.

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 2025/2026

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 Communications cell phone Small Tools and Instruments	 \$15,750 \$73,500 \$1,250 \$10,500	 \$101,000
Professional Services – County Services provided for bridge parapet wall accident repair	 \$26,250	 \$26,250
Materials Includes expenses for vegetation management materials, rodent control materials, and materials and supplies unique to operation and maintenance activities	 \$52,500	 \$52,500
Labor Costs Services provided by San Joaquin County Flood Control and Water Conservation District for operation and maintenance activities and to provide emergency activities, if needed Allocated Service Department Costs Operation and Maintenance	 \$239,570 \$565,680	 \$805,250
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

- (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 \$192,245 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 2025/2026 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 2025/2026 assessment rate of \$7.59 per Maintenance Benefit Unit.

E. CALCULATION OF ASSESSMENT RATE FOR FISCAL YEAR 2025/2026

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 2025/2026 are 155,068.98 **MBU's**.
- Based on the estimated budget and the surplus appropriation for Fiscal Year 2025/2026, the assessment rate for Fiscal Year 2025/2026 is approximately \$7.59 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	$(1\text{DU} \times 1\text{EDU/DU}) \times .8 \times 1 = 0.8 \text{ BU}$	1.05
Single-family Res. 1000 > ftprint > 2000	All parcels = .25 BU	$(1\text{DU} \times 1\text{EDU/DU}) \times 1 \times 1 = 1.0 \text{ BU}$	1.25
Single-family Res. ftprint > 2000 sf	All parcels = .25 BU	$(1\text{DU} \times 1\text{EDU/DU}) \times 1.2 \times 1 = 1.2 \text{ BU}$	1.45
Agricultural Res.	All parcels = .25 BU	$(1\text{DU} \times 1\text{EDU/DU}) \times 1 \times 1 = 1.0 \text{ BU}$	1.25
3-Unit Apartment 1/2 acre parcel	.5ac x 1.5BU/ac = .75 BU	$(3\text{DU} \times .8\text{EDU/DU}) \times 1 \times .9 = 2.16 \text{ BU}$	2.91
11 Unit Apt. 3/4 acre parcel	.75ac x 1.5BU/ac = 1.125BU	$[(4\text{DU} \times .8\text{EDU/DU}) + (7\text{DU} \times .6\text{EDU/DU})] \times 1 \times .9 = 6.66 \text{ BU}$	7.785
41 Unit Apt. 3 acre parcel	3ac x 1.5BU/ac = 4.5 BU	$[(4\text{DU} \times .8\text{EDU/DU}) + (16\text{DU} \times .6\text{EDU/DU}) + (21\text{DU} \times .4\text{EDU/DU})] \times 1 \times .9 = 19.8 \text{ BU}$	23.58
Grocery Store 1 acre parcel	1ac x 1.5BU/ac = 1.5 BU	$(1\text{ac} \times 6\text{EDU/ac}) \times 2 \times .9 = 10.8 \text{ BU}$	12.3
Regional Shopping 5 acre parcel	1ac x 1.5BU/ac + 3ac x .375BU/ac + 1ac x .125BU/ac = 2.75BU	$[(1\text{ac} \times 6\text{EDU/ac}) + (3\text{ac} \times 1.5\text{EDU/ac}) + (1\text{ac} \times 0.5\text{EDU/ac})] \times 2 \times .9 = 19.8 \text{ BU}$	22.55
Service Station 1/4 acre parcel	.25ac x 1.5BU/ac = .375BU	$(1/4\text{ac} \times 6\text{EDU/ac}) \times 2 \times .9 = 2.7 \text{ BU}$	3.075
Office Building 2 acre parcel	1ac x 1.5BU/ac + 1ac x .375BU/ac = 1.875BU	$[(1\text{ac} \times 6\text{EDU/ac}) + (1\text{ac} \times 1.5\text{EDU/ac})] \times 2 \times 1.1 = 16.5 \text{ BU}$	18.375
Church 2 acre parcel	1ac x 1.5BU/ac + 1ac x .375BU/ac = 1.875BU	$[(1\text{ac} \times 6\text{EDU/ac}) + (1\text{ac} \times 1.5\text{EDU/ac})] \times 1.5 \times 1.1 = 12.375\text{BU}$	14.25
Industrial Building 10 acre parcel	1ac x 1.5BU/ac + 3ac x .375BU/ac + 6ac x .125BU/ac = 3.375BU	$[(1\text{ac} \times 6\text{EDU/ac}) + (3\text{ac} \times 1.5\text{EDU/ac}) + (6\text{ac} \times 0.5\text{EDU/ac})] \times 2 \times .7 = 18.9 \text{ BU}$	22.275
Vacant SFR	All parcels = .25 BU	No imp. benefit = 0 BU	0.25
Vacant 1 acre parcel	1ac x 1.5BU/ac = 1.5 BU	No imp. benefit = 0 BU	1.5
Mobile Home Park 2 acre parcel	1ac x 1.5BU/ac + 1ac x .375BU/ac = 1.875BU	All parcels = 1 BU	2.875
Golf Course 20 acre parcel	1ac x 1.5BU/ac + 3ac x .375BU/ac + 16ac x .125BU/ac = 4.625 BU	All parcels = 1 BU	5.625
Vacant 40 acre parcel	1ac x 1.5BU/ac + 3ac x .375BU/ac + 36ac x .125BU/ac = 7.125 BU	No imp. benefit = 0 BU	7.125
Agricultural (Williamson Act or General Plan)	Not assessed	Not assessed	0.0

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



Appendix B — LAND USE CLASSIFICATIONS

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



Appendix C – DIAGRAM OF ASSESSMENT DISTRICT

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

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

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



Appendix D — 2025/2026 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 2025/2026.

Agenda Item 7.2

June 12, 2025

TO: San Joaquin Area Flood Control Agency Board of Directors

FROM: Darren Suen, 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 2025/2026**

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 2025/26 Annual Budget and Assessment, and orders the levy and collection of assessments within the LCMA District for fiscal year 2025/26.

