BOARD MEETING

THURSDAY, MARCH 19, 2020
9:00 A.M.

NEW LOCATION: 3425 Brookside Road, Suite A, Stockton, CA 95219

AMENDED AGENDA IN LIGHT OF COVID-19

In Compliance with CA Executive Order N-25-20 members of the Board of Directors will participate in this meeting by teleconference. Members of the public may attend the meeting at the new address noted above, or may call in to participate in the meeting.

The call in information for the Board of Directors and the public is as follows:

1-408-740-7256
Meeting ID: 589 025 823

All callers will initially be muted until unmuted by the moderator. Any member of the public on the telephone may speak during Public Comment once unmuted or may email public comments to SJAFCA@stocktonca.gov and up to two minutes of comments will be read from each member of the public.

In compliance with C.D.C. recommendations, all attendees are to sit with six feet of space between them and observe other recommended hygiene practices.

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

3. **CONSENT ITEMS**
   
   3.1) Approve minutes of the Board meeting of February 20, 2020
   
   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**
   
   4.1) Mitigation Agreements for Environmental Impacts associated with the implementation of the Smith Canal Gate Project
   
   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**
   
   5.1) This is an opportunity to provide timely information to the Board in support of its work

6. **PUBLIC COMMENTS**

7. **BOARD QUESTIONS, COMMENTS, ACTIONS**

8. **CLOSED SESSION**
   
   

9. **ADJOURNMENT**
   
   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.

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 FEBRUARY 20, 2020

CITY COUNCIL CHAMBERS, STOCKTON, CALIFORNIA

1. CALL TO ORDER / ROLL CALL 9:04 AM

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

   Director Miller was not present during Roll Call. She arrived at 9:17 AM.

2. PLEDGE TO FLAG 9:04 AM

3. CONSENT ITEMS 9:05 AM

3.1) Approve minutes of the Board meeting of January 16, 2020

PUBLIC COMMENT
   • Dominick Gulli 9:18 AM

Motion: Approve Consent Item
Moved by: Director Wright, seconded by Director Morowit
Vote: Motion carried 5-0
Yes: Director Morowit, Director Andrade, Director Wright, Director Singh, and Director Akinjo
Absent: Director Lazard, Director Winn, Director Miller and Director Nuño

4. NEW BUSINESS 9:08 AM

4.1) Mossdale Tract Area Urban Flood Risk Reduction (UFRR) Study - Contract with Peterson Brustad, Inc. for the Completion of the Study (Information Only) - 9:08 AM

Agenda Item 3.1
PUBLIC COMMENT
  • Dominick Gulli 9:11 AM

4.2) Status Update and Approval for Scope and Budget Amendment for Ongoing Implementation Planning Support - 9:14 AM

PUBLIC COMMENT
  • Dominick Gulli 9:48 AM

Motion: Approve Executive Director to Execute Amendment No. 2 to the Contractual Services Agreement for Organization Planning Services with Larsen Wurzel & Associates, Inc.

Moved by: Director Akinjo, seconded by Director Wright

Vote: Motion carried 6-0

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

Absent: Director Lazard, Director Winn, and Director Nuño

5. ORAL REPORT FROM EXECUTIVE DIRECTOR 9:51 AM

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

Received, discussed the information presented, and provided direction.

PUBLIC COMMENT
  • Dominick Gulli 10:20 AM

6. PUBLIC COMMENTS 10:22 am
  • Dominick Gulli

7. BOARD QUESTIONS, COMMENTS, ACTIONS 10:27 AM

PUBLIC COMMENT
  • Dominick Gulli 10:43 AM

8. CLOSED SESSION 10:45 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

REPORT OF ACTION TAKEN IN CLOSED SESSION 11:06 AM

- No Report.

9. ADJOURNMENT 11:06 AM

The meeting adjourned at 11:06 AM. The next meeting is scheduled for March 19, 2020, at 9:00 AM.

CHRIS ELIAS
EXECUTIVE DIRECTOR
SAN JOAQUIN AREA FLOOD CONTROL AGENCY

20 FEBRUARY 20 SJAFCA Meeting Minutes
Agenda Item 3.2
TO: San Joaquin Area Flood Control Agency

FROM: Chris Elias, Executive Director

SUBJECT: INDEPENDENT AUDITOR’S REPORT AND FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING JUNE 30, 2019

RECOMMENDATION

It is recommended the Board of Directors of the San Joaquin Area Flood Control Agency (Agency) adopt a resolution accepting the Independent Auditor’s Report and Financial Statements for the fiscal year ending June 30, 2019.

DISCUSSION

Background

Each year an independent audit of the Agency’s financial records is performed by a certified public accounting firm. The Agency’s Bylaws designate the Auditor from the County of San Joaquin as the auditor of the Agency and indicate that the Auditor shall make arrangements with a certified public accountant or firm of certified public accountants for an annual audit of accounts and records of the Agency.

In 2011, at the recommendation and selection by the Auditor of the County of San Joaquin, the Agency executed a contract with the public accounting firm of Brown Armstrong Certified Public Accountants (CPAs) for auditing services. The Agency has maintained a contract with the selected firm ever since.

Results of the Agency’s audits are shared with the Board of Directors, and a copy of the audit report is made available on the Agency’s web site for public view at https://www.sjafca.com/finances.php.

Present Situation

The independent audit firm of Brown Armstrong CPAs completed its review of the Agency’s financial statements for the fiscal year ended June 30, 2019 and has issued an unmodified or “clean” audit opinion. There were no material weaknesses and no significant deficiencies to report.

The audit was conducted in accordance with generally accepted accounting principles in the United States of America (GAAP) and the standards for financial audits contained in Government Auditing Standards issued by the Comptroller of the United States. Those standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
The opinion contained in the Independent Auditor's Report validates the fair presentation of the Agency's financial statements as of June 30, 2019 and opines that the financial statements are presented fairly in all material respects and are in conformity with GAAP. The Audited Financial Report will be incorporated into the Agency's Disclosure report to be filed as part of the Agency's obligations associated with an upcoming sale of Smith Canal Gate Project Assessment Bonds.

Staff recommends the Board adopt a resolution accepting the Independent Auditor's Report and the Annual Financial Statements for the fiscal year ended June 30, 2019.

PREPARED BY: Marlo Duncan, Project Manager III

APPROVED:
CHRIS ELIAS
EXECUTIVE DIRECTOR

CE:MD

Attachment
RESOLUTION TO ACCEPT THE INDEPENDENT AUDITOR’S REPORT AND FINANCIAL STATEMENTS OF THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY FOR THE FISCAL YEAR ENDED JUNE 30, 2019

WHEREAS, Brown Armstrong Certified Public Accountants completed a review of the Agency’s financial statements for the year ended June 30, 2019; and

WHEREAS, Brown Armstrong Certified Public Accountants opined that the basic financial statements present fairly in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the San Joaquin Area Flood Control Agency, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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


PASSED, APPROVED AND ADOPTED this 19th day of MARCH, 2020.

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

ATTEST:

__________________________________
CHRIS ELIAS
Executive Director/Secretary
of the San Joaquin Area Flood Control Agency

APPROVED AS TO FORM:

_________________________________
KATHRYN OEHLSCHLAGER, Legal Counsel
for the San Joaquin Area Flood Control Agency
SAN JOAQUIN AREA FLOOD CONTROL AGENCY

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR’S REPORT

FOR THE YEAR ENDED JUNE 30, 2019
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INDEPENDENT AUDITOR’S REPORT

To the Board of Directors
San Joaquin Area Flood Control Agency
Stockton, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Joaquin Area Flood Control Agency (the Agency), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Agency’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Agency, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and budgetary comparison information on pages 3 - 7 and 26 - 30, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 6, 2020, on our consideration of the Agency’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Agency’s internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Bakersfield, California
March 6, 2020
This section of the San Joaquin Area Flood Control Agency’s (the Agency) annual financial report represents a discussion and analysis of the Agency’s financial performance during the fiscal year ended June 30, 2019. It should be read in conjunction with the Agency’s basic financial statements following this section.

**FINANCIAL HIGHLIGHTS**

The Agency’s Flood Protection Restoration Project (FPRP) does not receive assessment district or other financial proceeds due to the retirement of the assessment district bonds on September 2, 2011. Only the Maintenance and Operations assessments are collected annually for the FPRP as these flood protection improvements continue to be maintained.

The FPRP was included in Federal legislation and a Memorandum of Agreement (MOA) with the U.S. Army Corps of Engineers (USACE) was executed on March 2, 2002, which allows reimbursement for the Federal share of the Agency’s project through the annual USACE budgeting process. Since the signing of the MOA with USACE, the Agency received $22,868,020 through fiscal year 2010. The remaining $10 million reimbursement was received during 2019 and as of June 30, the Agency has received $32,933,185 of Federal reimbursement.

The State of California’s share of the FPRP was received in 1998 and totaled $12,625,000.

On July 10, 2013, the Agency formed the Smith Canal Area Assessment District (SCAAD). The district was created to provide the local cost share for constructing and maintaining improvements to remove the Smith Canal area from a Federal Emergency Management Agency (FEMA) Special Flood Hazard Area. Fiscal year 2018-19 is the fifth year of assessment collection for SCAAD.

The Agency executed a funding agreement with the State for an Early Implementation Program grant in the amount of $2.4 million to cost-share the design of the Smith Canal Gate project. The Agency also executed a funding agreement with the State for $22.3 million to cost-share construction expenses through the State’s Urban Flood Risk Reduction Program.

Effective January 1, 2018, the Agency amended and restated its Joint Exercise of Powers Agreement which expanded its boundaries to include the cities of Lathrop and Manteca. This action was taken to implement a plan to provide improved flood protection for the Reclamation District 17 basin, also known as Mossdale Tract. A funding stream was created to support the Mossdale Tract Program with the goal of achieving 200-year flood protection.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Agency’s basic financial statements include: 1) Government-Wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. Required Supplementary Information is included in addition to the basic financial statements.

**Government-Wide Financial Statements** provide an overview of the Agency’s financial position. Refer to Note 2 (Notes to the Basic Financial Statements) for further information on significant accounting policies. The Statement of Net Position presents information on all the Agency’s assets and liabilities, with the difference between the two reported as net position. The Statement of Activities presents information showing how net position changed during the most recent fiscal year.

The Agency’s assets are distributed among the different fund types. The Agency’s assets are capital assets acquired or constructed as part of the flood risk reduction improvements. The Agency’s noncapital assets are cash and cash equivalents. The County of San Joaquin (the County) maintains the cash pools for the Agency and serves as its Treasurer.
Historically, the Agency’s assets were mostly derived from the original assessment and the proceeds of the bonds issued in 1996, and interest income on the balances from these assets. Other sources of funds included Flood Control Equalization Fees, which were collected for the Agency by the County and the City of Stockton when building permits were issued to new development within the Agency’s original assessment district boundaries, and did not include Lathrop and Manteca.

As part of the Stockton Metropolitan Watershed, the Agency acquired the right-of-way needed for the project from property owners and these are classified under assets as land. In 2003, the Agency transferred to the State of California all real property associated with the project. However, the Central Valley Flood Protection Board (formerly the State of California Reclamation Board) has not accepted the federally authorized project alluding i) the project was not authorized by the State legislature, and ii) the need for more formal indemnification assurance. When the Central Valley Flood Protection Board agrees to designate the project as part of the State Plan of Flood Control, the Agency will no longer carry these assets.

**Fund Financial Statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other State and local governmental agencies, uses fund accounting, each fund having its own self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. The Agency funds are divided into three categories: General Fund, Special Revenue Funds, and Capital Projects Funds.

*The General Fund* accounts for funds loaned to the Agency in 1995 by the City of Stockton and the County for the initial funding of the project activities, as well as federal reimbursement for the flood project completed in 1998. The City of Stockton and County loans were paid, and, after the bond money was received, additional funds were created.

*The Special Revenue Funds* account for assessment district proceeds for maintenance and operations (M&O) of flood control structures for the Flood Protection Restoration Assessment District, and the local cost for design, construction, and maintenance of flood control improvements for the Smith Canal Area Assessment District. Assessments are collected as a line item in property tax bills and are deposited into a fund solely designated for the purpose of the assessment district. Other proceeds are collected through special fees or loan agreements and their use is restricted for the Mossdale Tract area to achieve compliance with Senate Bill 5.

*The Capital Projects Funds* support the Agency’s capital programs and operating costs. Resources are from the original assessments, Flood Control Equalization Fees, proceeds from the initial FPRP bond issue, interest income, and the transferred balance from the Environmental Fund. Both Federal and State reimbursements are included in these funds.

**Notes to the Basic Financial Statements** provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information:** In addition to the basic financial statements and accompanying notes, this report presents certain *required supplementary information*. This information includes a budgetary comparison schedule for the Agency’s governmental funds.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS ANALYSIS**

The Agency applies Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*. As noted earlier, net position provides an overview of the Agency’s financial position.
The following table shows that the Agency’s assets exceeded liabilities by about $62,077,440 ($63,664,045 - $1,586,605) as of June 30, 2019, and net position increased by $12,066,657 ($62,077,440 - $50,010,783) compared with the prior year:

**STATEMENT OF NET POSITION**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>$26,123,193</td>
<td>$12,924,529</td>
</tr>
<tr>
<td>Capital assets</td>
<td>37,540,852</td>
<td>38,441,970</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>63,664,045</td>
<td>51,366,499</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>1,586,605</td>
<td>1,355,716</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>1,586,605</td>
<td>1,355,716</td>
</tr>
<tr>
<td><strong>NET POSITION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>37,540,852</td>
<td>38,441,970</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>24,536,588</td>
<td>11,568,813</td>
</tr>
<tr>
<td><strong>TOTAL NET POSITION</strong></td>
<td>$62,077,440</td>
<td>$50,010,783</td>
</tr>
</tbody>
</table>

The Agency’s capital net position for the year ended June 30, 2019: Land and Easements $9,678,245 and Flood Control Infrastructure net of depreciation $27,862,607 totaling $37,540,852 represent approximately 60% of the Agency’s total assets (see Capital Assets table on page 7). These capital assets are the flood control improvements constructed by the Agency and are considered assets belonging temporarily to the Agency.

The following table identifies the changes in net position for the years ended June 30, 2019 and 2018:

**STATEMENT OF ACTIVITIES**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessments</td>
<td>$2,577,358</td>
<td>$2,546,214</td>
</tr>
<tr>
<td>Aid from other government agencies</td>
<td>14,021,958</td>
<td>1,512,414</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>387,663</td>
<td>88,677</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>3,353</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>16,986,979</td>
<td>4,150,658</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operation and maintenance</td>
<td>4,069,544</td>
<td>4,181,374</td>
</tr>
<tr>
<td>Agency management</td>
<td>850,778</td>
<td>847,869</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>4,920,322</td>
<td>5,029,243</td>
</tr>
<tr>
<td>Change in net position</td>
<td>12,066,657</td>
<td>(878,585)</td>
</tr>
<tr>
<td><strong>NET POSITION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning net position</td>
<td>50,010,783</td>
<td>50,889,368</td>
</tr>
<tr>
<td>Net position, end of the year</td>
<td>$62,077,440</td>
<td>$50,010,783</td>
</tr>
</tbody>
</table>
The Agency receives revenues from sources which include M&O assessments, Smith Canal assessments, interest and investment income, and project reimbursements from the State and the Federal government. Other sources of revenue are received through partnership agreements with other local and government agencies to help fund flood studies or related flood control activities approved by the Board of Directors. The collection of M&O assessments can only be used to maintain and operate the FPRP flood control structures, and the collection of Smith Canal assessments can only be used to design, construct, and maintain the Smith Canal project improvements.

Revenues increased significantly from $4,150,658 in fiscal year 2018 to $16,986,977 in fiscal year 2019. The increase is largely due to the federal reimbursement received from the U.S. Army Corps of Engineers.

Expenses decreased approximately 2% (from $5,029,243 in fiscal year 2018 to $4,920,321 in fiscal year 2019). The decrease is associated with program activities.

Financial Analysis of Agency Funds

The General Fund accounts for those funds loaned to the Agency in 1995 by the City of Stockton and the County for the initial funding of the FPRP activities, and the 1998 federal reimbursement received from the U.S. Army Corps of Engineers. The City of Stockton and the County loans have since been paid. The Agency’s operating costs are paid from this fund.

Special Revenue Funds Appropriate M&O assessments are collected annually through property taxes and are deposited in the Maintenance and Operations Fund. These monies are limited to M&O of the flood control structures built by the Agency. The annual budget for M&O is prepared in coordination with the San Joaquin County Public Works Department and approved by the Agency’s Board of Directors.

A budget of $1,184,000, which includes a $100,000 contingency allocation for emergencies, was considered appropriate for fiscal year 2018-19 for M&O. The budget is impacted by requirements to comply with stringent levee standards imposed by regulatory agencies and growing vandalism to flood control structures by persons who encamp on the levees. The Maintenance and Operations Fund had a balance of approximately $5.4 million on June 30, 2019.

Beginning fiscal year 2014-15, assessments for the SCAAD are collected annually through property taxes and are deposited into a separate fund for the design, construction, and maintenance of flood control improvements for the specially benefited parcels within SCAAD. The assessment is in compliance with all laws pertaining to Proposition 218 including Article XIII-D of the California Constitution. Assessment collection for fiscal year 2018-19 was $1.67 million.

Capital Projects Funds These funds are available to meet the Agency’s operating and capital program costs. Aside from Special Revenue Funds, and the General Fund, the Agency does not have long-term sustainable revenue sources in place to support Agency operations in the long-term.

Infrastructure Assets and Debt Administration

Capital Assets

The Agency’s net investment in capital assets as of June 30, 2019, is $37,540,852. These capital assets include land (right-of-way acquired for the project) and flood control infrastructures. The area protected by the Agency is about 38,700 gross acres of land with approximately 74,000 parcels in the County. The Agency completed the main construction of the flood control improvements project in November 1998, and since then, no major construction has been undertaken. However, authorized project studies and investigations may lead to new projects. Apart from normal depreciation, there were no changes in capital assets during fiscal year ended June 30, 2019.
Capital Assets  
(net of accumulated depreciation)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and easements</td>
<td>$9,678,245</td>
<td>$9,678,245</td>
</tr>
<tr>
<td>Infrastructure assets, net</td>
<td>27,862,607</td>
<td>28,763,725</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$37,540,852</strong></td>
<td><strong>$38,441,970</strong></td>
</tr>
</tbody>
</table>

Total accumulated depreciation as of June 30, 2019, is $17,195,997. Therefore, the net infrastructure assets are $27,862,607 ($45,058,604 - $17,195,997). The infrastructure assets are being depreciated over a life of 50 years.

As noted earlier, these capital assets are the flood control improvements constructed by the Agency and are considered assets belonging temporarily to the Agency. Land acquired by the Agency for right-of-way purposes was turned over to the Central Valley Flood Protection Board; however, the Central Valley Flood Protection Board has not accepted the federally authorized project. Therefore, when the Central Valley Flood Protection Board agrees to designate the project as part of the State Plan of Flood Control, the Agency will no longer carry these assets.

AGENCY OPERATIONS

The Agency completed the main construction of its $70 million flood control improvements project in November 1998. In past years, due to the concern of levee decertification by FEMA, the Board of Directors held some Capital Projects Funds in reserve to remedy levee decertification. During fiscal year 2009-10, the Board of Directors authorized technical studies and investigations using these funds. These technical studies and investigations support future projects. Currently, the Agency participates in flood control studies and investigations which will provide or restore the required level of protection for parcels within the Agency’s assessment district area.

During fiscal year 2018-19, the Board of Directors approved the following: (i) an $8.84 million Design Agreement for Phase 1 of the Recommended Project with the U.S. Army Corps of Engineers with the Central Valley Flood Protection Board and SJAFCA as local sponsors; (ii) adopting the Mossdale Tract Area Regional Urban Level of Flood Protection Development Impact fee; (iii) terminate the construction management contract with AECOM for the Smith Canal Gate project; (iv) adopt a policy on compensation and reimbursement for public board members; (v) a one-year contract with Wildan Financial Services to provide assessment district administration services for the Smith Canal Area Assessment District; (vi) create a new job classification for the full-time position of Engineering Services Manager; (vii) authorize the issuance and sale of assessment revenue bonds to finance flood control improvements for the Smith Canal Area Assessment District; (viii) authorize the Executive Director to negotiate and execute a change order to the professional services agreement with Larsen Wurzel & Associates in support of the Smith Canal Gate project; (ix) a $153,000 Task Order with Peterson Brustad, Inc., for Mossdale tract engineering support services; (x) acquire, by condemnation, certain property for the Smith Canal Gate project; (xi) a $165,816 contract with KSN, Inc., to provide constructability review and support services during the bidding process for the Smith Canal Gate project; and (xii) Task Order No. 6 with Peterson Brustad, Inc., in the amount of $1,908,000 for engineering services during bidding and construction for the Smith Canal Gate project.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Agency’s finances for all those with interest in the Agency’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Agency’s Executive Director, Chris Elias at 22 E. Weber Avenue, Room 301, Stockton, California 95202.
BASIC FINANCIAL STATEMENTS
SAN JOAQUIN AREA FLOOD CONTROL AGENCY  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2019  

Governmental

<table>
<thead>
<tr>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Accounts receivable - Federal</td>
</tr>
<tr>
<td>Assessments receivable</td>
</tr>
<tr>
<td>Interest income receivable</td>
</tr>
<tr>
<td>Receivable - State of California</td>
</tr>
<tr>
<td>Total current assets</td>
</tr>
<tr>
<td>Capital assets:</td>
</tr>
<tr>
<td>Land and easements</td>
</tr>
<tr>
<td>Infrastructure assets, net</td>
</tr>
<tr>
<td>Total capital assets</td>
</tr>
<tr>
<td>Total assets</td>
</tr>
</tbody>
</table>

LIABILITIES AND NET POSITION

<table>
<thead>
<tr>
<th>Liabilities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
</tr>
<tr>
<td>Member agency loans</td>
</tr>
<tr>
<td>Total liabilities</td>
</tr>
<tr>
<td>Net position:</td>
</tr>
<tr>
<td>Net investment in capital assets</td>
</tr>
<tr>
<td>Unrestricted</td>
</tr>
<tr>
<td>Total net position</td>
</tr>
<tr>
<td>Total liabilities and net position</td>
</tr>
</tbody>
</table>

See independent auditor’s report and notes to the basic financial statements.
SAN JOAQUIN AREA FLOOD CONTROL AGENCY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

<table>
<thead>
<tr>
<th>Functions / Programs</th>
<th>Program Expenses</th>
<th>Operating Grants and Contributions</th>
<th>Capital Grants and Contributions</th>
<th>Net (Expense) Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance and operations</td>
<td>$ 4,069,544</td>
<td>$</td>
<td>$</td>
<td>$(4,069,544)</td>
</tr>
<tr>
<td>Agency management</td>
<td>850,778</td>
<td>14,021,958</td>
<td></td>
<td>13,171,180</td>
</tr>
<tr>
<td><strong>Total governmental activities</strong></td>
<td>$ 4,920,322</td>
<td>$ 14,021,958</td>
<td>$</td>
<td>9,101,636</td>
</tr>
<tr>
<td><strong>General revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessments fees</td>
<td></td>
<td></td>
<td>2,577,358</td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td></td>
<td></td>
<td>387,663</td>
<td></td>
</tr>
<tr>
<td><strong>Total general revenues</strong></td>
<td></td>
<td></td>
<td>2,965,021</td>
<td></td>
</tr>
<tr>
<td><strong>Change in net position</strong></td>
<td></td>
<td></td>
<td>12,066,657</td>
<td></td>
</tr>
<tr>
<td><strong>Net position, beginning of year</strong></td>
<td></td>
<td></td>
<td>50,010,783</td>
<td></td>
</tr>
<tr>
<td><strong>Net position, end of year</strong></td>
<td></td>
<td></td>
<td>$ 62,077,440</td>
<td></td>
</tr>
</tbody>
</table>

See independent auditor’s report and notes to the basic financial statements.
## SAN JOAQUIN AREA FLOOD CONTROL AGENCY
### BALANCE SHEET
#### AS OF JUNE 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Maintenance and Operations Fund</th>
<th>Smith Canal Assessment Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 2,804,099</td>
<td>$ 5,565,693</td>
<td>$ 2,820,301</td>
</tr>
<tr>
<td>Accounts receivable - Federal</td>
<td>10,065,165</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Assessment receivable</td>
<td>-</td>
<td>-</td>
<td>30,900</td>
</tr>
<tr>
<td>Interest income receivable</td>
<td>3,632</td>
<td>29,304</td>
<td>11,020</td>
</tr>
<tr>
<td>Receivable - State of California</td>
<td>-</td>
<td></td>
<td>2,262,633</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ 12,872,896</td>
<td>$ 5,594,997</td>
<td>$ 5,124,854</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$ 571,769</td>
<td>$ 191,011</td>
<td>$ 442,839</td>
</tr>
<tr>
<td>Member agency loans</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>571,769</td>
<td>191,011</td>
<td>442,839</td>
</tr>
<tr>
<td><strong>DEFERRED INFLOWS OF RESOURCES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unavailable revenue</td>
<td>-</td>
<td>-</td>
<td>2,262,634</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
<td>-</td>
<td>-</td>
<td>2,262,634</td>
</tr>
<tr>
<td><strong>FUND BALANCES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted</td>
<td>-</td>
<td>5,403,986</td>
<td>-</td>
</tr>
<tr>
<td>Assigned</td>
<td>-</td>
<td>-</td>
<td>2,419,381</td>
</tr>
<tr>
<td>Unassigned</td>
<td>12,301,127</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total fund balances</strong></td>
<td>12,301,127</td>
<td>5,403,986</td>
<td>2,419,381</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</strong></td>
<td>$ 12,872,896</td>
<td>$ 5,594,997</td>
<td>$ 5,124,854</td>
</tr>
</tbody>
</table>

See independent auditor’s report and notes to the basic financial statements.

10
SAN JOAQUIN AREA FLOOD CONTROL AGENCY
BALANCE SHEET (Continued)
AS OF JUNE 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Mossdale Tract Fund</th>
<th>Construction #1 Fund</th>
<th>Construction #3 Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 2,274,448</td>
<td>-</td>
<td>$</td>
</tr>
<tr>
<td>Accounts receivable - Federal</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Assessment receivable</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest income receivable</td>
<td>12,111</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Receivable - State of California</td>
<td>243,887</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ 2,530,446</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

| **LIABILITIES**      |                     |                      |                      |
| Accounts payable     | $ 70,986            | $                     | -                    | -                    |
| Member agency loans  | 310,000             | -                    | -                    |
| **Total liabilities**| 380,986             | -                    | -                    |

| **DEFERRED INFLOWS OF RESOURCES** |         |                      |                      |
| Unavailable revenue   | -        | -                    | -                    |
| **Total deferred inflows of resources** | -     | -                    | -                    |

| **FUND BALANCES**     |                     |                      |                      |
| Restricted            | -                    | -                    | -                    |
| Assigned              | 2,149,460            | -                    | -                    |
| Unassigned            | -                    | -                    | -                    |
| **Total fund balances** | 2,149,460        | -                    | -                    |

<p>| <strong>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</strong> | $ 2,530,446 | $                     | $                     | -                    |</p>
<table>
<thead>
<tr>
<th></th>
<th>Lower San Joaquin River Feasibility Study Fund</th>
<th>Smith Canal Closure Fund</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$</td>
<td>$</td>
<td>$ 13,464,541</td>
</tr>
<tr>
<td>Accounts receivable - Federal</td>
<td>-</td>
<td>-</td>
<td>10,065,165</td>
</tr>
<tr>
<td>Assessment receivable</td>
<td>-</td>
<td>-</td>
<td>30,900</td>
</tr>
<tr>
<td>Interest income receivable</td>
<td>-</td>
<td>-</td>
<td>56,067</td>
</tr>
<tr>
<td>Receivable - State of California</td>
<td>-</td>
<td>-</td>
<td>2,506,520</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$</td>
<td>$</td>
<td>$ 26,123,193</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$</td>
<td>$</td>
<td>$ 1,276,605</td>
</tr>
<tr>
<td>Member agency loans</td>
<td></td>
<td></td>
<td>310,000</td>
</tr>
<tr>
<td>Total liabilities</td>
<td></td>
<td></td>
<td>1,586,605</td>
</tr>
<tr>
<td><strong>DEFERRED INFLOWS OF RESOURCES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unavailable revenue</td>
<td></td>
<td></td>
<td>2,262,634</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
<td></td>
<td></td>
<td>2,262,634</td>
</tr>
<tr>
<td><strong>FUND BALANCES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted</td>
<td>-</td>
<td></td>
<td>5,403,986</td>
</tr>
<tr>
<td>Assigned</td>
<td>-</td>
<td></td>
<td>4,568,841</td>
</tr>
<tr>
<td>Unassigned</td>
<td>-</td>
<td></td>
<td>12,301,127</td>
</tr>
<tr>
<td><strong>Total fund balances</strong></td>
<td>-</td>
<td></td>
<td>22,273,954</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</strong></td>
<td>$</td>
<td>$</td>
<td>$ 26,123,193</td>
</tr>
</tbody>
</table>
SAN JOAQUIN AREA FLOOD CONTROL AGENCY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF JUNE 30, 2019

Total Fund Balances - Governmental Funds $ 22,273,954

Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds because of the following:

Capital assets used in Governmental Activities are not current resources and, therefore, are not reported in the Governmental Funds Balance Sheet.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure assets, land, and easements</td>
<td>$ 54,736,849</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(17,195,997)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>37,540,852</strong></td>
</tr>
</tbody>
</table>

As the focus of Governmental Funds is on short-term financing, some assets will not be available to pay current expenditures. Those assets (receivables) are offset by unavailable revenue in the Governmental Funds.

