

June 11, 2026

TO: San Joaquin Area Flood Control Agency Board of Directors

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

SUBJECT: **RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2026/27 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY**

RECOMMENDATION

It is recommended the Board of Directors of the San Joaquin Area Flood Control Agency (SJAFCA or the Agency) receive information and adopt a resolution approving the following proposed fiscal year (FY) 2026/27 budgets for SJAFCA for the following:

1. Agency Operations (Fund #55601)
2. Smith Canal Gate Project (Funds #55666)
3. Mossdale Tract Area Program (Funds #55679/55680/55681/55682)
4. Lower San Joaquin River Project (Phase 1) (Fund #55653)
5. Regional Flood Management Planning Program (Fund #55667)
6. Paradise Cut Project (Fund #55665)
7. Levee Construction & Maintenance Assessment District (Fund #55668)
8. Flood Protection Restoration District O&M Fund (Fund #55694)

DISCUSSION

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

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

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

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

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

The budgets for AD 96-1 and the LCMA District are provided as separate items within this budget report and presented for approval. The recommended CIP budget for FY 2026/27 for the Mossdale Tract Program is reflective of the Mossdale OAD.

Additional details regarding the budgets for each of the three assessment districts are included within a separate item (Item 6) on this Agenda for consideration by the Board as part of the respective public hearings and actions considering approval of the annual levy of assessments.

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

1. Agency Operations (Fund 55601)

On June 12, 2025, the Board adopted SJAFCA Resolution No. 25-05 approving the Agency's proposed budget for FY 2025/26 (**Exhibit A** & summarized in **Table 1**). Also, shown in **Exhibit A** is the updated final budget for the fiscal year.

As of approximately May 4, 2026, with an estimated 84 percent of the FY elapsed, the Agency has spent about 63% of the total operating budget (**Table 1**). Overall operating costs are 19 percent under the projected budget.

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

	FY 25/26 Budget	25/26 Expenses As of 05/04/25	
Employee Services	\$2,125,000	\$1,397,186	66%
Professional Services	\$582,500	\$281,067	48%
Materials & Supplies	\$342,500	\$208,794	61%
Other Expenses	\$130,000	\$131,470	101%
Approved Operating Budget:	\$3,180,000	\$2,018,517	63%

84% of FY lapsed

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The proposed FY 2026/27 budget is also reflected in **Exhibit A** and is summarized in **Table 2** below. **Exhibit A** represents the Agency's anticipated expenditures for general administration, operations, and support costs for existing capital improvement projects. The proposed FY 2026/27 expenditure budget has been updated to more accurately reflect operating costs given the Agency's office relocation at the beginning of FY 2024/25. The budget reflects how administrative support services are provided to the Agency.

TABLE 2 - FISCAL YEAR 2026/27 SJAFCA
PROPOSED OPERATING EXPENDITURE
BUDGET SUMMARY (Fund 55601)

	FY 26/27 Proposed Budget
Employee Services	\$2,035,000
Professional Services	\$447,000
Materials & Supplies	\$220,000
Other Expenses	\$268,000
Proposed Operating Budget:	\$2,970,000

Staffing

The FY 2026/27 Operating Budget reflects the current staffing of the Agency with no additional positions being added. Total staffing of the Agency is now 9.5 Full Time Equivalent Positions (FTE's) which represents a reduction of 1.5 FTE's relative to FY 2025/26 budget of 11 FTE's. One additional Project Manager position was not filled and the Agency's part time Real Estate Advisor retired during the FY. **Table 3** lists the positions authorized with the Board's approval of the proposed FY 2026/27 Operating Budget.

TABLE 3 - FISCAL YEAR 2026/27 SJAFCA
STAFFING SUMMARY

Position	FTE Count
Executive Director	1
Deputy Executive Director	1
Director of Finance & Human Resources	1
Advisor	0.5
Civil Engineer	1
Project Managers	2
Administrative Assistant	1
Accounting Technician	2
Total FTE's	9.5

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Funding for the Proposed FY 2026/27 Operating Budget

The Agency's Operating Budget is supported through the allocation of costs to the Agency's program / project related funds. Because SJAFCA's mission of "Reducing and managing the region's flood risk" is achieved through the advancement of programs and projects, SJAFCA works to recover its Operating Expenses by allocating costs to programs and projects. SJAFCA is implementing a new approach for allocating costs to projects in FY 2026/27. This new approach has been incorporated into the budget based on an estimate of the fully burdened staff-time to be directly allocated to programs and their associated funds.

As noted in the FY 2025/26 budget, SJAFCA worked to develop and prepare a grant compliant indirect cost allocation plan (ICAP) to support the Agency's development of an indirect cost burden rate to support streamlined and efficient overhead cost recovery from grant funded programs.

Based on the ICAP prepared by SJAFCA, the attached **Exhibit B** shows the estimated project related overhead cost allocations incorporated into the various program budgets.

The estimated project allocations from the Operating Budget to SJAFCA's program budgets, with reference to their primary funds, is summarized in **Table 4** below.

TABLE 4 – OPERATING FUND COST ALLOCATION ESTIMATE

Program / Project	Fund No.	Allocated Share of Operating Cost %	Budgeted Allocation
LSJRP	55653	30%	\$885,000
Paradise Cut	55666	8%	\$236,000
RFMP	55667	1%	\$29,500
Mossdale	55679	30%	\$885,000
O&M	55694	5%	\$147,500
Total Allocated		74%	\$2,183,000
Net Remaining General	55601	26%	\$767,000

Operating Fund Cost Allocations:

Lower San Joaquin River Phase 1 (Federal) Project (Fund 55653). As further discussed below, staff and consultants of the Agency are currently working with the USACE, DWR and CVFPB to advance the Lower San Joaquin River Project. This work includes advancing the first increment of construction, design of subsequent increments, and non-federal sponsor obligations, including land acquisition. With this effort, and consistent with the approach described above, staff estimates a budget of \$885,000 of General Overhead and Administration (GO&A) costs to the Lower San Joaquin River Project. This is based on the number of hours staff are expected to spend managing this program and the appropriate fully burdened cost rates for that staff. Funding for this would come from fund balances in Lower San Joaquin River

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Federal Project Fund, revenues from the LCMA District, and funding from agreements with the Department of Water Resources as a cost sharing partner with SJAFCA.

