SPECIAL BOARD MEETING

THURSDAY, APRIL 30, 2020
10:00 A.M.

AGENDA IN LIGHT OF COVID-19

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

TO CONNECT TO THE MEETING

<table>
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<tr>
<th>by Phone:</th>
<th>by Smart Phone:</th>
<th>by Computer:</th>
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<tbody>
<tr>
<td>To connect by phone, dial <strong>1.408.915.6290</strong> and enter this Meeting ID: <strong>498 414 687</strong></td>
<td>If you have downloaded the BlueJeans app on your smart phone, enter this Meeting ID: <strong>498 414 687</strong></td>
<td>To connect by computer, click on this link: <a href="https://bluejeans.com/498414687?src=join_info">https://bluejeans.com/498414687?src=join_info</a></td>
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All callers will initially be muted until unmuted by the moderator. Any member of the public may speak during Public Comment once unmuted or may email public comments to SJAFCA@stocktonca.gov and up to two minutes of comments will be read from each member of the public.

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

3. CONSENT ITEMS
3.1) Approve Minutes of the Board Meeting of March 19, 2020
3.2) Amend the Conflict of Interest Code for the San Joaquin Area Flood Control Agency

4. NEW BUSINESS
4.1) Smith Canal Gate Project – Award of Construction Contract
    Supplement to 4.1) Final Discussion of Award of Smith Canal Gate Project
4.2) Approve Construction Management Contract with KSN, Inc. for Support Services for the Smith Canal Gate Project
4.3) Retention of State Advocacy Firm

5. PRESENTATION (Informational Update)
5.1) Implementation Plan Update and Capital Improvement Plan Funding Approach Discussion

6. ORAL REPORT FROM EXECUTIVE DIRECTOR
6.1) This is an opportunity to provide timely information to the Board in support of its work

7. PUBLIC COMMENTS

8. BOARD QUESTIONS, COMMENTS, ACTIONS

9. CLOSED SESSION

10. ADJOURNMENT

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available. If you have a disability and need disability-related modifications or accommodations to participate in this meeting, please contact the Board's office at (209) 937-7900 or (209) 937-7115 (fax). Requests must be made one full business day before the start of the meeting.
Agenda Item 3.1
MINUTES
SAN JOAQUIN AREA FLOOD CONTROL AGENCY
BOARD MEETING OF MARCH 19, 2020

CITY COUNCIL CHAMBERS, STOCKTON, CALIFORNIA

In light of COVID-19 and in compliance with CA Executive Order N-25-20, the majority of members of the Board of Directors participated in this meeting by teleconference. Members of the public were permitted to attend the meeting in person or to call in to participate. An option was also given to email public comments to SJAFCA@stocktonca.gov or to speak via the teleconference during public comment times. In compliance with C.D.C. recommendations, all those who physically attended the meeting sat with six feet of space between them and observed other recommended hygiene practices.

1. CALL TO ORDER / ROLL CALL 9:07 AM

Roll Call
Present:
    Director Akinjo
    Director Lazard
    Director Miller
    Director Morowit
    Director Nuño
    Director Singh
    Director Winn
    Director Wright
Absent:
    Director Andrade

The following participated in this meeting via teleconferencing:
    • Director Akinjo
    • Director Lazard
    • Director Miller
    • Director Morowit
    • Director Nuño
    • Director Singh

The following appeared in person to participate in this meeting:
    • Director Winn
    • Director Wright

2. PLEDGE TO FLAG 9:08 AM

3. CONSENT ITEMS 9:09 AM

PUBLIC COMMENT
    • Dominick Gulli submitted written comments. His comments were read aloud for all participating in the meeting to hear. 9:10 AM

AGENDA ITEM 3.1
Motion: Approve Consent Item 3.1
Moved by: Director Wright, seconded by Director Morowit
Vote: Motion carried 6-0
Yes: Director Akinjo, Director Miller, Director Morowit, Director Nuño, Director Singh, and Director Wright
Abstain: Director Lazard and Director Winn
Absent: Director Andrade

3.1) Approve minutes of the Board meeting of February 20, 2020

Motion: Approve Consent Items 3.2, 3.3, and 3.4
Moved by: Director Wright, seconded by Director Morowit
Vote: Motion carried 8-0
Yes: Director Akinjo, Director Lazard, Director Miller, Director Morowit, Director Nuño, Director Singh, Director Winn, and Director Wright
Absent: Director Andrade

3.2) Adopt Resolution to accept Independent Auditor’s Report and Financial Statements for the fiscal year ending June 30, 2019

3.3) Project Partnership Agreement with the United States Army Corps of Engineers and a Local Project Partnership Agreement with the Central Valley Flood Protection Board for Construction of the Lower San Joaquin River Project, Phase I

3.4) Aquatic Weed Control Program in Five Mile Slough

4. NEW BUSINESS 9:13 AM

PUBLIC COMMENT

- Dominick Gulli submitted written comments. His comments were read aloud for all participating in the meeting to hear. 9:10 AM

Motion: Approve Item 4.1
Moved by: Director Akinjo, seconded by Director Lazard
Vote: Motion carried 8-0
Yes: Director Akinjo, Director Lazard, Director Miller, Director Morowit, Director Nuño, Director Singh, Director Winn, and Director Wright
Absent: Director Andrade

4.1) Mitigation Agreements for Environmental Impacts associated with the implementation of the Smith Canal Gate Project

PUBLIC COMMENT

- Dominick Gulli submitted written comments. His comments were read aloud for all participating in the meeting to hear. 9:23 AM
Motion: Approve Item 4.2
Moved by: Director Akinjo, seconded by Director Lazard
Vote: Motion carried 8-0
Yes: Director Akinjo, Director Lazard, Director Miller, Director Morowit, Director Nuño, Director Singh, Director Winn, and Director Wright
Absent: Director Andrade

4.2) Amendment Number 3 to the Consultant Agreement with Kjeldsen, Sinnock, Neudeck, Inc. for additional services needed for the Smith Canal Gate Project

5. ORAL REPORT FROM EXECUTIVE DIRECTOR 9:26 AM

PUBLIC COMMENT
- Dominick Gulli submitted written comments. His comments were read aloud for all participating in the meeting to hear. 9:31 AM

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

The Board received the information presented.
- Director Miller and Chair Singh both provided comments regarding the Executive Director Report.

6. PUBLIC COMMENTS 9:32 AM
- Dominick Gulli submitted written comments. His comments were read aloud for all participating in the meeting to hear.

7. BOARD QUESTIONS, COMMENTS, ACTIONS 9:34 AM
- Director Miller and Director Nuño both provided comments.

8. CLOSED SESSION 9:35 AM

PUBLIC COMMENT
- Dominick Gulli submitted written comments. His comments were read aloud for all participating in the meeting to hear. 9:36 AM


Case No. STK-CV-UWM-2015-0011880
8.2) Atherton Cove Property Owners Association v. San Joaquin Flood Control Agency. C085520 San Joaquin County
Case No. STK-CV-UWM-2015-60011847

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

9. **ADJOURNMENT 9:38 AM**

9.1) This meeting will be adjourned in memory of Dr. Bory Steinberg who passed away in Virginia on March 4, 2020. Dr. Steinberg and his firm, Steinberg & Associates have served successfully as SJAFCA’s Washington, D.C. advocates for more than 20 years.

