



Sutter Butte Flood Control Agency

A Partnership for Flood Safety

Board of Directors Agenda Summary January 12, 2011

1:30 PM Regular Meeting

Meeting Location:

**Sutter County Superintendent of Schools Training Center
1699 Sierra Avenue, Suite A
Yuba City, CA**

The agenda is posted in the building of the Sutter County Superintendent of Schools Training Center, 1699 Sierra Avenue, Suite A, Yuba City, CA 95993, and at the Sutter County Library, 750 Forbes Avenue, Yuba City. The Agenda Summary and backup materials, and Approved Minutes are also posted on the Sutter Butte Flood Control Agency web site at www.sutterbutteflood.org. Materials related to an item on this Agenda and submitted to the Board of Directors after distribution of the Agenda Packet are available for public inspection in the office of the Board Clerk at 1160 Civic Center Blvd., Yuba City, during normal business hours. In compliance with the American 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 Sarah Modeste at the Sutter Butte Flood Control Office, 1227 Bridge Street, Suite C, Yuba City, CA 95993 or 530-755-9859. Requests must be made one full business day before the start of the meeting.

<u>County of Sutter</u> 1. Larry Montna 2. Stan Cleveland Alt. James Gallagher	<u>County of Butte</u> 1. Bill Connelly 2. Steve Lambert
<u>City of Yuba City</u> 1. John Miller 2. John Dukes Alts. John Buckland, Tej Maan	<u>City of Gridley</u> 1. Owen Stiles Alt. Jerry Anne Fichter
<u>City of Live Oak</u> 1. Gary Baland Alt. Felicity Clark	<u>City of Biggs</u> 1. Mike Bottorff Alt. Bo Sheppard
<u>Levee District 1</u> 1. Francis Silva 2. Al Montna Alt. Barbara LeVake	<u>Levee District 9</u> 1. David Lamon 2. David Schmidl Alt. Chris Schmidl

Persons wishing to address the Board during consideration of matters listed on the agenda will be allowed to do so. Testimony should always begin with the speaker giving his or her name and place of residence. Requests for assistive listening devices or other accommodations, such as interpretive services, should be made through the Sutter Butte Flood Control Agency office at (530) 755-9859. Requests should be made at least 72 hours prior to the meeting. Later requests will be accommodated to the extent feasible.

1:30 P.M. REGULAR MEETING/CALL TO ORDER

Roll Call

Pledge of Allegiance

CONSENT CALENDAR

The Consent Calendar groups together those items which are considered non-controversial or for which prior policy direction has been given to staff and that require only routine action by the Board. The Chairman will advise the audience that the matters may be adopted in total by one motion; however, the Board may, at its option or upon request of a member of the public, consider any matter separately.

- 1) Approval of the minutes for the Regular Board Meeting of December 8, 2010.
- 2) Approval of the resolution establishing the regular meetings for the Sutter Butte Flood Control Agency for the 2011 calendar year.

SELECTION OF THE VICE-CHAIR FOR THE 2011 YEAR

- 3) The selection of the Vice-Chair of the Sutter Butte Flood Control Agency Board of Directors for the 2011 year. (Selection should be from representatives from Yuba City in accordance with the Board's policy on the rotation of officers).

PRESENTATION, DISCUSSION AND ACTION ITEMS

- 4) Review and discussion of SBFCA's current organization and management, comparison to other regional agencies, and the plan for the future.
- 5) Approval of one consultant agreement between SBFCA and PB Americas, Inc. for ongoing assessment engineering services related to continuous update of county assessment rolls and assessment engineering analysis of appeals.
- 6) Approval of Operations amendments to consultant agreements for general Agency operations for the last 6 months of the 2010-11 Fiscal Year:
 - a. Approval of the Fifth Amendment to the Agreement between SBFCA and Downey Brand LLP for comprehensive legal services for the Agency.
 - b. Approval of the First Amendment to the Agreement between SBFCA and Kennedy Modeste Communications for general administrative services such as Agency administration, finance, public contact, and serving as the Board Secretary.

- c. Approval of the First Amendment to the Agreement between SBFCA and KNN Public Finance for serving as Financial Advisor (debt financing advice).
- d. Approval of the First Amendment to the Agreement between SBFCA and Capital Public Finance Group as Financial Advisor (advice pertaining to State required financial planning projections, budgeting, and accounting).