Paradise Cut (Fund 55665). SJAFCA executed a funding Agreement with DWR during FY 2023/24 to advance the Paradise Cut Feasibility Study. An amendment adding additional funding has been approved during FY 2025/26. Work under the agreement will continue through FY 2026/27. The allocation of GO&A expense to this fund for FY 2026/27 is approximately \$236,000 based on the number of hours staff are expected to spend managing this program and the appropriate fully burdened cost rates for that staff.

Regional Flood Management Plan (Fund 55667). To support the RFMP grant program, staff established Fund 55667 to track and account for costs subject to reimbursement by DWR. The program has been extended several times to add additional time and funding, and the latest phase extends through FY 2026/27. The budget request for FY 2026/27 includes an allocation of up to \$29,500 of GO&A expenses based on the number of hours staff are expected to spend managing this program and the appropriate fully burdened cost rates for that staff.

Mossdale Tract Fund (Fund 55679/55680/55681/55682). These funds were created as part of a Board-approved actions to address flood protection for the Mossdale Tract Area. The local sources of funding include previously funded loans from member agencies: City of Stockton, San Joaquin County, City of Lathrop, and City of Manteca, a Regional Development Impact Fee program, the Mossdale Tract Enhanced Infrastructure Financing District (EIFD), and the Mossdale Tract Overlay Assessment District (OAD). Additional funding is provided through an Urban Flood Risk Reduction (UFRR) program grant from DWR for a feasibility study, preliminary design and environmental review of the Project and early implementation actions. All of these revenues are used to pay for activities to advance the Mossdale Tract Program. As a multi-year capital program, unexpended prior year funding authorized by the Board under this program would roll forward to future fiscal years. The allocation approach discussed above and shown in **Exhibit B** allocates up to \$885,000 of GO&A expenses to the Mossdale Program based on the number of hours staff are expected to spend managing this program and the appropriate fully burdened cost rates for that staff.

Operations and Maintenance (O&M) Fund (Fund 55694). The O&M Fund accounts for money collected annually through the FPRP AD 96-1 O&M assessment. As noted previously, each year, the Board reviews the Annual Engineer's Report and establishes the O&M assessments. The O&M budget for FY 2026/27 is presented within this report and is consistent with the Budget presented within the Annual Engineer's Report supporting the Agency's annual authorization to levy assessments within AD 96-1 to be considered by the Board separately on this Agenda (Item 7.1A). The allocation approach discussed above and shown in **Exhibit B** allocates up to \$148,500 of GO&A expenses to the fund based on the number of hours staff are expected to spend managing this program and the appropriate fully burdened cost rates for that staff.

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Net remaining Operating Fund Balance:

SJAFCA Operating Fund (Fund 55601). The SJAFCA Operating Fund balances are made up of assets that were derived from the Flood Protection Restoration Project (FPRP) completed in 1998, the unexpended bond proceeds for that project, fees collected by both the City of Stockton and County of San Joaquin for the Agency's former equalization fee program, and reimbursement received from the U.S. Army Corps of Engineers (USACE) for the original flood control improvements as well as an allocation of annual funding from the LCMA District. The remaining costs in this fund represent the costs that have not been allocated to projects.

No Estimated Operating Cost Allocations:

Smith Canal Gate Project (Fund 55666). Because this program is winding down and the Project is substantially completed, no time is expected to be directly allocated to this project in FY 2026/27. Any time spent on the project would be accounted for and funded through the LSJRP (associated with obtaining Federal Credit for the completed work) or funded by LCMA revenues as part of Operations and Maintenance / Start Up work associated with the Project.

Operating Budget. The Agency's Operating Budget summarized above in **Table 1** and presented in **Exhibit A** for FY 2026/27 totals \$2,970,000. This represents an approximately 7% decrease in the budget as compared to FY 2025/26 and takes into consideration the decrease in budgeted staffing. Staff prepared the Operating Budget utilizing consistent categories as prior years. These categories of expenses are described further below:

- **Employee Services.** This category includes salary and benefits for the 9.5 FTE positions listed in **Table 3** above. One position is a City of Stockton position, and the balance are Agency positions. City of Stockton costs include an allocation of salary and benefits for administration and City payroll services. The total Staffing budget is \$2,035,000.
- **Professional Services.** These expenses include services such as legal counsel, federal and State advocacy efforts, technical consultants, and annual auditing services. The total Professional Services budget is \$447,000.
- **Materials and Supplies.** This category includes expenses for general office supplies, computer software, and maintenance of the Agency's scanner/copier equipment. This category also includes equipment rental, computer technology support, postage, mailing, duplicating services, file storage and vehicle costs, and office rent. The Materials and Supplies budget is \$220,000.
- **Other Expenses.** This category includes costs for travel, training and staff development, professional memberships, permits/certifications, website development and maintenance. This category also includes the Agency's insurance premiums and association memberships. During FY 2026/27, the Agency expects to expend efforts modernizing and streamlining its website and implementing policies to ensure

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compliance with Federal ADA Title II web and mobile accessibility rules. Pursuant to the relevant Federal rules, the deadline for compliance is April 2028. The Other Expenses budget is \$268,000.