The meeting adjourned at 9:39 AM. The next meeting is scheduled for 9:00 AM on April 23, 2020.

CHRIS ELIAS
EXECUTIVE DIRECTOR
SAN JOAQUIN AREA FLOOD CONTROL AGENCY
Agenda Item 3.2
TO: San Joaquin Area Flood Control Agency
FROM: Chris Elias, Executive Director
SUBJECT: AMEND THE AGENCY’S CONFLICT OF INTEREST CODE AND FORWARD THE CHANGES TO THE SAN JOAQUIN COUNTY BOARD OF SUPERVISORS FOR APPROVAL

RECOMMENDATION

It is recommended that the Board of Directors of the San Joaquin Area Flood Control Agency approve and adopt a resolution to amend the Agency’s Conflict of Interest Code and forward the changes to the San Joaquin County Board of Supervisors for approval.

DISCUSSION

Background
The Political Reform Act (Government Code §87306.5) requires a biennial (even-numbered year) review of the Conflict of Interest Code for the San Joaquin Area Flood Control Agency. The Agency’s Conflict of Interest Code adopted August 5, 1998, by SJAFCA Resolution No. 98-32, requires the Board of Directors, their respective alternates, and selected staff (i.e., the Executive Director/Secretary, legal counsel, etc.) to each file a Statement of Economic Interest.

During each even-numbered year, a review of the Agency’s Conflict of Interest Code (Code) is conducted and if changes are necessary, these changes are provided to the SJAFCA Board for adoption. The most recent changes occurred during 2012 and 2014 where the Agency either eliminated and/or replaced a designated position. For example, the change that occurred in 2014 eliminated 3 previously designated City of Stockton positions (Chief Financial Officer, Finance Officer, and Assistant Director of Administrative Services) from the Agency’s Code because the City of Stockton no longer plays a role in administering the Agency’s assessment district.

Biennial reviews conducted during 2016 and 2018 did not require the Agency to amend its Code, and there were no changes to the designated positions to report.

On March 28, 2019, the Board of Directors adopted SJAFCA Resolution No. 19-09 approving a new job classification for a full-time Agency employee titled Director of Engineering Services to replace and reclassify the former position of Deputy Executive Director/Deputy Secretary. This change in position title should be included in the Agency’s Code and forwarded to the San Joaquin County Board of Supervisors for final approval.
AMEND THE AGENCY’S CONFLICT OF INTEREST CODE AND FORWARD THE CHANGES TO THE SAN JOAQUIN COUNTY BOARD OF SUPERVISORS FOR APPROVAL

April 30, 2020

Present Situation

The 2020 biennial review requires the Agency to amend its Conflict of Interest Code to reflect a change to designated positions required to file statements of economic interests. The amended Conflict of Interest Code removes the former position of Deputy Executive Director/Deputy Secretary and replaces it with the position of Director of Engineering Services/Deputy Secretary. Attachment 2 depicts the redline changes and Attachment 3 depicts the proposed designated positions that must file Statements of Economic Interest.

Upon approval by the SJAFCA Board, the Agency’s Secretary will forward the amended Conflict of Interest Code to the San Joaquin County Board of Supervisors for approval as the code-reviewing body. The amended Conflict of Interest Code will become effective once it is approved by the Board of Supervisors.

CHRIS ELIAS
EXECUTIVE DIRECTOR

Attachment 1 – Conflict of Interest Code for San Joaquin Area Flood Control Agency
Attachment 2 – REDLINE edits Designated Positions for Conflict of Interest Statements
Attachment 3 – UPDATED Designated Positions for Conflict of Interest Statements
RESOLUTION TO AMEND THE CONFLICT OF INTEREST CODE FOR
THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY
AND AUTHORIZATION TO FORWARD TO THE SAN JOAQUIN
COUNTY BOARD OF SUPERVISORS FOR APPROVAL

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

1. That the Conflict of Interest Code (Code) for the San Joaquin Area Flood Control
Agency (Agency) is hereby approved and adopted by the Board of Directors as
amended (Appendix A).
2. That the Agency’s Secretary is hereby authorized and directed to forward the
amended Code to the San Joaquin County Board of Supervisors for approval.
3. That the amended Code shall become effective upon approval by the San Joaquin
County Board of Supervisors.

PASSED, APPROVED AND ADOPTED this 23rd day of April, 2020.

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

ATTEST:

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

APPROVED AS TO FORM:

______________________________
SCOTT L. SHAPIRO, Legal Counsel
for the San Joaquin Area
Flood Control Agency
CONFLICT OF INTEREST CODE FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

The Political Reform Act, Government Code Section 81000, et. seq., requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, 2 California Code of Regulations Section 18730, which contains the terms of a model conflict of interest code. It can be incorporated by reference and may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with the attached Appendices A through B which members, employees, and consultants are designated and disclosure categories set forth, constitute the Conflict of Interest Code of the San Joaquin Area Flood Control Agency.

Pursuant to Section 4 of the model code, designated employees shall file statements of economic interest with the Agency Secretary. Upon receipt of those statements of those officials listed in Appendix A, the Agency Secretary shall make and retain a copy and forward the original of these statements to the Fair Political Practices Commission. Statements for all other designated employees shall be retained by the Agency Secretary.
SAN JOAQUIN AREA FLOOD CONTROL AGENCY

Appendix A

CONFLICT OF INTEREST

DESIGNATED POSITIONS

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<tr>
<th>CATEGORY</th>
<th>POSITION</th>
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<tr>
<td>1</td>
<td>Directors and Alternates</td>
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<tr>
<td>1</td>
<td>Agency Treasurer (San Joaquin County Treasurer)</td>
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<td>1</td>
<td>Executive Director / Secretary</td>
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<tr>
<td>1</td>
<td>Deputy Executive Director/Deputy Secretary</td>
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<tr>
<td>1</td>
<td>Agency Auditor (San Joaquin County Auditor)</td>
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<tr>
<td>1</td>
<td>Director of Engineering</td>
</tr>
<tr>
<td>1</td>
<td>Director of Engineering Services / Deputy Secretary</td>
</tr>
<tr>
<td>1</td>
<td>Agency Legal Counsel (Downey Brand)</td>
</tr>
<tr>
<td>1</td>
<td>Consultant*</td>
</tr>
</tbody>
</table>

Consultants shall disclose all economic interest outlined in Categories 1 through 4, with the following exception:

The Executive Director may determine, in writing that a particular consultant, although a “designated employee,” is hired to perform a range of duties limited in scope, and is not required to fully comply with the disclosure requirements. The Executive Director’s determination is a public record and shall be retained for public inspection in the same manner and location as the Conflict of Interest Code.
SAN JOAQUIN AREA FLOOD CONTROL AGENCY

Appendix B

CONFLICT OF INTEREST
DISCLOSURE CATEGORIES

CATEGORY 1

All designated employees in this category shall disclose all sources of income, all interest in real property, and all investments and business positions in business entities.