INFORMATIONAL AND POSSIBLE APPROVAL ITEMS

- 7) Other reports from Agency Staff regarding current Sutter Butte Flood Control Agency activities.
- 8) Report (if necessary) by the Citizens' Assessment District Advisory Committee (CADAC).
- 9) Report (if necessary) by Levee District No. 1 regarding setback levee project at Star Bend (an early implementation project).
- 10) Report (if necessary) by the USACE Project Manager regarding current status of the Feasibility Study for the Sutter Basin.
- 11) Report (if necessary) by the DWR Senior Project Manager regarding current DWR activities.

CORRESPONDENCE

- 12) Report on correspondence sent by and received by the Board.

PUBLIC COMMENT

Members of the public will be allowed to address the Sutter Butte Flood Control Agency's Board of Directors on items of interest to the public that are within the subject matter jurisdiction of the Board. Any member of the audience who may wish to bring a matter before the Board that has not been placed on the agenda may do so at this time; however, State law provides that no action may be taken on any item not appearing on the posted Agenda.

ADJOURNMENT



Sutter Butte Flood Control Agency

A Partnership for Flood Safety

January 12, 2011

TO: Board of Directors

FROM: William H. Edgar, Executive Director

SUBJECT: Approval of the Minutes for the Regular Board Meeting of
December 8, 2010

We have attached the proposed minutes for the Board of Director's Regular meeting of December 8, 2010 for your review, modification, and/or approval.

Recommendation

We recommend that your Board approve the minutes and authorize the Chairman to sign the minutes.

Thank you.

**MINUTES OF THE BOARD OF DIRECTORS OF THE
SUTTER BUTTE FLOOD CONTROL AGENCY
REGULAR MEETING OF
December 8, 2010**

The Sutter Butte Flood Control Agency (Agency) Board of Directors (Board), State of California, met on the above date in Regular Session at 1:30 p.m. in the Superintendent of Schools, Training Center, Suite C, 1699 Sierra Avenue, Yuba City, California.

MEMBERS PRESENT: County of Sutter: Larry Montna, Stan Cleveland
County of Butte: Steve Lambert
City of Yuba City: John Miller, John Dukes
City of Gridley: Owen Stiles
City of Live Oak: Gary Baland
City of Biggs: Mike Bottorff
Levee District 1: Francis Silva, Barbara LaVake
Levee District 9: David Schmidl, David Lamon

MEMBERS ABSENT: Directors Kash Gill, Malcolm Weston, Bill Connelly, Al Montna

STAFF PRESENT: Bill Edgar, Interim Executive Director; Scott Shapiro, Agency Counsel; David Peterson, Agency Engineer, Kim Floyd, Agency Public Information Officer, and Sarah Modeste, Staff Analyst

REGULAR SESSION

Chairman Larry Montna called the meeting to order and asked the Clerk to call the roll. Chairman Larry Montna asked Director John Miller to lead the Board and the audience in the pledge of Allegiance to the Flag.

CONSENT CALENDAR

On motion of Director Steve Lambert, seconded by Director John Dukes, and carried by those present, the Board approved the Consent Calendar as follows:

- 1) Approval of the minutes for the Regular Board Meeting of November 10, 2010.
- 2) Approval of attached resolution (Exhibit A) approving recommendation to name the Executive Director, or Interim Executive Director, as designated representative for the Agency's CSAC Excess Insurance Authority coverage.

A motion was made by Director Steve Lambert to approve the items on the consent calendar. The motion was seconded by Director John Dukes and was carried by those present.

NOTICED PUBLIC HEARING

- 3) **Receipt of public testimony, Board discussion, consideration, and Board adoption of resolution to re-state the approved Budget for the first six months for the 2010-11 Fiscal Year with the approval of the Proposed Two-Year Budget for the 2010-11 and 2011-12 Fiscal Years with the approval of the final Two-Year Budget.**

Executive Director Bill Edgar provided an overview of the budget documents, including the transmittal letter, the budget resolution that outlines the process and the procedure for the implementation of the budget, and the document which includes the budget message and the actual budget including the line of credit and actual amounts from July, August and September.