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 on 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 the feasibility of implementing a new assessment to generate funding for the local share of the

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 2025/2026

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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 (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 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 2025/26. 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 May 30, 2025.

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 2025/26 and is further restated here.

Table 1 below presents a comparison of the projected actual expenditures relative to the approved budget for Fiscal Year 2024/25 as well as a budget for Fiscal Year 2025/26. The Budgeted revenues for Fiscal Year 2025/26 reflect a 2.93% escalation rate¹ which is the

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 2025/2026

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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 the LCMA District for Fiscal Year 2025/26 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 April 25, 2025, the County's Department of Public Works transmitted a request for funding from the LCMA District in the amount of \$889,000 for Fiscal Year 2025/26 (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 April 25, 2025 letter, the County's Department of Public Works indicated a budget need of \$350,000 to fund this 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.

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 2025/2026

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TABLE 1 – LEVEE CONSTRUCTION & MAINTENANCE ASSESSMENT DISTRICT
FY 2024/25 BUDGET TO ACTUAL COMPARISON & FY 2025/26 BUDGET

FY 2025/26 LCMA District Program Budget	Approved Budget FY 2024/25	Estimated Actuals 5/15/2025	Proposed Budget FY 2025/26
REVENUES			
Direct Assessments	\$7,519,066	\$4,126,142	\$7,971,000
Interest	\$0	\$246,511	\$0
Total Revenues	\$7,519,066	\$4,126,142	\$7,971,000
EXPENDITURES			
Assessment Administration	\$528,000	\$142,649	\$170,000
O&M Services			
O&M Services - Direct Transfer to Zone 9	\$841,000	\$91,570	\$889,000
O&M Services - SJAFCA Support for Zone 9	\$518,500	\$518,500	\$509,800
Subtotal O&M Services	\$1,359,500	\$610,070	\$1,398,800
Levee Construction Services			
Smith Canal Gate [1]	\$606,700	\$0	\$661,700
Lower San Joaquin River Project Allocation	\$6,500,000	\$3,000,000	\$3,000,000
Estimated Debt Service (2023 Bonds)	\$1,714,537	\$639,769	\$1,717,165
Subtotal Construction Services	\$8,821,237	\$3,639,769	\$5,378,865
TOTAL EXPENDITURES	\$10,708,737	\$4,392,488	\$6,947,665
NET FUND BALANCE CHANGE	(\$3,189,671)	(\$266,346)	\$1,023,335
ESTIMATED BEGINNING BALANCE [2]	\$5,284,226	\$5,284,226	\$2,341,066
ENDING BALANCE	\$2,094,555	\$5,017,880	\$3,364,401

[1] FY 2025/26 for Smith Canal Gate expenses O&M Start-Up (one year allocation). See Additional detail for Operating Expenses for FY 2025/26

[2] FY 2024/25 Starting fund balance per finalized Audit. FY 2025/26 Starting fund balance includes interest earned on the fund balance to date not previously 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 2025/2026

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**TABLE 2 – LEVEE CONSTRUCTION & MAINTENANCE ASSESSMENT DISTRICT
SMITH CANAL GATE FY 2025/26 OPERATIONS & MAINTENANCE BUDGET**

FY 2025/26 LCMA District Smith Canal Gate O&M Details	Approved Budget FY 2024/25	Estimated Actuals 5/15/25		Proposed Budget FY 2025/26
EXPENDITURES				
County O&M Estimated Request	\$350,000	\$0		\$350,000
<i>One Time Start Up Cost Details</i>				
Parking Lot Re-Surface	\$20,000	\$0		\$0
Generator Procurement	\$60,000	\$0		\$0
Electronic Communications Interface	\$25,000	\$0		\$0
Miscellaneous / Other Items	\$60,000	\$0		\$0
Property Liability Insurance	\$0	\$0		\$100,000
Interim O&M	\$0	\$0		\$120,000
One Time Start Up Costs / Interim O&M	\$165,000	\$0		\$220,000
<i>10-Yr Recurrent Interval Set Asides</i>				
Stop Log Install	\$34,900	\$34,900		\$34,900
Miscellaneous Repairs / Inspections	\$34,900	\$34,900		\$34,900
Permitting (Balance Not Funded w/ Project)	\$21,900	\$21,900		\$21,900
Total Reserve Set Asides	\$91,700	\$91,700		\$91,700
Subtotal SCG O&M Services	\$606,700	\$91,700		\$661,700

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 2025/2026

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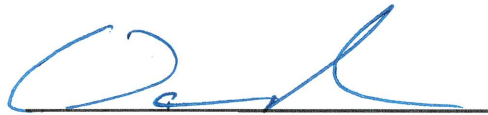
The FY 2025/26 assessment collection will assess approximately 94,550 parcels and will generate approximately \$7,971,024 for the LCMA District. The table below provides the estimated range of annual assessment rates for the parcels within the LCMA District and the number of parcels in each rate range. The exact amounts levied may vary based on the finalized assessor's role for Fiscal Year 2025/26:

TABLE 3 – LEVEE CONSTRUCTION & MAINTENANCE ASSESSMENT DISTRICT
FISCAL YEAR 2025/26 ASSESSMENTS

RANGE	\$2-\$100	>\$100-\$200	>\$200-\$400	>\$400-\$800	>\$800
NO. OF PARCELS	73,162	12,528	7,056	1,188	616

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 2025/26.

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



DARREN SUEN
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 2025-26
2. Technical Memorandum - Engineer's Annual Report – Prepared by Larsen Wurzel & Associates, Inc.

RESOLUTION NO. SJAFCA 25-07**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 2025-26**

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 June 12, 2025 approved the Fiscal Year 2025-26 Annual Budget for the LCMA Assessment District.