CATEGORY 2

All designated employees in this category shall disclose investments, business positions, and sources of income from business entities which provide services, supplies, materials, machinery or equipment of the type utilized by the San Joaquin Area Flood Control Agency.

CATEGORY 3

All designated employees in this category shall disclose investments, business positions, and sources of income from business entities, and interests in real property, which are subject to the regulatory, permit or licensing authority of the San Joaquin Area Flood Control Agency.

CATEGORY 4

All designated employees in this category shall disclose investments, business positions, and sources of income from business entities which engage in land development, construction or the acquisition or sale or real property, and all interest in real property.
SAN JOAQUIN AREA FLOOD CONTROL AGENCY

Appendix A

CONFLICT OF INTEREST
DESIGNATED POSITIONS

<table>
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<tr>
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SAN JOAQUIN AREA FLOOD CONTROL AGENCY

Appendix B

CONFLICT OF INTEREST DISCLOSURE CATEGORIES

CATEGORY 1

All designated employees in this category shall disclose all sources of income, all interest in real property, and all investments and business positions in business entities.

CATEGORY 2

All designated employees in this category shall disclose investments, business positions, and sources of income from business entities which provide services, supplies, materials, machinery or equipment of the type utilized by the San Joaquin Area Flood Control Agency.

CATEGORY 3

All designated employees in this category shall disclose investments, business positions, and sources of income from business entities, and interests in real property, which are subject to the regulatory, permit or licensing authority of the San Joaquin Area Flood Control Agency.

CATEGORY 4

All designated employees in this category shall disclose investments, business positions, and sources of income from business entities which engage in land development, construction or the acquisition or sale or real property, and all interest in real property.
Agenda Item 4.1
TO: San Joaquin Area Flood Control Agency

FROM: Chris Elias, Executive Director

SUBJECT: SMITH CANAL GATE PROJECT – AWARD OF CONSTRUCTION CONTRACT

RECOMMENDATION

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

(a) Accept report of bids received for construction of the Smith Canal Gate Project.
(b) Ratify Addenda No. 1 through Addenda No. 8 to the contract documents for the Smith Canal Gate Project.
(c) Waive any minor irregularities in the Shimmick Construction Company Inc. bid.
(d) Award the construction contract to Shimmick Construction Company Inc. in the sum of $49,487,976; and
(e) Direct the Executive Director to return to the Board of Directors no later than the SJAFCA June Board meeting to seek approval from the Board of Directors for an approved contingency amount allowing the Executive Director or designee to approve individual change orders up to the authorized amount.

DISCUSSION

Background

On July 18, 2019, the Board authorized the Executive Director to advertise and select, the lowest, responsible and responsive bidder for the construction of the Smith Canal Gate Project improvements for Board consideration at the next meeting.

On January 13, 2020, the Agency issued a Public Notice inviting bids for the project. The Public Notice to the Contractors was published in The Stockton Record for ten consecutive days. The Engineer’s estimate for this project was issued as a range between $42 and $48 million.

On April 16, 2020, three sealed bids were received for the Project. The bid schedule was split into two parts: i) Schedule 1, for standard project improvements and ii) Schedule 2, for increasing the length of selected sheet pile segments by 10 feet including handling/driving and cut-off as needed. A report of bids received at bid opening for the project is summarized in the Table 1.
Table 1

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Schedule 1</th>
<th>Schedule 2</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Shimmick Construction Company Inc</td>
<td>$48,117,388</td>
<td>$1,370,588</td>
<td>$49,487,976</td>
</tr>
<tr>
<td>California Engineering Contractors</td>
<td>$56,957,164</td>
<td>$786,700</td>
<td>$57,743,864</td>
</tr>
<tr>
<td>Dutra Group</td>
<td>$59,020,219</td>
<td>$1,220,450</td>
<td>$60,240,669</td>
</tr>
</tbody>
</table>

Present Situation

SJAFCA’s contract construction manager, KSN, has mostly completed its due diligence review, and based on information known at this time is recommending Shimmick Construction Company Inc. as the lowest responsible and responsive bidder. Due diligence will continue until the Board meeting on April 30, 2020. Staff recommends awarding the construction contract to Shimmick Construction Company Inc. at this time.

Following award of the contract to Shimmick Construction Company Inc. by the Board, staff will be holding a pre-construction meeting with the contractor within two weeks to review and confirm project delivery schedule. The construction season starts in July 2020 and will be completed by October 30, 2022.

Addenda Ratification

Eight addenda (Attachment 1) were issued during the bid period to clarify the Project Contract Documents and answer bidders’ questions. To formally incorporate the addenda into the Project Contract Documents, staff recommends that the Board ratify the addenda.

Staff has reviewed the bid proposals and, for reasons stated below, recommends the Board award the Shimmick Construction Company Inc., as the responsible bidder submitting the lowest responsive bid:

1. All bid entries and requirements in the proposal submitted by Shimmick Construction Company Inc. are in order;
2. Shimmick Construction Company Inc’s license is current, active and in good standing;
3. Shimmick Construction Company Inc. is in compliance with the requirements of California Labor Code section 1771.1. Shimmick and its subcontractors are registered with the California Department of Industrial Relations and qualified to perform public works pursuant to Section 1725.5 of the Labor Code.

Bid Bond Obligation

All bids must be accompanied by a form of security: cash, cashier’s check, certified check, or a bidder’s bond executed by an admitted surety insurer, made payable to SJAFCA.
The bidder’s security guarantees that the contractor awarded a contract will execute the contract and provide all required bonds and insurance. The bid bond surety owes no obligation to an owner when its insured (the contractor) is not awarded a contract or doesn’t otherwise comply with bidding requirements.

**Contingency Funds**

The Contract award sum for the Project is $49,487,976. To allow staff to quickly address unforeseen or changed site conditions and other unanticipated occurrences, without causing unnecessary delays or consequential costs to the Project, staff recommends the board will need to approve encumbering a contingency amount for the subject Project. The contingency amount ultimately recommended will be presented at the June Board Meeting and will consider known and unknown risks, such as:

1. Unanticipated variances in quantities and cost of various lump sum items estimated in the Bid Proposal;
2. Differing site conditions;
3. Concealed conditions and/or field conditions that may be different from the baseline or as-built information used in preparation of Project Contract Documents; and
4. Coordination issues with utility owners with existing facilities within the Project limits.

**CEQA: Certification of the EIR**

On November 19, 2015, the Board certified the Environmental Impact Report for the Smith Canal Gate Project and adopted Resolution No. 15-18.