Net Position of Governmental Activities $ 62,077,440

See independent auditor’s report and notes to the basic financial statements.
## SAN JOAQUIN AREA FLOOD CONTROL AGENCY
### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
#### FOR THE YEAR ENDED JUNE 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Maintenance and Operations Fund</th>
<th>Smith Canal Assessment Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessments</td>
<td>$ -</td>
<td>$ 901,761</td>
<td>$ 1,675,597</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>20,920</td>
<td>165,009</td>
<td>44,230</td>
</tr>
<tr>
<td>Other government agency aid</td>
<td>10,065,165</td>
<td>-</td>
<td>810,509</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>10,086,085</td>
<td>1,066,770</td>
<td>2,530,336</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current operating:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance and operations</td>
<td>103,021</td>
<td>726,368</td>
<td>1,647,414</td>
</tr>
<tr>
<td>Agency management</td>
<td>446,893</td>
<td>18,461</td>
<td>169,312</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>549,914</td>
<td>744,829</td>
<td>1,816,726</td>
</tr>
<tr>
<td><strong>Other financing sources (uses):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>2,114,399</td>
<td>-</td>
<td>1,098,959</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>2,114,399</td>
<td>-</td>
<td>1,098,959</td>
</tr>
<tr>
<td><strong>Net change in fund balances</strong></td>
<td>11,650,570</td>
<td>321,941</td>
<td>1,812,569</td>
</tr>
<tr>
<td><strong>Fund balances, beginning</strong></td>
<td>650,557</td>
<td>5,082,045</td>
<td>596,812</td>
</tr>
<tr>
<td><strong>Prior period adjustment</strong></td>
<td>-</td>
<td>-</td>
<td>10,000</td>
</tr>
<tr>
<td><strong>Fund balances, beginning, as restated</strong></td>
<td>650,557</td>
<td>5,082,045</td>
<td>606,812</td>
</tr>
<tr>
<td><strong>Fund balances, ending</strong></td>
<td>$ 12,301,127</td>
<td>$ 5,403,986</td>
<td>$ 2,419,381</td>
</tr>
</tbody>
</table>

See independent auditor’s report and notes to the basic financial statements.
### SAN JOAQIN AREA FLOOD CONTROL AGENCY

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)**

**FOR THE YEAR ENDED JUNE 30, 2019**

<table>
<thead>
<tr>
<th></th>
<th>Mossdale Tract Fund</th>
<th>Construction #1 Fund</th>
<th>Construction #3 Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessments</td>
<td>$</td>
<td>-</td>
<td>$</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>25,029</td>
<td>25,643</td>
<td>27,353</td>
</tr>
<tr>
<td>Other government agency aid</td>
<td>2,353,531</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>2,378,560</td>
<td>25,643</td>
<td>27,353</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current operating:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance and operations</td>
<td>217,946</td>
<td>285,138</td>
<td>89,539</td>
</tr>
<tr>
<td>Agency management</td>
<td>15,613</td>
<td>200,323</td>
<td>176</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>233,559</td>
<td>485,461</td>
<td>89,715</td>
</tr>
<tr>
<td><strong>Other financing sources (uses):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>(289,441)</td>
<td>(413,162)</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>-</td>
<td>(289,441)</td>
<td>(413,162)</td>
</tr>
<tr>
<td><strong>Net change in fund balances</strong></td>
<td>2,145,001</td>
<td>(749,259)</td>
<td>(475,524)</td>
</tr>
<tr>
<td><strong>Fund balances, beginning</strong></td>
<td>4,459</td>
<td>749,259</td>
<td>485,524</td>
</tr>
<tr>
<td><strong>Prior period adjustment</strong></td>
<td>-</td>
<td>-</td>
<td>(10,000)</td>
</tr>
<tr>
<td><strong>Fund balances, beginning, as restated</strong></td>
<td>4,459</td>
<td>749,259</td>
<td>475,524</td>
</tr>
<tr>
<td><strong>Fund balances, ending</strong></td>
<td>$ 2,149,460</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

See independent auditor’s report and notes to the basic financial statements.
# SAN JOAQUIN AREA FLOOD CONTROL AGENCY
## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)
### FOR THE YEAR ENDED JUNE 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Lower San Joaquin River Feasibility Study Fund</th>
<th>Smith Canal Closure Fund</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessments</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 2,577,358</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>3,146</td>
<td>76,333</td>
<td>387,663</td>
</tr>
<tr>
<td>Other government agency aid</td>
<td>-</td>
<td>-</td>
<td>13,229,205</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>3,146</td>
<td>76,333</td>
<td>16,194,226</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current operating:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance and operations</td>
<td>99,000</td>
<td>-</td>
<td>3,168,426</td>
</tr>
<tr>
<td>Agency management</td>
<td>-</td>
<td>-</td>
<td>850,778</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>99,000</td>
<td>-</td>
<td>4,019,204</td>
</tr>
<tr>
<td><strong>Other financing sources (uses):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>-</td>
<td>3,213,358</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(4,160)</td>
<td>(2,506,595)</td>
<td>(3,213,358)</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>(4,160)</td>
<td>(2,506,595)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net change in fund balances</strong></td>
<td>(-100,014)</td>
<td>(2,430,262)</td>
<td>12,175,022</td>
</tr>
<tr>
<td><strong>Fund balances, beginning</strong></td>
<td>100,014</td>
<td>2,430,262</td>
<td>10,098,932</td>
</tr>
<tr>
<td><strong>Prior period adjustment</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fund balances, beginning, as restated</strong></td>
<td>100,014</td>
<td>2,430,262</td>
<td>10,098,932</td>
</tr>
<tr>
<td><strong>Fund balances, ending</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$ 22,273,954</td>
</tr>
</tbody>
</table>

See independent auditor’s report and notes to the basic financial statements.

16
SAN JOAQUIN AREA FLOOD CONTROL AGENCY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Net Change in Fund Balances - Governmental Funds $ 12,175,022

Amounts reported for Governmental Activities in the Statement of Activities are different because of the following:

When capital assets that are to be used in Governmental Activities are purchased or constructed, the resources expended for those assets are reported as expenditures in the Governmental Funds. This is the amount of capital assets additions and depreciation recorded in current year.

Depreciation expense $ (901,118)

Revenues in the Governmental Funds' statement that do not provide current financial resources are not reported as revenue in the funds. $ 792,753

Changes in Net Position of Governmental Activities $ 12,066,657

See independent auditor’s report and notes to the basic financial statements.
NOTE 1 – DESCRIPTION OF THE AGENCY

The San Joaquin Area Flood Control Agency (the Agency) is the result of a joint powers agreement (JPA) between the City of Stockton (the City), the County of San Joaquin (the County), and the San Joaquin County Flood Control and Water Conservation District (the District). The Agency was formed on May 25, 1995, for the purposes of undertaking the acquisition, construction, and/or installation of improvements to flood control channels in the City and the portion of unincorporated areas of the County adjacent thereto (the Project), in order to provide a 100-year flood protection to these areas. The Agency is a public entity pursuant to the provisions of Articles 1-4, Chapter 5, Division 7, Title 1 of the Government Code of the State of California. The basic operations of the Agency are financed as a part of the Project operations and costs. An annual special assessment based on total costs of the Project was assessed during the year ended June 30, 1996. The assessment paid for Project costs and bond repayment. The Agency retired the bonds three years ahead of scheduled maturity on September 2, 2011. During the year ended June 30, 1997, an additional annual special assessment was approved for the continued maintenance of the flood project structures. Collections of the June 30, 1997, assessment will continue to finance the maintenance of the flood project structures until adoption of a terminating resolution.

The Agency’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for State and local governments through its pronouncements (Standards and Interpretations).

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

A. Financial Agency

The Agency’s basic financial statements include the accounts of all Agency operations. The Agency’s basic financial statements do not include operations of the associated governmental agencies involved in the joint powers agency, namely, the City, the County, and the District.

B. Basis of Presentation – Government-Wide Accounting

The government-wide financial statements include the Statement of Net Position and the Statement of Activities and report financial information on the Agency as a whole. Eliminations have been made to minimize the double counting of internal activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for functions of the Agency’s governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and 2) fees, grants, and contributions that are restricted to financing the acquisition or construction of capital assets. Other items not properly included are reported instead as general revenues and expenses.

C. Basis of Presentation – Fund Accounting

Fund financial statements provide information about the Agency’s funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Agency resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The Agency does not have any proprietary or fiduciary funds.
NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized in the year for which they are levied.

The governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they are both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or within 60 days after year-end. Expenditures are recorded when the related liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year they are due.

The major sources of revenues susceptible to accrual are assessments of property owners and investment income.

When both restricted and unrestricted resources are available for use, it is the Agency’s policy to use restricted resources first, then unrestricted resources as needed.

E. Allocation of Indirect Expenses

The Agency allocates indirect expenses, primarily comprised of administrative services, to Agency management functions. Administrative services include accounting, financial reporting, payroll reimbursement, investing and cash management, personnel services, and other administrative services.

F. Fund Types and Major Funds

The Agency reported the following major governmental funds in the accompanying financial statements:

**General Fund** – Accounts for project expenses, including but not limited to, construction, consultants, and salaries reimbursement.

**Maintenance and Operations Fund** – Accounts for the collection of special assessments from property owners within the Agency’s assessment district for the maintenance of the flood structures. Proceeds are restricted to the maintenance and operations (M&O) activities identified in the M&O budget.

**Smith Canal Assessment Fund** – Accounts for the collection of special assessments from property owners within the Smith Canal Area Assessment District. The collection of assessments are for design, construction, and maintenance of the Smith Canal flood control improvements to remove the area from a Federal Emergency Management Agency (FEMA) Special Flood Hazard Area. Proceeds are restricted to activities identified in the Annual Engineer’s Report for the Smith Canal Area Assessment District.

**Mossdale Tract Fund** – Accounts for the collection of proceeds from member agencies through a loan agreement and for the collection of proceeds from member agencies for development impact fees when building permits are issued for new development in the Mossdale Tract area. The proceeds will be used to fund flood control improvements needed to obtain 200-year level of flood protection for the Mossdale Tract area.
NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Types and Major Funds (Continued)

*Lower San Joaquin River Feasibility Study Fund* – This fund was established to account for a funding partnership between local cost share partners to help pay for the U.S. Army Corps of Engineers' (USACE) Lower San Joaquin River Feasibility Study. The fund will be used to track costs towards the federally-approved project.

*Construction #1 and #3 Funds* – Accounts for all resources for the acquisition of capital facilities by the Agency. The Project of the Agency is to construct these facilities. The original assessment and proceeds of the bond issue are the sources of funds. Recorded income sources include assessment fees collected by the County Tax Collector and reimbursement from the Federal government.

*Smith Canal Closure Fund* – This fund was initially created to collect Early Implementation Project (EIP) funding received by the State of California per a Funding Agreement for the design of the Smith Canal Gate project. The fund is now used to collect Urban Flood Risk Reduction funding received by the State for final design and construction of the project.

G. Cash and Cash Equivalents

The Agency maintains a large portion of its cash in the County Treasury. The County pools these funds with those of other agencies in the County and invests the cash.

H. Infrastructure Assets and Depreciation

The Agency’s infrastructure assets with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The Agency generally capitalizes all assets as construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Infrastructure assets are depreciated using the straight-line method over a useful life of 50 years.

I. Reservation of Fund Balances

The Agency records reservations for portions of fund balance which are legally segregated for specific future use or which do not represent available expendable resources and, therefore, are not available for appropriations or expenditure in the governmental funds Balance Sheet.

J. Restriction of Net Position

Net position is the excess of all the Agency’s assets over all its liabilities, regardless of fund. Net position is divided into three captions under GASB Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*. If restricted and unrestricted net position are available for the same purpose, then restricted net position will be used before unrestricted net position. These captions apply only to net position, which is determined only at the government-wide level, and is described below:

*Net Investment in Capital Assets* – This amount consists of capital assets net of accumulated depreciation, less the outstanding balance of any debt issued to finance these assets.

*Restricted* – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments, enabling legislation, and constitutional provisions.

*Unrestricted* – This amount is all the net position that does not meet the definition of “net investment in capital assets” or “restricted.”
NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Assessment Tax

The County collects the Agency's assessment tax revenue as part of the County's property taxes. The County's secured property tax payments are levied in two equal installments: the first is generally due November 1st and delinquent with penalties after December 10th; the second is due February 1st and delinquent with penalties after April 10th. Secured property with unpaid taxes incurs a lien on January 1st preceding the fiscal year for which taxes are levied. Property taxes on the unsecured roll are due on the January 1st lien date and become delinquent if unpaid on August 31st.

L. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

M. Fund Balance

In March 2009, GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications are described below:

1. Nonspendable Fund Balance – amounts that are inherently nonspendable such as inventory or long-term receivables.

2. Restricted Fund Balance – amounts that have externally enforceable limitations on use that are either imposed by law or constrained by grantors, contributors, or laws and regulations of other governments.

3. Committed Fund Balance – amounts that can only be used for specific purposes determined by formal action of the Agency's highest level of decision-making authority, the Board of Directors. These committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use through the same type of formal action taken to establish the commitment. The formal action must occur prior to the end of the reporting period; however, the amount can be determined subsequently.

4. Assigned Fund Balance – amounts that are constrained by the Agency's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. The intent can be expressed by the Board of Directors itself or by an official to which the governing body has delegated the authority.

5. Unassigned Fund Balance – the residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories. This amount is reported only in the General Fund except in cases of negative fund balance. Negative fund balances in other governmental funds are reported as Unassigned Fund Balance.

The accounting policies of the Agency consider restricted fund balance to have been spent first when an expenditure is incurred if both restricted and unrestricted fund balance are available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the Agency considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

Most non-general funds were designated for one purpose at the time of their creation. Therefore, expenditures made out of a fund will be allocated to the applicable fund balance classifications in the order of the spending policy above.
NOTE 3 – DETAILED NOTES ON FUNDS

A. Cash in County Treasury

The Agency maintains a large portion of its cash in the County Treasury as part of the common investment pool (the Pool), which had a carrying value of $13,454,541 as of June 30, 2019.

The Agency is considered to be an involuntary participant in the external investment Pool. The Pool has established a treasury oversight committee to monitor and review the management of public funds maintained in the Pool.

Participants’ equity in the Pool is determined by the dollar amount of the participant’s deposits, adjusted for withdrawals and distributed investment income. Investment income is prorated to individual funds based on their average daily cash balances.

The value of the Agency’s shares in the Pool, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the Agency’s position in the Pool. The Agency’s investment in the Pool is unrated, stated at amortized cost which approximates fair value, available on demand, and considered cash equivalents.

*Interest Rate Risk* – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of fair value to changes in market interest rate. As of year-end, the weighted average maturity of the investments contained in the Pool was approximately one year.

*Credit Risk* – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. California statutes and the County's investment policy limit the County investments to obligations of the U.S. Treasury, certain Federal agencies, bankers’ acceptances, “prime” commercial paper, certificates of deposit, swaps and trades, State Treasurer’s Local Agency Investment Fund, and repurchase agreements.

*Concentration of Credit Risk* – Concentration of credit risk is the loss risk attributed to the magnitude of a government’s investment in a single issuer. The County’s investment policy places certain maximum percentage limitations of investments by investment type and the Treasurer has adhered to this policy with no exception.

*Custodial Credit Risk* – Custodial credit risk does not apply to a local government’s indirect investment in securities through the use of mutual funds or government investment pools. The County issues a financial report that includes custodial credit risk disclosures for the cash in the County Treasury. The report may be obtained by writing to the County Treasurer, 44 North San Joaquin Street, Stockton, California 95202.

B. Assessments Receivable

Assessments are collected and remitted to the County Tax Collector. The County Tax Collector’s office transfers the assessment amount to the Agency’s fund held by the County Treasury.

In the governmental fund financial statements, assessments receivable is recorded in the Special Revenue Funds.

In the government-wide financial statements, assessments receivable includes all amounts due to the Agency regardless of when the cash is received.
NOTE 3 – DETAILED NOTES ON FUNDS (Continued)

C. Capital Assets

The following table provides a summary of changes in capital assets:

<table>
<thead>
<tr>
<th>Terms</th>
<th>June 30, 2018</th>
<th>Additions</th>
<th>Deletions</th>
<th>June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nondepreciable capital assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and easements</td>
<td>$ 9,678,245</td>
<td>$</td>
<td>$</td>
<td>$ 9,678,245</td>
</tr>
<tr>
<td>Total nondepreciable capital assets</td>
<td>9,678,245</td>
<td>-</td>
<td>-</td>
<td>9,678,245</td>
</tr>
<tr>
<td>Depreciable capital assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure assets</td>
<td>45,058,604</td>
<td>-</td>
<td>-</td>
<td>45,058,604</td>
</tr>
<tr>
<td>Total depreciable capital assets</td>
<td>45,058,604</td>
<td>-</td>
<td>(16,294,879)</td>
<td>(17,195,997)</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(16,294,879)</td>
<td>(901,118)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Net depreciable capital assets</td>
<td>28,763,725</td>
<td>(901,118)</td>
<td>-</td>
<td>27,862,607</td>
</tr>
<tr>
<td>Net capital assets</td>
<td>$ 38,441,970</td>
<td>(901,118)</td>
<td>$</td>
<td>$ 37,540,852</td>
</tr>
</tbody>
</table>

Depreciation expense of $901,118 was charged to functions of the government as Agency management.

D. Accounts Payable

Significant payables include amounts due to a related party. See Note 5 for information describing related parties. Other payable amounts are due to vendors for services rendered prior to the fiscal year end.

NOTE 4 – FUND BALANCES

Fund balances are presented in the following categories: restricted, assigned, and unassigned (See Note 2 part M. for a description of these categories). A detailed schedule of fund balances at June 30, 2019, is as follows:

<table>
<thead>
<tr>
<th>Fund Balances:</th>
<th>Major Special Revenue Funds</th>
<th>Major Capital Project Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted</td>
<td>Maintenance and Operations</td>
<td>Maintenance and Operations</td>
</tr>
<tr>
<td></td>
<td>General Fund</td>
<td>General Fund</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assigned:</td>
<td>Sindh</td>
<td>Sindushri Fund</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unassigned:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
NOTE 5 – RELATED PARTY TRANSACTIONS

During the year ended June 30, 2019, the Agency has approved payments to members of the JPA for services and personnel costs of the Agency from inception to present date. These payments were approved by the Board of Directors’ resolutions at the initial setup of the Agency. These costs are accumulated in the Agency administrative costs. Amounts paid to the related parties during the fiscal year ended June 30, 2019, were $1,137,876.

NOTE 6 – COMMITMENTS

The Agency entered into a $10 million cost-share agreement with the USACE and the Central Valley Flood Protection Board for a feasibility study for the Lower San Joaquin River, of which, the local responsibility is $2.5 million. Information from this study will be used to develop a plan to reach a 200-year level of flood protection for urban and urbanizing areas as required by State Senate Bill 5.

The Agency’s Board of Directors also authorized a $6.1 million contract to complete the design of the Smith Canal Gate project to restore flood protection to an area affected by levee decertification and FEMA re-mapping. The Agency secured an EIP grant through the State Department of Water Resources (DWR) in the amount of $2.4 million to cost-share half of the design and environmental work. The remaining half is being funded with assessment revenues that were passed under Proposition 218 on July 10, 2013. The Agency executed an Urban Flood Risk Reduction grant for $22.3 million, which was later increased to $35.8 million, to cover remaining design, permitting, and construction costs. The Agency anticipates the State to cost share in 63% of total project costs.

NOTE 7 – MEMBER AGENCY LOANS

Each member agency (City of Stockton, City of Lathrop, City of Manteca, and County of San Joaquin) signed a seed funding agreement that would loan the Agency an amount not to exceed $365,000 each. The loans are to be used for planning of the Mossdale Tract Phase IV levee improvements and to demonstrate progress toward compliance with Senate Bill 5 requirements. Each Member Agency advanced an amount of $65,000 with exception of the City of Lathrop which advanced an amount of $115,000. The term of repayment for the loan amounts do not include interest and can be repaid any time prior to June 30, 2029, at the Agency’s discretion. It should also be noted that the loans may be forgiven if permanent funding sources for the entirety of the Mossdale Tract Phase IV Levee Improvement Project is unable to be secured.

NOTE 8 – INTERFUND TRANSFERS

Transfers and payments within the Agency are for the purpose of subsidizing operating functions. Resources are accumulated in a fund to support and simplify the administration of various projects or programs.

The government-wide Statement of Activities eliminates transfers as reported within the segregated governmental columns. Only transfers between columns appear in this statement.
NOTE 8 – INTERFUND TRANSFERS (Continued)

The following schedule reports transfers and payments within the Agency:

<table>
<thead>
<tr>
<th></th>
<th>Transfers From</th>
<th>Transfers To</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$</td>
<td>$ 2,114,399</td>
</tr>
<tr>
<td>Smith Canal Assessment</td>
<td>-</td>
<td>1,098,959</td>
</tr>
<tr>
<td>Construction #1</td>
<td>289,441</td>
<td>-</td>
</tr>
<tr>
<td>Construction #3</td>
<td>413,162</td>
<td>-</td>
</tr>
<tr>
<td>Lower San Joaquin River Feasibility Study</td>
<td>4,160</td>
<td>-</td>
</tr>
<tr>
<td>Smith Canal Closure</td>
<td>2,506,595</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 3,213,358</td>
<td>$ 3,213,358</td>
</tr>
</tbody>
</table>

NOTE 9 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to restate the fund balances for the Smith Canal Assessment Fund and Construction #3 Fund because a payable was classified in the incorrect fund.

NOTE 10 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 6, 2020, which is the date the financial statements were issued.
## General Fund

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>$</td>
<td>-</td>
<td>$ 20,920</td>
<td>$ 20,920</td>
</tr>
<tr>
<td>Other government agency aid</td>
<td>-</td>
<td>-</td>
<td>10,065,165</td>
<td>10,065,165</td>
</tr>
<tr>
<td>Total revenues</td>
<td>-</td>
<td>-</td>
<td>10,086,085</td>
<td>10,086,085</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance and operations</td>
<td>-</td>
<td>-</td>
<td>103,021</td>
<td>(103,021)</td>
</tr>
<tr>
<td>Agency management</td>
<td>-</td>
<td>-</td>
<td>446,893</td>
<td>(446,893)</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>-</td>
<td>-</td>
<td>549,914</td>
<td>(549,914)</td>
</tr>
<tr>
<td><strong>Other financing sources (uses):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>-</td>
<td>2,114,399</td>
<td>2,114,399</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td></td>
<td></td>
<td>2,114,399</td>
<td>2,114,399</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>$</td>
<td>-</td>
<td>11,650,570</td>
<td>$ 11,650,570</td>
</tr>
<tr>
<td>Fund balance, beginning</td>
<td></td>
<td></td>
<td>650,557</td>
<td></td>
</tr>
<tr>
<td>Fund balance, end</td>
<td></td>
<td></td>
<td>$ 12,301,127</td>
<td></td>
</tr>
</tbody>
</table>
### Maintenance and Operations Fund

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessments</td>
<td>$902,838</td>
<td>$902,838</td>
<td>$901,761</td>
<td>$(1,077)</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>-</td>
<td>-</td>
<td>165,009</td>
<td>165,009</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$902,838</td>
<td>$902,838</td>
<td>1,066,770</td>
<td>163,932</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance and operations</td>
<td>902,838</td>
<td>902,838</td>
<td>726,368</td>
<td>176,470</td>
</tr>
<tr>
<td>Agency management</td>
<td>-</td>
<td>-</td>
<td>18,461</td>
<td>(18,461)</td>
</tr>
<tr>
<td>Reserves/emergencies</td>
<td>281,162</td>
<td>281,162</td>
<td>-</td>
<td>281,162</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>1,184,000</td>
<td>1,184,000</td>
<td>744,829</td>
<td>439,171</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>$ (281,162)</td>
<td>$ (281,162)</td>
<td>321,941</td>
<td>$ 603,103</td>
</tr>
<tr>
<td>Fund balance, beginning</td>
<td></td>
<td></td>
<td>5,082,045</td>
<td></td>
</tr>
<tr>
<td>Fund balance, end</td>
<td>$5,403,986</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues:</td>
<td>Original Budget</td>
<td>Final Budget</td>
<td>Actual</td>
<td>Variance with Final Budget</td>
</tr>
<tr>
<td>---------------------</td>
<td>-----------------</td>
<td>--------------</td>
<td>---------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Assessments</td>
<td>$1,673,788</td>
<td>$1,673,788</td>
<td>$1,675,597</td>
<td>$1,809</td>
</tr>
<tr>
<td>State UFFR funding</td>
<td>4,967,829</td>
<td>4,967,829</td>
<td>810,509</td>
<td>(4,157,320)</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>-</td>
<td>-</td>
<td>44,230</td>
<td>44,230</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>6,641,617</strong></td>
<td><strong>6,641,617</strong></td>
<td><strong>2,530,336</strong></td>
<td><strong>(4,111,281)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>-</td>
<td>-</td>
<td>109,573</td>
<td>(109,573)</td>
</tr>
<tr>
<td>Professional services</td>
<td>-</td>
<td>-</td>
<td>576,247</td>
<td>(576,247)</td>
</tr>
<tr>
<td>Supplemental engineering</td>
<td>-</td>
<td>100,000</td>
<td>333,412</td>
<td>(233,412)</td>
</tr>
<tr>
<td>Project management</td>
<td>208,496</td>
<td>458,496</td>
<td>410,193</td>
<td>48,303</td>
</tr>
<tr>
<td>Construction management</td>
<td>-</td>
<td>165,816</td>
<td>131,448</td>
<td>34,368</td>
</tr>
<tr>
<td>Real estate acquisition</td>
<td>172,293</td>
<td>172,293</td>
<td>127,432</td>
<td>44,861</td>
</tr>
<tr>
<td>Real estate contingency</td>
<td>121,000</td>
<td>121,000</td>
<td>-</td>
<td>121,000</td>
</tr>
<tr>
<td>Public outreach</td>
<td>20,293</td>
<td>20,293</td>
<td>8,547</td>
<td>11,746</td>
</tr>
<tr>
<td>Environmental mitigation</td>
<td>625,000</td>
<td>625,000</td>
<td>119,874</td>
<td>505,126</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td><strong>1,147,082</strong></td>
<td><strong>1,662,898</strong></td>
<td><strong>1,816,726</strong></td>
<td><strong>(153,828)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other financing sources (uses):</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>-</td>
<td>1,098,959</td>
<td>1,098,959</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>1,098,959</strong></td>
<td><strong>1,098,959</strong></td>
</tr>
</tbody>
</table>

| Net change in fund balance      | $5,494,535      | $4,978,719   | 1,812,569| $(3,166,150)                |

| Fund balance, beginning         | 596,812         |              |         |                             |
| Prior period adjustment         | 10,000          |              |         |                             |
| Fund balance, beginning, as restated | 606,812      |              |         |                             |
| Fund balance, end               | $2,419,381      |              |         |                             |

See Notes to Required Supplementary Information.
### Mossdale Tract Fund

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member agency loans</td>
<td>$ 1,261,399</td>
<td>$ 1,261,399</td>
<td>$ 2,353,531</td>
<td>$ 1,092,132</td>
</tr>
<tr>
<td>Investment loss</td>
<td>-</td>
<td>-</td>
<td>25,029</td>
<td>25,029</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$ 1,261,399</td>
<td>$ 1,261,399</td>
<td>$ 2,378,560</td>
<td>$ 1,117,161</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project management</td>
<td>1,123,671</td>
<td>1,123,671</td>
<td>134,789</td>
<td>988,882</td>
</tr>
<tr>
<td>Local funding implementation</td>
<td>137,728</td>
<td>137,728</td>
<td>98,770</td>
<td>38,958</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>$ 1,261,399</td>
<td>$ 1,261,399</td>
<td>$ 233,559</td>
<td>$ 1,027,840</td>
</tr>
<tr>
<td><strong>Net change in fund balance</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>2,145,001</td>
<td>$ 2,145,001</td>
</tr>
<tr>
<td>Fund balance, beginning</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4,459</td>
<td></td>
</tr>
<tr>
<td>Fund balance, end</td>
<td></td>
<td></td>
<td>$ 2,149,460</td>
<td></td>
</tr>
</tbody>
</table>

See Notes to Required Supplementary Information.
NOTE 1 – BUDGETARY INFORMATION

A. Budget Policy and Practice

The San Joaquin Area Flood Control Agency (the Agency) submits an annual budget to the Board of Directors. The Board of Directors formally approves the annual budget in accordance with the by-laws established by the joint power agency agreement. The Board of Directors is to prepare and adopt a budget within the first 90 days of the fiscal year.