3. The Technical Memorandum dated May 25, 2025 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, 2025, and ending June 30, 2026, 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 2025/26 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, 2025, and ending June 30, 2026.

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 12th day of June, 2025.

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

ATTEST:

DARREN SUEN, 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.

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www.larsenwurzel.com

Technical Memorandum

San Joaquin Area Flood Control Agency

May 25, 2025

*Fiscal Year 2025/26 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 2025/26 Budget

To fund the services discussed above funding from the levy of assessments within LCMA District for Fiscal Year 2025/26 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 April 25, 2025, 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 \$889,000 for Fiscal Year 2025/26 (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 April 25, 2025 letter, the County's Department of Public Works indicated a budget need of \$350,000 to fund the next year of Smith Canal O&M;
- 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 2025/26 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 2025/26 Budget

Item	Amount
REVENUES	
Estimated Assessment Revenues [1]	\$7,971,000
Total Revenues	
EXPENDITURES	
Assessment Administration [2]	\$170,000
O&M Services	
O&M Services - Direct Transfer to SJCFCWCD Zone 9	\$889,000
O&M Services - SJAFCA provided Support for Zone 9	\$509,800
Subtotal O&M Services	\$1,398,800
Levee Construction Services	
Smith Canal Gate O&M and Start Up Costs [3]	\$661,700
Lower San Joaquin River Project Expenditures	\$3,000,000
Debt Service (2023 AR Bonds)	\$1,717,165
Subtotal Construction Services	\$5,378,865
Total Expenses	\$6,947,665
Net Fund Balance Change	\$1,023,335
ESTIMATED FUND BALANCE (6/30/25)	\$2,341,066
ESTIMATED ENDING BALANCE (6/30/2026)	\$3,364,401

[1] Based on Board of Approval of the full allowable FY 2025/26 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 2025/26 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	\$0
Generator Procurement	\$0
Electronic Communications Interface	\$0
Miscellaneous / Other Items	\$0
Property Liability Insurance	\$100,000
Interim O&M	\$120,000
<i>One Time Start Up Costs</i>	<i>\$220,000</i>
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>	<i>\$91,700</i>
Subtotal FY 2025/26 SCG O&M Services	\$661,700

Assessment Rate

The maximum proportional assessment rate for parcels within the LCMA District is shown in **Table 3** below. This rate is based upon the original budget and original amount of Total Benefit Units reflected in the Final Engineer's Report. This rate is subject to escalation as discussed later in this report.

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 and each year thereafter, 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 2025/26 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
Maximum Proportional Assessment Rate - FY 2025/26	1.0271	\$0.001495

[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 XIID 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 2025/26.

Summary of Assessments

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

Table 5
San Joaquin Area Flood Control Agency
Levee Construction and Maintenance Assessment
Summary of Assessment FY 2025/26

Land Use Category	Parcel Count	Proposed Assessment Rates / Parcel			Total Assessments
		Average	95th Percentile	Maximum	
Agricultural	778	\$14.41	\$78.32	\$549.36	\$11,214
Blended	82	\$1,304.06	\$6,898.45	\$27,233.10	\$106,933
Commercial	3,389	\$261.04	\$1,318.60	\$12,394.36	\$884,419
Industrial	973	\$561.12	\$2,643.11	\$20,714.06	\$545,974
Mobile Home	141	\$42.60	\$94.22	\$2,472.32	\$6,007
Multi-Family Residential	5,841	\$145.41	\$377.92	\$17,635.28	\$849,331
Open Space	2,387	\$5.32	\$6.22	\$4,998.64	\$12,689
Open Space - Developed	3,185	\$6.95	\$17.86	\$6,721.50	\$22,120
Rural Residential	1,080	\$8.19	\$26.75	\$681.40	\$8,842
School	170	\$999.13	\$5,580.18	\$18,875.62	\$169,852
Single-Family Residential	76,524	\$69.96	\$253.76	\$845.84	\$5,353,644
Total All Land Uses within County	94,550				\$7,971,024



LARSEN WURZEL
& Associates, Inc.

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

www.larsenwurzel.com

Attachment 1

**April 25, 2025 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

April 25, 2025

Mr. Darren Suen, 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 FISCAL YEAR
2025-26 PROPOSED OPERATIONS & MAINTENANCE BUDGET**

Dear Mr. Suen,

The San Joaquin County Public Works Department (County) is pleased to submit the attached Fiscal Year 2025-26 budget proposal for your consideration. The proposed 2025-26 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 have been less than our budget request. 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 2025-26 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 \$889,000. See attachment.

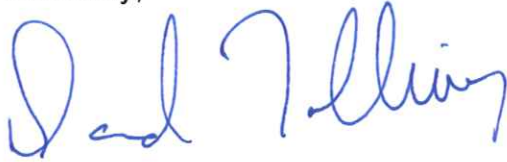
The FY 2025-26 total budget request is \$2,224,000. We are aware that budgeted maintenance costs continue to exceed the O&M revenue available from annual assessments. Therefore, the County's request for FY 2025-26 does not include normal increases in actual labor and equipment operating costs.

This request is the absolute minimum number 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". The signature is fluid and cursive, with the first name "David" and last name "Tolliver" clearly distinguishable.