**Public Outreach**

During construction, steps will be taken to minimize impacts associated with the Project, such as noise and construction traffic. Outreach by Floyd Communications will target the surrounding neighborhoods and include pre-construction public meetings, as well as public meetings during the construction period. Outreach strategies will include updates on the Project website, Project fact sheets, media relations, and regular email updates and construction site signage. Neighbors will be informed of potential issues, as appropriate.

**Next Steps**

If the Board approves the recommendations, staff will proceed with Contract administration managed by KSN to facilitate the construction of the Project.
FISCAL IMPACT

The construction budget and cash flow analyses developed by Larsen Wurzel and Associates for the Smith Canal Gate Project includes expenditures for a construction contract. The proposed costs will be covered by a combination of assessment district proceeds, proceeds from the anticipated bond issuance for the district, and available State funding. Construction costs will be shared between the State Department of Water Resources (DWR) through a Funding Agreement with a cost share split of 63% DWR and 37% SJAFCA.

While the bid from the lowest bidder (Shimmick Construction) is essentially within the range of the Engineer’s Estimate, the current total budget for the Project currently exceeds the budget developed for the Project at the time that property owners weighed in on the Assessment District as well as the updated budget that included additional funds committed by the Department of Water Resources. Unfortunately, the municipal bond market remains in flux and it is making it hard to summarize this issue in time for the publication of this staff report. Therefore, Staff is currently working on a supplemental staff report to provide to the Board before the April Board meeting that summarizes this issue so that it can inform the Board’s action at the meeting.

PREPARED BY: Juan J. Neira

[Signature]

APPROVED:
CHRIS ELIAS
EXECUTIVE DIRECTOR

ATTACHMENTS:
Attachment 1: Addenda (Retrievable from SJAFCA’s website)
Attachment 2: Location Map
Attachment 3: Draft Copy of Resolution

CE:JJN:dc
TO: San Joaquin Area Flood Control Agency

FROM: Scott L. Shapiro, General Counsel

SUBJECT: SUPPLEMENTAL STAFF REPORT – FINANCIAL DISCUSSION OF AWARD OF SMITH CANAL GATE PROJECT

RECOMMENDATION

Consider this additional information in regard to the previous Staff Report recommending award of a construction contract for the Smith Canal Gate Project (Project) to Shimmick Construction.

DISCUSSION

Background

In the San Joaquin Area Flood Control Agency’s (SJAFCA) Board Packet provided on April 27, 2020 for Item #4.1, the Staff Report noted that the lowest responsive and responsible bidder for the Smith Canal Gate Project was Shimmick Construction, and that the bid ($49,487,976.00) was within the range of the Engineer’s Estimate prepared by the Engineer of Record. However, the Staff Report noted that due to ongoing issues regarding the issuance and sale of bonds for the Project, staff was not able to provide a complete picture of the overall financials for the Project. The purpose of this Staff Report is to provide that information.

Present Situation

While the bid from the lowest bidder (Shimmick Construction) is within the range of the Engineer’s Estimate, the current total budget for the Project exceeds the budget developed for the Project at the time property owners voted on the Assessment District as well as additional sources of funding identified to date. The exact amount of the overage is hard to determine at this time for several reasons:

- We will not know the amount of available bond sale proceeds for construction until after the bond’s price.
- We are still negotiating for additional construction management and engineering services during construction.
- The biggest variable is how much contingency should be budgeted for the project. It is not uncommon to budget 10% contingency and on a complex project the contingency budget could be up to 30% of construction cost.

Despite these unknowns, it is still clear that the Project’s total costs will exceed currently
available sources. The reasons for this are many, but some of the larger issues are as follows:

- The final environmental permits received from the resource’s agencies limited the length of the annual construction window, pushing construction into a third season. A third season increases the costs of mobilization and demobilization and also increases other related costs such as construction management and engineering.
- The final environmental permits required more environmental mitigation than originally estimated, driving up the cost of mitigation.
- Peer review of the Project identified concerns regarding seismic risk, resulting in significant modifications to the design of the sheet pile wall both increasing the labor costs to construct the wall and also the materials costs of the wall itself.
- Federal tariffs on steel have increased the estimated costs for acquiring sheet piles.
- Two lawsuits, one of which is still ongoing, both used resources which would otherwise be available for construction, but also delayed construction into a more expensive market.
- Delays have resulted in a bond sale taking place during less favorable municipal bond market conditions (i.e., higher interest rates) for issuers resulting in fewer bond proceeds for construction of the project.

For all of these reasons, the Project is now more expensive than SJAFCA originally projected. And, these increased costs have correspondingly eroded the healthy contingency that SJAFCA originally budgeted to support increased costs for construction.

Staff now projects that the total cost of the Project may be $2.4 million or more than the revenues that have been committed for the Project thus far (and can grow beyond the $2.4 million dependent on the ultimate contingency amount required). Despite this, Staff still recommends that SJAFCA award the contract at the April 30 meeting for the following reasons:

- It is not yet known whether and to what extent additional funds will be needed for contingency. If the project is constructed as proposed and there are no unanticipated issues in the field, then no contingency may be required.
- The lowest bidder, Shimmick Construction, is expected to offer value engineering solutions to construct the project in a different way (this goes to the method of construction, not the materials or design, both of which are locked in). If value engineering is agreed upon, the Project can become more profitable for Shimmick and will be available at a lower cost for SJAFCA.
- SJAFCA holds approximately $10 million in reserves as a result of reimbursement from the Federal government. Pursuant to past Board direction (see Item #5.2 from the September 19, 2019 Board Meeting) these funds are available to fund
other SJAFCA Projects as needed. Use of those funds for this Project (if necessary) has a further advantage: The Smith Canal Gate Project is a part of the Lower San Joaquin River Project (LSJRP) which will be constructed by the U.S. Army Corps of Engineers. Any money spent on the Smith Canal Gate Project acts as a credit toward SJAFCA’s obligation to contribute to the LSJRP. Thus, any money spent on the Smith Canal Gate Project does double duty in providing funds for two projects. In addition, if some funds were used, some portion of them could be repaid to SJAFCA’s reserve fund by the projected $3.7 million of revenues from the Assessment District that are pledged as coverage, but will not use, for debt service or ongoing operations and maintenance.

- The Smith Canal Gate Project is being constructed in partnership with the California Department of Water Resources (DWR). DWR’s total cap on funding for the Project is less than would be expected under DWR’s approved cost sharing rate for this Project. In light of the cost increases of the Project, SJAFCA staff recommends that we engage in discussions with DWR to seek a pledge of additional funding toward contingency if needed.

- Finally, because the Smith Canal project is part of the LSJRP, the Army Corps can be asked to complete any portion of the Project which is not completed, in the event that contingency is required and none of these other options provides sufficient funding.

Staff has considered whether rejecting all bids could be a better option, but has determined that it is not a better option for the following reasons:

- Despite its additional cost, the Project remains the least costly approach to meeting state and federal regulations.

- Over 5,000 properties are in a FEMA special flood hazard area and another 3,000 properties will be added as well if this Project does not go forward. Properties in this FEMA zone cannot be substantially improved, must be elevated if they burn down, and must pay mandatory flood insurance if they have a mortgage. Without this Project, none of these properties, which have been reliably paying the assessment, will receive relief.