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

Capital Improvement Program (CIP) Budget

As further described above, the Agency has five capital programs that support the Agency's flood risk reduction mission. The matrix below describes the current and planned sources of funding for those programs:

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

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

1. Smith Canal Gate Project (Fund 55666)

As noted in the matrix above, funding for the Smith Canal Gate Project has included grant revenues from the DWR, an allocation of agency reserves, assessments and bond proceeds from the former Smith Canal Area Assessment District (SCAAD). SCAAD assessment levies began in FY 2014/15 and ceased with the passage of the LCMA District in 2023. The Agency issued new Bonds and redeemed outstanding SCAAD bonds effectively replacing the SCAAD with the LCMA District. The last year SJAFCA levied SCAAD Assessments was FY 2022/23. The first year the Agency levied LCMA Assessments was FY 2023/24.

The total expenditure budget for the Smith Canal Gate Project remains \$96.968 Million. No additional augmentation is requested. Construction of the Project is substantially complete

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and Project closeout activities, including the process of starting up Operations and Maintenance, will extend into Fiscal Year 2026/27. **Table 5** below summarizes the authorized CIP budget, actual costs through approximately May 8, 2026, and proposed adjustments between budget categories to reflect actual costs incurred and projected close-out related expenses. The budget categories align expenditures with the appropriate categories of cost within the DWR grant agreement.

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

FY 2026/27 SMITH CANAL GATE Program CIP Budget	Approved Budget FY 26/27	Estimated Expenses 5/8/2026	Budget Balance 5/8/2026	Proposed Budget Realignment	Proposed Budget FY 26/27
EXPENDITURES					
Design Phase	\$6,672,358	\$6,672,358	\$0	\$0	\$6,672,358
Supplemental Engineering	\$2,481,283	\$2,412,436	\$68,847	\$0	\$2,481,283
Independent Review	\$283,381	\$199,838	\$83,543	\$0	\$283,381
Project Management	\$4,708,963	\$4,795,703	(\$86,740)	\$0	\$4,708,963
Construction	\$61,781,625	\$62,244,954	(\$463,329)	\$0	\$61,781,625
Construction Management	\$17,289,757	\$16,823,099	\$466,658	\$0	\$17,289,757
Real Estate Contingency	\$440,545	\$321,277	\$119,268	\$0	\$440,545
Real Estate Acquisition	\$450,000	\$450,000	\$0	\$0	\$450,000
Public Outreach	\$118,710	\$59,553	\$59,157	\$0	\$118,710
Environmental Mitigation	\$2,724,726	\$2,724,726	\$0	\$0	\$2,724,726
Recreational Enhancements	\$17,500	\$17,500	\$0	\$0	\$17,500
TOTAL EXPENDITURES	\$96,968,849	\$96,721,444	\$247,404	\$0	\$96,968,849

The sources of funding for the Smith Canal Gate Project are summarized in **Table 6** below. All of these sources are secured, in place and available to fund the Smith Canal Gate Project.

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TABLE 6 – SMITH CANAL GATE SUMMARY OF FUNDING SOURCES

FY 2026/27 SMITH CANAL GATE Program CIP Revenues	Amount	Date / Note
State Funding (secured)		
Design Phase (Prop 1E)	\$2,412,500	September-12
Construction Phase (Prop 1E)	\$22,309,666	October-17
Amendment 1 (Prop 1E)	\$13,562,092	October-19
Amendment 3 (General Fund)	\$2,000,000	May-22
Amendment 4 (Legislative)	\$18,000,000	November-22
Total State Funding	\$58,284,258	
Local Funding (secured)		
SCAAD Revenues	\$14,793,130	Reflects 9 years of assessments
Net Financing (Proceeds less Debt Service)	\$18,380,871	2020 Bond proceeds less debt service paid
SJAFCFA Allocation of Reserves	\$5,000,000	Allocation of Agency reserves (June 2021)
Allocation of LCMA Revenues	\$860,000	Allocated FY 2023/24
Total Local Funding	\$39,034,002	
Total Funding	\$97,318,260	

[1] Represents approved allocation of 2023/24 revenues from LCMA District for the Smith Canal Project based on amount of revenues that would have otherwise been available if the SCAAD had remained in place through 2023/24.

The recommended Board Action includes approval of expenditures for the Smith Canal Project and the activities needed to continue closeout of the construction phase and transition the completed project to long-term Operations and Maintenance. During FY 2026/27, SJAFCFA will continue efforts to close-out the Project's funding agreement with DWR and work with the County on the O&M transition. Funding for O&M will come from the LCMA District. Budget for O&M is reflected as part of the LCMA District budget presented within this report as well as the related action (Item 7.1B) authorizing the levy of LCMA District assessments.

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

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

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

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

On June 12, 2025, the Board approved the last augmentation to the Mossdale Tract Program budget through FY 2025/26. The following discussion describes the work covered in the proposed augmentation to cover activities through FY 2026/27 and the status of current efforts.

At its February 12, 2026, Board meeting, the Board of Directors authorized the Executive Director to take appropriate actions and advance a locally led Lathrop & Manteca Feasibility Study under Section 203. These actions include termination of the existing Feasibility Cost Share Agreement (FCSA) and Local Feasibility Cost Share Agreement (LFCSA) with the USACE, and State, respectively. As part of this action, SJAFCA has coordinated with the State to advance a modification to its current Urban Flood Risk Reduction program grant to incorporate State costing in the Section 203 Feasibility Study endeavor.

The budget augmentation presented herein provides support for the transition of the Feasibility Study to a locally prepared Study and to continue working towards a favorable determination of federal interest along with the pursuit of additional federal and State funding.