DAVID TOLLIVER
Deputy Director of Operations

Attachment

c: Fritz Buchman, Director of Public Works
Alex Chetley, Deputy Director of Development Services
Eric Ambriz, Channel Maintenance Superintendent
Ashley Couch, Water Resources Manager

COUNTY OF SAN JOAQUIN 2025-26 PROPOSED BUDGET

Assessment District No. 96-1 Flood Protection System

Fund - 21116

Department - 2910000000

	ACTUAL 2023-24	APPR BUDGET 2024-25	ESTIMATED 2024-25	RCMND BUDGET 2025-26
Expenditures				
6201005600 GENERAL OFFICE SUPPLIES	0	0	0	0
6206000300 COMMUNICATIONS CELL PHONE	0	0	0	1,250
6211000000 MAINTENANCE EQUIPMENT	0	15,000	6,500	15,750
6214000000 RENTS & LEASES -EQUIPMENT	0	0	0	0
6214000200 EQUIPMENT RENTAL-COUNTY OWNED	58,753	70,000	42,000	73,500
6220001000 AUDITOR'S PAYROLL & A/P CHARGES	0	0	0	0
6221000000 PROFESSIONAL SVS		100,000		105,000
6221004000 PROFESSIONAL SVS-COUNTY	0	0	0	0
6221312400 PROFESSIONAL SVS SMITH CANAL GATE	0	350,000	350,000	350,000
6221312500 PROFESSIONAL SVS LCMA	0	841,000	841,000	889,000
6221020000 ALLOCATED SERVICE DEPT COSTS	0	160,000	160,000	239,570
6221020900 COUNTY COUNSEL LEGAL SVS	0	0	0	0
6226001600 LICENSES & PERMITS	0	0	0	0
6226003000 MATERIALS	16,992	50,000	20,000	52,500
6226003100 LABOR	307,629	555,000	340,000	460,680
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	10,500
SERVICES AND SUPPLIES	383,374	2,151,000	1,764,500	2,197,750
6451000000 EQUIPMENT	0	0	0	0
CAPITAL EXPENDITURES	0	0	0	0
6810250100 SJAFCA Flood Wall Repair	14,516	25,000	14,000	26,250
PUBLIC WORKS FLOOD WALL REPAIR	14,516	25,000	14,000	26,250
TOTAL EXPENDITURES	397,890	2,176,000	1,778,500	2,224,000

Agenda Item 7.3

June 12, 2025

TO: San Joaquin Area Flood Control Agency Board of Directors

FROM: Darren Suen, Executive Director

SUBJECT: **PUBLIC HEARING TO APPROVE THE TECHNICAL MEMORANDUM FOR THE MOSSDALE TRACT OVERLAY ASSESSMENT DISTRICT (OAD) AND ORDER THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE DISTRICT FOR FISCAL YEAR 2025/2026**

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 Mossdale Tract Overlay Assessment District (OAD) (Attachment 2), which outlines the Fiscal Year 2025/26 Annual Budget and Assessment, and orders the levy and collection of assessments within the Mossdale OAD for Fiscal Year 2025/26.

DISCUSSION

Background

The Mossdale Tract Overlay Assessment District (“Mossdale OAD”) was formed in 2024 following a Proposition 218 assessment ballot proceeding in which affected property owners approved the new assessment district. The OAD was established to provide a local funding mechanism for levee improvements aimed at achieving a 200-year Urban Level of Flood Protection (ULOP) in the Mossdale Tract area, in compliance with State law (SB 5). Achieving a 200-year level of flood protection by 2025 is critical to ensure continued economic development and public safety within the communities in the Mossdale Tract Area.

The Mossdale OAD is a benefit assessment district formed under the Benefit Assessment Act of 1982 (Government Code §54703 et seq.) and was formed in accordance with Proposition 218 (Article XIII D of the California Constitution and the Proposition 218 Omnibus Implementation Act). These laws require that assessments be levied only for special benefits conferred on property, with costs apportioned according to the benefit received. In this case, the special benefit to each parcel is the reduction in flood risk (avoided flood damages) attributable to the Mossdale Tract levee improvement project. The assessment methodology, as detailed in the final Engineer’s Report, calculates the flood damage reduction benefit for each property (based on factors such as flood depth, land use, and parcel acreage) and allocates the OAD’s costs in direct proportion to these benefits. This “damages avoided” method ensures that each parcel’s assessment is proportional to the special benefit it receives from the project’s improved flood protection.

Present Situation

A Technical Memorandum for the Mossdale OAD has been prepared to support the FY 2025/26 assessment levy. The Technical Memorandum presents the annual budget and describes the approach taken to apportion the annual costs to affected parcels in proportion to special benefits subject to maximum allowed assessment rate. Consistent with the approved Engineer’s Report and authorization, the maximum assessment rate has been adjusted for inflation by 2.71% based on the February-to-February Consumer Price Index (CPI). This CPI-based escalation increases

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 2025/2026

(Page 2)

the proportional assessment rate from the prior year's \$0.00073472 to \$0.00075460 per Flood Damage Reduction Benefit (FDRB) unit for FY 2025/26. The Board is empowered under Government Code §53739 to levy the annual assessment up to this inflation-adjusted maximum without a new ballot proceeding. The FY 2025/26 Technical Memorandum describes the updated assessment calculations using the established flood damages avoided methodology: each parcel's calculated FDRB (the dollar value of avoided flood damage to that parcel's structures, contents, and land) is multiplied by the \$0.00075460 assessment rate to determine the parcel's FY 2025/26 assessment. Reference is made to the Final Engineer's Report and the FY 2025/26 Technical Memorandum (Attachment 2) for full details of the benefit calculation, assessment methodology, and the updated Assessment Roll for the District. A notice of this public hearing was published in The Stockton Record on May 30, 2025.

The FY 2025/26 Technical Memorandum outlines the annual Mossdale OAD budget and projects a total assessment revenue of approximately \$2,302,156 for this fiscal year. This revenue will fund SJAFCA's Mossdale Tract Program levee improvement project costs on a pay-as-you-go basis as well as the ongoing administration of the OAD. **Table 1** below presents a summary of the FY 2025/26 assessments by general land use category, including the number of parcels in each category, the average annual assessment per parcel, and each category's share of the total assessment. All together, the Mossdale OAD encompasses 22,695 parcels, which will be assessed in FY 2025/26 to generate \$2.302 million in total revenue. As shown in the table, residential properties make up the vast majority of parcels and contribute about 55% of the total assessment, while industrial properties contribute roughly 21%, with the remaining share distributed among other land use types.