- Delaying an award for the allowed 60 days will shorten the window that the financial team has to sell bonds, which could decrease the revenues available for the Project.

- Rejecting all bids and rebidding is unlikely to reduce the cost of the Project because the bid falls within the range of the Engineer’s Estimate. In addition, the time to rebid the Project would likely eliminate one construction season on a rebid, which will further increase Project costs and the environmental mitigation required.

- The costs spent to date on permitting, engineering, and legal would be valueless.

- Certain revenues received for the Project from DWR may have to be repaid
As noted in the Staff Report, previously provided, Staff will continue to evaluate the amount of Contingency to be budgeted for the Construction contract and the identified funding sources for this budget.

Fiscal Impact

The Agency has identified sufficient revenues to award the construction contract to Shimmick but will need to monitor costs and revenue sources to ensure that the Project can be completed with all available funds.

PREPARED BY:  Chris Elias, Executive Director
Scott L. Shapiro, General Counsel

APPROVED BY:

CHRIS ELIAS
EXECUTIVE DIRECTOR
The Smith Canal Addenda is available at the link below.
It is too large to be uploaded.

**LINK TO:** [Smith Canal Addenda](#)
Project Vicinity Map
Project Location & Background

- Smith Canal built by State in mid-1800s for drainage & navigation
- Conveys urban runoff
- Tidally influenced
- Leveed to prevent flooding from the Delta
- Levees heavily encroached
- 5,000 area properties within FEMA SFHA
- Approximately 30,000 residents
Smith Canal Encroachments

Levee Crown
Project Features

- Dolphin Piles
- Gate Structure
- Seismic Stability Wall
- Fishing Platform
- Cellular Sheet Pile Wall
- Seepage Cutoff Wall
- Single Sheet Pile Floodwall
- San Joaquin River
- Stockton Golf and Country Club
- Atherton Island
- Morning Rd
- Smith Canal
- Louis Park
- Rough and Ready Island
- Dad's Point
RESOLUTION NO. SJAFCA 20-14

SAN JOAQUIN AREA
FLOOD CONTROL AGENCY

===============================================

AUTHORIZATION TO EXECUTE A CONSTRUCTION CONTRACT WITH
SHIMMICK CONSTRUCTION, INC FOR THE CONSTRUCTION OF THE
SMITH CANAL GATE PROJECT IMPROVEMENTS

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

1. Authorize the Executive Director to execute a Construction Contract with
Shimmick Construction, Inc. in the amount of $49,487,976 for the Smith Canal
Gate project.

2. Ratify Addenda No. 1 through Addenda No. 8 to the contract documents for the
Smith Canal Gate Project.

3. Waive any minor irregularities in the Shimmick Construction Company Inc. bid.

The Executive Director shall return to the Board of Directors no later than the SJAFCA June
Board meeting to seek approval from the Board of Directors for an approved contingency
amount allowing the Executive Director or designee to approve individual change orders up
to the authorized amount.

PASSED, APPROVED AND ADOPTED this 30th day of April 2020.

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

ATTEST:

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

APPROVED AS TO FORM:

______________________________
SCOTT L. SHAPIRO, Legal Counsel
for the San Joaquin Area
Flood Control Agency
Agenda Item 4.2
TO:    San Joaquin Area Flood Control Agency
FROM: Chris Elias, Executive Director
SUBJECT: CONSTRUCTION MANAGEMENT CONTRACT WITH KSN, INC. FOR SUPPORT SERVICES FOR THE SMITH CANAL GATE PROJECT

RECOMMENDATION

It is recommended that the Board of Directors of the San Joaquin Area Flood Control Agency adopt a resolution authorizing the Executive Director to execute a two-year consultant contract with KSN, Inc. in the amount of $3,599,038 to provide support services for the Smith Canal Gate project and to later consider an amended contract in June of 2020 to address recent modifications to the project as a result of environmental permitting, including the addition of a further year and modification of the scope to include other changes.

DISCUSSION

Background

On May 19, 2019 the Board authorized a contract with Kjeldsen, Sinnock, Neudeck, Inc. (KSN), for construction management support services for the Smith Canal Gate Project. However, as staff was still negotiating the scope of work and budget for the entire project, the Board only authorized the constructability review services at that time.

Subsequently, several Tasks Orders have been authorized to continue moving forward with the required activities needed prior to the construction phase of the project. The following table shows the initial authorization and the subsequent Amendments that have been approved.

<table>
<thead>
<tr>
<th>Date</th>
<th>Activities</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 19, 2019</td>
<td>Constructability Review</td>
<td>$165,816</td>
</tr>
<tr>
<td>Sept 19, 2019</td>
<td>Amendment 1 - Test Pile support</td>
<td>$165,000</td>
</tr>
<tr>
<td>Nov 7, 2019</td>
<td>Amendment 2 - Engineering/Construction coordination, water quality monitoring during and after construction</td>
<td>$751,272</td>
</tr>
<tr>
<td>March 19, 2020</td>
<td>Amendment 3 - Compliance with regulatory agencies including required changes and modifications to permits</td>
<td>$385,436</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>$1,467,524</strong></td>
</tr>
</tbody>
</table>
Because the project is moving forward with completion of design documents and required permits, professional construction management services are needed to be in place prior to the initiation of the construction phase of the project. Construction management services are required to provide independent and detailed reviews of final construction plans and specifications to ensure that work requirements are clear, achieve high-end quality and streamline the project’s delivery. Professional construction management services are also required to ensure the project is constructed according to contract requirements and in accordance with local, State and federal standards. In addition, requested services include assisting in project administration to reduce impacts to the project.

Required construction management services will include in general, but are not limited to, the following:

- General program and project management
- Review and process of all construction contract submittals
- Review and monitor construction schedule
- Monitor work of contractors and subs for construction contract compliance
- Process clarifications, interpretations, notice of potential claims, change orders, payments requests, periodic progress reports and other pertinent project issues
- Act as a liaison between SJAFCA, contractor, design consultant, other agencies, and utility companies ensuring effective and timely communications, as well as resolution of project related issues
- Interface with stakeholders and public as needed. Document any questions and answers provided by stakeholders and public
- Environmental compliance
- Environmental monitoring to comply with Mitigation Monitoring and Reporting Program (MMRP)
- Inspection services
- Quality Assurance Inspection and materials testing
- Control surveys
- Public outreach
- Accurate record keeping of as-built drawings throughout the project

Present Situation

Staff negotiated a fee in the amount of $3,599,038 with KSN for the required services under this twenty-four-month contract. The negotiated fee is reasonable for a project of this size and complexity, and consistent with the current rates for this type of work. Recent changes to the final issued environmental permits will require amendment of this contract to extend its scope and length, but it is essential that a contract be in place at the time of award of bid. Therefore, staff plans to return to the Board at the June meeting to present the necessary amendments to the contract.
It is therefore, recommended that the Board adopt a resolution authorizing the Executive Director to execute of a consultant contract with KSN in the amount of $3,599,038 for the construction management support services during the construction and close out of the project.