Mr. Edgar explained the two funds (Operating and Capital), and the related revenue and the expenditure sections. The expenditure section includes four activities: general operations, work that's necessary for the feasibility study with the Corps, EIP funds to complete the final design, the environmental design, and permits, and the funds that will be transmitted to LD1 to complete Star Bend.

The Agency's cash flow requirements include operations, the USACE feasibility study, the EIP, and the Star bend payments to LD 1, and the cash flow schedule that shows planned monthly expenditures. Mr. Edgar explained that the cash flow schedule will be updated with actual numbers each month so that available fund balances can be closely monitored.

Mr. Edgar explained that that he reviewed the budget with the CADAC prior to the Board of Directors' meeting in order to maintain transparency. CADAC members expressed interest in becoming more acquainted with the forms and processes of the budget.

Chairman Larry Montna opened the public hearing to comments at 1:50 p.m.

There was no public comment.

Chairman Larry Montna closed the public hearing at 1:51 p.m.

Director LaVake asked for clarification on the line item dues and subscriptions. Mr. Edgar responded that the funds are primarily used for membership in the Central Valley Flood Protection Board; because SBFCA member agencies are not members of the CVFPB, it is important that the region is represented and SBFCA is able to do that. Mr. Edgar added that he attends the meetings on behalf of SBFCA and serves on the Legislative Committee, and Agency Counsel Scott Shapiro is the Agency counsel. Director LaVake requested that Bill provide a regular update to the Board.

Director John Dukes asked if SBFCA was planning for a dues increase, and Mr. Edgar explained that SBFCA joined mid-year this year and received a prorated amount. The actual fee for coming years is \$22,000 per year.

A motion was made by Director John Miller to approve the resolution to re-state the approved Budget for the first six months for the 2010-11 Fiscal Year with the approval of the Proposed Two-Year Budget for the 2010-11 and 2011-12 Fiscal Years with the approval of the final Two-Year Budget. The motion was seconded by Director David Lamon and was carried by those present.

PRESENTATION, DISCUSSION, AND ACTION ITEMS

- 4) **Presentation by the Agency Engineer re: current activities of the Agency.**
- a. **Status of Federal and State Flood Mapping Efforts**
 - i. **Federal Emergency Management Agency (FEMA)**
 - ii. **Department of Water Resources (DWR)**
 - b. **Progress Report Regarding USACE Sutter Basin Feasibility Study**
 - c. **Status reports regarding Early Implementation Projects**
 - i. **Close out of set back levee project at Star Bend**
 - ii. **Feather River West Levee Rehabilitation Project Area Plan submittal**
 - d. **Progress Report Regarding Feather River West Levee Rehabilitation Project**
 - i. **Status of 30% design**

ii. Status of environmental work
e. Status of permitting work

Agency Engineer David Peterson, Karl Brustad, and Barry O'Regan provided an overview of SBFCA's recent and upcoming activities. A presentation handout was provided at the meeting. Levee District 1 General Manager Bill Hampton explained that although the Star Bend project is completed, there are a few problems that need to be resolved prior to the project close out.

Director Mike Bottorff asked the age of the hydrology used by PBI. Mr. Peterson responded that the data originated with a Corps comp study about 20 years ago and then included the 1997 flood data. Mr. Peterson explained at the Corps is having trouble completing updated hydrology because the computer program used. He continued to explain that there will always be updated hydrology, but the Agency's levees will be designed and built to be robust.

Mr. Edgar explained that some Board members had expressed concern that the Corps may require the Agency to raise existing levees, but it's would not be possible to anticipate that.

Mr. Peterson responded that issues may be located primarily downstream from Yuba City, and that's where the Agency could receive recommended changes from the Corps because the freeboard is minimal.

Director Stan Cleveland asked if AB 32 being applied and Mr. Peterson responded that it isn't at this time, but it may be in the future.

No Action Taken on this Item

5) **Report from Chairman Montna and Board approval re: approval of the Ad Hoc Committee's Board rotation plan to rotate the Chair and Vice-Chair position among the three largest member agencies.**

Bill Edgar explained that Levee District 1 should have been included in the list of largest member agencies as LD1 has 18,000 of the 34,000 SBFCA parcels. Further, he explained that LD1 did not wish to be included in the rotation of Board Chair and Vice-Chair.