**TABLE 1 – MOSSDALE TRACT OAD SUMMARY OF
FISCAL YEAR 2025/26 ASSESSMENTS BY LAND USE TYPE**

Land Use Category	Parcel Count	Average Assessment / Parcel	Total Assessment	Share of Total Assessment
Agricultural	218	\$93.82	\$20,453	0.89%
COM	2	\$163.46	\$327	0.01%
Commercial	408	\$614.82	\$250,847	10.90%
Industrial	296	\$1,640.44	\$485,571	21.09%
Planned Development]	192	\$337.35	\$64,770	2.81%
Public	156	\$1,314.29	\$205,029	8.91%
Residential	21,423	\$59.52	\$1,275,159	55.39%
Total All Land Uses	22,695		\$2,302,156	100.00%

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 2025/2026

(Page 3)

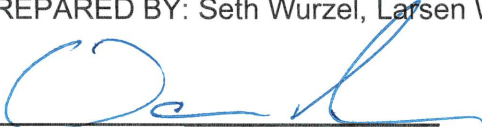
The FY 2025/65 assessment collection will assess approximately 22,695 parcels and will generate approximately \$2,302,156 for the Mosssdale OAD. The table below provides the estimated range of annual assessment rates for the parcels within the Mosssdale OAD and the number of parcels in each rate range. The exact amounts levied may vary based on the finalized assessor's role for Fiscal Year 2025/26:

TABLE 2 – MOSSDALE OAD
FISCAL YEAR 2025/26 ASSESSMENTS

RANGE	\$2-\$100	>\$100-\$200	>\$200-\$400	>\$400-\$800	>\$800
NO. OF PARCELS	19,785	2,171	272	205	262

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 Mosssdale OAD and order the levy and collection of assessments within the District for FY 2025/26.

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


DARREN SUEN
EXECUTIVE DIRECTOR

Attachments:

1. RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY APPROVING THE MOSSDALE TRACT OVERLAY ASSESSMENT DISTRICT TECHNICAL MEMORANDUM AND ORDERING OF THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE MOSSDALE TRACT OVERLAY ASSESSMENT DISTRICT FOR FISCAL YEAR 2025-26
2. Technical Memorandum - FY 2025/26 Mosssdale Tract Overlay Assessment District ("Mosssdale OAD") – Prepared by Willdan Financial Services

RESOLUTION NO. SJAFCA 25-08

SAN JOAQUIN AREA
FLOOD CONTROL AGENCY

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN JOAQUIN AREA FLOOD
CONTROL AGENCY APPROVING THE MOSSDALE TRACT OVERLAY ASSESSMENT
DISTRICT TECHNICAL MEMORANDUM AND ORDERING OF THE LEVY AND
COLLECTION OF ASSESSMENTS WITHIN THE MOSSDALE TRACT OVERLAY
ASSESSMENT DISTRICT FOR FISCAL YEAR 2025-26**

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, On July 18, 2024, after the conclusion of a voter approved Proposition 218 election, the Board adopted SJAFCA Resolution No. 24-22 establishing the Mossdale Tract Overlay Assessment District ("Mossdale OAD") to fund the cost of constructing levee and flood control improvements to achieve an Urban Level of Flood Protection for the Mossdale Tract Area as well as costs of the operation and maintenance of levees and flood control facilities (collectively, the "Services") as described within the Final Engineer's Report approved by Resolution No. 24-22;

WHEREAS, the Services provide special benefits to certain parcels in the Mossdale Tract Area (collectively, the "Properties") within the boundary of the Mossdale OAD;

WHEREAS, the boundary of the Mossdale OAD area includes 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 June 12, 2025 approved the Fiscal Year 2025-26 Annual Budget for the Mossdale OAD.
3. The Technical Memorandum dated June 12, 2025 prepared by Willdan Financial Services ("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 Mossdale OAD, 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 Mossdale OAD is specially benefited by the improvements and operation, maintenance and servicing of the improvements financed by the District;
- ii. The Mossdale OAD includes all of the lands so specially benefited; and,
- iii. The net amount to be assessed upon the lands within the Mossdale OAD for the fiscal year commencing July 1, 2025, and ending June 30, 2026, 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 Mossdale OAD for Fiscal Year 2025/26 will be utilized to fund the Services as follows:

- i. 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 SJAFCA's adopted Climate Change Adaptation Policy.
- ii. Improve long-term operations, maintenance, repair, rehabilitation, and replacement (OMRR&R) over time.
- iii. To fund the administrative costs of the Mossdale OAD.

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 Mossdale OAD 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 Mossdale OAD levy for the fiscal year commencing July 1, 2025, and ending June 30, 2026.

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 12th day of June, 2025.

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

ATTEST:

DARREN SUEN, 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

Technical Memorandum

To: SJAFCA Board of Directors

From: Willdan Financial Services

Date: June 12, 2025

Re: FY 2025/26 Mossdale Tract Overlay Assessment District ("Mossdale OAD")

Assessment District History

The Mossdale Tract Area 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.

The Mossdale Tract Overlay Assessment District (the "District") was formed in 2024 to levy a special benefit assessment to fund 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 Urban Level of Flood Protection ("ULOP") for the Mossdale Tract Area, including related incidental expenses. To comply with State and Federal requirements, the overall objective of the 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 SJAFCA's adopted Climate Change Adaptation Policy.¹
- Improve long-term operations, maintenance, repair, rehabilitation, and replacement (OMRR&R) over time.

Improvement and Services

As outlined in the adopted Final Engineer's Report for the Formation of the Mossdale Tract Overlay Assessment District (Mossdale OAD), Improvements to be funded by the assessment district will be the construction and operation of flood risk reduction components in and adjacent to the Mossdale Tract Area..

Flood risk reduction components include: (1) fix in place and potential setback levee improvements; and (2) a dryland levee extension.

The fix in place levee improvements that would be constructed, operated, and maintained within the levee rights-of-way and easements under the 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.