B. Basis of Budgeting

The budget is prepared under accounting principles generally accepted in the United States of America basis. Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: maintenance and operations, administration costs, and real estate planning and acquisition costs. Expenditures may not exceed appropriations at this level.

NOTE 2 – EXPENDITURES OVER APPROPRIATIONS

For the fiscal year ended June 30, 2019, the Agency has expenditures over appropriations as follows:

<table>
<thead>
<tr>
<th></th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance and operations</td>
<td>($103,021)</td>
</tr>
<tr>
<td>Agency management</td>
<td>($446,893)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance and Operations</td>
<td></td>
</tr>
<tr>
<td>Agency management</td>
<td>($18,461)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Smith</td>
<td></td>
</tr>
<tr>
<td>Smith</td>
<td></td>
</tr>
<tr>
<td>Canal</td>
<td></td>
</tr>
<tr>
<td>Assessment</td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>($109,573)</td>
</tr>
<tr>
<td>Professional services</td>
<td>($576,247)</td>
</tr>
<tr>
<td>Supplemental engineering</td>
<td>($233,412)</td>
</tr>
</tbody>
</table>
ADDITIONAL INFORMATION
ATTACHMENT - 2

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
San Joaquin Area Flood Control Agency
Stockton, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Joaquin Area Flood Control Agency (the Agency), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 6, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Agency’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Agency’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Bakersfield, California
March 6, 2020
SAN JOAQUIN AREA FLOOD CONTROL AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

  Material weaknesses identified? No
  Significant deficiencies identified not considered to be material weaknesses? No
  Noncompliance material to the financial statements noted? No

Section II – Summary of Material Weaknesses

None.

Section III – Summary of Significant Deficiencies

None.

Section IV – Review of Prior Year Material Weaknesses and Significant Deficiencies

None.
Agenda Item 3.3
TO: San Joaquin Area Flood Control Agency
FROM: Chris Elias, Executive Director
SUBJECT: 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

RECOMMENDATION

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

1) Authorize the Executive Director to execute a Project Partnership Agreement with the United States Army Corps of Engineers (USACE), and a Local Project Partnership Agreement with the Central Valley Flood Protection Board (CVFPB) for Construction of the Congressionally authorized Lower San Joaquin River Project, Phase I; and

2) Adopt a Resolution approving the execution of a Project Partnership Agreement with the United States Army Corps of Engineers and a local Project Partnership Agreement with the State of California for Construction of the Congressionally authorized Lower San Joaquin River Project, Phase I

DISCUSSION

Background

Flooding and associated damage have occurred along the Lower San Joaquin River on several occasions. Extensive local efforts are underway to address this problem, especially in the major communities.

In 2009, SJAFCA and the USACE entered into a $10.7 million Feasibility Cost-Share Agreement for the Lower San Joaquin River Feasibility Study (Study) with a scheduled completion in 2017. This agreement was amended in 2010 to include the CVFPB, represented by the California Department of Water Resources (DWR), as an additional non-federal sponsor.

The Study evaluated flood protection alternatives for the urban areas of Stockton, Lathrop, Manteca, and surrounding unincorporated areas of San Joaquin County.
Information from the Study was used to:

(i) develop a plan to reach 200-year levels of flood protection for urban and urbanizing areas as required by State Senate Bill 5,
(ii) quantify "Federal Interest",
(iii) provide nexus for Federal crediting (a requirement of the State for bond funding), and
(iv) spin off early implementation projects which can utilize State bond funding, such as the Smith Canal Gate Project.

The Study area encompassed the mainstem of the San Joaquin River north of the Paradise Cut bypass (including Paradise Cut), and the east-side tributaries including French Camp Slough, Calaveras River, and Bear Creek. A preliminary screening effort further refined the potential Study area by identifying areas with the greatest flood risk to existing populations (and likely to have federal interest).

Consequently, Alternative 7a with a BCR of 7.0:1 was selected as the Recommended Plan (Attachment 2). The recommended plan is also the National Economic Development (NED) plan. The NED is the alternative that will produce the greatest net economic benefits and serves to set the level of Federal participation in a project resulting from the Study.


Meanwhile, on July 31, 2018, the Chief’s Report was signed by the USACE Chief of Engineers recommending that the Recommended Plan be authorized for implementation, as a federal project, subject to cost sharing, financing and other applicable requirements of federal and state laws and policies.

In July 2019, SJAFCA entered into a three-party Design Agreement with the USACE and the CVFPB for the first Phase of the Project on a 65/35 cost-share basis: 65% Federal, 35% non-federal sponsors. The 35% non-federal sponsor share was further split between CVFPB and SJAFCA on a 70/30 basis respectively.

Present Situation

SJAFCA, CVFPB and USACE entered into a three-party design agreement in July 2019 to advance the required pre-construction engineering, design and some permitting activities necessary to construct the first increment of Phase I at the Delta Front (Brookside area). The initial design cost is shared as follows:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Cost-share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>$4,125,900</td>
</tr>
<tr>
<td>State</td>
<td>$1,554,070</td>
</tr>
<tr>
<td>SJAFCA</td>
<td>$666,030</td>
</tr>
</tbody>
</table>
With design underway, appropriation of funds and selection of the Lower San Joaquin River Project Phase I for a construction ‘New Start’, the project is approved to advance from the design to the construction phase. The construction phase includes a requirement to execute a Project Partnership Agreement (PPA) which establishes the terms and conditions under which the USACE agrees to construct the Project. The USACE requires that the PPA is fully executed in the same fiscal year in which the construction ‘New start’ is granted, in this case by September 30, 2020.

A draft PPA and Local Project Partnership Agreement (LPPA) has been prepared through coordination with the USACE and the CVFPB, in partnership with the Department of Water Resources (DWR).

Once the three-party agreement is executed, the efforts to reduce flood risk in Phase I reach of the Lower San Joaquin River Project moves primarily from locally led to Federally led Project. The USACE will lead the design and construction efforts for project improvements. However, the PPA specifies that CVFPB and SJAFCA are responsible for lands, easements, rights of way, relocations and disposal sites required for the Project. SJAFCA is the non-federal sponsor responsible for coordinating the relocation of utilities required by the Project.

It is anticipated that once design is sufficiently refined to clearly identify rights of way required for the Project, staff will return to the Board for consideration of the related CEQA and associated environmental review process.

In order to continue to advance the Lower San Joaquin River Project from design to construction, it is recommended that the Board authorize the Executive Director to execute a Project Partnership Agreement (PPA) with the USACE and a Local Partnership Agreement with the CVFPB. A timely approval of this request would enable the CVFPB to agendize the LPPA for consideration by its Board in order to meet the federal processing window no later than September 30, 2020.

FISCAL IMPACT

Through execution of the PPA, SJAFCA will be responsible for funding a portion of the non-federal share of the Agreement. SJAFCA’s obligation of this agreement will be approximately $4 million for completion through the next increment, based on the funding request and future approval of $25 million in federal appropriation for the Project. SJAFCA will also enter into LPPA with the CVFPB, in partnership with the DWR.

Staff plans to return to Board during the FY 20/21 Budget process to request appropriation of SJAFCA’s share of the cost for advancing the next increment of the Project. Considering the high price tag and the maximum range of annual federal appropriations, the USACE is phasing the Project. The estimated project cost of the Recommended Project and current funding requests are listed in the Table below:
## ESTIMATED COSTS

<table>
<thead>
<tr>
<th>Total Costs</th>
<th>FEDERAL (65%)</th>
<th>NON-FEDERAL (35%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>STATE (70%)</td>
<td>SJAFCA (30%)</td>
</tr>
<tr>
<td>$1,200,000,000</td>
<td>$780,000,000</td>
<td>$294,000,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Funding Received</th>
<th>FEDERAL (65%)</th>
<th>NON-FEDERAL (35%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 19 Budget/Workplan</td>
<td>$4,125,000</td>
<td>$1,554,770</td>
</tr>
<tr>
<td>FY 20 Budget/Workplan</td>
<td>$23,100,000</td>
<td>$8,706,923</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Funding request in President’s FY 21 Budget/Workplan</th>
<th>FEDERAL (65%)</th>
<th>NON-FEDERAL (35%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$25,000,000</td>
<td>$9,423,077</td>
</tr>
</tbody>
</table>

| Project Partnership Agreement - SJAFCA Share | $4,038,462 |

PREPARED BY: Juan J. Neira  

APPROVED:  
CHRIS ELIAS  
EXECUTIVE DIRECTOR

Attachments  
1. Resolution  
2. Recommended Project Map  
3. Draft Project Partnership Agreement and Local Project Partnership Agreement

CE:JNJ:dc
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 Project Partnership Agreement with the United States Army Corps of Engineers (Corps), and a Local Project Partnership Agreement with the Central Valley Flood Protection Board (CVFPB) for Construction of the Congressionally authorized Lower San Joaquin River Project, Phase I; and

2) Adopt a Resolution approving the execution of a Project Partnership Agreement with the United States Army Corps of Engineers and a local Project Partnership Agreement the State of California for Construction of the Congressionally authorized Lower San Joaquin River Project, Phase I

PASSED, APPROVED AND ADOPTED this 19th day of March 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:

KATHRYN OEHLSCHLAGER, Legal Counsel
for the San Joaquin Area
Flood Control Agency
PROJECT PARTNERSHIP AGREEMENT
BETWEEN
THE DEPARTMENT OF THE ARMY
AND
THE CALIFORNIA CENTRAL VALLEY FLOOD PROTECTION BOARD
AND
SAN JOAQUIN AREA FLOOD CONTROL AGENCY
FOR
REMAINING DESIGN AND CONSTRUCTION
FOR THE
SAN JOAQUIN RIVER BASIN, LOWER SAN JOAQUIN RIVER,
CALIFORNIA PROJECT

THIS AGREEMENT is entered into this ________ day of ________, 2020, by and between the Department of the Army (hereinafter the “Government”), represented by the U.S. Army Engineer, Sacramento District (hereinafter the “District Engineer”) and the State of California’s Central Valley Flood Protection Board, represented by its Board President and the San Joaquin Area Flood Control Agency, a joint powers authority established pursuant to the laws of the State of California, represented by its Executive Director.

WITNESSETH, THAT:

WHEREAS, construction of the San Joaquin River Basin, Lower San Joaquin River, California project (hereinafter the “Project”, as defined in Article I.A. of this Agreement) was authorized by the America’s Water Infrastructure Act of 2018;

WHEREAS, Section 103 of the Water Resources Development Act of 1986, Public Law 99-662, as amended (33 U.S.C. 2213), specifies the cost-sharing requirements applicable to the Project; and

WHEREAS, the Government and the Non-Federal Sponsors have the full authority and capability to perform in accordance with the terms of this Agreement and acknowledge that Section 221 of the Flood Control Act of 1970, as amended (42 U.S.C. 1962d-5b), provides that this Agreement shall be enforceable in the appropriate district court of the United States.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I - DEFINITIONS

B. The term “construction costs” means all costs incurred by the Government and Non-Federal Sponsors in accordance with the terms of this Agreement that are directly related to design and construction of the Project and cost shared. The term includes, but is not necessarily limited to: the Government’s costs and the Non-Federal Sponsors’ creditable contributions pursuant to the terms of the Design Agreement executed on May 3, 2019; the costs of historic preservation activities except for data recovery for historic properties; the Government’s costs of engineering, design, and construction; the Government’s supervision and administration costs; the Non-Federal Sponsors’ creditable costs for providing real property interests, placement area improvements, and relocations and for providing in-kind contributions, if any. The term does not include any costs for operation, maintenance, repair, rehabilitation, or replacement; dispute resolution; participation by the Government and the Non-Federal Sponsors in the Project Coordination Team to discuss significant issues and actions; audits; or betterments; or the Non-Federal Sponsors’ cost of negotiating this Agreement.

C. The term “real property interests” means lands, easements, and rights-of-way, including those required for relocations and borrow and dredged material placement areas. Acquisition of real property interests may require the performance of relocations.

D. The term “relocation” means the provision of a functionally equivalent facility to the owner of a utility, cemetery, highway, railroad (excluding existing railroad bridges and approaches thereto), or public facility when such action is required in accordance with applicable legal principles of just compensation. Providing a functionally equivalent facility may include the alteration, lowering, raising, or replacement and attendant demolition of the affected facility or part thereof.

E. The term “placement area improvements” means the improvements required on real property interests to enable the ancillary placement of material that has been dredged or excavated during construction, operation, and maintenance of the Project, including, but not limited to, retaining dikes, wasteweirs, bulkheads, embankments, monitoring features, stilling basins, and de-watering pumps and pipes.

F. The term “functional portion thereof” means a portion of the Project that has been completed and that can function independently, as determined in writing by the District Commander for Sacramento District (hereinafter the “District Commander”), although the remainder of the Project is not yet complete.

G. The term “in-kind contributions” means those materials or services provided by the Non-Federal Sponsors that are identified as being integral to the Project by the Division Commander for South Pacific Division (hereinafter the “Division Commander”). To be integral to the Project, the material or service must be part of the work that the Government would otherwise have undertaken for design and construction of the Project. The in-kind contributions also include any investigations performed by the Non-Federal Sponsors to identify the existence and extent of any hazardous substances that may exist in, on, or under real property interests required for the Project.
H. The term “betterment” means a difference in construction of an element of the Project that results from the application of standards that the Government determines exceed those that the Government would otherwise apply to construction of that element.

I. The term “fiscal year” means one year beginning on October 1st and ending on September 30th of the following year.

J. The term “Maximum Cost Limit” means the statutory limitation on the total cost of the Project, as determined by the Government in accordance with Section 902 of the Water Resources Development Act of 1986, as amended, if applicable to the Project, and Government regulations issued thereto.

ARTICLE II - OBLIGATIONS OF THE PARTIES

A. In accordance with Federal laws, regulations, and policies, the Government shall undertake construction of the Project using funds appropriated by the Congress and funds provided by the Non-Federal Sponsors.

B. The Non-Federal Sponsors shall contribute a minimum of 35 percent, up to a maximum of 50 percent, of construction costs, as follows:

1. The Non-Federal Sponsors shall pay 5 percent of construction costs, with an estimated $2,221,000 in funds already provided by the Non-Federal Sponsors pursuant to the Design Agreement creditable toward that amount.

2. In accordance with Article III, the Non-Federal Sponsors shall provide the real property interests, placement area improvements, and relocations required for construction, operation, and maintenance of the Project. If the Government determines that the Non-Federal Sponsors’ estimated credits for real property interests, placement area improvements, and relocations will exceed 45 percent of construction costs, the Government, in its sole discretion, may acquire any of the remaining real property interests, construct any of the remaining placement area improvements, or perform any of the remaining relocations with the cost of such work included as a part of the Government’s cost of construction. Nothing in this provision affects the Non-Federal Sponsors’ responsibility under Article IV for the costs of any cleanup and response related thereto.

3. In providing in-kind contributions, if any, the Non-Federal Sponsors shall obtain all applicable licenses and permits necessary for such work. As functional portions of the work are completed, the Non-Federal Sponsors shall begin operation and maintenance of such work. Upon completion of the work, the Non-Federal Sponsors shall so notify the Government within 30 calendar days and provide the Government with a copy of as-built drawings for the work.

4. After determining the amount to meet the 5 percent required by paragraph B.1., above, for the then-current fiscal year and after considering the estimated amount of credit
that will be afforded to the Non-Federal Sponsors pursuant to paragraphs B.2. and B.3., above, the Government shall determine the estimated additional amount of funds required from the Non-Federal Sponsors to meet its minimum 35 percent cost share for the then-current fiscal year. No later than 60 calendar days after receipt of notification from the Government, the Non-Federal Sponsors shall provide the full amount of such required funds to the Government in accordance with Article VI.

5. No later than August 1st prior to each subsequent fiscal year, the Government shall provide the Non-Federal Sponsors with a written estimate of the full amount of funds required from the Non-Federal Sponsors during that fiscal year to meet its cost share. Not later than September 1st prior to that fiscal year, the Non-Federal Sponsors shall provide the full amount of such required funds to the Government in accordance with Article VI.

C. To the extent practicable and in accordance with Federal law, regulations, and policies, the Government shall afford the Non-Federal Sponsors the opportunity to review and comment on solicitations for contracts, including relevant plans and specifications, prior to the Government’s issuance of such solicitations; proposed contract modifications, including change orders; and contract claims prior to resolution thereof. Ultimately, the contents of solicitations, award of contracts, execution of contract modifications, and resolution of contract claims shall be exclusively within the control of the Government.

D. The Government, as it determines necessary, shall undertake actions associated with historic preservation, including, but not limited to, the identification and treatment of historic properties as those properties are defined in the National Historic Preservation Act (NHPA) of 1966, as amended. All costs incurred by the Government for such work (including the mitigation of adverse effects other than data recovery) shall be included in construction costs and shared in accordance with the provisions of this Agreement. If historic properties are discovered during construction and the effect(s) of construction are determined to be adverse, strategies shall be developed to avoid, minimize or mitigate these adverse effects. In accordance with 54 U.S.C. 312507, up to 1 percent of the total amount authorized to be appropriated for the Project may be applied toward data recovery of historic properties and such costs shall be borne entirely by the Government. In the event that costs associated with data recovery of historic properties exceed 1 percent of the total amount authorized to be appropriated for the Project, in accordance with 54 U.S.C. 312508, the Government will seek a waiver from the 1 percent limitation under 54 U.S.C. 312507 and upon receiving the waiver, will proceed with data recovery at full federal expense. Nothing in this Agreement shall limit or otherwise prevent the Non-Federal Sponsors from voluntarily contributing costs associated with data recovery that exceed 1 percent.

E. When the District Commander determines that construction of the Project, or a functional portion thereof, is complete, within 30 calendar days of such determination, the District Commander shall so notify the Non-Federal Sponsors in writing and the Non-Federal Sponsors, at no cost to the Government, shall operate, maintain, repair, rehabilitate, and replace the Project, or such functional portion thereof. The Government shall furnish the Non-Federal Sponsors with an Operation, Maintenance, Repair, Rehabilitation, and Replacement Manual (hereinafter the “OMRR&R Manual”) and copies of all as-built drawings for the completed work.
1. The Non-Federal Sponsors shall conduct its operation, maintenance, repair, rehabilitation, and replacement responsibilities in a manner compatible with the authorized purpose of the Project and in accordance with applicable Federal laws and specific directions prescribed by the Government in the OMRR&R Manual. The Government and the Non-Federal Sponsors shall consult on any subsequent updates or amendments to the OMRR&R Manual.

2. The Government may enter, at reasonable times and in a reasonable manner, upon real property interests that the Non-Federal Sponsors now or hereafter owns or controls to inspect the Project, and, if necessary, to undertake any work necessary to the functioning of the Project for its authorized purpose. If the Government determines that the Non-Federal Sponsors are failing to perform its obligations under this Agreement and the Non-Federal Sponsors does not correct such failures within a reasonable time after notification by the Government, the Government, at its sole discretion, may undertake any operation, maintenance, repair, rehabilitation, or replacement of the Project. No operation, maintenance, repair, rehabilitation, or replacement by the Government shall relieve the Non-Federal Sponsors of its obligations under this Agreement or preclude the Government from pursuing any other remedy at law or equity to ensure faithful performance of this Agreement.

F. Not less than once each year, the Non-Federal Sponsors shall inform affected interests of the extent of risk reduction afforded by the Project.

G. The Non-Federal Sponsors shall participate in and comply with applicable Federal floodplain management and flood insurance programs.

H. In accordance with Section 402 of the Water Resources Development Act of 1986, as amended (33 U.S.C. 701b-12), the Non-Federal Sponsors shall prepare a floodplain management plan for the Project within one year after the effective date of this Agreement and shall implement such plan not later than one year after completion of construction of the Project. The plan shall be designed to reduce the impacts of future flood events in the project area, including but not limited to, addressing those measures to be undertaken by non-Federal interests to preserve the level of flood risk reduction provided by such work. The Non-Federal Sponsors shall provide an information copy of the plan to the Government.

I. The Non-Federal Sponsors shall publicize floodplain information in the area concerned and shall provide this information to zoning and other regulatory agencies for their use in adopting regulations, or taking other actions, to prevent unwise future development and to ensure compatibility with the Project.

J. The Non-Federal Sponsors shall prevent obstructions or encroachments on the Project (including prescribing and enforcing regulations to prevent such obstructions or encroachments) that might reduce the level of flood risk reduction the Project affords, hinder operation and maintenance of the Project, or interfere with the Project’s proper function.

K. The Non-Federal Sponsors shall not use Federal program funds to meet any of its obligations under this Agreement unless the Federal agency providing the funds verifies in
writing that the funds are authorized to be used for the Project. Federal program funds are those funds provided by a Federal agency, plus any non-Federal contribution required as a matching share therefor.

L. In carrying out its obligations under this Agreement, the Non-Federal Sponsors shall comply with all the requirements of applicable Federal laws and implementing regulations, including, but not limited to: Section 601 of the Civil Rights Act of 1964 (P.L. 88-352), as amended (42 U.S.C. 2000d), and Department of Defense Directive 5500.11 issued pursuant thereto; the Age Discrimination Act of 1975 (42 U.S.C. 6102); and the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), and Army Regulation 600-7 issued pursuant thereto.

M. In addition to the ongoing, regular discussions of the parties in the delivery of the Project, the Government and the Non-Federal Sponsors may establish a Project Coordination Team to discuss significant issues or actions. The Government’s costs for participation on the Project Coordination Team shall not be included in construction costs that are cost shared but shall be included in calculating the Maximum Cost Limit. The Non-Federal Sponsors’ costs for participation on the Project Coordination Team shall not be included in construction costs that are cost shared and shall be paid solely by the Non-Federal Sponsors without reimbursement or credit by the Government.

N. The Non-Federal Sponsors may request in writing that the Government perform betterments on behalf of the Non-Federal Sponsors. Each request shall be subject to review and written approval by the Division Commander. If the Government agrees to such request, the Non-Federal Sponsors, in accordance with Article VI.F., must provide funds sufficient to cover the costs of such work in advance of the Government performing the work.

ARTICLE III - REAL PROPERTY INTERESTS, PLACEMENT AREA IMPROVEMENTS, RELOCATIONS, AND COMPLIANCE WITH PUBLIC LAW 91-646, AS AMENDED

A. The Government, after consultation with the Non-Federal Sponsors, shall determine the real property interests needed for construction, operation, and maintenance of the Project. The Government shall provide the Non-Federal Sponsors with general written descriptions, including maps as appropriate, of the real property interests that the Government determines the Non-Federal Sponsors must provide for construction, operation, and maintenance of the Project, and shall provide the Non-Federal Sponsors with a written notice to proceed with acquisition. The Non-Federal Sponsors shall acquire the real property interests and shall provide the Government with authorization for entry thereto in accordance with the Government’s schedule for construction of the Project. The Non-Federal Sponsors shall ensure that real property interests provided for the Project are retained in public ownership for uses compatible with the authorized purposes of the Project.

B. The Government, after consultation with the Non-Federal Sponsors, shall determine the placement area improvements necessary for construction, operation, and maintenance of the Project, and shall provide the Non-Federal Sponsors with general written descriptions, including maps as appropriate, of such improvements and shall provide the Non-Federal Sponsors with a
written notice to proceed with such improvements. The Non-Federal Sponsors shall construct the improvements in accordance with the Government’s construction schedule for the Project.

C. The Government, after consultation with the Non-Federal Sponsors, shall determine the relocations necessary for construction, operation, and maintenance of the Project, and shall provide the Non-Federal Sponsors with general written descriptions, including maps as appropriate, of such relocations and shall provide the Non-Federal Sponsors with a written notice to proceed with such relocations. The Non-Federal Sponsors shall perform or ensure the performance of these relocations in accordance with the Government’s construction schedule for the Project.

D. To the maximum extent practicable, not later than 30 calendar days after the Government provides to the Non-Federal Sponsors written descriptions and maps of the real property interests, placement area improvements, and relocations required for construction, operation, and maintenance of the Project, the Non-Federal Sponsors may request in writing that the Government acquire all or specified portions of such real property interests, construct placement area improvements, or perform the necessary relocations. If the Government agrees to such a request, the Non-Federal Sponsors, in accordance with Article VI.F., must provide funds sufficient to cover the costs of the acquisitions, placement area improvements, or relocations in advance of the Government performing the work. The Government shall acquire the real property interests, construct the placement area improvements, and perform the relocations, applying Federal laws, policies, and procedures. The Government shall acquire real property interests in the name of the Non-Federal Sponsors except, if acquired by eminent domain, the Government shall convey all of its right, title and interest to the Non-Federal Sponsors by quitclaim deed or deeds. The Non-Federal Sponsors shall accept delivery of such deed or deeds. The Government’s providing real property interests, placement area improvements, or performing relocations on behalf of the Non-Federal Sponsors does not alter the Non-Federal Sponsors’ responsibility under Article IV for the costs of any cleanup and response related thereto.

E. As required by Sections 210 and 305 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, as amended (42 U.S.C. 4630 and 4655), and Section 24.4 of the Uniform Regulations contained in 49 C.F.R. Part 24, the Non-Federal Sponsors assures that (1) fair and reasonable relocation payments and assistance shall be provided to or for displaced persons, as are required to be provided by a Federal agency under Sections 4622, 4623 and 4624 of Title 42 of the U.S. Code; (2) relocation assistance programs offering the services described in Section 4625 of Title 42 of the U.S. Code shall be provided to such displaced persons; (3) within a reasonable period of time prior to displacement, comparable replacement dwellings will be available to displaced persons in accordance with Section 4625(c)(3) of Title 42 of the U.S. Code; (4) in acquiring real property, the Non-Federal Sponsors will be guided, to the greatest extent practicable under State law, by the land acquisition policies in Section 4651 and the provision of Section 4652 of Title 42 of the U.S. Code; and (5) property owners will be paid or reimbursed for necessary expenses as specified in Sections 4653 and 4654 of Title 42 of the U.S. Code.
ARTICLE IV - HAZARDOUS SUBSTANCES

A. The Non-Federal Sponsors shall be responsible for undertaking any investigations to identify the existence and extent of any hazardous substances regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (hereinafter “CERCLA”) (42 U.S.C. 9601-9675), that may exist in, on, or under real property interests required for construction, operation, and maintenance of the Project. However, for real property interests that the Government determines to be subject to the navigation servitude, only the Government shall perform such investigations unless the District Commander provides the Non-Federal Sponsors with prior specific written direction, in which case the Non-Federal Sponsors shall perform such investigations in accordance with such written direction.