The Ad Hoc members, including Directors Larry Montna, Gary Baland, Barbara LaVake, and John Miller, reviewed a number of options and recommended the rotation of the Chair and Vice-Chair position to be among Yuba City, Sutter County, and Butte County. Additionally, the committee recommended the appointment of Director Steve Lambert as the Chair for 2011, a Yuba City representative in 2012, and a Sutter County representative in 2013.

A motion was made by Director Barbara LaVake to approve the Ad Hoc Committee's Board rotation plan to rotate the Chair and Vice Chair position among the largest municipal agencies and to appoint Director Steve Lambert as the 2011 Chair. The motion was seconded by Director John Miller and was carried by those present with the exception of Director Owen Stiles who voted no.

6) **Report from Chairman Montna and Board approval re: approval of the Ad Hoc Committee's staffing plan recommendations to maintain the current Agency staff for a longer period of time; to review the current staffing arrangement in the spring of 2012; and in connection with the preparation of the 2012-13 Agency Budget prepare a revised staffing plan for consideration by the Board of Directors.**

Mr. Edgar explained the committee's recommendation to maintain the current Agency staff for a longer period of time and then review the staffing in connection with the preparation of the 2012-13 Agency Budget.

Director David Lamon commented that the Agency would know more about the project in the next 6-12 months, and he recommended in the Agency maintain current staffing for consistency in the

meantime. Mr. Edgar added that there are many changes at the State and Federal level, so stabilizing the Agency's staff would allow the Agency to focus on the project.

Director Barbara LaVake added that the Committee expressed the desire to phase in a director when the time is appropriate in order to provide overlap between the outgoing and incoming executive director. Director John Miller agreed and said that is why the Committee recommended revisiting the staffing in conjunction with the preparation of the 2012-13 budget.

A motion was made by Director John Miller to approve the Ad Hoc Committee's staffing plan recommendations to maintain the current Agency staff for a longer period of time; to review the current staffing arrangement in spring of 2012; and in connection with the preparation of the 2012-13 Agency Budget prepare a revised staffing plan for consideration by the Board of Directors. The motion was seconded by Director Owen Stiles and was carried by those present.

7) **Approval of recommendation to execute Task Order 7 for Peterson Brustad, Inc. for Feather River West Levee Rehabilitation Project (FRWLRP) project management.**

Mr. Edgar explained that Peterson Brustad, Inc.'s Task Order 7 for Feather River West Levee Rehabilitation Project (FRWLRP) project management exceeds the Executive Director's authority. The Task Order is needed so Peterson Brustad, Inc. (PBI) can continue managing the design and environmental work. PBI ensures that Jones & Stokes and HDR are completing work in the most efficient manner, and reviews invoices and provides recommendation for monthly payment. PBI also ensures the consultant team is communicating, and that all State and Federal requirements are met.

Mr. Edgar added that the contract amount was included in the previously adopted Two-Year Budget, and is fully funded.

Director Barbara LaVake asked if this Task Order is essentially a project manager position and asked for clarification on the timeframe for the Task Order. Mr. Edgar responded that it is for project management, and that the management will continue until the design work is complete, but Task Order 7 is through June, 2011. Director John Miller asked if Task Order 7 should be extended through the end of design in 2012.

Director Barbara LaVake added that she didn't have a comparison to know if the Task Order amount was comparable to others, or the work required. Director John Miller asked how many hours were included in the Task Order.

David Peterson, Peterson Brustad, Inc., responded that the Task Order covers an amount less than two full-time equivalent employees and that because of the project complexities, it involves the work of senior-level employees. He explained that Karl Brustad manages the day-to-day operations and funding, and Barry O'Regan is overseeing the environmental and right-of-way work. He added that his time is charged to the EIP project, or to his Task Order for Agency Engineer work depending upon the work involved.

Agency Counsel Scott Shapiro explained that MBK Engineers completed a peer review during the Assessment District formation processes and noted that the project management costs were in the range of similar size projects, and even less than what MBK thought the Agency would need.