¹ San Joaquin Area Flood Control Agency Resolution No. 19-06: Resolution to Adopt Policy on Adapting Design Standards for the Mossdale Tract Area of SJAFCA in Light of Climate Change

- 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.

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 SJAFCA and the assessment engineer.

District Budget

SJAFCA budgets for all of its Capital Programs on cumulative budget basis. Revenues are projected annually and the Expenditure Budget authorized each year augments the prior year cumulative authorization and carries over from year to year. The budget presented below is consistent with the Budget to be presented and approved by the Board of the Directors at its June 12, 2025 meeting. The Mossdale OAD Revenues for FY 2025/26 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 consistent with the Final Engineer's Report.

Table 1 shows the budget for the District for FY 2025/26.

Table 1 – District Budget

SJAFA Mosssdale Tract Program Budget	Cumulative CIP Budget Through 6/30/2026 [1]
Revenues	
Climate Challenge Grant	\$300,000
DWR Urban Flood Risk Reduction Grant Funding	8,295,000
Levee Impact Fee Revenues	18,402,105
Member Agency Seed Funding	310,000
Interest	936,451
Mosssdale EIFD PFA Tax Increment Revenues	7,000,000
Mosssdale Tract Overlay Assessment Revenues [2]	
FY 2024/25	2,241,807
FY 2025/26	2,302,156
Total Revenues	\$39,787,519
Program Related Expenses	
Mosssdale UFFR Feasibility Study	\$358,759
Mosssdale Program Management	7,090,630
Local Funding Implementation & Administration	2,415,649
Project Implementation	
<i>State / Local Urban Flood Risk Reduction Project</i>	
Planning Costs	8,472,545
Project Management	1,900,000
Lands, Easements and Rights of Way	5,250,000
Flood Risk Reduction Construction	4,000,000
Ecosystem Sites Implementation (Design & Construction)	700,000
<i>Federal / State / Local Project</i>	
Feasibility Study Local Costs	1,833,548
Payments to USACE	1,935,000
Climate Resiliency Grant Costs	300,000
Total Cumulative Program Expenditure Budget	\$34,256,131

[1] The Capital Program Budget is presented as a cumulative budget authorized through the Fiscal Year.

[2] Annual Revenues for the Mosssdale OAD are presented for each year to demonstrate the budgeted need for the Capital Improvement program.

Annual Assessment

Assessment Methodology

The Damages Avoided method of assessment apportionment is utilized in this District. As outlined in the adopted Final Engineer's Report for the Mossdale OAD), for those parcels contained within Zone 1, a Total Damages Avoided for each parcel is based on the combined Structure Damage, Content Damage, and Land Damage reduction benefit. For parcels within Zone 2, the Total Damages Avoided is 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:

$$\text{Special Benefits} = \text{Damages Avoided}$$

(Zone 1 Parcels)

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

(Zone 2 Parcels)

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

Reference is made to the Fiscal Year 2024/25 Engineer's Report for the tables depicting structures and content damage factors and land damage factors.

Assessment Rate and Annual Escalation

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 of \$0.00073472 per FDRB 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.

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.

For Fiscal Year 2025/2026, the annual increase in CPI-W is calculated to be 2.71% (rounded to two decimal places). This results in the Proportional Maximum Assessment Rate from the prior fiscal year (FY 2024/2025) being increased by \$0.00001988 to \$0.00075460 for Fiscal Year 2025/2026.

Table 2
SJAFCA Mossdale OAD
Assessment Rate Escalation

Item	Amount (\$)
Initial Maximum Proportional Assessment Rate FY 2024/25	0.00073472
Maximum Proportional Assessment Rate FY 2025/26	0.00075460

Assessment Calculation

To determine the maximum proportional assessment rate for an individual parcel, the Total Damages Avoided, also known as Flood Damage Reduction Benefit (FDRB) for the parcel, are calculated as described in the procedures

outlined in the Assessment Methodology above and then each parcel's calculated FDRB is multiplied by the assessment rate shown in Table 2 above. The following example is based on the single-family residential example.

Proportional Assessment = Total Flood Damage Reduction Benefit (FDRB) x Assessment Rate
--

Example:

Single Story Single-Family Residence

Parcel Acreage: 0.179 acres

Building Square Feet: 2,000

Flood Depth 5 Feet

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

+

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

+

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

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

$$\text{Maximum Assessment Rate} = \$0.00075460$$

$$\text{Maximum Not-To-Exceed Assessment} = \$92,398 \times \$0.00075460 = \$69.72$$

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 for parcels in this category is achieved by applying the standard calculated Flood Damage Reduction Benefits calculation for the estimated planned development, 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

$$\text{Structure Damage} = 5,750 \text{ sf} \times \$60/\text{sf} \times 76.30\% \times 50\% = \$131,617$$

+

$$\text{Content Damage} = 5,750 \text{ sf} \times \$30/\text{sf} \times 22.50\% \times 50\% = \$19,406$$

+

$$\text{Land Damage} = 1.470 \text{ Acres} \times \$80,100/\text{Acre} \times 50\% = \$ 58,874$$

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

$$\text{Maximum Assessment Rate} = \$0.00075460$$

$$\text{Maximum Not-To-Exceed Assessment} = \$209,897 \times \$0.00075460 = \$158.39$$

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 3,051,129,398 FDRB at the time this Report was prepared.

In future years, as land use changes occur and the benefits to parcels change, parcels may be reclassified and their assessments modified accordingly.

Summary of Assessments

The average assessment for all parcels in the District by general land use category is shown in table 3 below.