FINANCIAL SUMMARY

The construction budget and cash flow analyses developed by Larsen Wurzel and Associates for the Smith Canal Gate Project anticipated planned expenditures for construction management costs. The proposed construction management contract with KSN will be covered by a combination of assessment district proceeds, proceeds from the anticipated bond issuance for the district, and available State funding. Construction management expenditures of $5,066,562 ($1,467,524 + $3,599,038) are cost-shared with the California Department of Water Resources through a Funding Agreement with a cost share split of 63% DWR and 37% SJAFCA. Payments to consultants for services in support of the Smith Canal Gate Project are structured on a time-and-material basis.

PREPARED BY: Juan J. Neira

APPROVED:
CHRIS ELIAS
EXECUTIVE DIRECTOR

CE:JN:dc
RESOLUTION NO. SJAFC 20-15

SAN JOAQUIN AREA FLOOD CONTROL AGENCY

==================================================================

AUTHORIZATION TO EXECUTE A CONSULTANT CONTRACT WITH KJELDSEN, SINNOCK & NEUDECK INC. (KSN) FOR THE CONSTRUCTION MANAGEMENT SERVICES FOR THE SMITH CANAL GATE PROJECT IMPROVEMENTS

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

1. Authorize the Executive Director to execute a Consultant Contract with KSN in the amount of $3,599,038 to provide construction management services for the Smith Canal Gate project.

PASSED, APPROVED AND ADOPTED this 30th day of April 2020.

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

ATTEST:

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

APPROVED AS TO FORM:

______________________________
SCOTT L. SHAPIRO, Legal Counsel
for the San Joaquin Area Flood Control Agency
Agenda Item 4.3
TO: San Joaquin Area Flood Control Agency

FROM: Scott L. Shapiro, General Counsel

SUBJECT: RETENTION OF STATE ADVOCACY FIRM

RECOMMENDATION

Authorize the Executive Director to enter into a Professional Services Agreement with the firm of Edelstein Gilbert Robson and Smith at a rate of $8,500 a month, on a month to month basis, with a minimum period of 10 months, for state advocacy services.

DISCUSSION

Summary

Approval of the recommended action would enable SJAFCA to pursue changes in legislation in support of successful implementation of SB-5 at the local level.

Background

The San Joaquin Area Flood Control Agency (SJAFCA) has, since its founding in 1995, utilized contract federal advocacy services to enhance its presence in Washington, D.C. By all measures, the representation before federal elected and administration officials in Washington has been successful in yielding decisions and significant funding support for SJAFCA's projects. The same dedicated effort should be applied at the state level to accomplish Agency-adopted Strategic Plan Goal #2, "Plan for and Implement System Resiliency."

Present Situation

The Agency desires to address a couple of critical issues that have recently surfaced in the aftermath of the COVID-19 Pandemic. Notably, SJAFCA's ability to implement system resiliency and comply with requirements of SB-5 depends, in part, on its ability to raise local funds for levee additional improvements for 200-year level of flood protection by 2025. With an impending recession expected to have far-reaching effects on local government finances and create uncertainty in voter appetite for increased taxes and assessments, staff believes it is now necessary to seek an extension to the deadline for compliance with SB-5 requirements. The chance of success in that endeavor will depend on being able to effectively support SJAFCA's legislative agenda that is in alignment with the Board-adopted Strategic Plan.
To that end, staff solicited proposals from and interviewed four Sacramento-based advocacy firms focused on working with the legislature and administration in pursuing changes to the SB-5 Legislation. We developed an interview panel that included the following:

- Executive Director Chris Elias
- General Counsel Scott Shapiro
- Public Outreach Consultant Kim Floyd
- Project Management Consultant Eric Nagy

San Joaquin County's Fritz Buchman also provided some assistance with the panel.

This team interviewed the following four firms (listed here in alphabetical order):

- Edelstein Gilbert Robson and Smith
- KP Public Affairs
- Reeb Government Relations
- Shaw Yoder Antwhi Schmelzer & Lange

All four firms were impressive and offered advantages to the Agency. However, based upon interviews, staff recommends the Board consider authorizing the Executive Director to enter into a 10-month agreement, extendable at the choice of the agency, with the firm of Edelstein Gilbert Robson and Smith to pursue changes to the SB-5 legislation and for other services as needed during the contract period.

**Fiscal Impact**

Approval of this Agreement shall not exceed the amount of $85,000 for the 10-month period of May 1, 2020, through February 28, 2021. There are adequate funds in the Mossdale account to encumber the necessary fees to support the Consultant's services through the remainder of the current fiscal year. Fees for work to be performed in future fiscal years will be budgeted accordingly and additional funds may be budgeted in the event that the Agency seeks the flexibility to extend the Agreement.

**PREPARED BY:** Scott L. Shapiro, General Counsel

**APPROVED BY:**

CHRIS ELIAS
EXECUTIVE DIRECTOR
RESOLUTION NO. SJAFCA 20-16

SAN JOAQUIN AREA
FLOOD CONTROL AGENCY

==================================================================

AUTHORIZATION TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT FOR STATE ADVOCACY SERVICES WITH THE FIRM OF EDELSTEIN GILBERT ROBSON AND SMITH

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

Authorize the Executive Director to execute a Professional Services Agreement for State Advocacy Services with the firm of Edelstein Gilbert Robson and Smith at a rate of $8,500 per month, on a month-to-month basis, with a minimum period of 10-months.

PASSED, APPROVED AND ADOPTED this 30th day of April 2020.

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

ATTEST:

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

APPROVED AS TO FORM:

______________________________
SCOTT L. SHAPIRO, Legal Counsel
for the San Joaquin Area
Flood Control Agency
Agenda Item 5.1
TO: San Joaquin Area Flood Control Agency
FROM: Chris Elias, Executive Director
SUBJECT: IMPLEMENTATION PLAN UPDATE AND CAPITAL IMPROVEMENT PLAN FUNDING APPROACH DISCUSSION

RECOMMENDATION

Receive an informational update on the implementation planning effort and discuss funding approaches for the agency's capital improvement program.

DISCUSSION

Background

The Strategic Plan was adopted at the September 2019 Board of Director’s meeting and is now posted and made available on SJAFCA’s website (https://www.sjafca.com/pdf/2019StrategicPlan.pdf).

Since adoption of the Strategic Plan, the Board has received a status report on the progress toward preparation of a related Implementation Plan. The Implementation Plan contains project summaries, cost projections, estimated funding gaps, and financial planning tools to deliver on the capital improvement program. The Implementation Plan and associated budget planning tools are living documents, intended for continuous update based on the state and needs of the Agency’s flood risk reduction program.