Director Barbara LaVake commented that she was not prepared to vote on the Task Order 7 because it was for a portion of the time needed, and because she did not feel that she had appropriate background information. Mr. Peterson responded that measurements against other agencies, like SAFCA, were challenging because they have full time staff that are assigned to the project in addition to project management consultant staff.

Director John Dukes asked if the charges were front-loaded, and if they would decrease after time. Mr. Peterson responded that the costs are anticipated to remain steady throughout the project, but only the hours worked will be billed.

Director John Miller requested that the Chairman table the discussion until the January, 2011 meeting. Director Barbara LaVake agreed and added that she needed to be able to respond to

constituents about the costs and why other companies didn't have the opportunity for participation.

A motion was made by Director John Miller to table the Task Order 7 discussion until the January, 2011 meeting. The motion was seconded by Director Barbara LaVake and was carried by those present.

INFORMATIONAL AND POSSIBLE APPROVAL ITEMS

- 8) Other reports from the Agency Staff regarding current Sutter Butte Flood Control Agency activities.

There are no reports at this time.

No Action Taken on this Item

- 9) Report (if necessary) by the Citizens' Assessment District Advisory Committee (CADAC).

Ray Rogers introduced himself as the newly elected CADAC chair and stated that the CADAC had its first official meeting today. He added that he plans to provide updates at the regular Board meetings.

No Action Taken on this Item

- 10) Report by Levee District No. 1 regarding setback levee project at Star Bend (an early implementation project).

No report at this time.

No Action Taken on this Item

- 11) Report by the United States Army Corps of Engineers' (USACE) project manager re: current status of the Feasibility Study for the Sutter Basin.

No report at this time.

No Action Taken on this Item

- 12) Report (if necessary) by the Dept. of Water Resources (DWR) Senior Project Manager regarding DWR activities.

No report at this time.

No Action Taken on this item

CORRESPONDENCE

- 13) Response to Correspondence Received

Interim Executive Director Bill Edgar stated that there was no correspondence to be considered at this meeting.

No Action Taken on this item

PUBLIC COMMENT

No public comment at this time.

ADJOURNMENT

With no further business coming before the Board, the meeting was adjourned at 2:57 p.m.

LARRY MONTNA, CHAIRMAN

ATTEST:

BY _____

SARAH MODESTE, STAFF ANALYST



Sutter Butte Flood Control Agency

A Partnership for Flood Safety

January 12, 2011

TO: Board of Directors

FROM: Bill Edgar, Executive Director

SUBJECT: Approval of the resolution establishing the regular meetings for the Sutter Butte Flood Control Agency for the 2011 calendar year.

Recommendation

It is recommended that your Board confirm the recommendations made by SBFCA staff establishing the 2011 regular Board of Directors meeting dates.

Background

The following are the recommended dates for the regular meetings of the Sutter Butte Flood Control Agency. All meetings are open to the public and held at 1:30 p.m. at the Sutter County Superintendent of Schools Training Room, 1699 Sierra Avenue, Yuba City, CA.

January 12, 2011
February 9, 2011
March 9, 2011
April 13, 2011
May 18, 2011
June 8, 2011

July 13, 2011
August 10, 2011
September 14, 2011
October 12, 2011
November 9, 2011
December 14, 2011

Thank you.

BEFORE THE BOARD OF DIRECTORS
SUTTER BUTTE FLOOD CONTROL AGENCY

RESOLUTION MODIFYING)
THE TIME AND LOCATION OF) RESOLUTION NO.
REGULAR BOARD MEETINGS)

WHEREAS, the Sutter Butte Flood Control Agency is a public agency pursuant to a Joint Powers Agreement; and

WHEREAS, the Board of Directors wishes to modify the regular meeting time and place of the Agency.

NOW, THEREFORE, BE IT RESOLVED, the Sutter Butte Flood Control Agency Board of Directors sets the regular meetings of the Agency monthly at 1:30 p.m. on the second Wednesday of the month and the meetings shall be open to the public and held at 1:30 p.m. at the Sutter County Superintendent of Schools Training Room, 1699 Sierra Avenue, Yuba City, CA.