Table 3
SJAFCA Mossdale OAD
Summary of Average Assessment Rates

Land Use Type	Number of Parcels	Average Rate/FDRB	Maximum Rate/FDRB	Average Assessment	Total Assessment	Share of Total Assessment
Agricultural	218	\$0.00075460	\$0.00075460	\$93.82	\$20,452.84	0.89%
Commercial	410	\$0.00075460	\$0.00075460	\$612.62	\$251,173.82	10.91%
Industrial	296	\$0.00075460	\$0.00075460	\$1,640.44	\$485,570.76	21.09%
Planned Development	192	\$0.00075460	\$0.00075460	\$337.35	\$64,770.36	2.81%
Public	156	\$0.00075460	\$0.00075460	\$1,314.29	\$205,028.96	8.91%
Residential	21423	\$0.00075460	\$0.00075460	\$59.52	\$1,275,158.92	55.39%
All Parcels	22,695				\$2,302,155.66	100.00%

Duration of the Assessment

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.

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.

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 District.

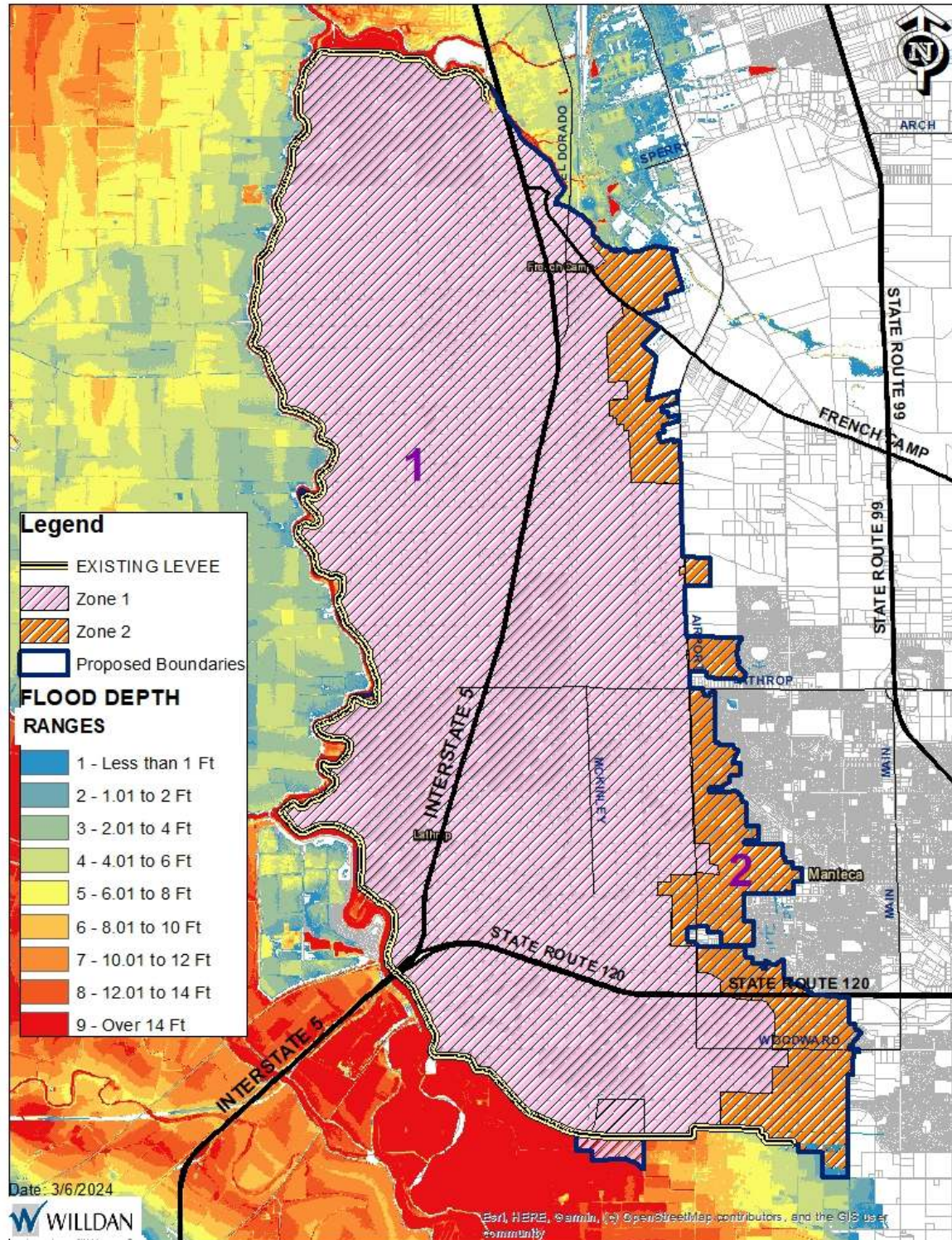
A listing of parcels of land, and the proposed assessment amount to each parcel is provided under a separate cover and by reference is made part of this Memorandum. For current ownership of each parcel of land, reference is made to the most recent equalized tax roll for the County of San Joaquin. The 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 2025/26.

District Boundary

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 were 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 at the time the District was formed. The boundary of the District and the parcels therein are based on hydrologic and hydraulic mapping (flood levels) available at the time of formation, 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 this Technical Memorandum and depicted in the Boundary and Flood Zone Diagram (Figure 1 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 2025/2026 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 Technical Memorandum.

Figure 1



Agenda Item 11.1

June 12, 2025

TO: San Joaquin Area Flood Control Agency Board of Directors

FROM: Sylvia Razniak, Director of Finance and Human Resources

SUBJECT: **Semi-annual Report on Master Services Agreements Issued Under Delegated Authority for Fiscal Year 2024-2025 covering period 07/01/2024 to 05/31/2024**

BACKGROUND:

On August 15, 2024, the Board of Directors authorized staff to negotiate and execute various Master Services Agreements to support implementation of SJAFCA's projects and programs. In furtherance of that authorization and delegation of authority, the Board directed staff to provide semi-annual updates of all contracts awarded throughout the fiscal year. This report includes the original MSA not-to-exceed amount, the issued Task Orders under the MSA, along with a description of the services provided, amount billed to date \$1,238,436.37, and remaining budget \$4,030,781. In compliance with the Board's direction, and for the purpose of maintaining public transparency of SJAFCA's expenditures, staff have prepared the attached report of the Master Services Agreement utilization for the past eleven months.