As such, the budget augmentation presented reflects the future execution of the 7th Amendment to the State UFRR Funding Agreement which adjusts and allocates a portion of the previously approved additional \$75,000,000 of State Funding to support State cost sharing in the 203 Study. The budget augmentation also provides funding to continue to advance early implementation of flood risk reduction improvements and ecosystem restoration components ahead of future Federal authorization. Implementation efforts include continued design and permitting of the Dryland Levee and restoration sites, as well as acquisition of necessary rights of way.

The recommended budget augmentation for FY 2026/27 summarized in **Table 7** below for the proposed Mossdale Tract Fund addresses the following categories of costs:

UFRR Feasibility Study (Phase 1)

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

Program Management

- Consultant Support (reflective of Project Support that is not directly related to Project Implementation)
- Legal Support
- Strategic Planning and Implementation
- Legislative Advocacy
- Public Outreach (reflective of Outreach that is not directly related to Project Implementation)

Local Funding Implementation / Administration

- Administration of the Regional Development Impact Fee, EIFD & Overlay

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- Assessment District including updates to these funding programs.
- ULOP Adequate Progress Reporting and Financing Plan updates / implementation
- Budget support and administrative support services

Project Implementation

State / Local – UFRR Project – CEQA / Preliminary Design

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

UFRR Phase 3 – Project Construction

- Directly allocated Staff Program Management Support including Overhead burden (Note –Staff support is now being tracked under the Project Implementation to maximize cost recovery).
- Project Management, USACE coordination and crediting, Stakeholder Outreach, Independent Review
- Right of Way Planning, Acquisitions and Relocations
- Final Design plans and specifications,
- Permits & Approvals
- Dryland Levee Construction Management and Construction
- Ecosystem restoration improvement planning, permitting, design, right of way planning and acquisition

Federal / State / Local – Lathrop Manteca Study

- *This effort has been cancelled, and the budget has been reduced to reflect the actual costs expected to be incurred through cancellation. Study efforts are now being advanced as described in the next section)*
- Federal Program consultation and Feasibility Study coordination, design team support and Public Outreach
- Direct Cost Share Payments to USACE

Local / State Study – Section 203 Lathrop Manteca Study (new item)

- Remaining closeout of terminated USACE led Study
- Locally led development and preparation of a federally compliant feasibility study and associated supporting tasks. Work will be cost shared with the State.

Climate Resiliency Grant

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

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In summary, the budgeted costs for the Mossdale Tract fund are summarized in **Table 7** as follows:

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

FY 2026/27 Mossdale Tract Program CIP Budget Expenditures	Approved Budget 2025/26	Estimated Expenses 5/8/2026	Budget Balance 5/8/2026	Proposed Budget Augmentation	Proposed Budget 2026/27
UFRR Feasibility Study (Phase 1)	\$358,759	\$329,269	\$29,490	\$0	\$358,759
Program Management	\$7,090,630	\$5,156,785	\$1,933,845	(\$1,159,798)	\$5,930,832
Local Funding Implementation / Administration	\$2,415,649	\$2,071,330	\$344,319	\$450,000	\$2,865,649
Project Implementation (State/Local UFRR Project - CEQA/Prelim Design)	\$8,472,545	\$6,278,725	\$2,193,820	(\$347,776)	\$8,124,769
Project Implementation (State/Local UFRR Project - Construction)	\$11,850,000	\$4,311,159	\$7,538,841	\$13,838,500	\$25,688,500
Project Implementation (Fed/State/Local – Lathrop Manteca Project)	\$3,768,548	\$2,785,560	\$982,988	(\$730,945)	\$3,037,603
Project Implementation (State/Local UFRR Project – Section 203 Study)	\$0	\$0	\$0	\$5,000,000	\$5,000,000
Climate Resiliency	\$300,000	\$230,620	\$69,380	\$0	\$300,000
TOTAL EXPENDITURES	\$34,256,131	\$21,163,449	\$13,092,682	\$17,049,981	\$51,306,112

The above budget represents the total cumulative Capital Improvement Program (CIP) budget for the Mossdale Tract Program through FY 2026/27. Further, as is the case with all CIP budgets, if the above budget is not expended through FY 2026/27, any remaining budget rolls over to the next fiscal year.

The requested budget augmentation of \$17.1 million focuses on the following additional efforts; an update to the Regional Development Impact Fee Program to reflect revised Project Cost estimates and the finalized Dryland Levee alignment, finalizing the CEQA Environmental Impact Report for the project, continued design of the Dryland Levee Extension, advancing project permitting, planning for and necessary real estate acquisition for borrow, mitigation and restoration, and advancing the project toward construction. Further the budget also now reflects the revised delivery approach for the Lathrop Manteca Federal Feasibility Study

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needed to maintain Adequate Progress.

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

- The UFRR funding agreement with DWR;
- SJAFCA's funding agreements with its members structured in the form of loans. This funding was received in FY 2017/18 and is available to fund all project efforts. The loans will be repaid once all local funding mechanisms are in place and able to provide sufficient cash flow to cover future project expenses.
- Development Impact Fee revenues collected and transmitted to SJAFCA pursuant to a collection agreement with each member land use agency.
- Transfer of EIFD Revenues from the Mossdale Tract EIFD Public Financing Authority pursuant to a Memorandum of Understanding between SJAFCA and the PFA.
- Revenues from the Mossdale Tract Overlay Assessment District (reference Item 7.1C on this Agenda).
- Grant funding from the Bay Area Council's Climate Resilience Challenge.

A summary of the estimated revenues covering the budgeted expenses detailed are shown in **Table 8** below.