The monthly meeting schedule for 2011 will be as follows:

- | | |
|------------------|--------------------|
| January 12, 2011 | July 13, 2011 |
| February 9, 2011 | August 10, 2011 |
| March 9, 2011 | September 14, 2011 |
| April 13, 2011 | October 12, 2011 |
| May 18, 2011 | November 9, 2011 |
| June 8, 2011 | December 14, 2011 |

PASSED AND ADOPTED this _____.

STEVE LAMBERT, CHAIRMAN

ATTEST:

By _____
SBFCA STAFF ANALYST



Sutter Butte Flood Control Agency

A Partnership for Flood Safety

January 12, 2011

TO: Board of Directors

FROM: William H. Edgar, Executive Director

SUBJECT: The selection of the Vice-Chair of the Sutter Butte Flood Control Agency Board of Directors for the 2011 year (selection should be from representatives from Yuba City in accordance with the Board's policy on the rotation of officers).

Recommendation

We recommend that your Board of Directors select a Vice-Chair from representatives from Yuba City for the 2011 calendar year in accordance with the Board's adopted policy on the rotation of officers.

Background

Each year the Board of Directors is required to select a Chairman and Vice-Chairman. At the December 8, 2010 Board meeting, your Board selected Director Steve Lambert to serve as the Chair for 2011, and named a City of Yuba City representative, to be named later, as the 2011 Vice-Chair.

Thank you.



Sutter Butte Flood Control Agency

A Partnership for Flood Safety

January 12, 2011

TO: Board of Directors

FROM: William H. Edgar, Executive Director

SUBJECT: Review and discussion of the Sutter-Butte Flood Control Agency's (SBFCA's) current organization and management, comparison to other regional agencies, and the plan for the future.

Summary and Recommendation

With the commencement of the second phase of SBFCA's activities which include the start of the required technical work, the adoption of the Two-Year Budget for the 2010-11 and 2011-12 Fiscal Years, and the approval of the Board Ad Hoc Committee's recommendations regarding staffing, and prior to the approval of the required consultant agreements and/or amendments implementing the Two-Year Budget and Staffing Plan, it is recommended that:

1. The Board of Directors formally review and discuss SBFCA's current organizational structure and management plan in additional detail, and
2. Review and discuss the organizational and staffing plans of other regional flood control agencies, and
3. Review and discuss the costs to date of all of the consultant contracts as well as the total Agency costs to date, and
4. Review, discuss, and approve the recommendations of the Board Ad Hoc Committee modifying the current staffing plan which was approved by the Board at their meeting on December 8, 2010. In summary, the Board's Ad Hoc Committee is recommending the following modification to the staffing plan be adopted by the Board and that the staff be directed to provide additional information to the Board in subsequent meetings as follows:

- a. Convert the “Director of Engineering” position in the Agency’s organizational structure from a position filled by a consultant to an Agency employee position which should result in a substantial cost savings to SBFCA, and
- b. That the staff is directed to report back to the Board at their February 9, 2011 meeting with a job description and a proposed process for the recruitment and selection of the person to fill the position of “Director of Engineering”, and
- c. That as consultant contracts come up for renewal in the future more detailed information and material be provided to the Board regarding duties, responsibilities, tasks performed, and total cost, and
- d. That the Agency’s Project Design Team (HDR) be asked to periodically report directly to the Board with periodic reports regarding the status of the design effort to date, and
- e. That the Agency’s staff provide more detail during their oral reports to the Board to allow the Board to more fully understand staff’s activities and the value of those activities to the Agency, and
- f. In order to keep the Project moving forward, the Executive Director and the Agency General Counsel be tasked with the responsibility of negotiating a transitional consultant contract with the current consultant (Peterson Brustad) for “Agency Engineer” services for three (3) to four (4) months during the recruitment and selection process required to select an employee for this position. In addition, the Executive Director and General Counsel be directed to negotiate a new Task Order 7 for the required technical support tasks that are required as part of work of the design team. It is understood that this transitional contract and new Task Order 7 will be provided to the Board at their February 9th meeting.

Background

Now that the SBFCA Assessment District has been formed and the first phase of SBFCA’s activities have been completed, work has begun on the second phase of SBFCA’s work which includes completing the final engineering design for the project, performing the required environmental work, and securing the necessary permit approvals for the project which is all required prior to the start of construction.