Present Situation

The SJAFCA staff and consultant team continue to advance the strategic and implementation planning process by identifying various funding scenarios to fund the local share of the Agency’s identified capital improvement projects. The SJAFCA team and the Board of Directors will discuss various funding approaches and their associated pros and cons at the Board meeting. The informational briefing is intended to be interactive and staff would like to solicit feedback and input from the Board during and after Staff’s presentation. SJAFCA will then update the funding options and prepare a recommendation for a future Board meeting.

FISCAL IMPACT

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

**Strategic Plan Consistency Analysis**

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

**APPROVED BY:**

CHRIS ELIAS  
EXECUTIVE DIRECTOR

Attachment:
1. Draft Presentation Materials
2. Funding Options Pro/Con Matrix Handout
Implementation Plan Update & Funding Approach Discussion

BOARD OF DIRECTORS MEETING
APRIL 23, 2020
Overview

- Context for Presentation & Current State of Economy
- Review of Implementation Plan
  - Review of Cost projections / Summary of Funding Needs
  - Program Uncertainty & Factors Impacting Costs/Sources
- Discussion of Funding Options
  - Mechanisms
  - Approach & Comparisons
  - Considerations
- Next Steps
ATTACHMENT - 1

Program Cost/Sources Projections

Estimate Long-term Program Projection → FY 2033/34

<table>
<thead>
<tr>
<th>Cost Item</th>
<th>Note</th>
<th>Federal</th>
<th>State</th>
<th>SJAFCA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower San Joaquin River Project</td>
<td>1</td>
<td>$ 873 M</td>
<td>$ 284 M</td>
<td>$ 122 M</td>
<td>$ 1.3 B</td>
</tr>
<tr>
<td>Smith Canal</td>
<td>2</td>
<td>credit</td>
<td>$ 41 M</td>
<td>$ 32 M</td>
<td>$ 73 M</td>
</tr>
<tr>
<td>Mossdale ULOP</td>
<td>3</td>
<td>TBD</td>
<td>$0 - 163 M</td>
<td>$ 70 - 234 M</td>
<td>$ 234 M</td>
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<td>Other Program Needs</td>
<td>4</td>
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<td></td>
<td>$ 4 M</td>
<td>$ 4 M</td>
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</table>

Total Costs Required - SJAFCA $ 228 - $ 392 M

<table>
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<tr>
<th>Sources Secured</th>
<th>Note</th>
<th>Federal</th>
<th>State</th>
<th>SJAFCA</th>
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<td>Lower San Joaquin River Project</td>
<td>5</td>
<td>$ 27 M</td>
<td>$ 10 M</td>
<td>$ 4 M</td>
<td>$ 41 M</td>
</tr>
<tr>
<td>Smith Canal</td>
<td>6</td>
<td>$ 41 M</td>
<td>$ 32 M</td>
<td>$ 73 M</td>
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<tr>
<td>Mossdale ULOP</td>
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<td>$2-3 M</td>
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<td>Other Program Needs</td>
<td></td>
<td></td>
<td></td>
<td>$0 M</td>
<td>$ 0 M</td>
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</table>

Total Funds Secured - SJAFCA $ 38 M

Net Funds Required - SJAFCA $ 190 - $ 354 M

1) Total Project cost escalated over time; Smith Canal credit built into the state/SJAFCA share
2) Total project costs includes prior design costs
3) Includes costs for climate change adaptation; the high cost assumes the go-it-alone approach, the low assumes a 70% state cost share; state share may range 50-70% and Feds may invest following phase 2 of the LSJR Feasibility Study
4) Costs for other project investigations (e.g. Paradise Cut), Public Outreach, Reporting, etc.
5) Assume SJAFCA will leverage funds from recent Federal reimbursements for local share.
6) Funding secured via property assessment
7) Assumes remaining UFRR Study funding is made available. Local amount secured via DIF; total projected total DIF is $46M.

Goal is a funding program with ability to generate between $190 to $354 Million over next 13-15 Years
Program Cost/Sources Projections

Uncertainty and Factors Impacting Costs/Sources Projections

- **Cost Estimate / Program Refinement**
  e.g. LSJRP – upcoming geotechnical analysis and preliminary design effort by USACE will provide subsurface conditions that are potentially favorable and reduce overall project costs

- **State Cost Sharing Assumptions**
  Range from 50%-70% if State interest determined; State funding sources uncertain.

- **Federal Crediting & Participation/Funding**
  Assumed in LSJRP cost projections; timing/final credit realized
  LSJRP Phase 2 – Fed role remains uncertain

- **Financing and Funding Implementation Costs**
  Project implementation timeline may affect total need and financing costs

- **Current Economic Situation**

- **SJAFCA’s Long-term Availability of Funds**
Transition to Funding / Financing

**Strategic Plan**
- Mission
- Broad-based goals
- Objectives & Priority Actions
- Performance Measures

**Implementation Plan**
- Program/Project Details
- What, where, how, who, when
- Funding approach

**Financing & Budget Plan**
- Component of Funding Implementation Process
- Cash Flow Evaluation
- Budget Planning Support
- Ongoing Program Support

Implementation Plan: July ‘19-Apr’20

Financing Plan: Prepared for 20/21 budget cycle

**Mission+Goals+Objectives**
- Underpins Decisions
- Provides Staff “North Star”
- Accountability

**Plans to Deliver**
- Resource Assessment
- Holistic CIP Program

**Matches Revenues to Costs**
**Proposes Financing Avenues**
Long Term Funding Discussion

➢ Funding Sources for SJAFCA’s CIP need

➢ More likely Sources

• Benefit Assessment Districts
• Development Impact Fees
• Tax Increment Financing (Enhanced Infrastructure Financing District - EIFD)

➢ Less likely Sources

• Local Agency General Fund Allocations
• Storm Drainage Fees
• Sales Tax Measures
• Special Taxes (Parcel Tax like a Mello-Roos CFD)
Long Term Funding Discussion

➤ **Approaches for Local Funding**

➤ Three General Approaches -
   A) Broad Agency Wide Funding Mechanism for an overall CIP versus,
   B) Larger Basin Wide Approach versus,
   C) Targeted Project Based Funding Mechanisms

➤ Examples from other Agencies

<table>
<thead>
<tr>
<th>Agency</th>
<th>Local Funding</th>
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<tbody>
<tr>
<td></td>
<td>Approach</td>
</tr>
<tr>
<td>Sacramento Area Flood Control Agency</td>
<td>A</td>
</tr>
<tr>
<td>West Sacramento Flood Control Agency</td>
<td>A</td>
</tr>
<tr>
<td>Sutter Butte Flood Control Agency</td>
<td>B</td>
</tr>
<tr>
<td>Three Rivers Levee Improvement Authority</td>
<td>B</td>
</tr>
<tr>
<td>Wheatland (RD 2103)</td>
<td>B</td>
</tr>
<tr>
<td>Hamilton City (RD 2140)</td>
<td>B</td>
</tr>
<tr>
<td>San Joaquin Area Flood Control Agency</td>
<td>TBD</td>
</tr>
</tbody>
</table>