RECOMMENDATION:

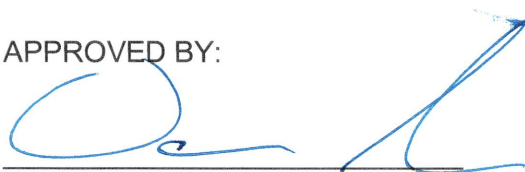
Receive semi-annual report on utilization of various Master Services Agreements (MSA) executed to support implementation San Joaquin Area Flood Control Agency's (SJAFCA's) projects and programs.

STRATEGIC PLAN CONSISTENCY ANALYSIS

The material found in this report is consistent with and supports the Mission and Goals of the Board adopted Strategic Plan, specifically Goal #2 – "Drive for Operational Transparency".

Prepared by: Sylvia Razniak

APPROVED BY:



DARREN SUEN, PE
EXECUTIVE DIRECTOR

Attachment:

1. FY 24-25 Semi-Annual Report of Master Services Agreements (Agenda Item 11.1)

Report on Master Services Agreements (FY 24-25)

Consultant	Services provided	Annual Budget Amount	Allocated From Task Orders	Billed to Date (05/30/2025)	Remaining Amount
Associated Right of Way Services	Real Estate	\$ 500,000.00	\$ -	\$ -	\$ 500,000.00
Blackburn	Geology and Geotechnical	\$ 500,000.00	\$ 245,810.00	\$ 55,559.38	\$ 444,440.62
BRI	Real Estate	\$ 500,000.00	\$ 138,124.00	\$ -	\$ 500,000.00
CBEC Eco Engineering	Surveying	\$ 250,000.00	\$ -	\$ -	\$ 250,000.00
Cinquini & Passarino Inc	Surveying	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
Concero Solutions	Program Management and Organizational Planning	\$ 250,000.00	\$ -	\$ -	\$ 250,000.00
Domenichelli	Hydrology	\$ 250,000.00	\$ -	\$ -	\$ 250,000.00
Environment Science Association	Environmental Planning and Permitting	\$ 2,000,000.00	\$ 244,942.00	\$ 77,730.66	\$ 1,922,269.34
ENGEO	Geology	\$ 500,000.00	\$ 113,300.00	\$ 15,922.75	\$ 484,077.25
GEI Consultants	Civil Engineering, Geology, Hydrology	\$ 2,000,000.00	\$ 69,613.00	\$ 26,535.50	\$ 1,973,464.50
GME	Civil Engineering and Surveying	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
Haley Aldrich	Civil Engineering and Geology	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
HDR Engineering	Civil Engineering, Geology, Hydrology	\$ 2,000,000.00	\$ -	\$ -	\$ 2,000,000.00
Interwest Consulting Group Inc.	Real Estate	\$ 500,000.00	\$ -	\$ -	\$ 500,000.00
Kjeldsen, Sinnock & Neudeck Inc.	Civil Engineering, Geology, Hydrology, Surveying, Real Estate, PM	\$ 2,000,000.00	\$ 439,743.00	\$ 44,940.00	\$ 1,955,060.00
Kleinfelder	Geology	\$ 500,000.00	\$ -	\$ -	\$ 500,000.00
LWA	Financial Planning and PM	\$ 2,000,000.00	\$ 1,597,084.00	\$ 517,268.82	\$ 1,482,731.18
Mark Thomas	Surveying	\$ 250,000.00	\$ 248,523.00	\$ 83,993.94	\$ 166,006.06
MBK	Hydrology, PM, and Facilitation	\$ 1,000,000.00	\$ -	\$ -	\$ 1,000,000.00
Mead & Hunt	Civil Engineering and Geology	\$ 500,000.00	\$ -	\$ -	\$ 500,000.00
MGE	Civil Engineering	\$ 500,000.00	\$ -	\$ -	\$ 500,000.00
Monument ROW	Real Estate	\$ 500,000.00	\$ -	\$ -	\$ 500,000.00
NHC	Flood Risk Assessment, Civil Engineering, Hydrology	\$ 100,000.00	\$ 34,840.00	\$ 15,600.00	\$ 84,400.00
PBI	Civil Engineering	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
PSOMAS	Surveying	\$ 250,000.00	\$ -	\$ -	\$ 250,000.00
R&F Engineering Inc.	Civil Engineering, Hydrology, PM, Planning	\$ 1,000,000.00	\$ 898,802.00	\$ 400,885.32	\$ 599,114.68
Redefined Horizons	Surveying	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
River Partners	Environmental, Permitting, PM, Facilitation and Organizational Planning	\$ 250,000.00	\$ -	\$ -	\$ 250,000.00
Shannon & Wilson	Geology	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
Tetra Tech	Civil Engineering, Geology, Hydrology, PM	\$ 500,000.00	\$ -	\$ -	\$ 500,000.00
Wood Rodgers	Civil Engineering, Geology, Hydrology, Surveying, Real Estate, Environmental	\$ 1,000,000.00	\$ -	\$ -	\$ 1,000,000.00
Woodward & Curran	PM and Organizational Planning	\$ 500,000.00	\$ -	\$ -	\$ 500,000.00
	Totals:	\$ 20,700,000.00	\$ 4,030,781.00	\$ 1,238,436.37	\$ 19,461,563.63

Adding to Prequalified List	Services provided	Annual Budget Amount
Condor Earth	Environmental Planning	\$ 100,000.00
WSP	Construction Management and Inspection	\$ 2,000,000.00

Consultant	Services provided	25/26 Amount
Clean Lakes	Vegetation Removal	\$ 100,000.00
Handen	Preconstruction Services	\$ 100,000.00
Kim Floyd	Public Outreach	\$ 100,000.00
Willdan	Assessment Admin Services	\$ 100,000.00
	Totals:	\$ 400,000.00

**End of
Agenda Packet**