TABLE 8 – MOSSDALE TRACT FY 2026/27 CIP REVENUES

FY 2026/27 Mossdale Tract Program CIP Budget Revenues	Approved Budget 2025/26	Estimated Revenues 5/8/2026	Budget Balance 5/8/2026	Proposed Budget Augmentation	Proposed Budget 2026/27
DWR UFRR Funding	\$8,295,000	\$3,949,502	(\$4,345,498)	\$9,686,950	\$17,981,950
Levee Impact Fees	\$18,402,105	\$18,402,105	\$0	\$1,035,102	\$19,437,207
Member Agency Seed Funding	\$310,000	\$310,000	\$0	\$0	\$310,000
Climate Resiliency Grant Funding	\$300,000	\$300,000	\$0	\$0	\$300,000
Mossdale EIFD PFA Funding	\$7,000,000	\$7,418,482	\$418,482	\$418,482	\$7,418,482
Fund Interest Earned	\$936,451	\$2,954,612	\$2,018,161	\$2,018,161	\$2,954,612
Mossdale Overlay Assessment District	\$4,502,156	\$3,593,874	(\$908,282)	\$2,412,425	\$6,914,581
TOTAL REVENUES	\$39,745,712	\$36,928,576	(\$2,817,136)	\$15,571,121	\$55,316,833

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

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RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2026/27 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY**3. Lower San Joaquin River Project (Fund 55653)**

The overall estimated cost for the Lower San Joaquin River Project (LSJRP) is approximately \$1.954 billion (USACE Total Project Cost Estimate Update 2024). This project is expected to be implemented in several increments over more than a decade. The first increment of the LSJRP, TS_30_L, is now under construction. Design on the next increment, Shima Tract Phase A continues and has reached 90% completion, several other increments of the program have started design including five design packages for Duck Creek/French Camp Slough, and designs for the 14-mi slough gate structure is approaching 30% completion.

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

Since Federal Fiscal Year 2020, USACE has appropriated \$148M toward the design and construction of the Lower San Joaquin River Project. SJAFCA's cost share obligation for the project is 10.5%, which can come in the form of credit for in-kind work (WIK), credit for land, easements, rights-of-way, relocations and disposal areas (LERRDs), and cash. SJAFCA's approach to funding its cost share obligation and minimizing cash outlays includes:

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

The FY 2026/27 budget continues to support land acquisition requirements, project management and consultation services and cash contributions which may be requested by USACE. The FY 2026/27 budget augmentation of \$5.9 million to the previously approved fiscal year 2025/26 budget of \$21.0 million brings the total authorization for the LSJRP up to \$26.9 million.

Funding for the budgeted expenditures comes from several sources.

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

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

TABLE 9 – LOWER SAN JOAQUIN RIVER PROJECT
FY 2026/27 CIP BUDGET SUMMARY (Fund 55653)

FY 2026/27 Lower San Joaquin River Project (Phase 1) Program CIP Budget	Approved Budget 2025/26	Estimated Expenses 5/8/2026	Budget Balance 5/8/2026	Proposed Budget Augmentation	Proposed Budget 2026/27
Overall Program Management	\$14,473,771	\$10,832,959	\$3,640,812	\$3,589,306	\$18,063,077
TS 30L	\$2,999,000	\$2,618,036	\$380,964	(\$295,893)	\$2,703,107
Shima Tract Levee (Phase A)	\$2,273,000	\$584,270	\$1,688,730	\$1,928,011	\$4,201,011
Calaveras River - Left Bank (Phase D)	\$60,652	\$40,120	\$20,532	\$4,468	\$65,120
14 Mile Slough Levee (Phase B-1)	\$386,797	\$383,539	\$3,258	\$34,467	\$421,264
14 Mile Slough PS Mitigation Site	\$0	\$17,239	(\$17,239)	\$17,239	\$17,239
14 Mile Slough Gate Structure (Phase B-2)	\$0	\$0	\$0	\$100,000	\$100,000
Duck Creek & French Camp Slough (All Phase E)	\$801,000	\$343,320	\$457,680	\$360,472	\$1,161,472
Calaveras River - Right (Phase C-2)	\$0	\$0	\$0	\$60,000	\$60,000
TOTAL EXPENDITURES	\$20,994,220	\$14,819,483	\$6,174,737	\$5,798,070	\$26,792,290

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

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

FY 2026/27 Proposed Lower San Joaquin Project (LSJRP) Funding Sources	
	Amounts Secured
Prior Allocation of SJAFCA Reserves (2021/22)	\$3,140,000
Smith Canal Gate UFRF Grant Amendment (State Share Amount)	2,501,182
Local Project Partnership Agreement with State of California (LPPA) Cash Advance from DWR	900,000
Levee Construction and Maintenance Assessment Bond Proceeds	5,000,000
FY 2024/25 Allocation of Levee Construction and Maintenance Assessment Revenues	6,500,000
FY 2025/26 Allocation of Levee Construction and Maintenance Assessment Revenues	3,000,000
FY 2025/26 Local Project Partnership Agreement with State of California (LPPA) Cash Advance from DWR	100,000
FY 2026/27 Allocation of Levee Construction and Maintenance Assessment Revenues	5,750,000
Total LSJRP CIP Funding:	\$26,891,182

4. Regional Flood Management Planning (Fund 55667)

Money received for the first two Phases of Regional Flood Management Planning (RFMP) was used to reimburse the Agency for its efforts to provide critical information about local flood management needs and priorities as part of the 2017 Central Valley Flood Protection Plan (CVFPP) update. As an extension of RFMP efforts, in 2020/21 DWR advanced a third phase of regional planning to support the 2022 CVFPP update. Staff worked with the State to put this grant in place and support the Agency's projects. Staff finalized a scope of work and budget with DWR for the Phase 3 RFMP Grant and the grant was approved for \$850,000 for approximately 3-Years of work. In 2023, SJAFCA executed a grant agreement for an additional \$260,000 for a "2023 round" of RFMP funding (i.e., a 4th phase). During FY 2023/24, the State identified an additional funding source for a future 5th phase with an estimated amount of funding of approximately \$315,000 bringing the cumulative authorizations approved by the Board to \$1,425,000. During FY 2024/25, SJAFCA and DWR

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ultimately approved the 5th Phase of RFMP funding at \$356,667. The current budget reflects this last round of funding.