B. In the event it is discovered that hazardous substances regulated under CERCLA exist in, on, or under any of the required real property interests, within 15 calendar days of such discovery, the Non-Federal Sponsors and the Government, in addition to providing any other notice required by applicable law, shall provide written notice to each other, and the Non-Federal Sponsors shall not proceed with the acquisition of such real property interests until the parties agree that the Non-Federal Sponsors should proceed.

C. If hazardous substances regulated under CERCLA are found to exist in, on, or under any required real property interests, the parties shall consider any liability that might arise under CERCLA and determine whether to initiate construction, or if already initiated, whether to continue construction, suspend construction, or terminate construction.

1. Should the parties initiate or continue construction, the Non-Federal Sponsors shall be responsible, as between the Government and the Non-Federal Sponsors, for the costs of cleanup and response, including the costs of any studies and investigations necessary to determine an appropriate response to the contamination. Such costs shall be paid solely by the Non-Federal Sponsors without reimbursement or credit by the Government.

2. In the event the parties cannot reach agreement on how to proceed or the Non-Federal Sponsors fail to provide any funds necessary to pay for cleanup and response costs or to otherwise discharge the Non-Federal Sponsors’ responsibilities under this Article upon direction by the Government, the Government may suspend or terminate construction, but may undertake any actions it determines necessary to avoid a release of such hazardous substances.

D. In the event of a discovery, the Non-Federal Sponsors and the Government shall initiate consultation with each other within 15 calendar days in an effort to ensure that responsible parties bear any necessary cleanup and response costs as defined in CERCLA. Any decision made pursuant to this Article shall not relieve any third party from any liability that may arise under CERCLA.

E. As between the Government and the Non-Federal Sponsors, the Non-Federal Sponsors shall be considered the operator of the Project for purposes of CERCLA liability. To the maximum extent practicable, the Non-Federal Sponsors shall operate, maintain, repair,
rehabilitate, and replace the Project in a manner that will not cause liability to arise under CERCLA.

ARTICLE V - CREDIT FOR REAL PROPERTY INTERESTS, PLACEMENT AREA IMPROVEMENTS, RELOCATIONS, AND IN-KIND CONTRIBUTIONS

A. The Government shall include in construction costs, and credit towards the Non-Federal Sponsors’ share of such costs, the value of Non-Federal Sponsors provided real property interests, placement area improvements, and relocations, and the costs of in-kind contributions determined by the Government to be required for the Project.

B. To the maximum extent practicable, no later than 3 months after it provides the Government with authorization for entry onto a real property interest or pays compensation to the owner, whichever occurs later, the Non-Federal Sponsors shall provide the Government with documents sufficient to determine the amount of credit to be provided for the real property interest in accordance with paragraphs C.1. of this Article. To the maximum extent practicable, no less frequently than on a quarterly basis, the Non-Federal Sponsors shall provide the Government with documentation sufficient for the Government to determine the amount of credit to be provided for other creditable items in accordance with paragraph C. of this Article.

C. The Government and the Non-Federal Sponsors agree that the amount of costs eligible for credit that are allocated by the Government to construction costs shall be determined and credited in accordance with the following procedures, requirements, and conditions. Such costs shall be subject to audit in accordance with Article X.B. to determine reasonableness, allocability, and allowability of costs.

1. Real Property Interests.

a. General Procedure. The Non-Federal Sponsors shall obtain, for each real property interest, an appraisal of the fair market value of such interest that is prepared by a qualified appraiser who is acceptable to the parties. Subject to valid jurisdictional exceptions, the appraisal shall conform to the Uniform Standards of Professional Appraisal Practice. The appraisal must be prepared in accordance with the applicable rules of just compensation, as specified by the Government.

   (1) Date of Valuation. For any real property interests owned by the Non-Federal Sponsors on the effective date of this Agreement and required for construction performed after the effective date of this Agreement, the date the Non-Federal Sponsors provides the Government with authorization for entry thereto shall be used to determine the fair market value. For any real property interests required for in-kind contributions covered by an In-Kind Memorandum of Understanding, the date of initiation of construction shall be used to determine the fair market value. The fair market value of real property interests acquired by the Non-Federal Sponsors after the effective date of this Agreement shall be the fair market value of such real property interests at the time the interests are acquired.
(2) Except for real property interests acquired through eminent domain proceedings instituted after the effective date of this Agreement, the Non-Federal Sponsors shall submit an appraisal for each real property interest to the Government for review and approval no later than, to the maximum extent practicable, 60 calendar days after the Non-Federal Sponsors provides the Government with an authorization for entry for such interest or concludes the acquisition of the interest through negotiation or eminent domain proceedings, whichever occurs later. If, after coordination and consultation with the Government, the Non-Federal Sponsors are unable to provide an appraisal that is acceptable to the Government, the Government shall obtain an appraisal to determine the fair market value of the real property interest for crediting purposes.

(3) The Government shall credit the Non-Federal Sponsors the appraised amount approved by the Government. Where the amount paid or proposed to be paid by the Non-Federal Sponsors exceeds the approved appraised amount, the Government, at the request of the Non-Federal Sponsors, shall consider all factors relevant to determining fair market value and, in its sole discretion, after consultation with the Non-Federal Sponsors, may approve in writing an amount greater than the appraised amount for crediting purposes.

b. Eminent Domain Procedure. For real property interests acquired by eminent domain proceedings instituted after the effective date of this Agreement, the Non-Federal Sponsors shall notify the Government in writing of its intent to institute such proceedings and submit the appraisals of the specific real property interests to be acquired for review and approval by the Government. If the Government provides written approval of the appraisals, the Non-Federal Sponsors shall use the amount set forth in such appraisals as the estimate of just compensation for the purpose of instituting the eminent domain proceeding. If the Government provides written disapproval of the appraisals, the Government and the Non-Federal Sponsors shall consult to promptly resolve the issues that are identified in the Government’s written disapproval. In the event the issues cannot be resolved, the Non-Federal Sponsors may use the amount set forth in its appraisal as the estimate of just compensation for purpose of instituting the eminent domain proceeding. The fair market value for crediting purposes shall be either the amount of the court award for the real property interests taken or the amount of any stipulated settlement or portion thereof that the Government approves in writing.

c. Waiver of Appraisal. Except as required by paragraph C.1.b. of this Article, the Government may waive the requirement for an appraisal pursuant to this paragraph if, in accordance with 49 C.F.R. Section 24.102(c)(2):

(1) the owner is donating the real property interest to the Non-Federal Sponsors and releases the Non-Federal Sponsors in writing from its obligation to appraise the real property interest, and the Non-Federal Sponsors submits to the Government a copy of the owner’s written release; or

(2) the Non-Federal Sponsors determines that an appraisal is unnecessary because the valuation problem is uncomplicated and the anticipated value of the real property interest proposed for acquisition is estimated at $25,000 or less, based on a review of available data. When the Non-Federal Sponsors determines that an appraisal is unnecessary, the

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Non-Federal Sponsors shall prepare the written waiver valuation required by 49 C.F.R. Section 24.102(c)(2) and submit a copy thereof to the Government for approval. When the anticipated value of the real property interest exceeds $10,000, the Non-Federal Sponsors must offer the owner the option of having the Non-Federal Sponsors appraise the real property interest.

d. Incidental Costs. The Government shall include in construction costs and credit towards the Non-Federal Sponsors’ share of such costs, the incidental costs the Non-Federal Sponsors incurred in acquiring any real property interests required pursuant to Article III for the Project within a five-year period preceding the effective date of this Agreement, or at any time after the effective date of this Agreement, that are documented to the satisfaction of the Government. Such incidental costs shall include closing and title costs, appraisal costs, survey costs, attorney’s fees, plat maps, mapping costs, actual amounts expended for payment of any relocation assistance benefits provided in accordance with Article III.E., and other payments by the Non-Federal Sponsors for items that are generally recognized as compensable, and required to be paid, by applicable state law due to the acquisition of a real property interest pursuant to Article III.

2. Placement Area Improvements. The Government shall include in construction costs and credit towards the Non-Federal Sponsors’ share of such costs, the value of placement area improvements required for the Project. The value shall be equivalent to the costs, documented to the satisfaction of the Government, that the Non-Federal Sponsors incurred to provide any placement area improvements required for the Project. Such costs shall include, but not necessarily be limited to, actual costs of constructing the improvements; planning, engineering, and design costs; supervision and administration costs; and documented incidental costs associated with providing the improvements, but shall not include any costs associated with betterments, as determined by the Government.

3. Relocations. The Government shall include in construction costs and credit towards the Non-Federal Sponsors’ share of such costs, the value of any relocations performed by the Non-Federal Sponsors that are directly related to construction, operation, and maintenance of the Project.

a. For a relocation other than a highway, the value shall be only that portion of relocation costs that the Government determines is necessary to provide a functionally equivalent facility, reduced by depreciation, as applicable, and by the salvage value of any removed items.

b. For a relocation of a highway, which is any highway, roadway, or street, including any bridge thereof, that is owned by a public entity, the value shall be only that portion of relocation costs that would be necessary to accomplish the relocation in accordance with the design standard that the State of California would apply under similar conditions of geography and traffic load, reduced by the salvage value of any removed items.

c. Relocation costs include actual costs of performing the relocation; planning, engineering, and design costs; supervision and administration costs; and documented incidental costs associated with performance of the relocation, as determined by the Government.
Relocation costs do not include any costs associated with betterments, as determined by the Government, nor any additional cost of using new material when suitable used material is available.

4. In-Kind Contributions. The Government shall include in construction costs and credit towards the Non-Federal Sponsors’ share of such costs, the value of in-kind contributions that are integral to the Project.

   a. The value shall be equivalent to the costs, documented to the satisfaction of the Government, that the Non-Federal Sponsors incurred to provide the in-kind contributions. Such costs shall include, but not necessarily be limited to, actual costs of constructing the in-kind contributions; engineering and design costs; supervision and administration costs; and documented incidental costs associated with providing the in-kind contributions, but shall not include any costs associated with betterments, as determined by the Government. Appropriate documentation includes invoices and certification of specific payments to contractors, suppliers, and the Non-Federal Sponsors’ employees.

   b. No credit shall be afforded for interest charges, or any adjustment to reflect changes in price levels between the time the in-kind contributions are completed and credit is afforded; for the value of in-kind contributions obtained at no cost to the Non-Federal Sponsors; for any in-kind contributions performed prior to the effective date of this Agreement unless covered by an In-Kind Memorandum of Understanding between the Government and Non-Federal Sponsors; or for costs that exceed the Government’s estimate of the cost for such in-kind contributions if they had been provided by the Government.

5. Compliance with Federal Labor Laws. Any credit afforded under the terms of this Agreement is subject to satisfactory compliance with applicable Federal labor laws covering non-Federal construction, including, but not limited to, 40 U.S.C. 3141-3148 and 40 U.S.C. 3701-3708 (labor standards originally enacted as the Davis-Bacon Act, the Contract Work Hours and Safety Standards Act, and the Copeland Anti-Kickback Act), and credit may be withheld, in whole or in part, as a result of the Non-Federal Sponsors’ failure to comply with its obligations under these laws.

D. Notwithstanding any other provision of this Agreement, the Non-Federal Sponsors shall not be entitled to credit for real property interests that were previously provided as an item of local cooperation for another Federal project.

ARTICLE VI – PAYMENT OF FUNDS

A. As of the effective date of this Agreement, construction costs are projected to be $1,378,937,000, with the Government’s share of such costs projected to be $896,309,000 and the Non-Federal Sponsors’ share of such costs projected to be $482,628,000, which includes the 5 percent contribution of funds projected to be $24,281,400, creditable real property interests, relocations, and placement area improvements projected to be $231,637,000, creditable in-kind contributions projected to be $43,864,000, and the additional amount of funds required to meet
the minimum 35 percent cost share projected to be $182,845,600. Costs for betterments are projected to be $0. These amounts are estimates only that are subject to adjustment by the Government and are not to be construed as the total financial responsibilities of the Government and the Non-Federal Sponsors.

B. The Government shall provide the Non-Federal Sponsors with monthly reports setting forth the estimated construction costs and the Government’s and Non-Federal Sponsors’ estimated shares of such costs; costs incurred by the Government, using both Federal and Non-Federal Sponsors funds, to date; the amount of funds provided by the Non-Federal Sponsors to date; the estimated amount of any creditable real property interests, placement area improvements, and relocations; the estimated amount of any creditable in-kind contributions; and the estimated amount of funds required from the Non-Federal Sponsors during the upcoming fiscal year.

C. The Non-Federal Sponsors shall provide the funds required to meet its share of construction costs by delivering a check payable to “FAO, USAED, Sacramento District EROC L2” to the District Commander, or verifying to the satisfaction of the Government that the Non-Federal Sponsors has deposited such required funds in an escrow or other account acceptable to the Government, with interest accruing to the Non-Federal Sponsors, or by providing an Electronic Funds Transfer of such required funds in accordance with procedures established by the Government.

D. The Government shall draw from the funds provided by the Non-Federal Sponsors to cover the non-Federal share of construction costs as those costs are incurred. If the Government determines at any time that additional funds are needed from the Non-Federal Sponsors to cover the Non-Federal Sponsors’ required share of such construction costs, the Government shall provide the Non-Federal Sponsors with written notice of the amount of additional funds required. Within 60 calendar days from receipt of such notice, the Non-Federal Sponsors shall provide the Government with the full amount of such additional required funds.

E. Upon completion of construction and resolution of all relevant claims and appeals and eminent domain proceedings, the Government shall conduct a final accounting and furnish the Non-Federal Sponsors with the written results of such final accounting. Should the final accounting determine that additional funds are required from the Non-Federal Sponsors, the Non-Federal Sponsors, within 60 calendar days of receipt of written notice from the Government, shall provide the Government with the full amount of such additional required funds. Such final accounting does not limit the Non-Federal Sponsors’ responsibility to pay its share of construction costs, including contract claims or any other liability that may become known after the final accounting. If the final accounting determines that funds provided by the Non-Federal Sponsors exceed the amount of funds required to meet its share of construction costs, the Government shall refund such excess amount, subject to the availability of funds for the refund. In addition, if the final accounting determines that the Non-Federal Sponsors’ credit for real property interests, placement area improvements, and relocations combined with credit for in-kind contributions exceed its share of construction costs for the Project, the Government, subject to the availability of funds, shall enter into a separate agreement to reimburse the difference to the Non-Federal Sponsors.
F. If there are real property interests, placement area improvements, relocations, or betterments provided on behalf of the Non-Federal Sponsors, the Government shall provide written notice to the Non-Federal Sponsors of the amount of funds required to cover such costs. No later than 60 calendar days of receipt of such written notice, the Non-Federal Sponsors shall make the full amount of such required funds available to the Government by delivering a check payable to “FAO, USAED, Sacramento District EROC L2” to the District Commander, or by providing an Electronic Funds Transfer of such funds in accordance with procedures established by the Government. If at any time the Government determines that additional funds are required to cover such costs, the Non-Federal Sponsors shall provide those funds within 30 calendar days from receipt of written notice from the Government.

ARTICLE VII - TERMINATION OR SUSPENSION

A. If at any time the Non-Federal Sponsors fails to fulfill its obligations under this Agreement, the Government may suspend or terminate construction of the Project unless the Assistant Secretary of the Army (Civil Works) determines that continuation of such work is in the interest of the United States or is necessary in order to satisfy agreements with other non-Federal interests.

B. If the Government determines at any time that the Federal funds made available for construction of the Project are not sufficient to complete such work, the Government shall so notify the Non-Federal Sponsors in writing within 30 calendar days, and upon exhaustion of such funds, the Government shall suspend construction until there are sufficient funds appropriated by the Congress and funds provided by the Non-Federal Sponsors to allow construction to resume. In addition, the Government may suspend construction if the Maximum Cost Limit is exceeded.

C. If hazardous substances regulated under CERCLA are found to exist in, on, or under any required real property interests, the parties shall follow the procedures set forth in Article IV.

D. In the event of termination, the parties shall conclude their activities relating to construction of the Project. To provide for this eventuality, the Government may reserve a percentage of available funds as a contingency to pay the costs of termination, including any costs of resolution of real property acquisition, resolution of contract claims, and resolution of contract modifications.

E. Any suspension or termination shall not relieve the parties of liability for any obligation incurred. Any delinquent payment owed by the Non-Federal Sponsors pursuant to this Agreement shall be charged interest at a rate, to be determined by the Secretary of the Treasury, equal to 150 per centum of the average bond equivalent rate of the 13 week Treasury bills auctioned immediately prior to the date on which such payment became delinquent, or auctioned immediately prior to the beginning of each additional 3 month period if the period of delinquency exceeds 3 months.
ARTICLE VIII - HOLD AND SAVE

The Non-Federal Sponsors shall hold and save the Government free from all damages arising from design, construction, operation, maintenance, repair, rehabilitation, and replacement of the Project, except for damages due to the fault or negligence of the Government or its contractors.

ARTICLE IX - DISPUTE RESOLUTION

As a condition precedent to a party bringing any suit for breach of this Agreement, that party must first notify the other party in writing of the nature of the purported breach and seek in good faith to resolve the dispute through negotiation. If the parties cannot resolve the dispute through negotiation, they may agree to a mutually acceptable method of non-binding alternative dispute resolution with a qualified third party acceptable to the parties. Each party shall pay an equal share of any costs for the services provided by such a third party as such costs are incurred. The existence of a dispute shall not excuse the parties from performance pursuant to this Agreement.

ARTICLE X - MAINTENANCE OF RECORDS AND AUDITS

A. The parties shall develop procedures for the maintenance by the Non-Federal Sponsors of books, records, documents, or other evidence pertaining to costs and expenses for a minimum of three years after the final accounting. The Non-Federal Sponsors shall assure that such materials are reasonably available for examination, audit, or reproduction by the Government.

B. The Government may conduct, or arrange for the conduct of, audits of the Project. Government audits shall be conducted in accordance with applicable Government cost principles and regulations. The Government’s costs of audits shall not be included in construction costs, but shall be included in calculating the Maximum Cost Limit.

C. To the extent permitted under applicable Federal laws and regulations, the Government shall allow the Non-Federal Sponsors to inspect books, records, documents, or other evidence pertaining to costs and expenses maintained by the Government, or at the request of the Non-Federal Sponsors, provide to the Non-Federal Sponsors or independent auditors any such information necessary to enable an audit of the Non-Federal Sponsors’ activities under this Agreement. The costs of non-Federal audits shall be paid solely by the Non-Federal Sponsors without reimbursement or credit by the Government.

ARTICLE XI - RELATIONSHIP OF PARTIES

In the exercise of their respective rights and obligations under this Agreement, the Government and the Non-Federal Sponsors each act in an independent capacity, and neither is to
be considered the officer, agent, or employee of the other. Neither party shall provide, without the consent of the other party, any contractor with a release that waives or purports to waive any rights a party may have to seek relief or redress against that contractor.

ARTICLE XII - NOTICES

A. Any notice, request, demand, or other communication required or permitted to be given under this Agreement shall be deemed to have been duly given if in writing and delivered personally or mailed by registered or certified mail, with return receipt, as follows:

If to the Non-Federal Sponsors:
  Executive Officer
  Central Valley Flood Protection Board
  3310 El Camino Avenue, Suite 170
  Sacramento, CA 95821
  
  and
  
  Executive Director
  San Joaquin Area Flood Control Agency
  22 East Weber Avenue, Room 301
  Stockton, CA 95202-2317

If to the Government:
  District Commander
  Sacramento District
  Executive Office
  1325 J Street
  Sacramento, CA 95814-2922

B. A party may change the recipient or address to which such communications are to be directed by giving written notice to the other party in the manner provided in this Article.

ARTICLE XIII - CONFIDENTIALITY

To the extent permitted by the laws governing each party, the parties agree to maintain the confidentiality of exchanged information when requested to do so by the providing party.
ARTICLE XIV - THIRD PARTY RIGHTS, BENEFITS, OR LIABILITIES

Nothing in this Agreement is intended, nor may be construed, to create any rights, confer any benefits, or relieve any liability, of any kind whatsoever in any third person not a party to this Agreement.

ARTICLE XV - OBLIGATIONS OF FUTURE APPROPRIATIONS

The Non-Federal Sponsors intends to fulfill fully its obligations under this Agreement. Nothing herein shall constitute, nor be deemed to constitute, an obligation of future appropriations by the California State Legislature or the San Joaquin Area Flood Control Agency Board of Directors, where creating such an obligation would be inconsistent with Article XVI, Section 1 and Section 18 of the California Constitution. If the Non-Federal Sponsors are unable to, or does not, fulfill its obligations under this Agreement, the Government may exercise any legal rights it has to protect the Government’s interests.

ARTICLE XVI – JOINT AND SEVERAL RESPONSIBILITY OF THE NON-FEDERAL SPONSORS

The obligations and responsibilities of the Non-Federal Sponsors shall be joint and several, such that each Non-Federal Sponsors shall be liable for the whole performance of the obligations and responsibilities of the Non-Federal Sponsors under the terms and provisions of this Agreement. The Government may demand the whole performance of said obligations and responsibilities from any of the entities designated herein as one of the Non-Federal Sponsors.
IN WITNESS WHEREOF, the parties hereto have executed this Agreement, which shall become effective upon the date it is signed by the District Commander.

DEPARTMENT OF THE ARMY

BY: __________________________
    James J. Handura
    Colonel, U.S. Army
    Commander and District Engineer

DATE: _________________________

CENTRAL VALLEY FLOOD PROTECTION BOARD

THE STATE OF CALIFORNIA

BY: __________________________
    William H. Edgar
    President,
    Central Valley Flood Protection Board

DATE: _________________________

SAN JOAQUIN AREA FLOOD CONTROL AGENCY

BY: __________________________
    Chris Elias
    Executive Director
    San Joaquin Area Flood Control Agency

DATE: _________________________
LOCAL PROJECT PARTNERSHIP AGREEMENT
BETWEEN THE STATE OF CALIFORNIA
CENTRAL VALLEY FLOOD PROTECTION BOARD
AND
THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY FOR THE
LOWER SAN JOAQUIN RIVER PROJECT

This Agreement is entered into by and between the Central Valley Flood Protection Board of the State of California, hereinafter referred to as the "Board," and the San Joaquin Area Flood Control Agency, hereinafter referred to as "SJAFCA," on the ___ day of ____________, 2020 in view of the following circumstances:

WHEREAS, construction of the San Joaquin River Basin, Lower San Joaquin River, California project (hereinafter the "Project", as defined in Article I.A. of this Agreement) was authorized by the America’s Water Infrastructure Act of 2018;

WHEREAS, on April 26, 2019 SJAFCA and the CVFPB entered into a Local Design Agreement for the Design of the Lower San Joaquin River Project;

WHEREAS, Water Code Sections 8617, 12657 and 12670.14 authorize the State of California (hereinafter the "State") acting through the Board, to cooperate on the Project, and authorize the Board to give satisfactory assurances to the United States Department of the Army (hereinafter the "Government") that the required local cooperation will be furnished by the State in connection with the Project;

WHEREAS, Water Code Section 12670.14 authorizes SJAFCA to join the Board in providing the Government with assurances of nonfederal cooperation in connection with the Project;

WHEREAS, the Board intends to serve as the nonfederal sponsor of the Project on the condition that SJAFCA provides the Board with the assurances that are specified in this Agreement and required under Water Code Sections 12657 and 12670.14;

WHEREAS, the Board’s and SJAFCA’s obligations as nonfederal sponsors of the Project are set forth in the Project Partnership Agreement (hereinafter the “PPA”) to be executed for the Project between the Board, SJAFCA, and the Government. A draft of the PPA is attached as Exhibit A and incorporated by this reference;

WHEREAS, the Project is within SJAFCA’s geographical jurisdiction;

WHEREAS, the Board and SJAFCA have the power and authority to do all things
NOW, THEREFORE, IT IS HEREBY AGREED:

SECTION I: Definitions

The terms defined in Article I of the PPA shall have the equivalent meaning in this Agreement.

SECTION II: Obligations of the Board and SJAFCA

A. The Board and SJAFCA will act as nonfederal sponsor of the Project and will provide the assurances of nonfederal cooperation required by the Government for the Project.

B. Sites where Project work will be performed are shown on the Site Map, Exhibit B, which is attached hereto and incorporated by this reference. Sites may be modified or added during the course of performance of this Agreement without amendment of this Agreement.

C. As authorized by Water Code Section 12670.12, the Board shall pay 70 percent of the following Project costs in accordance with the terms and conditions set forth in the PPA: the nonfederal capital costs required by Section 103(a) of Public Law 99-662; the nonfederal planning, engineering and construction costs required by Section 105(b) and the nonfederal design costs required by Section 105(c) of PL 99-662, and as may be reduced by credits afforded by the Government for Section 104 work as set forth in the PPA.

D. The Board and SJAFCA shall furnish to the Government, according to the terms and conditions of Article III of the PPA, those lands, easements, rights of way, and relocations determined by the Government to be necessary for the construction, operation, maintenance, repair, replacement, and rehabilitation of the Project.

E. The Board shall pay the entire cost of betterments requested solely by the Board. Plans and specifications for betterments may be prepared by Board and approved by SJAFCA. Upon such approval, the Board may request the Government to accomplish betterments in accordance with Article II.G of the PPA. The Board shall provide all lands, easements, rights of way, and suitable borrow and dredged or excavated material disposal areas and perform relocations associated with such betterments in accordance with Section II of this Agreement. The Board will establish a cost accounting system that will separately identify and document all costs attributable to such betterments and will provide the Government with the full amount of funds required to pay for betterments in accordance with Section IV of this Agreement and Article VI.D of the PPA.
F. SJAFCA shall:

1. Pay 30 percent of the following Project costs: the nonfederal capital costs required by Section 103(a) of PL 99-662; and as may be reduced by credits afforded by the Government for Section 104 work as set forth in the PPA. If the total nonfederal contribution exceeds 50 percent of total Project costs and the Board receives a refund from the Government in accordance with Article VI.D.3 of the PPA, a fractional portion of this refund, in proportion to the amount paid by the Board and SJAFCA to the Government, shall be returned by the Board to SJAFCA;

2. Operate, maintain, repair, replace, and rehabilitate, or cause to be operated, maintained, repaired, replaced and rehabilitated, by its own forces or pursuant to contract, the facilities and related features constructed pursuant to the Project at no cost to the State in accordance with the regulations or directions prescribed by the Secretary of the Army and the Board;

3. Hold and save the Government free from all claims and damages arising from the construction, operation, maintenance, repair, replacement, or rehabilitation of the Project, except for claims and damages due to the fault or negligence of the Government or its contractors without exception;

4. Hold, defend, indemnify and save the State and the Board, their officers, agents, and employees, and successors or assigns, to the extent required by State law, free and harmless from any and all claims or damages arising out of or in connection with the obligations herein assumed by SJAFCA, including any responsibility for claims or damages arising out of work performed by the Government for which the State or the Board may be held liable under the terms of the PPA, except for claims or damages due to the fault or negligence of the Government or its contractors or the State, Board or its contractors. SJAFCA agrees that it will levy and collect assessments or user charges as may be necessary and permissible under State law to satisfy its obligations to the State and the Board as required by this Agreement; and

5. Pay the entire cost of betterments requested solely by SJAFCA. Plans and specifications for betterments may be prepared by SJAFCA and approved by the Board. Upon such approval, SJAFCA may request the Government to accomplish betterments in accordance with Article II.G of the PPA. SJAFCA shall provide all lands, easements, rights of way, and suitable borrow and dredged or excavated material disposal areas and perform relocations associated with such betterments in accordance with Section II of this Agreement. SJAFCA will establish a cost accounting system that will separately identify and document all
costs attributable to such betterments and will provide the Government with the full amount of funds required to pay for betterments in accordance with Section IV of this Agreement and Article VI.D of the PPA.

G. To the extent of its powers, SJAFCA agrees to participate in and comply with applicable federal floodplain management and flood insurance programs.