Since the SBFCA Assessment District was formed on July 14, 2010, the 30% final engineering design is proceeding with the HDR Team working on the tasks set forth in their Task Order 1. This Task Order was approved by the Board on July 14th. In addition, Jones & Stokes has worked to clear the way for the Team to perform additional geotechnical work contemplated by the Task Order as well

as starting the work on the EIS/EIR. This work was authorized by the Board on November 11th. Finally, Bender Rosenthal, pursuant to Board approval of their contract on September 8th is proceeding to provide right-of-way support services for the design team.

At this point, the early 30% design concepts and cost estimates are being assembled and will be available for Board review and member agency technical staff shortly. In addition, the formal submittals for the Early Implementation Project have been provided to the State staff and we are expecting comments in the next few weeks. Also, the Chair of the Board (at that time Larry Montna), the Executive Director, the Agency General Counsel, and the Agency Engineer appeared before the United States Army Corps of Engineers' (USACE's) Project Review Board for an informational meeting in December, 2010. The meeting went well, and the State was very supportive of our efforts and the USACE is now recommending that we be nominated for a headquarters' pilot project to "fast track" feasibility studies. In that meeting the State indicated that SBFCA was on track to receive a design grant soon, and subsequent to that meeting we learned that the USACE staff for the Section 408 permit process became energized to begin a serious analysis of our project. We believe that to be a positive circumstance.

In addition, at your meeting of December 8, 2010 your Board adopted the Final Two-Year Budget for the 2010-11 and 2011-12 Fiscal Years as well as the recommendations of the SBFCA Board's Ad Hoc Committee regarding staffing. In this regard, the Ad Hoc Committee's recommendations were to maintain the current Agency structure, as well as the current Agency staff, for a longer period of time given the many changes and uncertainties at the State and Federal levels and to review the current staffing arrangement again in the spring of 2012 in connection with the preparation of the 2012-13 Fiscal Year Agency Budget.

Obviously, SBFCA's Two-Year Budget provides the technical, financial, and administrative infrastructure for the flood control Project. KNN Public Finance, which was selected by the Board as the Agency's Financial Advisor on July 14th, has advised that until a track record of assessment receipts has occurred, and a State design grant has been approved, we ought to proceed on a pay as you go basis. This has been a challenge, but the City of Yuba City has provided a line of credit to mitigate the uneven receipt of revenue until such time as the Agency is able to issue debt for the project. Finally, Capitol Public Finance Group, also selected as Financial Advisor by the Board on July 14th, is assisting SBFCA and the Yuba City Finance staff in a major change in the City's accounting structure for the Agency in order to conform to the detailed requirements applicable to State Department of Water Resources Early Implementation Projects.

As you are probably aware, the assessments have now been levied by both Sutter and Butte counties, and the local tax bills that we are required to send out directly have been sent (the counties would not bill public agencies or utilities).

As we brought forward some of the necessary implementing contracts and specific task orders in December, some Board members asked questions and

raised concerns regarding some specific duties and responsibilities as well as about consulting costs and total costs for the Agency. Following the raising of those concerns, staff initiated a further meeting of the Board's Ad Hoc Committee to better understand the concerns. As a result, the purpose of this report is to review (1) the current organization of SBFCA, (2) how it compares with that of other agencies, (3) the specific duties and responsibilities and workplans of the major positions within the Agency, (4) the consultant costs since the Agency's inception as well as the total costs for the Agency since it was formed in 2007, and (5) the results of the Board's Ad Hoc Committee's review and discussions as well as their recommendations to the full Board.

Overview of the Current SBFCA Organization:

We have attached a chart of the Agency's current organization as well as charts for the other regional flood control agencies in the area which we will review with the Board in more detail at the January 12th Board meeting. (While the Board has not formally adopted this organization chart, this chart is a depiction of the structure of the organization based upon the various contracted previously authorized by the Board.) Suffice to say, direct comparisons between organizations are difficult and can be misleading because every agency handles its work differently. SBFCA has operated to this point with minimal staff with all positions being filled by consultants. The other comparable agencies use a model wherein in-house staff as well as consultants support and carry out the program.

As stated above, SBFCA has operated with consultants only to this point. More specifically, the engineering has been handled primarily through an Agency Engineer Operations Budget with a contract with Peterson Brustad. And, specific deliverables related to the USACE Feasibility Study and the development of the Early Implementation Project (EIP) have been handled by approved task orders and charged to a Capital Budget for soft costs. We are at a point now where it is appropriate to evaluate the SBFCA management structure and make appropriate changes.

We believe that as a practical matter the engineering leadership has been consolidated under a functional role entitled "Director of Engineering". This replaces the former "Agency Engineer" role, and includes primary oversight of the EIP, SBFCA's activities related to the USACE Feasibility Study, and other engineering and technical tasks assigned to this function. As part of its consideration of staffing issues, we want to ensure that the Board is in agreement with this change.

In addition, over the time that SBFCA has been in existence there have been a number of technical work products produced for the reviewing agencies. Such work products include a report on the Feather River Hydraulics and water surface profiles, the production of an "Area Plan" for the EIP, a cost benefit analysis to support program funding, a report on a relief weir analysis, a wind/wave analysis, etc. Obviously, the costs for these technical support tasks vary in scale and frequency and it is proposed to treat them individually with task orders, which

would require approval by the Board and/or Executive Director, under Board approved contracts.

Explanation of Current Staff Duties and Workplans

We have attached to this report a summary description of the current duties and responsibilities for each one of the major positions within the agency together with a three (3) month snapshot of the hours spent for Agency business. We are prepared to explain and/or elaborate on these job descriptions in more detail at the Board meeting if so desired.

Consultant Costs and Total Costs

We have attached a spreadsheet for Agency operations which shows the total consultant costs expended for each Fiscal Year since the inception of the agency as well as the detail regarding approval and amendment dates for each contract, and the “not to exceed” amounts as well as the totals for each by Fiscal Year.

With regard to the Capital contracts for capital soft costs, we have also included a spreadsheet which shows approval and amendment dates for each contract and task order as well as the “not to exceed” amounts as well as the totals for each by Fiscal Year.

Finally, the last two (2) spreadsheets show the total Agency costs, including all of the miscellaneous expenses, since the inception of SBFCA for both operating and capital soft costs.

We will be prepared to review this information with the Board in as much detail as you wish.

Ad Hoc Committee’s Review, Discussion, and Recommendations

The Board’s Ad Hoc Committee on Agency staffing met at the SBFCA offices on Tuesday, January 4th at 3:00 p.m. to review and discuss the current organization of SBFCA, the specific duties and responsibilities of the staff positions and the total consultant costs and total Agency costs to date. Members of that Committee include Steve Lambert (SBFCA Board Chair), Dave Lamon, Barbara LeVake, John Miller, Al Montna, and Larry Montna. After considerable discussion among the members the following recommendations and staff direction were unanimously approved to be sent to the full Board for their approval at their January 12th Board meeting:

1. Convert the “Director of Engineering” position in the Agency’s organizational structure from a position filled by a consultant to an Agency employee position which should result in a substantial cost savings to SBFCA, and
2. Direct the staff to report back to the Board at their February 9, 2011 meeting with a job description and a proposed process for the recruitment

and selection of the person to fill the position of “Director of Engineering”,
and

3. Direct the staff, as consultant contracts come up for renewal in the future, to provide more detailed information and material to the Board regarding duties, responsibilities, tasks performed, and total cost, and
4. Direct the staff to have the Agency’s Project Design Team (HDR) periodically report directly to the Board with periodic reports regarding the status of the design effort to date, and
5. Direct the Agency’s staff to provide more detail during their oral reports to the Board to allow the Board to more fully understand staff’s activities and the value of those activities to the Agency, and
6. In order to keep the Project moving forward without delay, direct the Executive Director and the Agency General Counsel to negotiate a transitional consultant contract with the current consultant (Peterson Brustad) for “Director of Engineering” services for three (3) to four (4) months during the recruitment and selection process required to select an employee for this position. It is understood that this transitional contract will be provided to the Board for their approval at their February 9th meeting.
7. Finally; and also in order to keep the project moving forward without delay, direct the Executive Director and General Counsel to negotiate a new task order 7 for the required technical support tasks that are required as part of work of the design team. It is understood that this new Task Order 7 will be provided to the Board for their approval at their February 9th meeting.

Thank you.