Table 11 below presents the current approved budget, the estimated expenses incurred through May 8, 2026. The proposed budget adjustments align spending to budgeted tasks within the grant. In addition, all Work In Kind and allocated overhead expenses that are incurred by SJAFCA that are not eligible for reimbursement by DWR have been tracked and have now been separated from the grant funded portion of the budget. These costs are necessary costs to ensure and support coordination with DWR and SJAFCA's review of the Central Valley Flood Protection Plan update. These additional WIK and allocated overhead costs are funded as part of the General & Overhead Administration budget for the Agency but tracked as they are assigned to the RFMP program.

TABLE 11 – RFMP FY 2026/27 CIP BUDGET SUMMARY (Fund 55667)

FY 2025/26 RFMP Program CIP Budget	Approved Budget FY 25/26	Estimated Expenses 5/8/2026	Budget Balance 5/8/2026	Proposed Budget Adjustments	Proposed Budget FY 26/27
RFMP - 1 - PROGRAM MANAGEMENT	\$798,572	\$734,633	\$63,939	(\$18,353)	\$780,219
RFMP - 2 - COMMUNICATION & ENGAGEMENT	\$92,779	\$103,813	(\$11,034)	\$11,034	\$103,813
RFMP - 3 – CVFPP UPDATES	\$106,890	\$84,199	\$22,691	(\$22,691)	\$84,199
RFMP - 4 - FINAN. PLANG. & FUNDING SUPPORT	\$67,636	\$74,405	(\$6,769)	\$6,769	\$74,405
RFMP - 5 - REGIONAL GOVERNANCE	\$16,502	\$16,634	(\$132)	\$132	\$16,634
RFMP - 6 - MULTI BENEFIT OPP. & PARF TRAC	\$102,577	\$96,593	\$5,984	(\$5,984)	\$96,593
RFMP - 7 - REGIONAL CLIMATE RESILIENCE	\$67,283	\$107,041	(\$39,758)	\$39,758	\$107,041
RFMP - 8 - INSTITUTIONAL BARRIERS	\$175,537	\$175,537	\$0	\$0	\$175,537
RFMP - 9 - NFIP RELATED ACTIVITIES	\$2,667	\$2,667	\$0	\$0	\$2,667
RFMP - 10 - REGION SPECIFIC ACTIVITIES	\$36,224	\$25,560	\$10,664	(\$10,664)	\$25,560
TOTAL RFMP GRANT FUNDED EXPENSES	\$1,466,667	\$1,421,081	\$45,586	\$0	\$1,466,667
ADDITIONAL WIK / ALLOCATED EXPENSES	\$0	\$51,445	(\$51,445)	\$84,700	\$84,700
TOTAL RFMP PROGRAM	\$1,466,667	\$1,472,526	(\$5,859)	\$84,700	\$1,551,367

5. Paradise Cut Program (Fund 55665)

In December 2021, the Board directed and authorized staff to enter into a funding agreement with the DWR to fund the combined Paradise Cut Bypass Expansion and Multi-Benefit Project

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(Paradise Cut). The work is funded by Proposition 68 under DWR's System Wide Flood Risk Reduction (SWFRR) program. The goal of the grant is to advance Phase 3 of the Paradise Cut Project. The scope of work entails establishment of a Technical Review Panel, Outreach and Engagement, the preparation of a Feasibility Study and the preparation of Preliminary Engineering and Landscapes Designs to facilitate the development of an engineer's cost estimate (10%) for the preferred alternative.

In December 2021, it was reported that the term of the grant was expected to run from June 2022 through June 2024, however, execution of the Grant was delayed. The Board approved an updated agreement and delegated authority for the Grant's execution in April 2023. In April 2024 the Board authorized the execution of Master Services Agreements with various consultants obligating the full budget for the Program. In FY 2024/25, the program began advancing in earnest. During the course of delivering the study, additional scope of work was identified and requested by DWR and additional funding has been allocated through amendments to the DWR funding agreement. The DWR Grant budget, currently in the process of being amended, will total \$5,104,400. In addition, the South Delta Water Agency and Central Delta Water Agency have provided \$40,000 to support the project. The total available funding is now \$5,144,000.

The proposed budget adjustments align spending to budgeted tasks within the grant. In addition, all Work In Kind (WIK) and allocated overhead expenses that are incurred by SJAFCA that are not eligible for reimbursement by DWR have been tracked and have now been separated from the grant funded portion of the budget. These costs are necessary costs to support coordination with DWR and the Paradise Cut Stakeholders. These additional WIK and allocated overhead costs are funded as part of the General & Overhead Administration budget for the Agency but tracked as they are assigned to the Paradise Cut program.

To align the authorized budget to the available funding, an augmentation to the Board approved budget is needed. **Table 12** below presents the approved CIP budget, an estimate of expenses incurred through May 8, 2026 and the proposed augmentation through FY 2026/27. The Agency's allocable portion of overhead is included within the WIK budget.