**SJAFCA has other considerations...**
Approaches

A. Entire SJAFCA Program Boundary
B. Larger Basin Areas
C. Targeted Project Based Areas
## Revenue Options Options Analysis

(See Handout)

<table>
<thead>
<tr>
<th>FUNDING MECHANISM</th>
<th>A) Entire SJAFCA Boundary</th>
<th>B) North / Central Stockton</th>
<th>C) Individual Projects (e.g. Smith Canal)</th>
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</thead>
<tbody>
<tr>
<td><strong>Assessment District</strong></td>
<td>Pro</td>
<td>Con</td>
<td>Pro</td>
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<tr>
<td>Ease of Implementation</td>
<td>• Cash flow, capital flexibility.</td>
<td>• Difficult Implementation re: uncertainty around details of LSJRP</td>
<td>• No delay for Mossdale.</td>
</tr>
<tr>
<td>Capital Flexibility</td>
<td>• Larger Asset base likely resulting in lower overall rates with a longer term.</td>
<td>• Delay of Mossdale implementation.</td>
<td>• Relatively larger asset base as compared to Project based approach</td>
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<tr>
<td>Development Fee</td>
<td>• Ease of implementation</td>
<td>• Not a significant potential for funding in North &amp; Central Stockton especially near term.</td>
<td>• Ease of implementation</td>
</tr>
<tr>
<td>EIFD</td>
<td>• Large Asset Base could generate needed funding.</td>
<td>• Difficult implementation and complex analysis.</td>
<td>• No delay for Mossdale.</td>
</tr>
<tr>
<td>• Could fund improvements across entire Agency.</td>
<td>• Potential for delay of Mossdale implementation.</td>
<td>• Relatively larger asset base as compared to Project based approach</td>
<td>• Difficult Implementation.</td>
</tr>
<tr>
<td>Other</td>
<td>• Fiscal impacts to member Agencies.</td>
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<td></td>
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</table>
## Revenue Options Analysis

<table>
<thead>
<tr>
<th>Benefit Assessment District Factor</th>
<th>Entire SJAFCA Boundary</th>
<th>BASIS FOR FUNDING</th>
<th>Larger Basins</th>
<th>Individual Projects (e.g. Smith Canal)</th>
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<tbody>
<tr>
<td>Better cash flow, capital flexibility</td>
<td>+</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Potentially lower overall rates w/ longer term</td>
<td>+</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced constraints/complexities due to individual project/component hydraulic connectivity across multiple assessment areas</td>
<td>+</td>
<td>+</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Better flexibility of individual basin/area rates and flexibility to advance where support exists</td>
<td></td>
<td></td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>Reduced risk due to LSJRP implementation uncertainty</td>
<td>-</td>
<td>-</td>
<td></td>
<td>+</td>
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<tr>
<td>Eliminates any delay in Mossdale OAD</td>
<td>-</td>
<td>+</td>
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### Revenue Options Analysis

<table>
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<tr>
<td>• Ease of Implementation</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>• Funding Flexibility Across SJAFCA Programs</td>
<td>+</td>
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<tr>
<td>• Source of funding in N/C Stockton</td>
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### Revenue Options Analysis

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<th>Entire SJAFCA Boundary</th>
<th>Larger Basins</th>
<th>Individual Projects (e.g. Smith Canal)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Asset Base could generate more funding</td>
<td>+</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Funding flexibility across entire agency</td>
<td>+</td>
<td></td>
<td>-</td>
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<tr>
<td>Ease of Analysis and Implementation</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Low fiscal impacts to agencies w/in EIFD area</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Eliminates any delay in Mossdale EIFD</td>
<td>-</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Potential for high incremental revenue due to potential development</td>
<td>+</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Revenue Options (cont.)

- **Additional Considerations**
  - *Sales Taxes / General Tax issues – Not an immediate source of revenue*
  - *Term of an Assessment – A larger AD covering long-term implementation of the LSJRP could have lower overall rates*
  - *Federal Crediting Reconciliation – Project Based Approach (e.g. Smith Canal) needs to address Federal Crediting reconciling benefits with payers. A larger approach can accommodate reconciliation.*
  - *Hydraulic Connectivity – Funding mechanisms needs to consider all beneficiaries*
  - *For landowner voting based mechanisms some areas may be more inclined to support assessments more than others.*
  - *Messaging needs to clearly connect funding approach to the benefits of the project*
Next Steps

- Receive direction from Board on preferred approach for further evaluation at Next Meeting
- Develop Scope of Work for further evaluation and implementation of preferred approach
- Board consideration of Scope of Work in June
### SJAFCa Funding Options Pro/Con Matrix Handout

<table>
<thead>
<tr>
<th></th>
<th>A) Entire SJAFCa Boundary</th>
<th>B) Larger Basins</th>
<th>C) Individual Projects (e.g. Smith Canal)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funding Mechanism</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Assessment District</td>
<td>Pro: Cash flow, capital flexibility.</td>
<td>Con: Difficult Implementation re: uncertainty around details of LSJRP.</td>
<td>Con: No delay for Mossdale. Relatively larger asset base as compared to Project based approach.</td>
</tr>
<tr>
<td></td>
<td>Pro: Larger Asset base likely resulting in lower overall rates with a longer term.</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Con: Difficult Implementation re: uncertainty around details of LSJRP.</td>
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<tr>
<td></td>
<td>Con: Delay of Mossdale Implementation.</td>
<td></td>
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<tr>
<td></td>
<td>Con: No delay for Mossdale. Relatively larger asset base as compared to Project based approach.</td>
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<tr>
<td></td>
<td>Con: More flexibility over rates for individual basins. Flexibility to advance basins where project support exists. No delay for Mossdale.</td>
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<tr>
<td></td>
<td>Con: Difficult Implementation re: uncertainty around details of LSJRP.</td>
<td></td>
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<tr>
<td></td>
<td>Con: Hydraulic Connectivity between project components possibly complicates delivery should an area not pass assessment.</td>
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<tr>
<td></td>
<td>Con: Difficult Implementation.</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Con: Not a significant amount of development, therefore not a significant amount of Tax Increment generation. Fiscal Impacts in Stockton &amp; County esp. considering Economic Considerations.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Con: None identified</td>
<td></td>
<td></td>
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<tr>
<td><strong>Basis for Funding</strong></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Pro: Capital Flexibility.</td>
<td></td>
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<tr>
<td></td>
<td>Con: Not a significant potential for funding in North &amp; Central Stockton especially near term.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Con: Mossdale Implementation already complete</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Con: Fiscal Impacts to member Agencies.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Con: Large Asset Base could generate needed funding. Could fund improvements across entire Agency.</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Con: No delay for Mossdale. Relatively larger asset base as compared to Project based approach</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Con: Difficult Implementation. Not a significant amount of projected development, therefore less Tax Increment generated. Fiscal Impacts in Stockton &amp; County esp. considering Economic Considerations.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Con: None identified</td>
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**Prepared by LWA**

*SAJAFCa_Funding_ProConOptionsv3.xlsx*
End of Agenda Packet