H. In order to facilitate nonfederal participation in the Project, the Board and SJAFCA agree that the following actions and/or decisions shall be made only upon mutual consent of both the Board and SJAFCA:

1. The issuance of a letter to the Government indicating that the nonfederal sponsor is willing to proceed with the Project (PPA Article II.A.1);

2. The decision as to the maximum cumulative financial obligation for construction of the Project (PPA Article XVIII);

3. The decision to request betterments (PPA Article II.G), provided that the party requesting the betterments will be solely responsible for any additional cost associated with such betterments; and

4. The appointment of representatives to the Project Coordination Team (PPA Article II.M.)

I. Subject to the Board’s authority in Water Code Section 8710, SJAFCA shall prescribe and enforce, to the extent of its powers, regulations preventing obstruction of or encroachment on Project works that would reduce the level of protection afforded or hinder operation, maintenance, repair, replacement, and rehabilitation.

J. The development and implementation of a betterment that is required to meet the Urban Level of Flood Protection shall be cost shared as between the Board and SJAFCA as if it were a necessary Project component.

SECTION III: Acquisition of Project Rights of Way

A. Subject to the limitations of Paragraph III K of this Agreement, SJAFCA or its contractors may acquire the lands, easements, rights of way (including those required for relocations, borrow material, and/or excavated material disposal) and perform relocations that are necessary for the Project, as determined by the Government, within its area of jurisdiction or within the Project’s geographic limits (“Project rights of way”). If SJAFCA or its contractors provide Project rights of way, it will furnish the personnel, services, and materials necessary to accomplish the following tasks:
1. Final surveying and preparation of legal descriptions of the parcels that are to be acquired for Project rights of way, hereinafter referred to as "all parcels, in compliance to State Standards."

2. Preparation of deeds and contracts for all parcels, in compliance to State Standards.

3. Appraisal of all parcels, in compliance to State Standards.

4. Examination of title to all parcels, including the obtaining of litigation guarantees and/or preliminary reports on title and final policies of title insurance.

5. Acquisition of all parcels by deed and contract and/or condemnation by a date which shall be specified by the Board. For parcels being acquired by condemnation, an Order of Possession shall be deemed "acquisition" for purposes of meeting the above date.

6. Relocation of public utilities, private utilities, and other facilities, as required by the Project, which will not be included in the Government's Project construction contract(s).

7. Providing relocation assistance for qualified occupants of acquired property, as required by State and federal statutes, rules, and regulations.

8. Phase I and Phase 2 Environmental Site Assessment Reports to determine the existence and potential presence of hazardous and toxic waste materials.

B. The Board staff shall provide SJAFCA with appraisal guidelines, appraisal format, geodetic guidelines and standards, sample copies of right-of-way contracts and deed language to be used for acquisition activities. All such activities shall conform to the State’s established procedures for land acquisition.

C. Record Title to all parcels acquired for the Project's operation and maintenance purposes, other than mitigation lands, that are not vested in the Federal Government will be ultimately be vested in the Sacramento and San Joaquin Drainage District. The Board shall ensure that SJAFCA is able to maintain the Project by its own forces or pursuant to contract, by, as needed, either granting an easement for operation and maintenance to SJAFCA or entering into a joint-use agreement with SJAFCA. Any such agreement shall be executed no later than six months after all required real property interests for the Project have been acquired.
D. If SJAFCA or its contractors provide Project rights of way, SJAFCA acknowledges that pursuant to Article II of the PPA, the Board and SJAFCA are obligated to certify to the Government that Project rights of way have been acquired. The date by which certification will be required will be set by the Government after the PPA and this Agreement have been executed. SJAFCA agrees to use its best efforts to provide, by no later than 30 days before the date on which certification to the Government is required, a certification to the Board specifying that: (a) SJAFCA holds sufficient legal rights to allow Project construction to proceed in the form of fully executed deeds or Superior Court orders for immediate possession; and (b) that the Board, the Government, and their contractor's agents are permitted to utilize those legal rights for the purpose of constructing the Project.

E. The actual reasonable costs of Project rights of way incurred by SJAFCA and its contractors, and their reasonable costs of performance, as defined in this paragraph, shall be eligible for credit toward SJAFCA's portion of the nonfederal share of total Project costs. The method of calculating that credit is set forth in Section IV of this Agreement. For purposes of this Agreement, the term "costs of performance" shall include: fees and expenses payable to SAFCA's contractors pursuant to their contracts; reasonable court costs and attorney's fees incurred in pursuing the acquisition of Project rights of way; title insurance company escrow fees and premiums for title insurance preliminary reports, policies, and litigation guarantees; and engineering fees and other incidental expenses and costs properly attributable to the acquisition of Project rights of way.

F. SJAFCA shall (1) keep Board staff apprised of its right-of-way acquisition activities and the activities of its contractors, (2) consult with Board staff on matters concerning compliance with State and federal acquisition rules and regulations, and (3) provide complete access as requested to its records relating to such right-of-way acquisition. SJAFCA shall provide to Board staff a copy of all litigation guarantees, preliminary title reports and policies of title insurance reasonably promptly following receipt thereof.

I. If SJAFCA is using a contractor to acquire Project rights of way, the contractor's performance shall be subject to review by the Board. If in the opinion of the Board the contractor's performance is not sufficient to allow SJAFCA to comply with the terms of this Agreement, then after the Board has consulted with SJAFCA regarding its opinion, the Board may request SJAFCA to terminate the contractor pursuant to the terms of SJAFCA's contract with the contractor.

J. Before SJAFCA or its contractor makes a written offer to an owner SJAFCA shall provide to the Board staff for review and approval the appraisal, proposed right-of-way contract, and deed for each parcel. The Board's review shall be
accomplished, and the results reported to SJAFCA reasonably promptly following receipt of those documents, and in no event later than 60 days following receipt. If no results are reported within 60 days, SJAFCA may proceed to make a written offer, which offer shall be deemed approved by the Board staff. Before the close of escrow for any parcel, SJAFCA shall provide to the Board staff the memorandum of settlement and either a litigation guarantee or a preliminary title report. The Department of General Services will review and approve each individual acquisition before the close of escrow, except as provided in Department of General Services' Exemption No. 34.3, dated October 1, 1991, and any revisions thereto.

K. SJAFCA may elect to purchase lands, easements, and rights of way prior to precise definition of those required for the Project. In accordance with Article IV of the PPA, the Board will provide SJAFCA with credits toward the share of total Project costs for the fair market value of Project rights of way. SJAFCA will be credited only for the State's share of required Project rights of way determined to be eligible for credit under the terms of the PPA. For these reasons, payment to SJAFCA for any lands, easements, or rights of way purchased, and relocations made prior to execution of the PPA, and/or prior to final determination by the Government of the extent of real property interests necessary for the Project, is subject to adjustment during the final accounting of nonfederal costs shared between the Board and SJAFCA. No credit shall be given for lands, easements, and rights of way that, as determined by the Government, were previously obtained for purposes of a prior project built in cooperation with the Government. Any costs associated with the purchase of land, easement, rights of way, and relocations in excess of the minimum required acreage required by the Government shall not be eligible for reimbursement by the State unless the State is afforded credit or reimbursed by the Government. For lands, easements, and rights of way that were acquired not more than five years prior to the date on which the PPA will be signed, the credit provided hereunder shall include the incidental costs of acquiring the lands, easements, and rights of way.

L. Pursuant to Government Code Section 895.4, SJAFCA shall defend, indemnify, and hold the Board harmless from any liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by SJAFCA, its officers, agents, and employees under or in connection with any work, authority, or jurisdiction delegated to SJAFCA under this Section.

SECTION IV: Method of Payment

A. The following table is appended hereto as Exhibit C and made a part of this Agreement by this reference: Allocation Table for Lower San Joaquin River California project.
B. The Board and SJAFCA will establish a cost accounting system that will separately identify and document all nonfederal costs attributed to the Project.

C. The amounts contained in Exhibit C are estimates and may change as the design of the Project, the acquisition of rights of way, and construction proceed. The parties agree to make payments during the course of this Project, not to exceed the amounts shown on those tables, unless this Agreement is amended in accordance with Section XII of this Agreement. After all contracts awarded by the Government have been completed or terminated and claims settled, a final allocation of the total Project costs will be performed based on the actual costs of the Project.

D. The Parties agree to pay their respective share of Project costs in accordance with Article V "Method of Payment" of the PPA, and in accordance with Exhibit D, Budget Detail and Payment Provision, attached hereto and incorporated by this reference. No federal funds may be used to meet the nonfederal share of costs under this Agreement unless the expenditure of such funds is expressly authorized by statute as verified in writing by the federal granting agency.

E. As the Project proceeds, the Board will attempt to maintain, subject to a final accounting, the 70/30 percent (Board/SJAFCA) cost-sharing ratio of expenditures that is required by Sections II.C and II.G.I of this Agreement, in the following manner:

1. Cash Payments to the Corps of Engineers - The Board will forward to the Corps of Engineers the cash payments for the nonfederal share of costs of construction contracts as required by Article VI "Method of Payment" of the PPA, and in accordance with Exhibit D. Upon written request by the Board, SJAFCA will pay the Board 30 percent of the nonfederal share of costs for its portion of the payment on the same schedule as the Board is required to make payments to the Corps. SJAFCA shall provide its share of construction costs within 30 days after receipt of payment notice. SJAFCA is to inform the Board if it cannot pay its share of costs and provide Board with a schedule of when it is able to do so no more than 120 days after receipt of the payment notice.

2. Project Costs incurred by SJAFCA - SJAFCA will submit itemized invoices bearing the Agreement Number xx/xx, in triplicate, no more frequently than monthly in arrears, for its Project costs to the Central Valley Flood Protection Board addressed as follows:

   Executive Officer
   Central Valley Flood Protection Board
   3310 El Camino Avenue, Suite 170
   Sacramento, CA 95821
If SJAFCA becomes an acquiring agency for Project rights of way, then the Board will pay SAFCA 70 percent of the expenditures for lands, easements, rights of way, and relocations as determined to be eligible for credit under Project requirements in accordance with the provisions of Article IV of the PPA. Any costs associated with the purchase of land, easement, rights of way, and relocations in excess of the minimum required acreage required by the Government shall not be eligible for reimbursement by the State unless the State is afforded credit or reimbursed by the Government.

SJAFCA will provide to the Board a summary of actual costs it has incurred for the Project on a quarterly basis each July, October, January, and April, until Project completion. The summary shall separate costs as follows: (1) cash payments, (2) relocation payments included in Corps construction contracts, (3) land costs, and (4) relocations performed by SJAFCA as requested by the Government.

3. Project Costs incurred by the Board - Upon written request, SJAFCA will pay to the Board 30 percent of the Board's expenditures for lands, easements, rights of way, and relocations for its reach of the Project as determined to be eligible for credit under Project requirements in accordance with the provisions of Article IV of the PPA. SJAFCA shall provide its cost share within 30 days after receipt of payment notice. SJAFCA is to inform the Board if it cannot pay its share of costs and provide Board with a schedule of when it is able to do so, no more than 120 days after receipt of the payment notice.

F. The Board and SJAFCA share a common goal of maximizing the flexibility with which payments may be made pursuant to this Agreement. The parties intend to cooperate in Project funding based on appropriations available to them. In order that the Project is not delayed due to one party's funding constraints, any party may fund all or any percentage of the items above during the course of the Project, provided that the overall cost-sharing obligation is met, and with the understanding that payments made in excess of a party's obligation will be subject to reimbursement. Any reimbursement by the State shall be made only upon specific appropriation by the Legislature.

G. The estimated nonfederal cash contribution by federal fiscal year is shown on the table in Exhibit C. In the event that SJAFCA's cash contribution exceeds the State's reimbursement authority in any given year, SJAFCA may make payments directly to the Government to meet the required cash contribution in accordance with Article V.B of the PPA.
H. If the Government, State, or SJAFCA fail to make timely payments as required in the PPA, this Agreement will be subject to Termination or Suspension under the provisions of Article XII.A and XII.B of the PPA.

SECTION V: Operation and Maintenance of the Environmental Mitigation Site

Compensation for all significant adverse environmental habitat impacts resulting from Project construction may be performed by establishing one or more environmental mitigation sites. In the event a mitigation site is required, it will be considered to be a functional unit of the Project. The Government’s contractor shall construct the mitigation site as directed by the Government to meet the mitigation requirements approved for the Project by the Board and SJAFCA and the Government. In that event, the Government’s contractor shall perform maintenance, which includes irrigation, weed control, and plant replacement, for the three-year plant establishment period prior to acceptance of the work by the Government. When the three-year period has elapsed, the Government shall turn the mitigation site over to the Board for maintenance, if the site has been established.

In the event that a mitigation site is required and after satisfactory completion of the three year establishment period by the Government’s Contractor and acceptance by the Government, SJAFCA will perform or cause to be performed the post establishment operation, maintenance, repair, replacement, and rehabilitation of the mitigation site and will bear the entire cost of these obligations. The specific work necessary to operate, maintain, repair, replace, and rehabilitate the mitigation site will be specified by the Board in accordance with the permits and other regulatory approvals issued for the Project.

SECTION VI: Disputes

Before either party to this Agreement may bring suit in any court concerning an issue relating to this Agreement, that party must first seek in good faith to resolve the issue through negotiation or other forms of nonbinding alternative dispute resolution mutually acceptable to the parties. Any costs of dispute resolution shall be shared evenly by the parties. The existence of a dispute shall not excuse the parties from performance pursuant to the Agreement.

SECTION VII: Maintenance of Records; Audit

Within 60 days of the date of this Agreement, the Board and SJAFCA shall develop
procedures for keeping books, records, documents and other evidence pertaining to costs and expenses incurred pursuant to this Agreement to the extent and in such detail as will properly reflect total Project costs. The Board and SJAFCA shall maintain such books, records, documents, and other evidence in accordance with these procedures and for a minimum of three years after completion of Project construction and right of way acquisition and resolution of all relevant claims arising therefrom, and shall make available at their offices at reasonable times, such books, records, documents, and other evidence for inspection and audit by authorized representatives of the parties to this Agreement. Pursuant to California Government Code Section 8546.7, the parties shall be subject to the examination and audit by the State Auditor for the State of California for a period of three years after final payment under this Agreement.

SECTION VIII: Final Accounting

The Board and SJAFCA, upon completion or termination of the Project, shall each prepare an accounting of all costs incurred and credits claimed hereunder. This accounting shall be tabulated by the Board and used in reaching a final accounting with the Government and with SJAFCA for creditable Project costs.

SECTION IX: Compliance with State and Federal Law

In carrying out the provisions of this Agreement, the Board and SJAFCA agree to comply with all applicable federal and State laws and regulations, including: Section 601 of Title VI of the Civil Rights Act of 1964, Public Law 88-352, and Department of Defense Directive 55000.11, issued pursuant thereto and published in Part 300 of Title 32, Code of Federal Regulations; and Army Regulations 600-7, entitled "Non-Discrimination on the Basis of Handicapped in Programs and Activities Assisted or Conducted by the Department of the Army." In acquiring Project rights of way, the Board and SJAFCA shall comply with the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, as amended by Title IV of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (Public Law 100-17), and the Uniform Regulations contained in Title 49, Part 24 of the Code of Federal Regulations, and shall inform all affected persons of applicable benefits, policies, and procedures in connection with said Acts.

SECTION X: Obligation of Future Appropriations

A. Nothing in this Agreement shall constitute, or be deemed to constitute, an obligation of future appropriations by the Legislature of the State.

B. SJAFCA intends to satisfy its obligations under this Agreement. SJAFCA shall include in its budget requests or otherwise propose funding for each year, and will
use all reasonable and lawful means to secure the appropriations for that year, sufficient to make the payments necessary to fulfill its obligations hereunder. SJAFCA reasonably believes that funds in amounts sufficient to discharge these obligations can and will lawfully be appropriated and made available for this purpose. In the event the budget or other means of appropriations does not provide funds in sufficient amounts to discharge these obligations, SJAFCA shall use its best efforts to satisfy any requirements for payments under this Agreement from any other source of funds legally available for this purpose. Further, if SJAFCA is unable to satisfy its obligations hereunder, the State may exercise any legal rights it has to protect the State's interests related to this Agreement.

C. In the event that the State is unable to secure the appropriations for any year sufficient to make the payments necessary to fulfill the State's obligations hereunder, SJAFCA shall use its best efforts to satisfy any requirements for payments that are the obligation of the State under this Agreement from any source of funds legally available for this purpose until such time as State funding is appropriated. Funds so advanced by SJAFCA shall be reimbursed by the State or reflected in future cost share payment requests.

SECTION XI: Hazardous Substances

Pursuant to Article XIII of the PPA, the Board and SJAFCA may incur certain obligations with respect to hazardous substances regulated under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 USC Sections 9601-9675, on lands necessary for Project construction. SJAFCA agrees that:

D. In the event that the Government pursuant to Article XIII of the PPA, determines that it will initiate or continue with construction of the Project at any site necessary for Project construction, operation, or maintenance at which hazardous substances regulated under CERCLA have been found, then, at the direction of the Board staff and after consultation with SJAFCA, SJAFCA shall initiate and complete any and all necessary response and cleanup activity required under CERCLA, which shall include any studies and investigations necessary to determine the appropriate response to the contamination. Payment for the costs of such necessary response and cleanup activity as required under CERCLA shall be made by SJAFCA. In the event that SJAFCA fails to provide the funds necessary for response and cleanup activity required under CERCLA or to otherwise discharge SJAFCA's responsibilities under this paragraph C, but the Government determines that it will proceed with work at the site, then the Board may perform the necessary response and cleanup activity, and SJAFCA will reimburse the Board for its costs. If the Board performs the necessary response and cleanup activity required under CERCLA, the Board shall consult with SJAFCA concerning the selection of the person(s) or entity to perform the work, the amount of money to be spent on the work, the scope of the work, and any other aspect of response and cleanup activity, prior to
commencement of any necessary response and cleanup activity.

E. The Board and SJAFCA shall consult with the Government in accordance with Article XIII of the PPA, in order to ensure that responsible persons under CERCLA ultimately bear all necessary response and cleanup costs as defined in CERCLA.

F. SJAFCA shall operate, maintain, repair, replace, and rehabilitate the Project in a manner that will control the intentional or negligent release or threatened release of hazardous substances regulated under CERCLA on lands necessary for Project construction.

G. In the event that the Government or the Board are found to be liable under CERCLA for the release or threatened release of hazardous substances arising out of the construction of the Project, then SJAFCA shall indemnify the Government or the Board for any response or cleanup costs for which the Government or the Board is found liable under CERCLA, except for such response or cleanup costs which result from negligence of the Government or its contractors, or Board during construction.

H. No decision made or action taken pursuant to any provision of this Section of this Agreement shall relieve any responsible person from any liability that may arise under CERCLA, nor shall such decision or action be considered a waiver by the Board or SJAFCA of any right to seek from any responsible person as defined by CERCLA, the recovery or contribution of or indemnification from costs incurred by the Board or SAFCA for response or cleanup activity required under CERCLA, nor shall such decision or action be considered a waiver by the Board or SJAFCA of any other right or remedy provided by law.

I. As between the Board and SJAFCA, SJAFCA shall be considered the operator of its reach of the Project for purposes of CERCLA liability, except during the periods when the Government operates, maintains, repairs, replaces or rehabilitates the Project. To the maximum extent practicable, SJAFCA shall operate, maintain, repair, replace, and rehabilitate the Project in a manner that will not cause liability to arise under CERCLA.

SECTION XII: Term of Agreement; Amendment

The term of this Agreement shall be coextensive with that of the PPA, but the Agreement shall not become effective until approved by the California Department of General Services. This Agreement may be amended only upon consent of all parties and the approval of the Department of General Services. If the final PPA executed between the Government and the Board materially differs from the draft PPA that is attached as Exhibit A hereto, the Board and SJAFCA agree to renegotiate those provisions of this Agreement that are affected by any changes in the final PPA.
SECTION XIII: Notices

All notices, requests, demands, and other communications required or permitted to be given under this Agreement shall be deemed to have been duly given if in writing and delivered personally or mailed by first-class (postage pre-paid), registered, or certified mail, as follows:

If to the Central Valley Flood Protection Board:

Executive Officer
Central Valley Flood Protection Board
3310 El Camino Avenue, Suite 170
Sacramento, CA 95821

If to SJAFCA:

Executive Director
SJAFCA
22 E. Weber Ave., Suite 301
Stockton, CA 95202

A party may change the address to which such communications are to be directed by giving written notice to the other party in the manner provided in this section.

Any notice, request, demand, or other communication made pursuant to this section shall be deemed to have been received by the addressee at such time as it is personally delivered or seven calendar days after it is mailed, as the case may be.

SECTION XIII: Standard Clauses

The Standard Clauses attached hereto as Exhibit E, General Terms and Conditions for Department of Water Resources (Local Public Entities Receivables), are incorporated by this reference.

Officials or employees of local agencies determined to be consultants under the Political Reform Act are required to file a Statement of Economic Interests with the Fair Political Practices Commission. The Standard Contract Provisions Regarding Political Reform Act Compliance, attached hereto as Exhibit F, and the Certification Regarding Lobbying, attached hereto as Exhibit G, are incorporated by this reference.
SECTION XIV: Severability

If any provision of this Agreement is held invalid or unenforceable by any court of final jurisdiction, it is the intent of the parties that all other provisions of this Agreement be construed to remain fully valid, enforceable, and binding on the parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

THE CENTRAL VALLEY FLOOD PROTECTION BOARD OF THE STATE OF CALIFORNIA

By: ______________________________
    William H. Edgar
    President
    Central Valley Flood Protection Board

Approved for legal form and sufficiency

Kanwarjit Dua
Board Counsel
Central Valley Flood Protection Board

SAN JOAQUIN AREA FLOOD CONTROL AGENCY, CALIFORNIA

By: ______________________________
    Chris Elias
    Executive Director
    San Joaquin Area Flood Control Agency

Approved for legal form and sufficiency

Scott Shapiro
Agency Counsel
San Joaquin Area Flood Control Agency
Agenda Item 3.4
TO: San Joaquin Area Flood Control Agency
FROM: Chris Elias, Executive Director
SUBJECT: AQUATIC WEED CONTROL PROGRAM IN FIVE MILE SLOUGH

RECOMMENDATION

It is recommended that the Board of Directors of the San Joaquin Area Flood Control Agency approve a contract change order in the amount of $107,000 to Clean Lakes, Inc. which will provide for the continuation of hyacinth removal efforts in Five Mile Slough.

DISCUSSION

Background

The Aquatic Weed Control Program (Program) in Five Mile Slough was implemented in 2002 as part of the annual Operations and Maintenance (O&M) of the Flood Protection Restoration Assessment District to remove water hyacinth blooms. The hyacinth blooms can impede full inspection of the levees making it difficult, or nearly impossible in some cases, to identify burrowing holes and eroded areas. At the time the Program was established, and after extensive mechanical removal was performed, aquatic herbicide was implemented to avoid future re-infestation. Aquatic herbicide application requires federal and state regulatory permits as well as continuous monitoring and reporting activities to satisfy the permit conditions of the regulatory agencies. After implementation of a successful spray program, the use of herbicides ceased, and mechanical removal has been routinely performed since fiscal year (FY) 05/06.

The figure below illustrates the infested area, which is approximately 9.35 area acres west of Interstate 5 (I-5) and 1.34 area acres east of I-5. The slough flows next to Swenson Golf Course and passes through culverts on Plymouth Road and I-5. A dam at the outlet of Five Mile Slough separates the slough from the Delta.

For several years, the cost for aquatic vegetation removal was approximately $15,000 and during FY 12/13 and 13/14 vegetation removal was not necessary. Then, beginning in FY 14/15, the costs for the Program increased to $50,000 and this was due, in part, to weather and its effect on the temperature of the water causing hyacinth blooms to rapidly multiply. It
should be noted that aquatic herbicide application was no longer being used to control blooms and the Agency did not retain its regulatory permit during those years when aquatic vegetation removal was not necessary. Subsequently, costs for the Program began to rise because of uncontrolled aquatic vegetation growth covering a large mass of the slough coupled with mechanical removal methods. Mechanical removal of aquatic vegetation is much more expensive in comparison to an aquatic herbicide application plan. Beginning in FY 16/17, the budget for the Program increased to $75,000 annually.

The Program in Five Mile Slough has been contracted out since its implementation with exception of fiscal years 16/17 and 17/18 when San Joaquin County Flood Control and Water Conservation District performed the work.

As previously reported to the Board, the costs for the Program exceeded budget during FY 16/17 and 17/18, but costs for other maintenance categories were under budget and this kept total O&M expenses within allocated costs for the year. For example, expenses for O&M totaled 77% of budget spent during FY 16/17, 84% spent during FY 17/18, and 69% of budget spent during FY 18/19.

Staff reported to the Board that other methods would be explored to reduce the costs associated with this Program. In January 2019, staff contacted a total of four vendors who expressed an interest in performing aquatic vegetation maintenance for the Agency. Two out of the four vendors (Solitude Lake Management and Clean Lakes, Inc.) submitted proposals for aquatic pesticide application. After reviewing submittals, staff chose Clean Lakes, Inc. to prepare the necessary paperwork for submittal to the State Water Resources Control Board (SWRCB) to obtain a permit for application of aquatic pesticide. A contract was executed in April 2019 for preparation of an aquatic pesticide application plan (APAP) and a submittal was made to the SWRCB in June. At this time, the slough was covered in hyacinth blooms from east of I-5 to the west end at the dam. On September 6, 2019, the Agency's APAP was approved by State officials.

Once the Agency received an approved APAP from the State, the Agency negotiated for aquatic vegetation control services to be performed by Clean Lakes, Inc., and a contract was entered into on September 24, 2019. Pre-treatment inspection occurred the first week of October 2019, and homeowners that live in the area were notified that aquatic applications were going to begin. There was some concern about work taking place in the slough during the month of October, but this concern was resolved after contact was made with the Department of Boating and Waterways who stated the slough was outside their restricted zone and that the Agency’s herbicide treatments could begin. Therefore, aquatic herbicide applications did not begin until October 31, 2019, and continued in November. By this time, the hyacinth blooms were in full peak and would be challenging to eradicate by spray treatment alone.

Present Situation

Due to the timing in gaining regulatory approvals for the use of herbicides to control water hyacinth blooms in the slough system, dense growth conditions returned. As a frame of reference, the prior 2018 season recorded an estimated 5,000 cubic yards or more of hyacinth that was removed from the area just west of I-5, with plants reaching 4-feet above water level. During that time the area west of I-5 was approximately 65% covered in dense vegetation.
These plants can increase in density 1.5% daily during peak growth season (May through October) which equates to a doubling in area every 15-30 days\(^1\).

Because spray treatment did not occur in 2019 until after the plants reached nuisance proportions, it was recommended that a mechanical effort be implemented to remove the growth before entering a maintenance spray program. Staff authorized Clean Lakes, Inc. to begin this effort on February 24, 2020. However, it should be noted, the area west of I-5 is 80% covered in plant material. In addition, staff is recommending that this effort also include the area east of I-5 to remove the vegetation in that location.

The budget approved by the Board was $75,000 but this budget did not anticipate mechanical removal efforts due to an anticipated spray program. The current mechanical removal effort has already started with a need for an additional 19 workdays to finish removing plant material from the system. This cost averages approximately $5,632 per day and includes equipment, labor, and estimated disposal costs for plant material east of I-5. It is recommended the Board approve a contract change order in the amount of $107,000 to Clean Lakes, Inc. to continue water hyacinth removal and finish clearing the system of plant material.

Once this effort is complete, a maintenance spray program will be continued to avoid expensive mechanical removal efforts. Staff will work closely with the homeowner’s association in the area in conjunction with Clean Lakes, Inc. to prevent nuisance growth and to help maintain the safety of our levees.

**FISCAL IMPACT**

The addition of $107,000 for aquatic vegetation removal is outside of the Executive Director’s authority and will be paid from the Agency’s O&M Fund. There are sufficient funds available in the O&M Fund to pay for this one-time expense. It should be noted that the Agency has kept prior year expenses under budget; for example, 69% of budget was spent during fiscal year 18/19.

Approval of this item will appropriate $107,000 from the O&M Fund to cover this work. Future costs for the aquatic weed removal program will be for herbicide spray only and those costs are anticipated to be less than $40,000 seasonally.

PREPARED BY: Marlo Duncan, Project Manager III

APPROVED BY:

[Signature]

CHRIS ELIAS
EXECUTIVE DIRECTOR

\(^1\) Seasonal Growth of Waterhyacinth in the Sacramento/San Joaquin Delta, California (http://www.apms.org/japm/vol43/v43p91.pdf)
RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CHANGE ORDER TO THE CONTRACTUAL SERVICES AGREEMENT WITH CLEAN LAKES, INC. TO PROVIDE AQUATIC VEGETATION REMOVAL SERVICES IN FIVE MILE SLough

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

1. The Executive Director is authorized to execute a Change Order to the Contractual Services Agreement with Clean Lakes, Inc. in an amount not to exceed $107,000 for aquatic vegetation removal in Five Mile Slough.

2. An appropriation from the Operations and Maintenance Fund in the amount of $107,000 (one-hundred seven thousand dollars) is approved to cover this one-time expense.

PASSED, APPROVED AND ADOPTED this 19 day of March 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:

KATHRYN OEHLSchLAGER, Legal Counsel
for the San Joaquin Area
Flood Control Agency
Agenda Item 3.5
TO: San Joaquin Area Flood Control Agency
FROM: Chris Elias, Executive Director
SUBJECT: AUTHORIZATION OF SJAFCA REPRESENTATIVES TO TRAVEL TO WASHINGTON, D.C. FOR 2020 SPRING ADVOCACY TRIP

RECOMMENDATION

It is recommended that the Board of Directors of the San Joaquin Area Flood Control Agency (SJAFCA) authorize travel for SJAFCA representatives for an advocacy trip to Washington, D.C. from March 30, 2020 through April 1, 2020.

DISCUSSION

Background

Each year, representatives of SJAFCA travel to Washington, D.C. to meet with federal policymakers in Congress and various administration departments to discuss SJAFCA’s priority projects.

On May 10, 2006, the Board of Directors adopted SJAFCA Resolution 06-02 establishing guidelines for advocacy travels and approving the Agency’s advocacy travel policy. This policy states that SJAFCA will cover 100% of the expenses if an advocacy trip is arranged exclusively to address SJAFCA issues and the Board has been notified in advance to give authorization.

Present Situation

The Spring 2020 Advocacy Trip is planned for the week of March 30, 2020 through April 1, 2020. This trip is an opportunity to elevate SJAFCA’s voice at the national level on flood protection priority projects of importance to the residents and businesses within SJAFCA’s jurisdiction. Discussions will include requests in President’s FY 2022 Budget/FY 2021 Workplan to fund construction of the second increment under New Start phase, and continuation of Phase II Study of the Lower San Joaquin River Project (Mossdale Tract).

In order to comply with the quorum requirements of the Brown Act, up to four (4) Board members may participate in this trip, along with one (1) staff member of the San Joaquin
County Flood Control and Water Conservation District, SJAFCA's Executive Director and General Counsel. Sufficient funds are available to cover the travel expenses (air travel, hotel stay and ground transportation expenses) and proposed reimbursements for this advocacy trip.

PREPARED BY: Chris Elias

APPROVED:
CHRIS ELIAS
EXECUTIVE DIRECTOR

CE:DC
RESOLUTION NO. SJAFCA 20-13

SAN JOAQUIN AREA
FLOOD CONTROL AGENCY

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RESOLUTION TO AUTHORIZE
SJAFCA REPRESENTATIVES TO TRAVEL TO WASHINGTON, D.C.
FOR 2020 SPRING ADVOCACY TRIP

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

1. That the Board of Directors of the San Joaquin Area Flood Control Agency hereby
authorize travel and expenses for the individuals listed below for an advocacy trip

   • Four (4) Board members
   • One (1) staff member of the San Joaquin County Flood Control and Water
     Conservation District
   • SJAFCA’s Executive Director
   • General Counsel

PASSED, APPROVED AND ADOPTED this 19th day of MARCH, 2019.

____________________________
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:

____________________________
KATHRYN OEHLSCHLAGER, Legal Counsel
for the San Joaquin Area
Flood Control Agency
Agenda Item 4.1
TO: San Joaquin Area Flood Control Agency

FROM: Chris Elias, Executive Director

SUBJECT: MITIGATION AGREEMENTS FOR ENVIRONMENTAL IMPACTS ASSOCIATED WITH THE IMPLEMENTATION OF 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:

1) Authorizing the Executive Director to execute an agreement with Liberty Island Holdings, LLC in the amount of $1,678,500 for the environmental credits needed to mitigate impacts to federally listed fish species associated with the implementation of the Smith Canal Gate Project (project); and

2) Authorizing the Executive Director to execute an agreement with Westervelt Ecological Services in the amount of $129,950 for the environmental credits needed to mitigate impacts to waters of the U.S. and State associated with implementation of the project; and

3) Authorizing $1,808,450 ($1,678,500 + $129,950) to fund the environmental mitigation for the project.

DISCUSSION

Background

On July 18, 2019, the Board adopted the Smith Canal Gate Project Plans and Specification and authorized the Executive Director to advertise the project for public bidding and delegated authority to release the bid documents after evaluation of pending conditions and receipt of project permits.

Under the Endangered Species Act (ESA) Section 7, the agency received permits from the U.S. Fish and Wildlife Service (USFWS) and National Marine Fisheries Service (NMFS). These permits require the following credits to mitigate for the project impacts:

- USFWS: 7.46 acres total Delta Smelt credits, consisting of 2.46 acres of Delta Smelt credits for construction impacts and 5.0 acres of Delta Smelt credits for operation.

AGENDA ITEM 4.1
• NMFS: 2.46 acres of salmonid credits for permanent impacts to tidal perennial habitat and 2.49 acres of riparian habitat credits for permanent impacts to riparian habitat.

Under the Clean Water Act, SJAFCA also received a Section 401 permit (Water Quality Certification) from the Regional Water Quality Control Board (RWQCB) and Section 404 permit (Discharge to waters of the United States and Navigable Waterways) from the U.S. Army Corps of Engineers (USACE). These permits require the following mitigation:

• USACE: 0.82 acres of floodplain mosaic wetland restoration credits for permanent impacts to tidal perennial waters of the U.S.

• RWQCB: 0.82 acres of floodplain mosaic wetland restoration credits for permanent impacts to stream channel jurisdictional waters of the U.S./State, and 0.007 acres of on-site habitat restoration for permanent impacts to wetland waters of the U.S./State

Present Situation

In order to acquire the necessary credits to satisfy the requirements of USFWS and NMFS regulatory agencies, SJAFCA investigated available conservation and mitigation banks that would have the credits available to mitigate for the project impacts. After initial conversations with selected conservation banks and further coordination with the regulatory agencies to obtain their approval of the available credits, SJAFCA initiated negotiations with Liberty Island Conservation Bank to acquire the necessary credits.

Based on the approval from the regulatory agencies (USFWS and NMFS), the purchase of 7.08 longfin/delta smelt restoration conservation credits and 1.14 salmonid preservation conservation credits in the amount of $1,678,500 from the Liberty Island Conservation Bank will satisfy mitigation requirements for impacts associated with the implementation of the San Joaquin Area Flood Control Agency Smith Canal Gate Project.

The proposed Purchase Agreement with Liberty Island Holdings, LLC, specifically fulfills compensatory mitigation requirements for impacts to tidal perennial and riparian habitats (4.95 acre-credits) as specified under NMFS Biological Opinion, and fulfills the compensatory mitigation requirements for impacts to shallow water habitats (7.46 acre-credits) as specified in USFWS Biological Opinion Reinitiation and Revision. Approvals for the proposed credit purchases were received from the NMFS and USFWS on January 24, 2020 and February 20, 2020.

To acquire the mitigation credits for USACE and RWQCB permits, the Agency initiated conversations with Westervelt Ecological Services, the sponsor of Cosumnes Mitigation Bank that has available credits for this mitigation. As USACE and the RWQCB approved the available credits on March 4, 2020 and February 24, 2020, respectively, SJAFCA is preparing a contract with Westervelt Ecological Services to acquire these credits.
MITIGATION AGREEMENTS FOR ENVIRONMENTAL IMPACTS ASSOCIATED WITH THE IMPLEMENTATION OF THE SMITH CANAL GATE PROJECT

March 19, 2020

The contract with Westervelt Ecological Services will be in the amount of $129,250 for the purchase of 0.86 acre of floodplain mosaic wetland restoration credits and 0.01-acre riparian restoration credits as specified in USACE Section 404 individual permit and RWQCB Section 401 water quality certification permit. These purchases, if authorized by the Board, will fully satisfy USACE and RWQCB compensatory mitigation and on-site habitat restoration requirements.

CONSISTENCY WITH STRATEGIC PLAN

These authorizations to execute agreement with Liberty Island Holdings, LLC and Westervelt Ecological Services for environmental mitigation expenses associated with the Smith Canal Gate Project is consistent with Objective #7 of the Board-adopted Strategic Plan, “pursue multi-benefit approaches to…..and promote system resiliency and resource mitigation.”

FISCAL IMPACT

The fiscal year 19/20 budget already includes $835,000 for anticipated environmental mitigation costs. However, additional funds are available in the construction budget for the project to cover the expenditure of the agreements with Liberty Island Holdings, LLC and Westervelt Ecological Services totaling $1,808,450. These environmental mitigation expenses will be cost-shared 63% Department of Water Resources and 37% SJAFC, per the project Funding Agreement.

PREPARED BY: Juan J. Neira

APPROVED:
CHRIS ELIAS
EXECUTIVE DIRECTOR

CE:JUN:dc
RESOLUTION NO. SJAFCA 20-11

SAN JOAQUIN AREA
FLOOD CONTROL AGENCY

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AUTHORIZATION TO EXECUTE MITIGATION AGREEMENTS WITH LIBERTY
ISLAND HOLDINGS, LLC., AND WESTERVELT ECOLOGICAL SERVICES
FOR ENVIRONMENTAL IMPACTS ASSOCIATED WITH THE
IMPLEMENTATION OF THE SMITH CANAL GATE PROJECT

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

1. Adopt a resolution authorizing the Executive Director to execute agreements with:

   - Liberty Island Holdings, LLC., in the amount of $1,678,500 for the environmental
credits needed to mitigate impacts to federally listed fish species associated with
the implementation of the Smith Canal Gate Project (project), and

   - Westervelt Ecological Services in the amount of $129,950 for the environmental
credits needed to mitigate impacts to waters of the U.S. and State associated with
implementation of the project.

2. Authorize $1,808,450 ($1,678,500 + $129,950) to fund the environmental mitigation of the
project.

   PASSED, APPROVED AND ADOPTED this 19th day of March, 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:

______________________________
KATHRYN OEHLSCHLAGER, Legal Counsel
for the San Joaquin Area
Flood Control Agency
AGREEMENT FOR SALE OF CONSERVATION CREDITS
LIBERTY ISLAND CONSERVATION BANK
AGENCY File No(s):
USFWS File No: 08ESMF00-2015-F-0206-1
NMFS File No: WCRO-2019-00226

This Agreement is entered into this ___________ day of ______________________ ("Effective Date") by and between LIBERTY ISLAND HOLDINGS I, LLC (Bank Owner) and San Joaquin Area Flood Control Agency (SJAFCA) ("Project Applicant") as follows:

RECITALS

A. Bank Owner has developed the Liberty Island I Conservation Bank (Bank) located in Yolo County California; and

B. The Bank was approved by the National Marine Fisheries Service, the United States Fish and Wildlife Service and the California Department of Fish and Wildlife (collectively referred to as "Agencies") on July 21, 2010 and is currently in good standing with the Agencies, and

C. The Bank has received approval from the Agencies to offer Chinook salmon, Central Valley steelhead, longfin smelt and delta smelt conservation credits for sale as specified in the Conservation Bank Agreement through the Liberty Island Conservation Bank Agreement (Bank Agreement); and

D. Project Applicant is seeking to implement the project described on Exhibit "A" attached hereto ("Project"), which would unavoidably and adversely impact smelt and salmonid habitat thereon, and seeks to compensate for the loss of said habitat by purchasing credits from Bank; and

E. Project Applicant has been authorized to purchase from the Bank 7.08 longfin/delta smelt restoration conservation credits and 1.14 salmonid preservation conservation credits upon confirmation by the Bank Owner of credit availability/adequate balance of credits remaining for sale; and

F. Project Applicant desires to purchase from Bank Owner and Bank Owner desires to sell to Project Applicant 7.08 longfin/delta smelt restoration conservation credits and 1.14 salmonid preservation conservation credits.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Bank Owner hereby agrees to sell to Project Applicant and Project Applicant hereby purchases from Bank Owner 7.08 longfin/delta smelt restoration conservation credits and 1.14 salmonid preservation conservation credits ("Conservation Credits") for the purchase price of $1,678,500.00 ("Purchase Price"). The Purchase Price for the Conservation Credits shall be paid by wire transfer of funds according to the provided instructions. Upon release of the credits and receipt of the Purchase Price, Bank Owner will deliver to Project Applicant an executed Bill of Sale in the form attached hereto as Exhibit "B."
2. The sale and transfer of the Conservation Credits described herein is not intended as a sale or transfer to Project Applicant of a security, license, lease, easement, or possessory or non-possessory interest in real property, nor the granting of any interest of the foregoing.

3. Project Applicant shall have no obligation whatsoever by reason of the purchase of the Conservation Credits, to support, pay for, monitor, report on, sustain, continue in perpetuity, or otherwise be obligated or liable for the success or continued expense or maintenance in perpetuity of the Conservation Credits sold, or the Bank. Pursuant to Bank Agreement and any amendments thereto, Bank Owner shall monitor and make reports to the appropriate agency or agencies on the status of any Conservation Credits sold to Project Applicant. Bank Owner shall be fully and completely responsible for satisfying any and all conditions placed on the Bank or the Conservation Credits, by all state or federal jurisdictional agencies.

4. The Conservation Credits sold and transferred to Project Applicant shall be nontransferable and non-assignable except as set forth herein and shall not be used as compensatory mitigation for any other Project or purpose, except as set forth herein.

5. **Bank Owner’s Repurchase Right.** In the event that Project Applicant is unable to obtain the necessary permits for its Project or determines that the Conservation Credits will not satisfy its obligations under the Permit, Bank Owner shall have the exclusive and preemptory right to repurchase the Conservation Credits, in its sole and absolute discretion ("Repurchase Right"), in accordance with the following terms:
   
   a. Project Applicant shall give Bank Owner written notice ("Repurchase Notice") of such. The Repurchase Notice shall be delivered within one (1) year from the Effective Date of this Agreement or this Repurchase Notice shall be null and void.
   
   b. Bank Owner shall have thirty (30) days from its receipt of the Repurchase Notice to exercise its right to repurchase the Conservation Credits by giving Project Applicant written notice ("Exercise Notice") that Bank Owner has elected to exercise its right to repurchase the Conservation Credits. In the event that Bank Owner delivers an Exercise Notice to Project Applicant, closing on the repurchase of the Conservation Credits shall occur on the date which is thirty (30) days after delivery of the Exercise Notice or such earlier date as is agreeable to the parties.
   
   c. The purchase price for the Conservation Credits shall be equal to the amount paid by Project Applicant to Bank Owner less the five percent (5%) commission paid to Bank Owner’s broker in connection with the original sale of the Conservation Credits and a $5,000 administrative fee to be retained by Bank Owner.

6. **Acknowledgement of the Parties; Current Unavailability of longfin/delta smelt restoration conservation credits.**
   
   Bank Owner and Project Applicant acknowledge that as of the Effective Date the Conservation Credits are currently not available to transfer. Bank Owner is awaiting a release that will enable Bank Owner to transfer the Conservation Credits to Project Applicant (the "Expected Release"). Notwithstanding anything to the contrary continued herein, if the Expected Release has not occurred within six months of the Effective Date of the Agreement, Project Applicant may elect to terminate this Agreement by written notice to Bank Owner (the "Termination Notice") and upon receipt or transmission of such Termination Notice this Agreement shall terminate and Bank Owner shall refund the Deposit to the Project Applicant and none of the Parties shall have any further rights or obligations hereunder. This Agreement can also be extended as mutually agreed upon by the Parties. In no event shall Bank Owner be deemed in default of this Agreement or incur, and Project Applicant hereby releases Bank Owner from, any liability to Project Applicant under the terms of this Agreement resulting from a failure of the Expected Release.

7. Project Applicant must deliver a deposit equal to 25% of the Purchase Price equal to $419,625.00 to Bank Owner within 10 days of the Effective Date of this Agreement (the "Deposit"). The Deposit shall
only be refunded to the Project Applicant if the Conservation Credits are not released and made available for purchase after six months of the Effective Date of the Agreement (the “Release Date”), or if Bank Owner defaults on this Agreement, as set forth in paragraph 9(a). The Deposit shall be paid by wire transfer of funds according to the provided instructions. The Deposit shall be applied, without interest against the Purchase Price. If after the 10-day period, the Deposit has not been received by the Bank Owner this Agreement will be considered null and void and Bank Owner shall have no further obligations hereunder.

8. The Conservation Credits will be transferred by Bank Owner to Project Applicant following the Expected Release and upon Bank Owner’s receipt of payment of the balance of the Purchase Price. Upon availability of the Conservation Credits, Resource Environmental Solutions, LLC will notify Project Applicant in writing of the same, which notification shall contain an invoice for the balance of the Purchase Price due (the “Sale Notice”). Project Applicant will have 30 days from Receipt of the Sales Notice to provide the balance of the Purchase Price (the “Expiration Date”). Once the balance of the Purchase Price has been received by Bank Owner for the Conservation Credits, the sale contemplated in this Agreement shall be deemed to have occurred, at which time Resource Environmental Solutions, LLC will notify USFWS and NMFS with a copy to Project Applicant. In the event that following receipt of the Sales Notice, Project Applicant fails to remit payment in full for the Conservation Credits prior to the Expiration Date, Bank Owner may terminate this Agreement by written notice of the same to Project Applicant, upon which the Bank Owner shall be entitled to retain the Deposit, as liquidated damages and not as a penalty, and neither Project Applicant nor Bank Owner shall have any further rights or obligations hereunder.

If prior to Release Date, Project Applicant determines that it will be unable to move forward with the Project or for some other reason does not need the Conservation Credits, Project Applicant may terminate the agreement and decline to pay the balance of the Purchase Price. In the event that Project Applicant terminates the agreement pursuant to this paragraph, Project Applicant shall provide a Termination Notice to Bank Owner, and Bank Owner shall retain the Deposit.

   a. Bank Owner’s Default: Project Applicant’s Remedies. If the purchase and sale of the Conservation Credits contemplated herby is not consummated because of a default by Bank Owner, then Project Applicant may, as Project Applicant’s sole and exclusive remedy hereunder on account of any default by Bank Owner, terminate this Agreement by written notice to Bank Owner and Resource Environmental Solutions LLC, upon which notice Bank Owner shall return the Deposit to Project Applicant, IT BEING AGREED BETWEEN PROJECT APPLICANT AND BANK OWNER THAT SUCH SUM SHALL BE PROJECT APPLICANT’S SOLE AND LIQUIDATED DAMAGES (AND NOT A PENALTY) FOR SUCH DEFAULT OF BANK OWNER HEREUNDER BECAUSE OF THE DIFFICULTY, INCONVENIENCE AND UNCERTAINTY OF ASCERTAINING ACTUAL DAMAGES FOR SUCH DEFAULT, and the Parties shall have no further rights or obligations hereunder.

10. This Agreement shall be effective as of the date of the last signature.

BANK OWNER:

LIBERTY ISLAND HOLDINGS, LLC, a Delaware limited liability company

By: ____________________________  Date: _________________

____________________________________________

Name: ____________________________

Title: ____________________________
PROJECT APPLICANT:
SAN JOAQUIN AREA FLOOD CONTROL AGENCY

By: __________________________________________ Date: ______________________

Name: __________________________________________

Title: __________________________________________
SERVICE:

Through the purchase of 7.08 longfin/delta smelt restoration conservation credits and 1.14 salmonid preservation conservation credits, this Agreement fulfills compensatory mitigation requirements for impacts to tidal perennial and riparian habitats (4.95 acre-credits) as specified under NMFS Biological Opinion No. WCRO-2019-00226 (dated October 18, 2019), and fulfills the compensatory mitigation requirements for impacts to shallow water habitats (7.46 acre-credits) as specified USFWS Biological Opinion Reinitiation and Revision No. 08ESMF00-2015-F-0206-F (dated August 19, 2019), and USFWS approval by Kaylee Allen, Field Supervisor sent via email from Steven Schoenberg, USFWS (dated February 20, 2020).

UNITED STATES DEPARTMENT OF THE INTERIOR
FISH AND WILDLIFE SERVICE

By: 
Title: 
Dated: 

UNITED STATES DEPARTMENT OF COMMERCE
NATIONAL MARINE FISHERIES SERVICE

By: 
Title: 
Dated: 
Project Description:

SJAFCA SMITH CANAL GATE PROJECT
SAN JOAQUIN COUNTY, CALIFORNIA

The San Joaquin Area Flood Control Agency (SJAFCA), in partnership with Reclamation Districts (RDs) 1614 and 828, will build, operate, and maintain a fixed wall with a gate structure near the mouth of Smith Canal, primarily within the boundaries of RD 828 and RD 1614. Smith Canal is a backwater slough of the Sacramento–San Joaquin River Delta (Delta), adjacent to the San Joaquin River across from Rough and Ready Island and the Port of Stockton.

The project would construct a gated fixed wall structure to protect Atherton Cove and Smith Canal from the San Joaquin River during high flow and tide events. The gated fixed wall structure would be built with an additional 2.4 feet of elevation to account for both projected sea level rise through 2050 and hydraulic uncertainty. A fixed dual sheet pile wall filled with granular material would extend approximately 800 feet from the north tip of Dad's Point to the right bank of the San Joaquin River, at the Stockton Golf and Country Club, and would feature a 50-foot-wide gate that would be closed during high flow events forecast to approach or exceed design operating water surface elevations (8.0 feet, NAVD88). The gate would be closed only as needed for flood control, remaining open to allow for recreation, navigation, and tidal movement in Smith Canal. If deemed necessary to aid navigation, U.S. Coast Guard-approved lighting may be installed along the fixed wall structure and at the gate opening.

The opening portion of the gate structure would consist of a miter (double-door) gate structure, opening outwards towards the San Joaquin River. When open, the gate doors would recess into the gate structure, providing a 50-foot-wide opening. The structure would be opened and closed by electric motors located above water on top of each gate hinge. The gate panels would be attached to a concrete foundation using stainless steel anchor bolts. The gate panels would be gasket-sealed at their connection to the dual sheet pile wall structure and at the point where two panels come together.

The proposed project would also include approximately 1,660 linear feet of continuous floodwall and seismic stability wall would be constructed of single sheet piles along the eastern portion of Dad's Point. The floodwall and seismic stability would be continuous and would be installed along the San Joaquin River side of the Dad's Point levee fill crown. The floodwall would predominately be underground; however, a concrete cap would be installed on top of the wall in areas where it would be exposed. The top elevation of Dad's Point improvements would be 15.0 feet NAVD 88. An access road would be installed on top of Dad's Point. Fill material would be placed in some areas to raise the elevation of Dad's Point. Disturbed areas would be re-landscaped following the completion of construction activities.

Recreation facilities would be installed on Dad's Point to replace amenities affected by project construction; the types of facilities would be selected based on current uses of the space including fishing, wildlife viewing, walking, biking, and running. Dredging may be necessary to remove material from the channel bottom along the entire alignment of the fixed wall to provide a level surface. Silt curtains would be used along the limits of dredging. All dredged material would be disposed of at the Lovelace Materials Recovery Facility in Manteca or at the North County Recycling Center and Sanitary Landfill in Lodi, which were specified as material disposal sites for the Project in the EIR. Alternatively, the dredge material could be disposed of at an upland site with no connectivity to waters of the United States.
The Project is included in the Recommended Plan of the Lower San Joaquin River Feasibility Study; has an executed Memorandum of Understanding for credit under Section 221 of the Flood Control Act of 1970, as amended; and has an approved Independent Panel of Experts (IPE) and Safety Assurance Review (SAR) Plan. SJAFCA has also entered into two cost share agreements with DWR—one for design services and one for construction services.
BILL OF SALE

Contract # LICB-20-76

Agency File No’s:
USFWS File No: 08ESMF00-2015-F-0206-1
NMFS File No: WCRO-2019-00226

In consideration of $1,678,500.00, receipt of which is hereby acknowledged, Liberty Island Holdings I, LLC, ("BANK OWNER") does hereby bargain, sell and transfer to SJAFCA ("Project Applicant") 7.08 longfin/delta smelt restoration conservation credits and 1.14 salmonid preservation conservation credits for the SJAFCA Smith Canal Gate Project from the Liberty Island I Conservation Bank in Yolo County, California, developed and approved by the National Marine Fisheries Service, the U.S. Fish and Wildlife Service and the California Department of Fish and Wildlife.

Bank Owner represents and warrants that it has good title to the credits, has good right to sell the same, and that they are free and clear of all claims, liens or encumbrances.

Bank Owner covenants and agrees with the Project Applicant to warrant and defend the sale of the credits hereinbefore described against all and every person and persons whomsoever lawfully claiming or to claim the same.

DATED: ____________________________

LIBERTY ISLAND HOLDINGS I, LLC

By: ______________________________

Name: Alton Owens

Its: Managing Director
PAYMENT RECEIPT
LIBERTY ISLAND CONSERVATION BANK
7.08 Longfin/Delta Smelt Restoration CONSERVATION CREDITS
1.14 Salmonid Preservation CONSERVATION CREDITS

PARTICIPANT INFORMATION
Name: San Joaquin Area Flood Control Agency
Address: 22 East Weber Avenue, Room #301, Stockton CA 95202
Telephone: (209) 937-8866
Contact: Chris Elias, Executive Director

PROJECT INFORMATION
Project Name: SJAFCA Smith Canal Gate Project
Agency File Number(s): USFWS File No: 08ESMF00-2015-F-0206-1
NMFS File No: WCRO-2019-00226
Habitat Affected: 2.46 acres of tidal perennial habitat and 2.49 acres of riparian habitat, pursuant to NMFS Biological Opinion No. WCRO-2019-00226
0.82 acres of shallow water habitat (direct, construction-phase effects) and 68 acres of shallow water habitat (indirect, operations-phase effects), pursuant to USFWS Biological Opinion Reinitiation and Revision No: 08ESMF00-2015-F-0206-1
Credits Purchased: 7.08 longfin/delta smelt restoration conservation credits, and 1.14 salmonid preservation conservation credits
Payment Amount: $1,678,500.00
Project Location: City of Stockton & unincorporated San Joaquin County; Secondary Zone of Delta
County: San Joaquin County

PAYMENT INFORMATION
Payee: Wildlands, Inc.
Payer: San Joaquin Area Flood Control Agency
Amount: One million, five hundred ninety-three thousand dollars and No/100ths Dollars ($1,678,500.00)
Wire Transfer No: ______________________________________
Received: ______________________________________
(Signature)
Name/Title: Alton Owens/Managing Director
Date: ______________________________________
Cosumnes Floodplain Mitigation Bank

AGREEMENT FOR SALE OF MITIGATION CREDITS

Permit Number: SPK-2016-00037
Permit Number: WDID#5B39CR00307

This Agreement is entered into this ______ day of ___________, 2020 by and between WESTERVELT ECOLOGICAL SERVICES, LLC (Bank Owner) and the San Joaquin Area Flood Control Agency (SJAFCA) (Project Applicant), jointly referred to as the “Parties,” as follows:

RECITALS

A. The Bank Owner has developed the Cosumnes Floodplain Mitigation Bank (Bank) located in Sacramento County, California; and

B. The Bank was approved by the U.S. Army Corps of Engineers (USACE), U.S. Environmental Protection Agency (USEPA), National Marine Fisheries Service (NMFS) and California Department of Fish and Wildlife (CDFW) (jointly referred to as “Agencies”) on September 30, 2009, and is currently in good standing with these agencies; and

C. The Bank has received approval from the Agencies to offer riparian wetlands and seasonal wetlands under the Clean Water Act and riparian forest, Scrub Shrub, and Shaded Riverine Aquatic (SRA) credits through the Cosumnes Floodplain Mitigation Bank Enabling Instrument (Bank Agreement); and

D. Project Applicant is seeking to implement the SJAFCA Smith Canal Gate Project described on Exhibit “A” attached hereto (Project), which would unavoidably and adversely impact waters of the U.S. and seeks to compensate for the loss by purchasing Credits from the Bank; and

E. Project Applicant has been authorized by the Army Corps of Engineers (Permit Number: SPK-2016-00037), and the Central Valley Regional Water Quality Control Board (Permit Number: 5B39CR00307) to purchase from the Bank 0.82 Floodplain Mosaic Wetland credits and 0.01 Floodplain Mosaic Riparian credits upon confirmation by the Bank Owner of credit availability/adequate balance of credits remaining for sale; and

F. Project Applicant desires to purchase from Bank and Bank desires to sell to Project Applicant 0.82 Floodplain Mosaic Wetland credits and 0.01 Floodplain Mosaic Riparian credits

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Bank hereby sells to Project Applicant and Project Applicant hereby purchases from Bank 0.82 Floodplain Mosaic Wetland credits and 0.01 Floodplain Mosaic Riparian credits for the purchase price of $123,950.00. The Bank will then deliver to Project Applicant an executed Bill of Sale in the manner and form as attached hereto and marked Exhibit “B”. The purchase price for said credits shall be paid by cashier’s check or, at the option of Bank, wire transfer of funds according to written instructions by Bank to Project Applicant.

2. The sale and transfer herein is not intended as a sale or transfer to Project Applicant of a security, license, lease, easement, or possessory or non-possessory interest in real property, nor the granting of any interest of the foregoing.

Cosumnes Floodplain Mitigation Bank Credit Sales Agreement
3. Project Applicant shall have no obligation whatsoever by reason of the purchase of the Credits, to support, pay for, monitor, report on, sustain, continue in perpetuity, or otherwise be obligated or liable for the success or continued expense or maintenance in perpetuity of the credits sold, or the Bank. Pursuant to the Bank Agreement and any amendments thereto, Bank shall monitor and make reports to the appropriate agency or agencies on the status of any Credits sold to Project Applicant. Bank shall be fully and completely responsible for satisfying any and all conditions placed on the Bank or the Credits by all state or federal jurisdictional agencies.

4. The Credits sold and transferred to Project Applicant shall be non-transferable and non-assignable except as set forth herein, and shall not be used as compensatory mitigation for any other Project or purpose, except as set forth herein.

5. Bank Owner’s Repurchase Right. In the event that Project Applicant is unable to obtain the necessary permits for its Project or determines that the Credits will not satisfy its obligations under the Permit, Bank Owner shall have the exclusive and preemptory right to repurchase the Credits, in its sole and absolute discretion (“Repurchase Right”), in accordance with the following terms:

   a. Project Applicant shall give Bank Owner written notice (“Repurchase Notice”) of such. The Repurchase Notice shall be delivered within one (1) year from the Effective Date of this Agreement or this Repurchase Notice shall be null and void.

   b. Bank Owner shall have thirty (30) days from its receipt of the Repurchase Notice to exercise its right to repurchase the Credits by giving Project Applicant written notice (“Exercise Notice”) that Bank Owner has elected to exercise its right to repurchase the Credits. In the event that Bank Owner delivers an Exercise Notice to Project Applicant, closing on the repurchase of the Credits shall occur on the date which is thirty (30) days after delivery of the Exercise Notice or such earlier date as is agreeable to the parties.

   c. The purchase price for the Credits shall be equal to the amount paid by Project Applicant to Bank Owner less a $5,000 administrative fee to be retained by Bank Owner.

6. Project Applicant hereby commits to purchase the Credits and in association therewith shall tender payment for the Credits no later than 30 days from the date of this Agreement.

7. Upon purchase of the credits specified in paragraph E above, the Bank shall submit to the parties listed in the Notices section of the Bank Agreement / Bank Enabling Instrument, copies of the: a) Agreement for Sale of Credits; b) Bill of Sale; c) Payment Receipt; and d) an updated ledger. The updated inventory / ledger must detail: i) Project Applicant; ii) Project Name; iii) Status (sale complete/sale not complete); iv) Credit Sale Date; v) Service File Number; vi) U.S. Army Corps of Engineers File Number (if applicable); vii) Total Number of Credits Authorized to Sell; viii) Total Number of Credits Sold to Date (inclusive); and ix) Balance of all Credits Available. The inventory / ledger should include all sales data from bank opening/establishment to the present.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

BANK:

WESTERVELT ECOLOGICAL SERVICES, LLC
Cosumnes Floodplain Mitigation Bank Owner

Cosumnes Floodplain Mitigation Bank Credit Sales Agreement
PROJECT APPLICANT:

SAN JOAQUIN AREA FLOOD CONTROL AGENCY

By: _______________________________________________ Date: ______________________

CHRIS ELIAS
EXHIBIT “A”

DESCRIPTION OF PROJECT
TO BE MITIGATED

Permit Number: SPK-2016-00037
Permit Number: WDID#5B39CR00307

PROJECT DESCRIPTION

The San Joaquin Area Flood Control Agency (SJAFCA), in partnership with Reclamation Districts (RDs) 1614 and 828, will build, operate, and maintain a fixed wall with a gate structure near the mouth of Smith Canal, primarily within the boundaries of RD 828 and RD 1614. Smith Canal is a backwater slough of the Sacramento–San Joaquin River Delta (Delta), adjacent to the San Joaquin River across from Rough and Ready Island and the Port of Stockton.

The project would construct a gated fixed wall structure to protect Atherton Cove and Smith Canal from the San Joaquin River during high flow and tide events. The gated fixed wall structure would be built with an additional 2.4 feet of elevation to account for both projected sea level rise through 2050 and hydraulic uncertainty. A fixed dual sheet pile wall filled with granular material would extend approximately 800 feet from the north tip of Dad’s Point to the right bank of the San Joaquin River, at the Stockton Golf and Country Club, and would feature a 50-foot-wide gate that would be closed during high flow events forecast to approach or exceed design operating water surface elevations (8.0 feet, NAVD88). The gate would be closed only as needed for flood control, remaining open to allow for recreation, navigation, and tidal movement in Smith Canal. If deemed necessary to aid navigation, U.S. Coast Guard-approved lighting may be installed along the fixed wall structure and at the gate opening.

The opening portion of the gate structure would consist of a miter (double-door) gate structure, opening outwards towards the San Joaquin River. When open, the gate doors would recess into the gate structure, providing a 50-foot-wide opening. The structure would be opened and closed by electric motors located above water on top of each gate hinge. The gate panels would be attached to a concrete foundation using stainless steel anchor bolts. The gate panels would be gasket-sealed at their connection to the dual sheet pile wall structure and at the point where two panels come together.

The proposed project would also include approximately 1,660 linear feet of continuous floodwall and seismic stability wall would be constructed of single sheet piles along the eastern portion of Dad’s Point. The floodwall and seismic stability would be continuous and would be installed along the San Joaquin River side of the Dad’s Point levee fill crown. The floodwall would predominately be underground; however, a concrete cap would be installed on top of the wall in areas where it would be exposed. The top elevation of Dad’s Point improvements would be 15.0 feet NAVD 88. An access road would be installed on top of Dad’s Point. Fill material would be placed in some areas to raise the elevation of Dad’s Point. Disturbed areas would be re-landscaped following the completion of construction activities.

Recreation facilities would be installed on Dad’s Point to replace amenities affected by project construction; the types of facilities would be selected based on current uses of the space including fishing, wildlife viewing, walking, biking, and running. Dredging may be necessary to remove material from the channel bottom along the entire alignment of the fixed wall to provide a level surface. Silt curtains would be used along the limits of dredging. All dredged material would be disposed of at the Lovelace Materials Recovery Facility in Manteca or at the North County Recycling Center and Sanitary Landfill in Lodi, which were specified as material disposal sites for the Project in the EIR. Alternatively, the dredge material would be transported to the San Joaquin Floodplain Mitigation Bank Credit Sales Agreement.
material could be disposed of at an upland site with no connectivity to waters of the United States.

The Project is included in the Recommended Plan of the Lower San Joaquin River Feasibility Study; has an executed Memorandum of Understanding for credit under Section 221 of the Flood Control Act of 1970, as amended; and has an approved Independent Panel of Experts (IPE) and Safety Assurance Review (SAR) Plan. SJAFCA has also entered into two cost share agreements with DWR—one for design services and one for construction services.
BILL OF SALE

In consideration of $123,950.00, receipt of which is hereby acknowledged, Cosumnes Floodplain Mitigation Bank Sponsor does hereby bargain, sell and transfer to the [Project Applicant] San Joaquin Area Flood Control Agency 0.82 Floodplain Mosaic Wetland credits and 0.01 Floodplain Mosaic Riparian credits in the Cosumnes Floodplain Mitigation Bank in Sacramento County, California, developed, and approved by the U.S. Army Corps of Engineers, U. S. Environmental Protection Agency, California Department of Fish and Wildlife, and National Marine Fisheries Service.

Westervelt Ecological Services, LLC represents and warrants that it has good title to the credits, has good right to sell the same, and that they are free and clear of all claims, liens, or encumbrances.

Westervelt Ecological Services, LLC covenants and agrees with the buyer to warrant and defend the sale of the credits hereinbefore described against all and every person and persons whomsoever lawfully claiming or to claim the same.

DATED: ______________________________________

Westervelt Ecological Services, LLC
Cosumnes Floodplain Mitigation Bank Owner

By: ______________________________________
Exhibit “C”

Cosumnes Floodplain Mitigation Bank
PAYMENT RECEIPT

PARTICIPANT INFORMATION

Name: San Joaquin Area Flood Control Agency
Address: 22 East Weber Avenue, Room 301 Stockton, CA 95202
Telephone: 
Contact: Chris Elias

PROJECT INFORMATION

Project Description: SJAFCA Smith Canal Gate Project
Permit Number: SPK-2016-00037
Permit Number: WDID#5B39CR00307
Species/Habitat Affected: Seasonal Wetland and Riparian habitat
Credits to be Purchased: 0.82 Floodplain Mosaic Wetland credits and 0.01 Floodplain Mosaic Riparian credits
Payment Amount: $123,950.00
Project Location: San Joaquin River
County/Address: San Joaquin County

PAYMENT INFORMATION

Payee: Westervelt Ecological Services, LLC
Payer: San Joaquin Area Flood Control Agency
Amount: One Hundred Twenty Three Thousand Nine Hundred and Fifty Dollars
Method of payment: Cash    Check No.    Money Order No.
Received by: ___________________________ Date: ________________
(Signature)
Name:                      Title:

Cosumnes Floodplain Mitigation Bank Credit Sales Agreement
Agenda Item 4.2
TO: San Joaquin Area Flood Control Agency
FROM: Chris Elias, Executive Director
SUBJECT: AMENDMENT NUMBER 3 TO THE CONSULTANT AGREEMENT WITH KJELDSEN, SINNOCK, NEUDECK, INC. FOR ADDITIONAL SERVICES NEEDED FOR THE SMITH CANAL GATE PROJECT

RECOMMENDATION

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

1. Adopt a resolution authorizing the Executive Director to execute Amendment Number 3 to the Construction Management Agreement with Kjeldsen, Sinnock, Neudeck, Inc. (KSN) for additional environmental services including compliance with regulatory conditions, facilitate necessary changes or amendments to existing permits and those being finalized, transition of environmental and regulatory work to KSN’s team, and additional testing, sampling, and reporting needed to satisfy permit conditions or related proposed amendments, and

2. Authorize $385,436 to fund the tasks covered in Amendment Number 3 of the Construction Management Agreement with KSN.

DISCUSSION

Background

On May 16, 2019, the Board authorized a Construction Management Agreement with KSN, for the constructability review and support services needed during the bidding phase of the Smith Canal Gate Project.

As part of the constructability review, which considered the project’s schedule, available data, and timing of the remaining permits it was determined that a field test pile would be needed to: i) better determine the drivability of the proposed sheet pile sections; ii) further refine the final design and specification; iii) support an updated construction estimate, and iv) share information with local, state and federal regulatory agencies, as needed.

On September 19, 2019, the Board approved an amendment to KSN’s Construction Management (CM) Agreement in the amount of $165,000 for the development of the project documents, required CM, surveying, public outreach, and environmental compliance for the test-pile and support services during the bidding of the project.
AMENDMENT NO. 3 TO THE CONSULTANT CONTRACT WITH KJELDSEN, SINNOCK, NEUDECK, INC., FOR ADDITIONAL ENVIRONMENTAL SERVICES NEEDED FOR THE SMITH CANAL GATE PROJECT

March 19, 2020

On November 7, the Board approved Amendment No. 2 to the CM agreement with KSN in the amount of $751,272 for additional services required during the bidding phase of the project, environmental services to fulfill requirements on existing and newly approved permits, and miscellaneous services required during the transition from the design team to the construction management team.

Present Situation:

Upon review of the project’s environmental permits (in draft and final format), further coordination between the designer and construction management teams, and consultation with the regulatory agencies, it was determined that new environmental tasks and amendments to the existing tasks were required to satisfy the regulatory conditions of the project. In general, the additional tasks include compliance with the San Joaquin Multi-species Habitat Conservation and Open Space, identification of conditions/terms to facilitate necessary changes or amendments to existing permits and those being finalized, coordination for the seamless transition of the environmental and regulatory work to the construction management team, and additional testing, sampling, and reporting needed to satisfy permit conditions or related proposed amendments.

KSN’s proposal for the above new tasks is $385,436. Staff has reviewed the proposal and finds the cost estimate reasonable and consistent with the current rates for this type of work. Therefore, it is recommended that the Board authorize the Director to execute Amendment No. 3 to the CM agreement with KSN in the amount of $385,436 for the additional environmental services required to support successful completion of the Project.

FISCAL IMPACT

Payments to consultants for services in support of the Smith Canal Gate Project are structured on a time-and-material basis. The fiscal year 19/20 budget included $2.9 million for construction management costs, and less than $500,000 has been spent through January 31, 2020. Funding is available in the construction budget to cover the expenditures for the tasks described in Amendment Number 3 to the CM agreement with KSN. These construction management expenses will be cost-shared 63% Department of Water Resources and 37% SJAFCA, per the project Funding Agreement.

PREPARED BY: Juan J. Neira

APPROVED:
CHRIS ELIAS
EXECUTIVE DIRECTOR

CE:JJN:dc
RESOLUTION NO. SJAFCA 20-12

SAN JOAQUIN AREA
FLOOD CONTROL AGENCY

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

AUTHORIZATION TO EXECUTE AMENDMENT NO. 3 TO THE
CONSTRUCTION MANAGEMENT AGREEMENT WITH KSN, INC. IN
SUPPORT OF THE SMITH CANAL GATE PROJECT

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

Authorize the Executive Director to:

1. Execute amendment No. 3 to the Construction Management Agreement with KSN
Inc., for additional services including compliance with regulatory conditions, facilitate
necessary changes or amendments to existing permits and those being finalized,
transition of environmental and regulatory work to KSN’s team, and additional testing,
sampling, and reporting needed to satisfy permit conditions or related proposed
amendments; and

2. Appropriate $385,436 to fund the tasks covered in Amendment No. 3 of the
Construction Management Agreement with KSN.

PASSED, APPROVED AND ADOPTED this 19th day of March 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:

_________________________________
KATHRYN OEHLSCHLAGER, Legal Counsel
for the San Joaquin Area
Flood Control Agency
March 9, 2020

Juan Neira, PE
San Joaquin Area Flood Control Agency
22 E. Weber Avenue, Room 301
Stockton, CA 95202

Re: Smith Canal Gate Construction Management Services
Scope of Work for Amendment No. 3 Request

Dear Juan,

The Kjeldsen, Sinnock & Neudeck, Inc. (KSN) construction management team hereby submits to you a scope of work and fee estimate for additional environmental-related services.

As a result of permit reviews, field observations during the Test Pile Program, and client and agency coordination, several new environmental tasks and amendments to existing tasks have been identified by ECORP Consulting, Inc. that are required for this project. Please refer to Task 1.1.

Also, this amendment request includes a fee estimate for the Cyanobacteria sampling at Smith Canal by cbec, inc. The remainder of the subcontract with cbec for this sampling work was transferred from Peterson Brustad, Inc. (PBI) to KSN as part of Amendment No. 2. However, in the rush of transferring the budget from PBI to KSN, cbec inadvertently omitted the costs of the Cyanobacteria sampling (required by California Department of Fish and Wildlife) in their total fee estimate amount. Please refer to Task 1.2.

Finally, after reviewing the water quality data in Smith Canal recently obtained by cbec, it was recognized that collecting a full year of sonde data (dissolved oxygen, temperature, and conductivity) will better provide a baseline of the existing conditions and how these conditions vary throughout the year. Therefore, KSN and cbec are recommending an additional four months (February 2020 to May 2020) of sonde deployment in order to collect data that would serve as a bridge between the data collected in late 2019 and early 2020 with the re-start of full data collection currently scheduled for June 2020. Please refer to Task 1.3.

It should be noted that a couple of regulatory permits are still outstanding, and that these outstanding permits may include additional permit requirements not included in our original scope of work or within this amendment.

Please review the attached scope of work and fee estimate, and don’t hesitate to contact me with any questions or comments. Thank you for your consideration.

Sincerely,

KJELDSN, SINNOCK & NEUDECK, INC.

[Signature]

Erik Almaas, PE, CM RE

w/enclosures
San Joaquin Area Flood Control Agency
Smith Canal Gate Construction Management Services
Constructability Review – Amendment No. 3

Scope of Work

1.0 Environmental

1.1 Environmental and Regulatory Compliance Services
The KSN team will conduct required environmental tasks that were not previously identified, including compliance with the San Joaquin Multi-Species Habitat Conservation and Open Space Plan (SJMSCP), facilitating amendments to existing environmental permits, providing permitting transition planning and coordination with the Design Team, and implementing a second post-construction year of Delta smelt sampling and reporting in accordance with USFWS requirements. Please refer to the attached scope provided by ECORP.

1.2 Smith Canal Water Quality Monitoring (Cyanobacteria sampling)
The KSN team will provide Cyanobacteria sampling and testing as described in Amendment No. 2 which included the Smith Canal Water Quality Monitoring being performed by cbec. Unfortunately, when transferring the budget from PBI to KSN, cbec inadvertently made an error in their spreadsheet and neglected to include the cost of Cyanobacteria sampling in their total fee estimate amount.

1.3 Smith Canal Water Quality Monitoring (additional sonde deployment)
The KSN team will provide an additional four months (February 2020 to May 2020) of sonde deployment in Smith Canal. This data would serve as a bridge between the data collected in late 2019 and early 2020 with the re-start of full data collection currently scheduled for June 2020. Given the extremely low dissolved oxygen concentrations seen in Smith Canal during November and December 2019, collecting a full year of sonde data (dissolved oxygen, temperature, and conductivity) will better provide a baseline of the existing conditions and how these conditions vary throughout the year. Please refer to the attached scope provided by cbec.
San Joaquin Area Flood Control Agency  
Smith Canal Gate Construction Management Services  
AMENDMENT NO. 3  
TASK HOURS BREAKDOWN

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<th>KJELDSEN, SINNOCK &amp; NEUDECK INC. STAFF HOURS</th>
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**PROJECT TASKS**

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**ADDITIONAL TASKS**

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General Note: This costs allocation represents our best estimate at this time and may change subject to future developments during the project. It is possible that some of the estimated manpower requirements for specific task items may increase while others may not require the entire anticipated effort. Changes to this project will be made for actual time spent on the project and will be charged as per the attached Fee Schedule.

DRAFT
Amendment Three

Scope of Work and Cost Estimate for
Environmental and Regulatory Compliance Services
for the
Smith Canal Gate Project
(San Joaquin County, California)
for
Kjeldsen, Sinnock & Neudeck, Inc.

PROJECT UNDERSTANDING AND BACKGROUND

ECORP provided a scope of work to KSN in March 2019 that included environmental tasks that we anticipated would be required in permits that were at that time being prepared by regulatory agencies. Since that original submittal, several environmental permits (in draft or final format) have been received by SJAFCA, and these provide clarity on the nature and magnitude of biological and regulatory requirements associated with the Smith Canal Gate Project (Gate Project), including the now-completed test pile program (TPP). Two environmental permits are still in progress as of the date of this amendment request.

KSN has to date executed three contracts with ECORP for work on the Gate Project and the TPP. These are:

- **Initial Contract**: Authorized review of existing regulatory permits and development of a permit compliance matrix.
- **Amendment #1**: Authorized professional services in support of TPP implementation in October 2019.
- **Amendment #2**: Authorized professional services in support of Gate Project planning and permitting, and TPP planning and implementation.

As a result of permit reviews, field observations during the TPP, and client and agency coordination, several new environmental tasks and amendments to existing tasks are required to support successful completion of the Gate Project. These are:

**New tasks:**

1) Compliance with the San Joaquin Multi-species Habitat Conservation and Open Space Plan (San Joaquin MSCP, or SJMSCP)
2) Facilitate amendments to existing environmental permits, and
3) Transition Planning assistance.
Changes to Existing Tasks:

4) Permit Tracking Matrix revision and maintenance, and
5) Delta smelt study extension to 3-year duration.

PROPOSED NEW TASKS:

TASK 1: SAN JOAQUIN MSCP COMPLIANCE (NEW TASK)

On October 15, 2019, SJAFCA with the assistance of Moore Biological Consulting (MBC) confirmed that the Smith Canal Gate Project could participate in the San Joaquin Multi-species Habitat Conservation and Open Space Plan (San Joaquin MSCP, or SJMSCP) and be protected from take prohibitions under the federal Endangered Species Act (ESA) and California ESA. Such “coverage” under the SJMSCP provides an efficient regulatory pathway for SJAFCA to comply with terms and conditions of the FESA and CESA that otherwise would be cost and time prohibitive. For the Smith Canal Gate Project, SJMSCP coverage specifically applies to 1) nesting birds, with emphasis on Swainson’s hawk, 2) giant garter snake, and 3) western pond turtle. The following subtasks describe the responsibilities associated with SJMSCP coverage.

SJMSCP compliance tasks will be led by Moore Biological Consultants (MBC, as a subcontractor to ECORP). MBC have extensive experience in successfully working with the SJMSCP.

Deliverables:
- Task completion memoranda, as required by the SJMSCP.
- Worker sign-in sheets for training records.

Assumptions:
- Effort will be limited to the hours noted by task, below.
- Construction and monitoring of resource buffers (e.g., exclusion fencing), if required, can be performed under an amended scope of work.

Task 1.1: Worker Environmental Awareness Program
Prior to ground disturbance, all on-site construction personnel shall be given instruction regarding the presence of SJMSCP Covered Species and the importance of avoiding impacts to these species and their habitats. We have assumed 14 hours per year for each of three years to accomplish this task.

Task 1.2: Preconstruction Surveys for Nesting Birds
A qualified biologist will complete surveys for Swainson’s hawk and other nesting birds no greater than 14 days prior to ground disturbance if such work is to be completed during the typical nesting season (generally, April to August). If nesting birds are detected, a no-work buffer of 100 feet will be established around the active nest(s) until the nest is no longer active. If this buffer is infeasible, SJAFCA or its agent will contact the USFWS to discuss other minimization strategies. Depending on the nature of the work being performed, and at the discretion of the biologist, exclusion fencing may be placed to protect buffered nest(s). We have assumed 42 hours per year for each of three years to accomplish this task.
Task 1.3: Preconstruction Surveys for Giant Garter Snake
A qualified and approved biologist shall complete surveys for GGS within 24 hours of ground disturbance. Other provisions of the USFWS’s Standard Avoidance and Minimization Measures during Construction Activities in GGS Habitat shall be implemented (does not include mitigation ratios, which are superseded by the SJMSCP). We have assumed 26 hours per year for each of three years to accomplish this task.

Task 1.4: Preconstruction Surveys for Nesting Western Pond Turtle
If ground disturbing activity is to be completed from April to November, a qualified and approved biologist shall complete surveys for western pond turtle within 7 days of ground disturbance. If an active nest(s) is detected, a 100-toot buffer shall be established around the nest until young have left the nest or the nest has failed. We have assumed 26 hours per year for each of three years to accomplish this task.

Task 1.5: Vegetation Maintenance Plan
SJAFCA or its representative will prepare a vegetation maintenance plan to describe how direct impacts to nesting birds will be avoided during vegetation disturbance, including weed abatement activities. We have assumed 26 hours to prepare this plan.

TASK 2: PERMIT AMENDMENTS (NEW TASK)

ICF has recently secured a Clean Water Act Individual Permit (IP) from the USACE\(^1\), and is currently securing a CESA Incidental Take Permit from the CDFW. Early review of the draft IP conditions suggests there are no infeasible terms in the permit. ICF has agreed to complete the CESA permitting and compensatory mitigation negotiations under contract to PBI.

ECORP has reviewed the following permits and has identified terms and conditions that should or must be modified for project success. These permits include:

- NMFS Biological Opinion (BO);
- USFWS BO
- CDFW Lake and Streambed Alteration Agreement, and;
- RWQCB Water Quality Certification.

We have included 372 staff hours to facilitate necessary changes to these permits. Based on early discussions with NMFS, we will prepare a Biological Assessment Supplement on behalf of the USACE to facilitate reinitiation of consultation under Section 7 of the federal ESA.

**Deliverables:**
- Amended permit conditions/terms, as applicable.

**Assumptions:**
- Effort will be limited to the hours noted.
- USACE permit amendments are not required
- Amendment efforts will be completed no later than July 2020.

\(^1\) The Individual Permit was signed by the USACE on January 2, 2020.
TASK 3: TRANSITION PLANNING ASSISTANCE (NEW TASK)

ECORP is presently working with ICF and other members of the project environmental and permitting team to transition ICF off the project and to onboard and integrate KSN/ECORP to the project. This is largely accomplished by meetings and phone calls and sharing of agency communications.

We have included 120 staff hours to allow ECORP's environmental project manager and assistant project manager to work with ICF, PBI, and other members of the planning and environmental team to transition environmental and regulatory work to ECORP and KSN.

**Deliverables:**
- No formal deliverables anticipated. Several permit tracking emails and memo have been prepared to assist KSN with constructability reviews and project scheduling.

**Assumptions:**
- Effort will be limited to the hours noted.

**PROPOSED CHANGES TO EXISTING TASKS:**

TASK 4: REVISION AND CURATION OF PERMIT TRACKING MATRIX (AMENDED TASK)

ECORP has prepared a permit tracking matrix for the Gate Project under current contract. This matrix is considered a living document that will be updated regularly throughout project implementation, and as permit terms are changed and/or completed. This is a critical tool in tracking and ensuring project permit compliance.

We have included 136 staff hours to update the matrix and track necessary environmental commitments over an anticipated 3-year project duration.

**Deliverables:**
- Matrix Updates as needed, but monthly at a minimum over a 2-year project period of performance.

**Assumptions:**
- Effort will be limited to the hours noted.
- 2-year project duration.

TASK 5: DELTA SMELT PLANNING, SAMPLING, AND REPORTING (AMENDED TASK)

Task 6.1 and Task 8.1 of ECORPs Amendment #2 contract assumed a 2-year implementation period for Delta smelt sampling and reporting (1 preconstruction and 1 post construction season). Following SJAFCA's approval of ECORP’s Amendment #2, Steve Schoenberg (USFWS) clarified during an October 24, 2019 phone call with Jeff Tupen (ECORP) that the USFWS expectation as articulated in the USFWS Biological Opinion (Terms and Conditions 4) is for implementation of a 3-year study (1 preconstruction and 2 post construction seasons), and not a 2-year study.
We are therefore requesting additional budget to support a third year of field implementation (existing Task 6.1) and reporting (existing Task 8.1). This changed direction does not affect our scope or fee for Delta Smelt Sampling Plan Preparation (Amendment #2, Task 5.2).

We have included 412 staff hours for Year 3 study implementation and 120 hours for Year 3 reporting.

**Deliverables:**
- One additional annual completion report for a 3rd sampling season will be prepared. Draft and final completion report(s). PDF format only for draft report. Up to 3 hardcopies prepared for final annual report.

**Assumptions:**
- No more than three (3) seasons of Delta smelt sampling will be performed, unless negotiated and approved otherwise with USFWS and SJAFCA under an amended scope of work.
- Initial sampling will begin in winter/spring 2020.

**FEE ESTIMATE**

The fee for the services described above will be **$291,200.** provided on a TIME AND MATERIALS NOT TO EXCEED BASIS, as listed in the table below.

<table>
<thead>
<tr>
<th>Amendment 3 Tasks</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: SJMSCP COMPLIANCE (New Task/MBC)</td>
<td></td>
</tr>
<tr>
<td>1.1: WEAP Training for SJMSCP</td>
<td>$9,100.</td>
</tr>
<tr>
<td>1.2: Nesting Bird Surveys</td>
<td>$30,100.</td>
</tr>
<tr>
<td>1.3: Giant Garter Snake Surveys</td>
<td>$18,000.</td>
</tr>
<tr>
<td>1.4: Pond Turtle Surveys</td>
<td>$18,000.</td>
</tr>
<tr>
<td>1.5: Veg Management Plan</td>
<td>$6,000.</td>
</tr>
<tr>
<td>4: PERMIT TRACKING MATRIX REVISIONS (Changed Task)</td>
<td>$23,400.</td>
</tr>
<tr>
<td>5: DELTA SMELT MONITORING (Changed Task)</td>
<td></td>
</tr>
<tr>
<td>5.1: Implementation Year 3</td>
<td>$78,400.</td>
</tr>
<tr>
<td>5.2 Reporting Year 3</td>
<td>$18,700.</td>
</tr>
<tr>
<td><strong>TOTAL (NOT TO EXCEED):</strong></td>
<td><strong>$291,200.</strong></td>
</tr>
</tbody>
</table>

**SCHEDULE**

The delivery schedule for this effort is anticipated to start in December 2019 with permit amendments and tracking matrix updating and is expected to be completed in 2022 or 2023 with completion of the third Delta smelt sampling report.
cbec eco engineering, inc., (cbec) has been requested by Juan Neira of the San Joaquin Area Flood Control Agency (SJAFCA) to prepare a Water Quality Monitoring Plan (Plan) associated with the fixed cellular sheet pile wall and gate structure (Structure) to be constructed as part of the Smith Canal Gate Project. As part of a permit from the California Department of Fish and Wildlife (CDFW), SJAFCA will be required to monitor as follows:

Permittee shall provide a water quality monitoring plan to ensure the accuracy of models predicting no changes to water quality in the aquatic habitats upstream of the proposed project. The plan shall focus on summer/fall months and also identify compensatory mitigation or contingencies to address impacts to water quality in affected areas. Monitoring shall occur for a period of two years minimum.

It should be noted that under existing conditions the water quality in the Smith Canal typically deteriorates over the summer months. Data from prior monitoring efforts conducted by the City of Stockton over recent years will be incorporated with monitoring data collected as part of this project to establish and describe baseline, pre-project conditions. The purpose of this plan is to identify whether the Structure has caused the deterioration of the water quality in the Smith Canal by any discernable or detectable amount.

The following memorandum describes the details for the Plan.

WATER QUALITY PARAMETERS AND DURATION

Water quality constituents of concern include temperature, salinity (electroconductivity), and dissolved oxygen. In order to establish the baseline conditions prior to construction, the Plan will be implemented in June 2019 and extend to October 2019. Similarly, monitoring of baseline conditions will recommence in June 2020 until October 2020, and again in June 2021 until October 2021. The construction of the Structure is planned to extend from August 2019 to November 2021. Post-project monitoring will commence for an additional two years, consisting of June 2022 to October 2022, and June 2023 to October 2023.
MONITORING LOCATION AND METHODS

Continuously Measuring Water Quality Sondes

Three (3) continuously measuring multi-parameter water quality probes/sondes (YSI 600 Optical Monitoring System – Model BCR-C-T-OP-BAT-S and 6150 ROX Optical Dissolved Oxygen Sensor) will be installed through a semi-permanent deployment setup in June 2019 at the locations shown in Figure 1. The sondes will be programmed to take water quality measurements every hour for each 5-month deployment. Data will be stored internally and downloaded at the end of each month during which monitoring will occur each year of the monitoring period (June through October). The purpose of these sondes will be to monitor temperature, salinity, and dissolved oxygen between June and October from 2019 to 2023. Data collected during this time will provide comparisons between pre- and post-project water quality and identify if contingency measures are required.

Additional Monthly Water Quality Monitoring

Once per month between June and October of each year (2019 – 2023) a two-person, boat-based water quality monitoring team will measure temperature, salinity, and dissolved oxygen using a hand-held multi-probe (YSI 556 MPS) along eight (6) transects located between Atherton Cove and Yosemite Lake, as shown in Figure 1. In addition, two (2) transects will be located in the San Joaquin River. Measurements will be taken at regular spacing across each transect and at varying depths. The purpose of the monitoring transects will be to augment the monitoring data collected using the sondes described previously, and to provide a more spatially diverse representation of the variability of the water quality during each site visit. The transects in the San Joaquin River will allow for comparisons to be made between the water quality in the river with the Smith Canal.

ANNUAL WATER QUALITY MONITORING REPORTS

An Annual Water Quality Monitoring Report will be submitted to CDFW by November 30 of each year between 2019 and 2022 in fulfillment of permitting requirements. Water quality measurements in the Smith Cancel will be compared to other data in the south-east Delta, as available. In December 2023 all annual monitoring reports will be compiled into a Final Water Quality Monitoring Report and submitted to CDFW.

CONTINGENCY MEASURES

Based on the results of the water quality monitoring conducted after the Structure is completed, if a detectable deterioration in water quality is identified, and if it is verified that the Structure has caused the deterioration, potential contingency measures may be identified. Comparison with water quality regionally in the south-east Delta and the San Joaquin River will be important in this regard. Potential contingency measures could include the installation of bubble aerators, or removal of floating aquatic vegetation, and will be based on the level of water quality deterioration that has occurred in order to
restore post-project water quality to pre-project conditions. Based on the spatial variability of the collected water quality data, it may be possible to identify any zones of impairment of water quality as a result of the Structure.

ACCOMPANYING SPECIFICATIONS

The attachments include specifications for the handheld water quality probe and the multi-parameter sondes.
Figure 1 - Atherton Cove/Smith Canal Water Quality Monitoring Locations

Key:
- Continuously monitoring multi-parameter WQ sonde
- Monthly sampling transect

(Sonde and transect location are provisional and subject to site adjustment/modification.)
YSI 556 Multiparameter System

Versatile, multiparameter handheld instrument

Rugged and reliable, the YSI 556 MPS (Multiprobe System) combines the versatility of an easy-to-use, easy-to-read handheld unit with all the functionality of a multiparameter system.

- Simultaneously measures dissolved oxygen, pH, conductivity, temperature, and ORP
- Field-replaceable electrodes
- Compatible with EcoWatch® for Windows® data analysis software
- Stores over 49,000 data sets, time and date stamped, interval or manual logging
- Three-year warranty on the instrument; one-year on the probes
- GLP assisting, records calibration data in memory
- Available with 4, 10, and 20-m cable lengths
- IP-67, impact-resistant, waterproof case
- Easy-to-use, screw-on cap DO membranes
- RS-232 interface for PC connection

Options to Fit Your Applications!

- Battery Options – The unit is powered by alkaline batteries or an optional rechargeable battery pack with quick-charge feature.
- Optional Barometer – Internal barometer can be user-calibrated and displayed along with other data, used in dissolved oxygen calibrations, and logged to memory for tracking changes in barometric pressure. (Choose 556-02)
- Optional Flow Cell - The 5083 flow cell can be used for ground water applications or anytime water is pumped for sampling.
- Carrying Case – The instrument comes standard with YSI 5061, a soft-sided carrying case with enough space for the 556, a 20-meter cable, and calibrating supplies. An optional 5080 hard-sided carrying case is also available.
- Confidence Solution® - Quality assurance ensured. Quickly check conductivity, pH, and ORP readings with one solution.

www.YSI.com/556
## 5563 MPS Sensor Specifications

<table>
<thead>
<tr>
<th>Sensor Type</th>
<th>Range</th>
<th>Accuracy</th>
<th>Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dissolved Oxygen (% saturation)</td>
<td>0 to 500% air saturation</td>
<td>± 2% of the reading or ±2% air saturation, whichever is greater</td>
<td>0.1% air saturation</td>
</tr>
<tr>
<td>Dissolved Oxygen (mg/L)</td>
<td>0 to 50 mg/L</td>
<td>± 2% of the reading or ±0.2 mg/L, whichever is greater</td>
<td>± 0.1 mg/L</td>
</tr>
<tr>
<td>Temperature</td>
<td>YSI Temperature Precision thermistor</td>
<td>± 0.15°C</td>
<td>± 0.1°C</td>
</tr>
<tr>
<td>Conductivity</td>
<td>4-electrode cell with autoranging</td>
<td>± 0.5% of reading or ± 0.001 mS/cm; whichever is greater (4-meter cable)</td>
<td>± 1.0% of reading or ± 0.001 mS/cm; whichever is greater (20-meter cable)</td>
</tr>
<tr>
<td>Salinity</td>
<td>Calculated from conductivity and temperature</td>
<td>± 0.1% of reading or ±0.1 ppt, whichever is greater</td>
<td>± 0.1 ppt</td>
</tr>
<tr>
<td>pH (optional)</td>
<td>Glass combination electrode</td>
<td>± 0.2 units</td>
<td>± 0.1 units</td>
</tr>
<tr>
<td>ORP (optional)</td>
<td>Platinum button</td>
<td>± 20 mV</td>
<td>± 0.1 mV</td>
</tr>
<tr>
<td>Total Dissolved Solids (TDS)</td>
<td>Calculated from conductivity (variable constant, default 0.65)</td>
<td>± 3 mm Hg within ± 10°C temperature range from calibration point</td>
<td>± 0.1 mm Hg</td>
</tr>
<tr>
<td>Barometer (optional)</td>
<td>500 to 800 mm Hg</td>
<td>± 0.1 mm Hg</td>
<td></td>
</tr>
</tbody>
</table>

### Specifications

- **Size:** 11.9 cm width x 22.9 cm length (4.7 in. x 9 in.)
- **Weight with batteries:** 2.1 lbs. (916 grams)
- **Power:** 4 alkaline C-cells; optional rechargeable pack
- **Cables:** 4-, 10-, and 20-m (13.1, 32.8, 65.6 ft.) lengths
- **Warranty:** 3-year instrument; 1-year probes and cables
- **Data Logger:** 49,000 data sets, date and time stamp, manual or logging, with user-selectable intervals

### Ordering Information

- **556-01:** Instrument (with 5061 large, soft-sided carrying case)
- **556-02:** Instrument with barometer option (with 5061 carrying case)
- **5563-4:** 4-m cable and DO/temp/conductivity
- **5563-10:** 10-m cable and DO/temp/conductivity
- **5563-20:** 20-m cable and DO/temp/conductivity
- **5564:** pH Probe for any 5563 cable
- **5565:** pH/ORP Probe for any 5563 cable
- **6118:** Rechargeable battery pack kit (includes battery, adapter, charger)
- **614:** Ultra clamp, C-clamp mount
- **616:** Charger, cigarette lighter
- **4654:** Tripod (small tripod for instrument)
- **5060:** Small carrying case, soft-sided (fits instrument and 4-m cable)
- **5065:** Form-fitted carrier with shoulder strap
- **5080:** Small carrying case, hard-sided (fits instrument, 4-m cable, flow cell, batteries, membrane kit, calibration bottles)
- **5083:** Flow cell
- **5085:** Hands-free harness
- **5580:** Confidence Solution® (insure probe accuracy with a simple field-check for conductivity, pH, and ORP)
YSI 600OMS V2 Optical Monitoring System
Dissolved Oxygen, Turbidity, Chlorophyll, Blue-green Algae or Rhodamine in a Low-Cost Package

Measure any one of the parameters above in combination with temperature, conductivity, and depth or vented level in fresh, sea, or polluted water.

The 600OMS V2 can take advantage of 6-Series optical sensors from YSI: ROX Reliable Oxygen (YSI 6150) and blue-green algae sensors (YSI 6131 phycocyanin and YSI 6132 phycoerythrin). Utilize the field-proven YSI 6136 turbidity sensor, the YSI 6025 chlorophyll sensor, as well as the YSI 6130 rhodamine WT sensor.

The OMS V2 also incorporates innovations in sensor configuration such as a conductivity and temperature module that fits into the sonde body.

- Wiped optics for maximum anti-fouling protection
- Ideal for long-term deployments
- Low power requirements
- Field-replaceable optical sensors
- 150,000 reading memory
- Integrate with DCPs
- Compatible with EcoWatch® data analysis software
- Compatible with YSI 650MDS display and datalogger

Parameters:
Conductivity/Salinity
Depth/Level
Temperature

Plus one of these optical sensors:
Blue-green Algae PC or PE
Chlorophyll
Dissolved Oxygen
Rhodamine
Turbidity

YSI.com/sondes
### YSI 600OMS Sensor Specifications

<table>
<thead>
<tr>
<th>ROX™ Optical Dissolved Oxygen*</th>
<th>Range</th>
<th>Resolution</th>
<th>Accuracy</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Saturation 6150 Sensor</td>
<td>0 to 500%</td>
<td>0.1%</td>
<td>0 to 200%: ±1% of reading or 1% air saturation, whichever is greater; 200 to 500%: ±15% of reading</td>
</tr>
<tr>
<td>ROX™ Optical Dissolved Oxygen*</td>
<td>0 to 50 mg/L</td>
<td>0.01 mg/L</td>
<td>0 to 20 mg/L: ±0.1 mg/L or 1% of reading, whichever is greater; 20 to 50 mg/L: ±15% of reading</td>
</tr>
<tr>
<td>mg/L 6150 Sensor</td>
<td>conductivity, temperature, optical port</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conductivity**</td>
<td>0 to 100 mS/cm</td>
<td>0.001 to 0.1 mS/cm (range dependent)</td>
<td>±0.5% of reading + 0.001 mS/cm</td>
</tr>
<tr>
<td>Salinity</td>
<td>0 to 70 ppt</td>
<td>0.01 ppt</td>
<td>±1% of reading or 0.1 ppt, whichever is greater</td>
</tr>
<tr>
<td>Temperature</td>
<td>-5 to +50°C</td>
<td>0.01°C</td>
<td>±0.15°C</td>
</tr>
<tr>
<td>Depth</td>
<td>Medium Shallow Vented Level</td>
<td>0 to 200 ft, 61 m; 0 to 30 ft, 9.1 m; 0 to 30 ft, 9.1 m</td>
<td>0.001 ft, 0.001 m; 0.001 ft, 0.001 m; 0.001 ft, 0.001 m</td>
</tr>
<tr>
<td>Turbidity*</td>
<td>6136 Sensor</td>
<td>0 to 1,000 NTU</td>
<td>±2% of reading or 0.3 NTU, whichever is greater*</td>
</tr>
<tr>
<td>Rhodamine® 6130 Sensor</td>
<td>0-200 µg/L</td>
<td>0.1 µg/L</td>
<td>±5% reading or 1 µg/L, whichever is greater</td>
</tr>
</tbody>
</table>

** Specifications are subject to change. Please visit YSI.com to verify all specs. ©2012 Xylem Inc.**

### YSI 600OMS V2 Sonde Specifications

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Diameter</th>
<th>Length</th>
<th>Weight</th>
<th>Weight w. Batteries</th>
<th>Power</th>
<th>Internal Battery Option</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.65 in, 4.2 cm</td>
<td>21.3 in, 54.1 cm</td>
<td>1.3 lbs, 0.6 kg</td>
<td>1.4 lbs, 0.7 kg</td>
<td>12 V DC</td>
<td>4 AA Alkaline cells, 25 to 30 days at 15-minute sampling interval at 25°C</td>
</tr>
</tbody>
</table>

### Ordering Information

| 600-01 | 600OMS V2 sonde, conductivity, temperature, optical port |
| 600-02 | 600OMS V2 sonde, conductivity, temperature, optical port, internal batteries |
| 600-03 | 600OMS V2 sonde, conductivity, temperature, optical port, shallow depth |
| 600-04 | 600OMS V2 sonde, conductivity, temperature, optical port, shallow depth, internal batteries |
| 600-05 | 600OMS V2 sonde, conductivity, temperature, optical port, medium depth |
| 600-06 | 600OMS V2 sonde, conductivity, temperature, optical port, medium depth, internal batteries |
| 600-07 | 600OMS V2 sonde, conductivity, temperature, optical port, shallow vented depth |
| 600-08 | 600OMS V2 sonde, conductivity, temperature, optical port, shallow vented depth, internal batteries |

YSI 600OMS V2 Sonde Specifications

<table>
<thead>
<tr>
<th>Detection Limit</th>
<th>Resolution</th>
<th>Linearity</th>
</tr>
</thead>
<tbody>
<tr>
<td>~0 to 280,000 cells/mL†</td>
<td>1 cell/mL</td>
<td>R² &gt; 0.9999**</td>
</tr>
<tr>
<td>~0 to 200,000 cells/mL†</td>
<td>0.1 RFU</td>
<td>R² &gt; 0.9999**</td>
</tr>
<tr>
<td>~0 to 400 µg/L</td>
<td>~0.1 µg/L Chl a§§</td>
<td>R² &gt; 0.9999****</td>
</tr>
</tbody>
</table>

† Max. depth rating for optical probes is 200 ft, 61 m; depth rating for anti-fouling optical probes is 656 ft, 200 m.
§§ Estimated from cultures of Microcystis aeruginosa.
§§§ Determined from cultures of Isochrysis sp. and chlorophyll a concentration determined via extractions.
**Relative to serial dilution of Rhodamine WT (0-400 ug/L).
****Relative to serial dilution of Rhodamine WT (0-500 ug/L).

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ESTIMATED PROJECT BUDGET SUMMARY

NBA Eco Flows Modeling Add-On

cbec Project # 18-1010

### Task # | Task Description | 2019 Subtotal | 2020 Subtotal | 2021 Subtotal | 2022 Subtotal | 2023 Subtotal | TOTAL |
--- | --- | --- | --- | --- | --- | --- | --- |
1 | Install WQ Sondes | $5,200.00 | $5,091.00 | $5,264.00 | $5,394.00 | $5,562.00 | $26,500.00 |
2 | Field WQ monitoring | $31,250.00 | $32,210.00 | $33,210.00 | $34,190.00 | $35,200.00 | $166,080.00 |
3 | Annual reporting | $5,270.00 | $5,172.00 | $5,324.00 | $5,476.00 | $5,644.00 | $26,886.00 |
4 | Project management, coordination, meetings | $2,150.00 | $2,214.00 | $2,278.00 | $2,342.00 | $2,416.00 | $11,400.00 |

**Labor Fee** | $43,870.00 | $44,714.00 | $46,058.00 | $47,402.00 | $48,822.00 | $230,866.00 |

**Reimbursables** | $34,992.00 | $4,212.00 | $4,212.00 | $4,212.00 | $4,212.00 | $51,840.00 |

**Subconsultant(s)** | - | - | - | - | - | - |

**Total Project Budget** | $78,862.00 | $48,926.00 | $50,270.00 | $51,614.00 | $53,034.00 | $282,706.00 |
## ESTIMATED LABOR FEES

Smith Canal Water Quality Monitoring - 2019  
cbec Project # 15-1017

*Unless expressly provided within the contract, rates are subject to increase annually on January 1 of each year.*

<table>
<thead>
<tr>
<th>Task #</th>
<th>President</th>
<th>Eco-Engineer I</th>
<th>Eco-Hydrologist I</th>
<th>Technician II</th>
<th>Technician I</th>
<th>Subtotal Labor Hours Per Task</th>
<th>Subtotal Labor Fee Per Task</th>
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<td>373</td>
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ESTIMATED LABOR FEES
Smith Canal Water Quality Monitoring - 2020
cbec Project #15-1017

Unless expressly provided within the contract, rates are subject to increase annually on January 1 of each year.

<table>
<thead>
<tr>
<th>Task #</th>
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<th>Eco-Engineer I</th>
<th>Eco-Hydrologist I</th>
<th>Technician II</th>
<th>Technician I</th>
<th>Subtotal Labor Hours Per Task</th>
<th>Subtotal Labor Fee Per Task</th>
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<td>11</td>
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<td>$100</td>
<td>$184</td>
<td>$371</td>
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<td>$44,714.00</td>
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Subtotal Labor Hours Per Task:
11 hours
Subtotal Labor Fee Per Task:
$44,714.00
ESTIMATED LABOR FEES

Smith Canal Water Quality Monitoring - 2021
cbec Project #15-1017

*Unless expressly provided within the contract, rates are subject to increase annually on January 1 of each year.*

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<th>Task #</th>
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<th>Eco-Engineer I</th>
<th>Eco-Hydrologist I</th>
<th>Technician II</th>
<th>Technician I</th>
<th>Subtotal Labor Hours Per Task</th>
<th>Subtotal Labor Fee Per Task</th>
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<td>371</td>
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# ESTIMATED LABOR FEES

Smith Canal Water Quality Monitoring - 2022  
cbec Project #15-1017

Unless expressly provided within the contract, rates are subject to increase annually on January 1 of each year.

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<th>Technician II</th>
<th>Technician I</th>
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<th>Subtotal Labor Fee Per Task</th>
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</table>

**Subtotal**  
$47,402.00
ESTIMATED LABOR FEES

Smith Canal Water Quality Monitoring - 2023
cbec Project #15-1017

Unless expressly provided within the contract, rates are subject to increase annually on January 1 of each year.

<table>
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<th>Task #</th>
<th>President</th>
<th>Eco-Engineer I</th>
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<th>Technician II</th>
<th>Technician I</th>
<th>Subtotal Labor Hours Per Task</th>
<th>Subtotal Labor Fee Per Task</th>
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### ESTIMATED REIMBURSABLE EXPENSES

**Smith Canal Water Quality Monitoring**

**cbec Project #15-1017**

**Field Equipment Rates | effective January 1, 2019**

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Quantity</th>
<th>Item Cost</th>
<th>Unit Cost</th>
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</thead>
<tbody>
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<td>Mileage</td>
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<td></td>
<td>0.54/mile</td>
</tr>
<tr>
<td>Parking</td>
<td>trip</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lodging</td>
<td>day(s)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per Diem</td>
<td>day(s)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Airfare</td>
<td>day(s)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Car Rental</td>
<td>day(s)</td>
<td>100.00/day</td>
<td></td>
</tr>
<tr>
<td>Field Truck</td>
<td>50 day(s)</td>
<td>100.00/day</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Parking</td>
<td>trip</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utility Boat</td>
<td>50 day(s)</td>
<td>200.00/day</td>
<td>10,000.00</td>
</tr>
<tr>
<td>Jet Boat</td>
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<td>Multi-parameter WQ Sonde</td>
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<td>9,500.00/unit</td>
<td>28,500.00</td>
</tr>
<tr>
<td>Handheld WQ Probe</td>
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</tr>
<tr>
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<tr>
<td>Robotic Total Station</td>
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</tr>
<tr>
<td>RTK GPS</td>
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</tr>
<tr>
<td>Levelloggers</td>
<td>month(s)</td>
<td>/month</td>
<td></td>
</tr>
<tr>
<td>Trim Probes</td>
<td>month(s)</td>
<td>/month</td>
<td></td>
</tr>
<tr>
<td>Software Lease</td>
<td>month(s)</td>
<td>/month</td>
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</tr>
<tr>
<td>Copying / Production</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Courier / Delivery</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Archiving / Documentation</td>
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### Administrative Charge (8%)

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<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
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<td>0.00</td>
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<td>0.00</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Lodging</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<td>Per Diem</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<td>0.00</td>
</tr>
<tr>
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<td>0.00</td>
<td>0.00</td>
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<td>50.00</td>
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<tr>
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<td>0.00</td>
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<tr>
<td>Utility Boat</td>
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<tr>
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<td>4,500.00</td>
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<tr>
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<td>1.00</td>
</tr>
<tr>
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<tr>
<td>Levelloggers</td>
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</tr>
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<td>Trim Probes</td>
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<td>5.00</td>
</tr>
<tr>
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<tr>
<td>Courier / Delivery</td>
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<td>5.00</td>
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</tbody>
</table>

### Subtotal Reimbursables

<table>
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<th>2021</th>
<th>2022</th>
<th>2023</th>
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### Task Description Initial Budget Expended as of 9/30/19 Remaining as of 9/30/19 Current October Anticipated 10/31/19 Total October Invoice Estimate Total November Invoice Estimate Budget Remaining for KSN Contract

<table>
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<tr>
<th>Task Description</th>
<th>Initial Budget</th>
<th>Expended as of 9/30/19</th>
<th>Remaining as of 9/30/19</th>
<th>Current October</th>
<th>Anticipated 10/31/19</th>
<th>Total October Invoice Estimate</th>
<th>Total November Invoice Estimate</th>
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<td><strong>$225,540.72</strong></td>
</tr>
</tbody>
</table>

**NOTES:**

- Blue cells = Invoice estimates for PBI for October and November 2019
- Green cells = Budget estimate to be transferred to KSN contract
- Yellow cells = Cyanobacteria sampling was not originally included in original PBI contract. However, cyanobacteria is an important indicator of water quality and therefore additional monitoring was authorized.
  - Total additional cost to PBI contract are approximately $1,707.51 (Sep) + $1,500 (Oct) + $1,500 (Nov) = $4,707.51
  - Total additional costs to KSN contract are approximately $35,314. This equals to $3,000 for remaining 2019 season plus escalated costs for 2020 - 2023.

**2019 Sampling**

It is recommended that sampling continue for the 5 month period from September 2019 through January 2020. This will develop a baseline condition for end of summer into winter.

Sampling for November, December 2019 and January 2020 will be undertaken under KSN contract.

Sampling will recommence in June through October for 2020, 2021, 2022, 2023, as previously scoped, but now under KSN contract.
ESTIMATED PROJECT BUDGET SUMMARY

Insert Project Title
Smith Canal Water Quality #19-1040

<table>
<thead>
<tr>
<th>Task #</th>
<th>Task Description</th>
<th>Subtotal</th>
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Labor Fee $10,200.00

Reimbursables $1,848.00

Subconsultant(s) $-

Total Project Budget $12,048.00
### ESTIMATED LABOR FEES

**Insert Project Title**  
Smith Canal Water Quality #19-1040

Unless expressly provided within the contract, rates are subject to increase annually on January 1 of each year.

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<th>Task #</th>
<th>Senior Scientific Advisor</th>
<th>President / Managing Director</th>
<th>Director</th>
<th>Senior Ecoengineer III</th>
<th>Senior Ecohydrologist III</th>
<th>Senior Ecoengineer II</th>
<th>Senior Ecohydrologist II</th>
<th>Senior Ecoengineer I</th>
<th>Senior Ecohydrologist I</th>
<th>EcoEngineer I</th>
<th>EcoHydrologist I</th>
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<th>Technician II</th>
<th>Subtotal Labor Hours Per Task</th>
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## ESTIMATED REIMBURSABLE EXPENSES

**Insert Project Title**  
**Smith Canal Water Quality #19-1040**

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Quantity</th>
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<th>Item Cost</th>
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<td>Per Diem</td>
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<td>Airfare</td>
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**Subtotal Reimbursables**  
$1,680.00
Agenda Item 5.1
Agenda Item 9.1
TO: San Joaquin Area Flood Control Agency

FROM: Chris Elias, Executive Director

SUBJECT: PASSING OF DR. BORY STEINBERG

DISCUSSION

On March 4, 2020, SJAFCA received some sad news about the passing of Dr. Bory Steinberg. His wife, Naomi Kogon-Steinberg, informed SJAFCA about this news and requested the information be conveyed to SJAFCA Board members. The late Dr. Steinberg and his firm, Steinberg & Associates, have served successfully as SJAFCA’s Washington, D.C. advocates for more than 20 years. Prior to founding Steinberg & Associates, Dr. Steinberg spent 35 years in various senior leadership roles with the U.S. Army Corps of Engineers. He specialized in water resource issues, infrastructure development and government relations. Dr. Steinberg will be missed.

APPROVED:
CHRIS ELIAS
EXECUTIVE DIRECTOR

AGENDA ITEM 9.1
End of Agenda Packet