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TABLE 12 – PARADISE CUT FY 2026/27 CIP BUDGET SUMMARY (Fund 55665)

FY 2026/27 Paradise Cut Program CIP Budget	Approved Budget FY 2025/26	Estimated Expenses 5/8/2026	Budget Balance 5/15/2025	Proposed Budget Augmentation	Proposed Budget FY 2026/27
Task 1 - Project Management and Administration	\$1,198,935	\$1,048,160	\$150,775	\$190,400	\$1,389,335
Task 2 - Technical Review Panel	\$175,000	\$97,887	\$77,114	\$0	\$175,000
Task 3 - Strategic Outreach and Local Engagement	\$244,810	\$244,639	\$171	\$150,000	\$394,810
Task 4 - Feasibility Study	\$1,795,170	\$188,505	\$1,606,665	\$319,000	\$2,114,170
Task 5 - Preliminary Engineering and Landscape Designs	\$481,085	\$15,713	\$465,373	\$0	\$481,085
Task 6 - Governance	\$75,000	\$0	\$75,000	\$0	\$75,000
Task 7 - Scoping Phase 4	\$45,000	\$0	\$45,000	\$0	\$45,000
Task 8 – Economic Analysis	\$0	\$0	\$0	\$430,000	\$430,000
Total Grant Funded Budget	\$4,015,000	\$1,594,903	\$2,420,097	\$1,089,400	\$5,104,400
Additional WIK / Allocated Overhead Expenses	\$0	\$374,105	(\$374,105)	\$611,705	\$611,705
Total Program Budget	\$4,015,000	\$1,969,008	\$2,045,992	\$1,701,105	\$5,716,105

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

On June 15, 2023, after a successful Proposition 218 Property Owner protest ballot proceeding, the SJAFCA Board approved the formation of the LCMA District. **Table 13** presents a comparison of the projected actual expenditures relative to the approved budget for Fiscal Year 2025/26 as well as estimate of the budget for Fiscal Year 2026/27. The Budgeted Assessment Revenues for Fiscal Year 2026/27 reflect 1.75% escalation rate¹ which is the maximum allowable annual assessment escalation rate authorized within the approved Engineer's Report. The approval of this budget would be consistent with the

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

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2026/27 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

requested authorization to levy assessments the maximum annual authorized rate for FY 2026/27 presented as a separate item on this agenda (Item 7.1B).

The LCMA Assessment Revenues are authorized to provide funding Levee Improvement and Maintenance services. Funding from assessment for Fiscal Year 2026/27 will be utilized for the following:

- To provide funding directly to SJAFCA and Zone 9 of the San Joaquin Flood Control and Water Conservation District to support Levee Operations and Maintenance and Flood Control Improvements within the Zone 9;
- To provide funding to SJAFCA to continue interim Operations and Maintenance of the Smith Canal Gate until San Joaquin County Public Works assumes full O&M responsibilities for the Gate;
- To provide funding to SJAFCA to support the local sponsor obligations of the LJSRP;
- To pay debt service on Bonds Issued by SJAFCA secured by LCMA Assessment Revenues; and,
- To fund the administrative costs of the Assessment District.

Additional details regarding the budget for the operations and maintenance of the Smith Canal Gate shown within the FY 2026/27 LCMA Budget are shown in **Table 14**.

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**TABLE 13 – LEVEE CONSTRUCTION & MAINTENANCE ASSESSMENT DISTRICT
FY 2025/26 BUDGET TO ACTUAL COMPARISON & FY 2026/27 BUDGET (Fund 55668)**

FY 2026/27 LCMA District Program Budget	Approved Budget FY 2025/26	Estimated Actuals 5/8/2026	Proposed Budget FY 2026/27
REVENUES			
Direct Assessments	\$7,971,000	\$4,442,266	\$8,075,813
Interest	\$0	\$175,004	\$0
Total Revenues	\$7,971,000	\$4,617,270	\$8,075,813
EXPENDITURES			
Assessment Administration	\$170,000	\$128,657	\$170,000
O&M Services			
O&M Services - Direct Transfer to Zone 9	\$889,000	\$361,353	\$911,000
O&M Services - SJAFCA Support for Zone 9	\$509,800	\$0	\$487,800
Subtotal O&M Services	\$1,398,800	\$361,353	\$1,398,800
Levee Construction Services			
Smith Canal Gate [1]	\$661,700	\$324,671	\$661,700
Lower San Joaquin River Project Allocation	\$3,000,000	\$3,107,068	\$5,750,000
Estimated Debt Service (2023 Bonds)	\$1,717,165	\$1,703,351	\$1,705,336
Subtotal Construction Services	\$5,378,865	\$5,135,090	\$8,117,036
TOTAL EXPENDITURES	\$6,947,665	\$5,625,100	\$9,685,836
NET FUND BALANCE CHANGE	\$1,023,335	(\$1,007,830)	(\$1,610,023)
ESTIMATED BEGINNING BALANCE [2]	\$7,898,612	\$7,898,612	\$9,096,951
ENDING BALANCE	\$8,921,947	\$6,890,782	\$7,486,928

[1] FY 2025/26 for Smith Canal Gate Interim O&M expenses. See Additional details for Operating Expenses for FY 2026/27

[2] FY 2025/26 Starting fund balance per finalized Audited Financial Statements FYE June 30, 2025. FY 2025/26 Starting fund balance includes interest earned on the fund balance to date not previously budgeted.

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RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2026/27 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

TABLE 14 – LEVEE CONSTRUCTION & MAINTENANCE ASSESSMENT DISTRICT SMITH CANAL GATE FY 2026/27 OPERATIONS & MAINTENANCE BUDGET

FY 2026/27 LCMA District Smith Canal Gate O&M Details	Approved Budget FY 2025/26	Estimated Actuals 5/8/2026	Proposed Budget FY 2026/27
EXPENDITURES			
County O&M Estimated Request	\$350,000	<i>Included Below</i>	\$350,000
<i>Interim O&M Cost Details</i>			
Property Liability Insurance	\$100,000	<i>Included Below</i>	\$100,000
Interim O&M	\$120,000	<i>Included Below</i>	\$120,000
Subtotal Interim O&M	\$220,000	\$232,971	\$220,000
<i>10-Yr Recurrent Interval Set Asides</i>			
Stop Log Install	\$34,900	\$34,900	\$34,900
Miscellaneous Repairs / Inspections	\$34,900	\$34,900	\$34,900
Permitting (Balance Not Funded w/ Project)	\$21,900	\$21,900	\$21,900
Total Reserve Set Asides	\$91,700	\$91,700	\$91,700
Subtotal SCG O&M Services	\$661,700	\$324,671	\$661,700

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

SJAFCA approved the formation of the Flood Protection Restoration Assessment District 96-1 (AD 96-1) on February 28, 1996 to finance both the local share of the Flood Protection Restoration Project and provide ongoing funding for its Operations and Maintenance. After the completion of the FPRP and the retirement of bonds issued to finance the improvements, the assessment is levied solely to fund long term operations, maintenance and replacement of the improvements. Additional details regarding specific operations and maintenance activities are provided in the Engineer's Report supporting a separate item on this Agenda (Item 7.1 A) which would authorize the FY 2026/27 levy of AD 96-1 assessments.

Table 15 below presents a comparison of the projected actual expenditures relative to the approved budget for Fiscal Year 2025/26 as well as the proposed budget for Fiscal Year 2026/27. Budgeted revenues for Fiscal Year 2026/27 reflect an authorized 2.4% escalation rate which is the maximum annual assessment escalation authorized within the approved Engineer's Report. The Board's approval of the budget would be consistent with the

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requested authorization to levy assessments at the maximum annual authorized rate for FY 2026/27.

As shown in **Table 15**, the budgeted expenditures, based upon the projected cost of maintaining the improvements as requested by San Joaquin County Public Works, the entity tasked with maintaining the improvements, and SJAFCA's supporting services exceed the available revenues. As such, the budget request includes an allocation from reserves of \$55,550 to fund the projected FY 2026/27 O&M services and administration budget. In addition, an additional authorization of up to \$100,000 from reserves is requested in the event of an emergency. To the extent that the actual costs of Operations and Maintenance do not fully utilize the available revenues from the assessments then the additional appropriations would not be utilized and the appropriation would expire at the end of the Fiscal Year.

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2026/27 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

TABLE 15 – FLOOD PROTECTION & RESTORATION ASSESSMENT DISTRICT
2026/27 OPERATIONS & MAINTENANCE BUDGET

FY 2025/26 Budget to Actual Comparison & FY 2026/27 Budget Flood Protection Restoration Assessment District	Approved Budget FY 2025/26	Estimated Actuals Through 5/8/2026		Proposed Budget FY 2026/27
REVENUES				
Direct Assessments	\$1,176,255	\$626,878		\$1,208,900
Interest	\$0	\$162,427		\$0
Reserve Appropriation - for Budget	\$192,245	\$0		\$55,550
Reserve Appropriation - for Emergencies	\$100,000	\$0		\$100,000
Total Revenues	\$1,468,500	\$789,305		\$1,364,450
EXPENDITURES				
Agency Management / Administration	\$329,500	\$127,732		\$219,450
O&M Services				
O&M Services - San Joaquin County O&M	\$985,000	\$319,032		\$985,000
Aquatic Weed Control Program - 5 Mi Slough	\$54,000	\$3,630		\$60,000
Subtotal O&M Services	\$1,039,000	\$322,662		\$1,045,000
Emergency Budget	\$100,000	\$0		\$100,000
TOTAL EXPENDITURES	\$1,468,500	\$450,394		\$1,364,450
NET FUND BALANCE CHANGE	\$0	\$338,911		\$0
ESTIMATED BEGINNING BALANCE [1]	\$7,394,310	\$7,394,310		\$7,501,187
ENDING BALANCE	\$7,394,310	\$7,733,221		\$7,501,187

[1] FY 2025/26 Starting fund balance per finalized Audit. FY 2026/27 Starting fund balance includes interest earned on the fund balance to date not previously budgeted less recommended reserve appropriation.

RESOLUTION TO APPROVE THE PROPOSED OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2026/27 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY

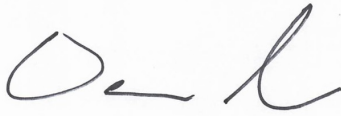
FISCAL IMPACT

Summary

The estimated Agency operating fund carry over Fund balance at the beginning of FY 2026/27 is projected to be approximately \$2.5 million. The proposed FY 2026/27 budget anticipates total operating costs to be \$2.97 million with the majority of these costs (74%) allocated to SJAFCA's programs and projects based upon current estimates. Actual allocated costs will be a function of the time spent by SJAFCA staff advancing projects which is based upon staff's new approach allocating fully burdened staff time to projects.

By approving the attached Omnibus Budget Resolution (**Attachment 3**) attached to this staff report, the Board will adopt and approve the Agency's proposed FY 2026/27 operating budget, associated ICAP allocation approach to capital programs and the supporting capital budgets for the Lower San Joaquin River Project, Smith Canal Gate Project, Mossdale Tract Area Program, Regional Flood Management Planning Program and Paradise Cut Project. In addition, the Board would be approving the budgets for the Levee Construction & Maintenance Assessment District, Mossdale Tract Overlay Assessment District and Flood Protection Restoration Project AD 96-1 Assessment District also reflected with this staff report.

PREPARED BY: Sylvia Razniak, Director of Finance and Human Resources



APPROVED:
DARREN SUEN
EXECUTIVE DIRECTOR

SR:smw

Attachments

1. Exhibit A – FY 26/27 General and Admin Budget
2. Exhibit B – FY 26/27 Estimated FY 2026/27 Project Budget Allocations
3. RESOLUTION APPROVING THE PROPOSED OPERATING FUND, CAPITAL AND ASSESSMENT DISTRICT BUDGETS FOR FISCAL YEAR 2026/27 FOR THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY